

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

(Millions of Yen)

	As of March 31,2019	As of March 31,2020
Assets		
Current assets		
Cash and deposits	23,545	29,777
Notes receivable, accounts receivable from completed construction contracts and other	54,271	52,092
Costs on construction contracts in progress	1,942	2,066
Other inventories	49	69
Accounts receivable - other	4,877	3,111
Other	259	252
Allowance for doubtful accounts	△21	△59
Total current assets	<u>84,924</u>	<u>87,310</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,701	6,312
Accumulated depreciation	△3,855	△3,688
Buildings and structures, net	<u>2,845</u>	<u>2,624</u>
Land	1,808	1,694
Other	2,045	2,088
Accumulated depreciation	△1,366	△1,510
Other, net	679	577
Total property, plant and equipment	<u>5,333</u>	<u>4,896</u>
Intangible assets	886	1,174
Investments and other assets		
Investment securities	9,442	7,736
Long-term loans receivable	112	104
Deferred tax assets	567	1,070
Other	1,413	1,404
Allowance for doubtful accounts	△681	△652
Total investments and other assets	<u>10,855</u>	<u>9,662</u>
Total non-current assets	<u>17,075</u>	<u>15,734</u>
Total assets	<u>102,000</u>	<u>103,044</u>
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	30,125	26,988
Short-term borrowings	2,790	1,807
Accounts payable - other	2,028	548
Income taxes payable	1,790	1,524
Advances received on construction contracts in progress	6,903	9,138
Provision for warranties for completed construction	501	590
Provision for loss on construction contracts	4	214
Other	7,002	9,128
Total current liabilities	<u>51,147</u>	<u>49,940</u>
Non-current liabilities		
Bonds payable	650	1,640
Long-term borrowings	8,253	7,916
Deferred tax liabilities	12	7
Retirement benefit liability	4,342	4,125
Other	126	102
Total non-current liabilities	<u>13,386</u>	<u>13,790</u>
Total liabilities	<u>64,533</u>	<u>63,731</u>
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus	2,166	2,165
Retained earnings	23,616	25,576
Treasury shares	△1,149	△60
Total shareholders' equity	<u>34,248</u>	<u>37,297</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,334	2,196
Foreign currency translation adjustment	△7	△7
Remeasurements of defined benefit plans	△293	△361
Total accumulated other comprehensive income	<u>3,032</u>	<u>1,828</u>
Non-controlling interests	185	188
Total net assets	<u>37,466</u>	<u>39,313</u>
Total liabilities and net assets	<u>102,000</u>	<u>103,044</u>

(2) Consolidated Statement of Income

(Millions of Yen)

	Previous Fiscal Year (From April 1,2018 to March 31,2019)	Current Fiscal Year (From April 1,2019 to March 31,2020)
Net sales		
Net sales of completed construction contracts	134,194	140,034
Sales in other businesses	1,518	1,437
Total net sales	<u>135,713</u>	<u>141,472</u>
Cost of sales		
Cost of sales of completed construction contracts	121,089	125,742
Cost of sales in other businesses	1,298	1,110
Total cost of sales	<u>122,388</u>	<u>126,853</u>
Gross profit		
Gross profit on completed construction contracts	13,105	14,292
Gross profit - other business	220	327
Total gross profit	<u>13,325</u>	<u>14,619</u>
Selling, general and administrative expenses		
Selling expenses	0	0
General and administrative expenses	7,623	8,017
Total selling, general and administrative expenses	<u>7,624</u>	<u>8,017</u>
Operating profit	<u>5,700</u>	<u>6,601</u>
Non-operating income		
Interest income	80	42
Dividend income	136	145
Share of profit of entities accounted for using equity method	13	5
Foreign exchange gains	29	—
Outsourcing service income	—	84
Other	23	45
Total non-operating income	<u>282</u>	<u>324</u>
Non-operating expenses		
Interest expenses	189	117
Guarantee commission	41	60
Commission expenses	127	158
Foreign exchange losses	—	41
Other	7	37
Total non-operating expenses	<u>366</u>	<u>415</u>
Ordinary profit	<u>5,616</u>	<u>6,509</u>
Extraordinary income		
Gain on sales of non-current assets	0	8
Gain on sales of investment securities	468	90
Gain on withdrawal of membership	—	2
Other	0	0
Total extraordinary income	<u>469</u>	<u>102</u>
Extraordinary losses		
Loss on sales of non-current assets	—	5
Loss on retirement of non-current assets	0	4
Impairment loss	56	12
Loss on valuation of investment securities	—	15
Loss on valuation of other investments	—	72
Other	3	—
Total extraordinary losses	<u>60</u>	<u>111</u>
Profit before income taxes	<u>6,025</u>	<u>6,500</u>
Income taxes - current	1,796	2,172
Income taxes - deferred	60	16
Total income taxes	<u>1,857</u>	<u>2,189</u>
Profit	<u>4,168</u>	<u>4,310</u>
Profit (loss) attributable to non-controlling interests	<u>Δ10</u>	<u>10</u>
Profit attributable to owners of parent	<u>4,178</u>	<u>4,300</u>

(3) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Previous Fiscal Year (From April 1,2018 to March 31,2019)	Current Fiscal Year (From April 1,2019 to March 31,2020)
Profit	4,168	4,310
Other comprehensive income		
Valuation difference on available-for-sale securities	263	Δ1,137
Foreign currency translation adjustment	Δ7	0
Remeasurements of defined benefit plans, net of tax	82	Δ67
Total other comprehensive income	338	Δ1,204
Comprehensive income	4,506	3,106
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,517	3,095
Comprehensive income attributable to non-controlling interests	Δ10	10

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

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,614	2,166	20,777	△145	32,413
Changes 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
Cancellation of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	—	0	2,838	△1,003	1,834
Balance at end of 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 period	3,070	—	△376	2,694	115	35,223
Changes 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
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	263	△7	82	338	69	408
Total changes during period	263	△7	82	338	69	2,242
Balance at end of period	3,334	△7	△293	3,032	185	37,466

(4) Consolidated Statements of Changes in Net Assets
 Previous fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,614	2,166	23,616	△1,149	34,248
Changes during period					
Profit attributable to owners of parent			4,300		4,300
Dividends of surplus			△1,233		△1,233
Purchase of treasury shares				△18	△18
Disposal of treasury shares		0		0	0
Cancellation of treasury shares		△0	△1,106	1,107	—
Net changes in items other than shareholders' equity					
Total changes during period	—	△0	1,960	1,088	3,048
Balance at end of period	9,614	2,165	25,576	△60	37,297

	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	3,334	△7	△293	3,032	185	37,466
Changes during period						
Profit attributable to owners of parent						4,300
Dividends of surplus						△1,233
Purchase of treasury shares						△18
Disposal of treasury shares						0
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	△1,137	0	△67	△1,204	2	△1,201
Total changes during period	△1,137	0	△67	△1,204	2	1,846
Balance at end of period	2,196	△7	△361	1,828	188	39,313

(5) Consolidated Statement of Cash Flows

(Millions of Yen)

	Curent fiscal year (From April 1,2018 to March 31,2019)	Curent fiscal year (From April 1,2019 to March 31,2020)
Cash flows from operating activities		
Profit before income taxes	6,025	6,500
Depreciation	463	523
Impairment loss	56	12
Increase (decrease) in allowance for doubtful accounts	△17	10
Increase (decrease) in provision for loss on construction contracts	△52	209
Increase (decrease) in retirement benefit liability	141	△314
Interest and dividend income	△216	△187
Interest expenses	189	117
Foreign exchange losses (gains)	△29	41
Loss (gain) on sales of non-current assets	△0	△2
Decrease (increase) in trade receivables	△11,248	2,179
Decrease (increase) in costs on construction contracts in progress	△1,018	△124
Decrease (increase) in inventories	△0	△20
Decrease (increase) in accounts receivable - other	△1,379	1,766
Increase (decrease) in trade payables	△223	△3,137
Loss (gain) on sales of investment securities	△468	△90
Loss (gain) on valuation of investment securities	—	15
Increase (decrease) in accounts payable - other	△1,112	△1,465
Increase (decrease) in advances received on construction contracts in progress	△1,561	2,234
Other, net	178	2,349
Subtotal	<u>△10,273</u>	<u>10,618</u>
Interest and dividends received	213	185
Interest paid	△201	△118
Income taxes paid	△1,158	△2,457
Net cash provided by (used in) operating activities	<u>△11,419</u>	<u>8,228</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	△848	△215
Proceeds from sales of property, plant and equipment	0	193
Purchase of intangible assets	△342	△446
Purchase of investment securities	△419	△9
Proceeds from sales and redemption of investment securities	1,077	167
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△499	—
Collection of loans receivable	10	10
Payments of guarantee deposits	△21	△109
Proceeds from refund of guarantee deposits	9	20
Other, net	△5	4
Net cash provided by (used in) investing activities	<u>△1,037</u>	<u>△385</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△1,368	△990
Proceeds from long-term borrowings	700	—
Repayments of long-term borrowings	△1,694	△330
Proceeds from issuance of bonds	634	938
Net decrease (increase) in treasury shares	△1,003	△18
Dividends paid	△1,208	△1,160
Dividends paid to non-controlling interests	—	△7
Net cash provided by (used in) financing activities	<u>△3,940</u>	<u>△1,568</u>
Effect of exchange rate change on cash and cash equivalents	29	△41
Net increase (decrease) in cash and cash equivalents	<u>△16,368</u>	<u>6,232</u>
Cash and cash equivalents at beginning of period	<u>39,913</u>	<u>23,545</u>
Cash and cash equivalents at end of period	<u>23,545</u>	<u>29,777</u>