

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

(Millions of Yen)

	As of March 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	29,777	15,760
Notes receivable, accounts receivable from completed construction contracts and other	52,092	51,360
Costs on construction contracts in progress	2,066	2,046
Other inventories	69	48
Accounts receivable - other	3,111	7,113
Other	252	253
Allowance for doubtful accounts	△59	△22
Total current assets	87,310	76,560
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,312	6,187
Accumulated depreciation	△3,688	△3,676
Buildings and structures, net	2,624	2,510
Land	1,694	1,608
Other	2,088	2,450
Accumulated depreciation	△1,510	△1,550
Other, net	577	899
Total property, plant and equipment	4,896	5,018
Intangible assets	1,174	1,352
Investments and other assets		
Investment securities	7,736	6,395
Long-term loans receivable	104	104
Retirement benefit asset	—	1,022
Deferred tax assets	1,070	965
Other	1,404	1,445
Allowance for doubtful accounts	△652	△691
Total investments and other assets	9,662	9,243
Total non-current assets	15,734	15,615
Total assets	103,044	92,176
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	26,988	15,422
Short-term borrowings	1,807	1,806
Accounts payable - other	548	634
Income taxes payable	1,524	1,859
Advances received on construction contracts in progress	9,138	7,783
Provision for warranties for completed construction	590	543
Provision for loss on construction contracts	214	118
Suspense receipt of consumption taxes	3,588	5,115
Other	5,539	3,360
Total current liabilities	49,940	36,644
Non-current liabilities		
Bonds payable	1,640	1,640
Long-term borrowings	7,916	7,579
Deferred tax liabilities	7	1
Retirement benefit liability	4,125	4,505
Other	102	94
Total non-current liabilities	13,790	13,821
Total liabilities	63,731	50,465
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus	2,165	2,165
Retained earnings	25,576	27,974
Treasury shares	△60	△66
Total shareholders' equity	37,297	39,688
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,196	1,959
Foreign currency translation adjustment	△7	△26
Remeasurements of defined benefit plans	△361	△112
Total accumulated other comprehensive income	1,828	1,820
Non-controlling interests	188	202
Total net assets	39,313	41,710
Total liabilities and net assets	103,044	92,176

(2) Consolidated Statement of Income

(Millions of Yen)

	Previous Fiscal Year (From April 1,2019 to March 31,2020)	Current Fiscal Year (From April 1,2020 to March 31,2021)
Net sales		
Net sales of completed construction contracts	140,034	137,846
Sales in other businesses	1,437	1,087
Total net sales	<u>141,472</u>	<u>138,934</u>
Cost of sales		
Cost of sales of completed construction contracts	125,742	124,266
Cost of sales in other businesses	1,110	723
Total cost of sales	<u>126,853</u>	<u>124,989</u>
Gross profit		
Gross profit on completed construction contracts	14,292	13,580
Gross profit - other business	327	364
Total gross profit	<u>14,619</u>	<u>13,945</u>
Selling, general and administrative expenses		
Selling expenses	0	3
General and administrative expenses	8,017	8,650
Total selling, general and administrative expenses	<u>8,017</u>	<u>8,653</u>
Operating profit	<u>6,601</u>	<u>5,291</u>
Non-operating income		
Interest income	42	33
Dividend income	145	121
Share of profit of entities accounted for using equity method	5	6
Foreign exchange gains	—	25
Outsourcing service income	84	58
Subsidy income	—	74
Other	45	20
Total non-operating income	<u>324</u>	<u>340</u>
Non-operating expenses		
Interest expenses	117	106
Guarantee commission	60	45
Commission expenses	158	106
Foreign exchange losses	41	—
Other	37	8
Total non-operating expenses	<u>415</u>	<u>266</u>
Ordinary profit	<u>6,509</u>	<u>5,364</u>
Extraordinary income		
Gain on sale of non-current assets	8	4
Gain on sale of investment securities	90	998
Gain on withdrawal of membership	2	0
Other	0	0
Total extraordinary income	<u>102</u>	<u>1,003</u>
Extraordinary losses		
Loss on sale of non-current assets	5	9
Loss on retirement of non-current assets	4	93
Impairment losses	12	87
Loss on sale of investment securities	—	20
Loss on valuation of investment securities	15	57
Loss on valuation of other investments	72	—
Total extraordinary losses	<u>111</u>	<u>269</u>
Profit before income taxes	<u>6,500</u>	<u>6,099</u>
Income taxes - current	2,172	1,880
Income taxes - deferred	16	63
Total income taxes	<u>2,189</u>	<u>1,944</u>
Profit	<u>4,310</u>	<u>4,155</u>
Profit attributable to non-controlling interests	10	16
Profit attributable to owners of parent	<u>4,300</u>	<u>4,138</u>

(3) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Previous Fiscal Year (From April 1,2019 to March 31,2020)	Current Fiscal Year (From April 1,2020 to March 31,2021)
Profit	4,310	4,155
Other comprehensive income		
Valuation difference on available-for-sale securities	△1,137	△237
Foreign currency translation adjustment	0	△19
Remeasurements of defined benefit plans, net of tax	△67	248
Total other comprehensive income	<u>△1,204</u>	<u>△7</u>
Comprehensive income	<u>3,106</u>	<u>4,147</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,095	4,133
Comprehensive income attributable to non-controlling interests	10	13

(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

(4) Consolidated Statements of Changes in Net Assets
 Previous fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,614	2,165	25,576	△60	37,297
Changes during period					
Profit attributable to owners of parent			4,138		4,138
Dividends of surplus			△1,740		△1,740
Purchase of treasury shares				△6	△6
Disposal of treasury shares					—
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,397	△6	2,390
Balance at end of period	9,614	2,165	27,974	△66	39,688

	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	2,196	△7	△361	1,828	188	39,313
Changes during period						
Profit attributable to owners of parent						4,138
Dividends of surplus						△1,740
Purchase of treasury shares						△6
Disposal of treasury shares						—
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	△237	△19	248	△7	13	6
Total changes during period	△237	△19	248	△7	13	2,397
Balance at end of period	1,959	△26	△112	1,820	202	41,710

(5) Consolidated Statement of Cash Flows

(Millions of Yen)

	Previous fiscal year (From April 1,2019 to March 31,2020)	Current fiscal year (From April 1,2020 to March 31,2021)
Cash flows from operating activities		
Profit before income taxes	6,500	6,099
Depreciation	523	598
Impairment losses	12	87
Increase (decrease) in allowance for doubtful accounts	10	1
Increase (decrease) in provision for loss on construction contracts	209	△95
Increase (decrease) in net defined benefit asset and liability	△314	△284
Interest and dividend income	△187	△154
Interest expenses	117	106
Foreign exchange losses (gains)	41	△25
Loss (gain) on sale of non-current assets	△2	4
Decrease (increase) in trade receivables	2,179	705
Decrease (increase) in costs on construction contracts in progress	△124	20
Decrease (increase) in inventories	△20	20
Decrease (increase) in accounts receivable - other	1,766	△4,040
Increase (decrease) in trade payables	△3,137	△11,546
Loss (gain) on sale of investment securities	△90	△977
Loss (gain) on valuation of investment securities	15	57
Increase (decrease) in accounts payable - other	△1,465	2
Increase (decrease) in advances received on construction contracts in progress	2,234	△1,355
Other, net	2,349	△637
Subtotal	<u>10,618</u>	<u>△11,413</u>
Interest and dividends received	185	151
Interest paid	△118	△106
Income taxes paid	△2,457	△1,535
Net cash provided by (used in) operating activities	<u>8,228</u>	<u>△12,902</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	△215	△626
Proceeds from sale of property, plant and equipment	193	0
Purchase of intangible assets	△446	△462
Purchase of investment securities	△9	△9
Proceeds from sale and redemption of investment securities	167	1,964
Proceeds from collection of loans receivable	10	2
Payments of guarantee deposits	△109	△71
Proceeds from refund of guarantee deposits	20	60
Other, net	4	△43
Net cash provided by (used in) investing activities	<u>△385</u>	<u>815</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△990	—
Repayments of long-term borrowings	△330	△337
Proceeds from issuance of bonds	938	—
Net decrease (increase) in treasury shares	△18	△6
Dividends paid	△1,160	△1,604
Dividends paid to non-controlling interests	△7	—
Net cash provided by (used in) financing activities	<u>△1,568</u>	<u>△1,948</u>
Effect of exchange rate change on cash and cash equivalents	△41	19
Net increase (decrease) in cash and cash equivalents	<u>6,232</u>	<u>△14,016</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>29,777</u>	<u>15,760</u>