

Financial statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	23,545	26,550
Notes receivable, accounts receivable from completed construction contracts and other	54,271	48,324
Costs on construction contracts in progress	1,942	2,123
Other inventories	49	49
Accounts receivable - other	4,877	2,637
Other	259	345
Allowance for doubtful accounts	△21	△18
Total current assets	<u>84,924</u>	<u>80,013</u>
Non-current assets		
Property, plant and equipment	5,333	5,151
Intangible assets	886	1,012
Investments and other assets		
Investment securities	9,442	9,435
Other	2,093	1,787
Allowance for doubtful accounts	△681	△681
Total investments and other assets	<u>10,855</u>	<u>10,541</u>
Total non-current assets	<u>17,075</u>	<u>16,706</u>
Total assets	<u>102,000</u>	<u>96,719</u>
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	30,125	26,611
Short-term borrowings	2,790	1,802
Accounts payable - other	2,028	633
Income taxes payable	1,790	921
Advances received on construction contracts in progress	6,903	6,500
Provision for warranties for completed construction	501	615
Provision for loss on construction contracts	4	159
Other	7,002	7,036
Total current liabilities	<u>51,147</u>	<u>44,280</u>
Non-current liabilities		
Bonds payable	650	1,640
Long-term borrowings	8,253	8,083
Retirement benefit liability	4,342	4,070
Other	139	130
Total non-current liabilities	<u>13,386</u>	<u>13,924</u>
Total liabilities	<u>64,533</u>	<u>58,204</u>
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus	2,166	2,165
Retained earnings	23,616	23,468
Treasury shares	△1,149	△42
Total shareholders' equity	<u>34,248</u>	<u>35,206</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,334	3,324
Foreign currency translation adjustment	△7	△16
Remeasurements of defined benefit plans	△293	△188
Total accumulated other comprehensive income	<u>3,032</u>	<u>3,119</u>
Non-controlling interests	185	189
Total net assets	<u>37,466</u>	<u>38,515</u>
Total liabilities and net assets	<u>102,000</u>	<u>96,719</u>

(2) Consolidated Statement of Income

(Millions of Yen)

	Previous Second Quarter (From April 1,2018 to September 30,2018)	Current Second Quarter (From April 1,2019 to September 30,2019)
Net sales		
Net sales of completed construction contracts	54,376	68,097
Sales in other businesses	527	568
Total net sales	<u>54,904</u>	<u>68,665</u>
Cost of sales		
Cost of sales of completed construction contracts	49,184	61,088
Cost of sales in other businesses	402	437
Total cost of sales	<u>49,587</u>	<u>61,525</u>
Gross profit		
Gross profit on completed construction contracts	5,192	7,008
Gross profit - other business	124	131
Gross profit	<u>5,316</u>	<u>7,140</u>
Selling, general and administrative expenses	※ 3,790 ※	3,769
Operating profit	<u>1,526</u>	<u>3,371</u>
Non-operating income		
Interest income	44	23
Dividend income	75	75
Foreign exchange gains	41	—
Share of profit of entities accounted for using equity method	10	1
Outsourcing service income	—	42
Other	5	25
Total non-operating income	<u>177</u>	<u>168</u>
Non-operating expenses		
Interest expenses	100	63
Foreign exchange losses	—	34
Commission expenses	78	130
Guarantee commission	28	27
Other	2	3
Total non-operating expenses	<u>209</u>	<u>260</u>
Ordinary profit	<u>1,494</u>	<u>3,280</u>
Extraordinary income		
Gain on sales of non-current assets	—	7
Other	0	0
Total extraordinary income	<u>0</u>	<u>7</u>
Extraordinary losses		
Loss on retirement of non-current assets	0	3
Total extraordinary losses	<u>0</u>	<u>3</u>
Profit before income taxes	<u>1,494</u>	<u>3,283</u>
Income taxes - current	176	812
Income taxes - deferred	309	274
Total income taxes	<u>486</u>	<u>1,087</u>
Profit	<u>1,008</u>	<u>2,196</u>
Profit (loss) attributable to non-controlling interests	△4	5
Profit attributable to owners of parent	<u>1,012</u>	<u>2,191</u>

(3) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Previous Second Quarter (From April 1,2018 to September 30,2018)	Current Second Quarter (From April 1,2019 to September 30,2019)
Profit	1,008	2,196
Other comprehensive income		
Valuation difference on available-for-sale securities	582	△9
Foreign currency translation adjustment	—	△8
Remeasurements of defined benefit plans, net of tax	9	105
Total other comprehensive income	<u>592</u>	<u>87</u>
Comprehensive income	<u>1,600</u>	<u>2,283</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,604	2,280
Comprehensive income attributable to non-controlling interests	△4	3

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Previous Second Quarter (From April 1,2018 to September 30,2018)	Current Second Quarter (From April 1,2019 to September 30,2019)
Cash flows from operating activities		
Profit before income taxes	1,494	3,283
Depreciation	215	259
Increase (decrease) in allowance for doubtful accounts	△25	△2
Increase (decrease) in provision for loss on construction contracts	△53	154
Increase (decrease) in retirement benefit liability	124	△121
Interest and dividend income	△120	△99
Interest expenses	100	63
Foreign exchange losses (gains)	△41	34
Loss (gain) on sales of non-current assets	—	△7
Decrease (increase) in trade receivables	10,167	5,938
Decrease (increase) in costs on construction contracts in progress	△152	△180
Decrease (increase) in inventories	△0	△0
Decrease (increase) in accounts receivable - other	875	2,239
Increase (decrease) in trade payables	△14,341	△3,510
Increase (decrease) in accounts payable - other	△2,356	△1,331
Increase (decrease) in advances received on construction contracts in progress	1,909	△403
Other, net	△1,819	△26
Subtotal	△4,021	6,289
Interest and dividends received	117	96
Interest paid	△112	△64
Income taxes paid	△893	△1,556
Net cash provided by (used in) operating activities	△4,910	4,764
Cash flows from investing activities		
Purchase of property, plant and equipment	△433	△170
Proceeds from sales of property, plant and equipment	—	39
Purchase of intangible assets	△148	△211
Purchase of investment securities	△4	△4
Proceeds from sales of investment securities	80	—
Collection of loans receivable	8	10
Payments of guarantee deposits	△3	△24
Proceeds from refund of guarantee deposits	2	12
Other, net	—	0
Net cash provided by (used in) investing activities	△499	△345
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△718	△990
Proceeds from long-term borrowings	700	—
Repayments of long-term borrowings	△1,499	△168
Proceeds from issuance of bonds	—	938
Net decrease (increase) in treasury shares	△1	△0
Dividends paid	△1,207	△1,158
Net cash provided by (used in) financing activities	△2,725	△1,378
Effect of exchange rate change on cash and cash equivalents	41	△34
Net increase (decrease) in cash and cash equivalents	△8,094	3,005
Cash and cash equivalents at beginning of period	39,913	23,545
Cash and cash equivalents at end of period	31,819	26,550