

Financial statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31,2020	As of September 30,2020
Assets		
Current assets		
Cash and deposits	29,777	14,233
Notes receivable, accounts receivable from completed construction contracts and other	52,092	50,484
Costs on construction contracts in progress	2,066	2,172
Other inventories	69	51
Accounts receivable - other	3,111	2,520
Other	252	1,071
Allowance for doubtful accounts	△59	△59
Total current assets	<u>87,310</u>	<u>70,474</u>
Non-current assets		
Property, plant and equipment	4,896	4,796
Intangible assets	1,174	1,442
Investments and other assets		
Investment securities	7,736	7,409
Other	2,579	2,267
Allowance for doubtful accounts	△652	△652
Total investments and other assets	<u>9,662</u>	<u>9,023</u>
Total non-current assets	<u>15,734</u>	<u>15,262</u>
Total assets	<u>103,044</u>	<u>85,737</u>
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	26,988	13,797
Short-term borrowings	1,807	1,809
Accounts payable - other	548	542
Income taxes payable	1,524	337
Advances received on construction contracts in progress	9,138	10,035
Provision for warranties for completed construction	590	550
Provision for loss on construction contracts	214	80
Other	9,128	6,618
Total current liabilities	<u>49,940</u>	<u>33,772</u>
Non-current liabilities		
Bonds payable	1,640	1,640
Long-term borrowings	7,916	7,743
Retirement benefit liability	4,125	3,855
Other	109	101
Total non-current liabilities	<u>13,790</u>	<u>13,340</u>
Total liabilities	<u>63,731</u>	<u>47,113</u>
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus	2,165	2,165
Retained earnings	25,576	25,085
Treasury shares	△60	△61
Total shareholders' equity	<u>37,297</u>	<u>36,804</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,196	2,023
Foreign currency translation adjustment	△7	△30
Remeasurements of defined benefit plans	△361	△361
Total accumulated other comprehensive income	<u>1,828</u>	<u>1,630</u>
Non-controlling interests	188	189
Total net assets	<u>39,313</u>	<u>38,624</u>
Total liabilities and net assets	<u>103,044</u>	<u>85,737</u>

(2) Consolidated Statement of Income

(Millions of Yen)

	Previous Second Quarter (From April 1,2019 to September 30,2019)	Current Second Quarter (From April 1,2020 to September 30,2020)
Net sales		
Net sales of completed construction contracts	68,097	62,839
Sales in other businesses	568	550
Total net sales	<u>68,665</u>	<u>63,389</u>
Cost of sales		
Cost of sales of completed construction contracts	61,088	56,839
Cost of sales in other businesses	437	341
Total cost of sales	<u>61,525</u>	<u>57,181</u>
Gross profit		
Gross profit on completed construction contracts	7,008	5,999
Gross profit - other business	131	208
Gross profit	<u>7,140</u>	<u>6,207</u>
Selling, general and administrative expenses	<u>3,769</u>	<u>4,047</u>
Operating profit	<u>3,371</u>	<u>2,160</u>
Non-operating income		
Interest income	23	16
Dividend income	75	70
Share of profit of entities accounted for using equity method	1	3
Outsourcing service income	42	—
Subsidy income	—	33
Other	25	7
Total non-operating income	<u>168</u>	<u>131</u>
Non-operating expenses		
Interest expenses	63	53
Foreign exchange losses	34	27
Commission expenses	130	79
Guarantee commission	27	25
Other	3	1
Total non-operating expenses	<u>260</u>	<u>186</u>
Ordinary profit	<u>3,280</u>	<u>2,104</u>
Extraordinary income		
Gain on sales of non-current assets	7	—
Gain on withdrawal of membership	—	0
Other	0	0
Total extraordinary income	<u>7</u>	<u>0</u>
Extraordinary losses		
Loss on sales of non-current assets	—	1
Impairment loss	—	87
Loss on retirement of non-current assets	3	40
Loss on sales of investment securities	—	0
Loss on valuation of investment securities	—	78
Total extraordinary losses	<u>3</u>	<u>208</u>
Profit before income taxes	<u>3,283</u>	<u>1,896</u>
Income taxes - current	812	225
Income taxes - deferred	274	417
Total income taxes	<u>1,087</u>	<u>642</u>
Profit	<u>2,196</u>	<u>1,254</u>
Profit attributable to non-controlling interests	5	4
Profit attributable to owners of parent	<u>2,191</u>	<u>1,249</u>

(3) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Previous Second Quarter (From April 1,2019 to September 30,2019)	Current Second Quarter (From April 1,2020 to September 30,2020)
Profit	2,196	1,254
Other comprehensive income		
Valuation difference on available-for-sale securities	△9	△173
Foreign currency translation adjustment	△8	△23
Remeasurements of defined benefit plans, net of tax	105	△0
Total other comprehensive income	87	△197
Comprehensive income	2,283	1,056
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,280	1,056
Comprehensive income attributable to non-controlling interests	3	0

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Previous Second Quarter (From April 1,2019 to September 30,2019)	Current Second Quarter (From April 1,2020 to September 30,2020)
Cash flows from operating activities		
Profit before income taxes	3,283	1,896
Depreciation	259	275
Impairment loss	—	87
Increase (decrease) in allowance for doubtful accounts	△2	△0
Increase (decrease) in provision for loss on construction contracts	154	△134
Increase (decrease) in retirement benefit liability	△121	△270
Interest and dividend income	△99	△86
Interest expenses	63	53
Foreign exchange losses (gains)	34	27
Loss (gain) on sales of non-current assets	△7	1
Decrease (increase) in trade receivables	5,938	1,576
Decrease (increase) in costs on construction contracts in progress	△180	△105
Decrease (increase) in inventories	△0	17
Decrease (increase) in accounts receivable - other	2,239	590
Increase (decrease) in trade payables	△3,510	△13,167
Loss (gain) on sales of investment securities	—	0
Loss (gain) on valuation of investment securities	—	78
Increase (decrease) in accounts payable - other	△1,331	△91
Increase (decrease) in advances received on construction contracts in progress	△403	897
Other, net	△26	△3,503
Subtotal	<u>6,289</u>	<u>△11,856</u>
Interest and dividends received	96	83
Interest paid	△64	△53
Income taxes paid	△1,556	△1,247
Net cash provided by (used in) operating activities	<u>4,764</u>	<u>△13,073</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	△170	△239
Proceeds from sales of property, plant and equipment	39	0
Purchase of intangible assets	△211	△394
Purchase of investment securities	△4	△4
Proceeds from sales of investment securities	—	0
Collection of loans receivable	10	2
Payments of guarantee deposits	△24	△46
Proceeds from refund of guarantee deposits	12	18
Other, net	0	1
Net cash provided by (used in) investing activities	<u>△345</u>	<u>△660</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△990	—
Repayments of long-term borrowings	△168	△170
Proceeds from issuance of bonds	938	—
Net decrease (increase) in treasury shares	△0	△1
Dividends paid	△1,158	△1,602
Net cash provided by (used in) financing activities	<u>△1,378</u>	<u>△1,774</u>
Effect of exchange rate change on cash and cash equivalents	△34	△34
Net increase (decrease) in cash and cash equivalents	<u>3,005</u>	<u>△15,543</u>
Cash and cash equivalents at beginning of period	<u>23,545</u>	<u>29,777</u>
Cash and cash equivalents at end of period	<u>26,550</u>	<u>14,233</u>