

Financial statements
(1) Consolidated Balance Sheet

(Millions of Yen)

| | As of March 31, 2020 | As of December 31, 2020 |
|---|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 29,777 | 13,447 |
| Notes receivable, accounts receivable from completed construction contracts and other | 52,092 | 50,471 |
| Costs on construction contracts in progress | 2,066 | 2,669 |
| Other inventories | 69 | 44 |
| Accounts receivable - other | 3,111 | 1,840 |
| Other | 252 | 1,595 |
| Allowance for doubtful accounts | △59 | △60 |
| Total current assets | <u>87,310</u> | <u>70,008</u> |
| Non-current assets | | |
| Property, plant and equipment | 4,896 | 4,781 |
| Intangible assets | 1,174 | 1,400 |
| Investments and other assets | | |
| Investment securities | 7,736 | 6,024 |
| Other | 2,579 | 2,313 |
| Allowance for doubtful accounts | △652 | △652 |
| Total investments and other assets | <u>9,662</u> | <u>7,685</u> |
| Total non-current assets | <u>15,734</u> | <u>13,868</u> |
| Total assets | <u>103,044</u> | <u>83,876</u> |
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 26,988 | 12,420 |
| Short-term borrowings | 1,807 | 1,804 |
| Accounts payable - other | 548 | 534 |
| Income taxes payable | 1,524 | 923 |
| Advances received on construction contracts in progress | 9,138 | 7,991 |
| Provision for warranties for completed construction | 590 | 531 |
| Provision for loss on construction contracts | 214 | 40 |
| Other | 9,128 | 6,355 |
| Total current liabilities | <u>49,940</u> | <u>30,601</u> |
| Non-current liabilities | | |
| Bonds payable | 1,640 | 1,640 |
| Long-term borrowings | 7,916 | 7,665 |
| Retirement benefit liability | 4,125 | 3,792 |
| Other | 109 | 98 |
| Total non-current liabilities | <u>13,790</u> | <u>13,196</u> |
| Total liabilities | <u>63,731</u> | <u>43,797</u> |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 9,614 | 9,614 |
| Capital surplus | 2,165 | 2,165 |
| Retained earnings | 25,576 | 26,832 |
| Treasury shares | △60 | △64 |
| Total shareholders' equity | <u>37,297</u> | <u>38,549</u> |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,196 | 1,694 |
| Foreign currency translation adjustment | △7 | △30 |
| Remeasurements of defined benefit plans | △361 | △326 |
| Total accumulated other comprehensive income | <u>1,828</u> | <u>1,337</u> |
| Non-controlling interests | 188 | 192 |
| Total net assets | <u>39,313</u> | <u>40,079</u> |
| Total liabilities and net assets | <u>103,044</u> | <u>83,876</u> |

(2) Consolidated Statement of Income

(Millions of Yen)

| | Previous Third Quarter (From April 1,2019 to December 31,2019) | Current Third Quarter (From April 1,2020 to December 31,2020) |
|---|--|---|
| Net sales | | |
| Net sales of completed construction contracts | 103,157 | 97,579 |
| Sales in other businesses | 844 | 821 |
| Total net sales | <u>104,002</u> | <u>98,400</u> |
| Cost of sales | | |
| Cost of sales of completed construction contracts | 92,630 | 87,866 |
| Cost of sales in other businesses | 653 | 535 |
| Total cost of sales | <u>93,284</u> | <u>88,402</u> |
| Gross profit | | |
| Gross profit on completed construction contracts | 10,527 | 9,712 |
| Gross profit - other business | 190 | 285 |
| Gross profit | <u>10,718</u> | <u>9,998</u> |
| Selling, general and administrative expenses | <u>5,721</u> | <u>6,134</u> |
| Operating profit | <u>4,996</u> | <u>3,864</u> |
| Non-operating income | | |
| Interest income | 34 | 25 |
| Dividend income | 130 | 111 |
| Share of profit of entities accounted for using equity method | 2 | 4 |
| Outsourcing service income | 42 | — |
| Subsidy income | — | 60 |
| Other | 30 | 11 |
| Total non-operating income | <u>239</u> | <u>213</u> |
| Non-operating expenses | | |
| Interest expenses | 91 | 80 |
| Foreign exchange losses | 25 | 48 |
| Commission expenses | 144 | 92 |
| Guarantee commission | 39 | 31 |
| Other | 22 | 3 |
| Total non-operating expenses | <u>323</u> | <u>256</u> |
| Ordinary profit | <u>4,912</u> | <u>3,820</u> |
| Extraordinary income | | |
| Gain on sales of non-current assets | 8 | 4 |
| Gain on sales of investment securities | — | 941 |
| Gain on withdrawal of membership | 1 | 0 |
| Other | 0 | 0 |
| Total extraordinary income | <u>10</u> | <u>946</u> |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 0 | 8 |
| Impairment loss | — | 87 |
| Loss on retirement of non-current assets | 4 | 86 |
| Loss on sales of investment securities | — | 20 |
| Loss on valuation of investment securities | — | 72 |
| Total extraordinary losses | <u>4</u> | <u>276</u> |
| Profit before income taxes | <u>4,918</u> | <u>4,491</u> |
| Income taxes - current | <u>1,319</u> | <u>1,017</u> |
| Income taxes - deferred | <u>314</u> | <u>468</u> |
| Total income taxes | <u>1,634</u> | <u>1,486</u> |
| Profit | <u>3,283</u> | <u>3,004</u> |
| Profit attributable to non-controlling interests | <u>8</u> | <u>7</u> |
| Profit attributable to owners of parent | <u>3,275</u> | <u>2,996</u> |

(3) Consolidated Statement of Comprehensive Income

(Millions of Yen)

| | Previous Third Quarter (From April 1,2019 to December 31,2019) | Current Third Quarter (From April 1,2020 to December 31,2020) |
|--|--|---|
| Profit | 3,283 | 3,004 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 183 | △501 |
| Foreign currency translation adjustment | △18 | △23 |
| Remeasurements of defined benefit plans, net of tax | 100 | 34 |
| Total other comprehensive income | 264 | △490 |
| Comprehensive income | 3,548 | 2,514 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,543 | 2,510 |
| Comprehensive income attributable to non-controlling interests | 5 | 3 |