

2.Non-consolidated financial statements
(1)Non-consolidated Balance Sheet

(Millions of Yen)

	As of March 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	28,944	15,000
Notes receivable - trade	472	1,479
Electronically recorded monetary claims - operating	2,656	909
Accounts receivable from completed construction contracts	44,871	45,377
Real estate for sale	54	34
Costs on construction contracts in progress	2,066	2,046
Raw materials and supplies	14	14
Prepaid expenses	35	34
Accounts receivable - other	3,102	7,094
Other	225	209
Allowance for doubtful accounts	△55	△20
Total current assets	82,389	72,178
Non-current assets		
Property, plant and equipment		
Buildings	5,960	5,837
Accumulated depreciation	△3,471	△3,452
Buildings, net	2,489	2,385
Structures	349	345
Accumulated depreciation	△214	△221
Structures, net	135	124
Machinery and equipment	385	314
Accumulated depreciation	△355	△290
Machinery and equipment, net	30	24
Vehicles	66	61
Accumulated depreciation	△51	△51
Vehicles, net	15	9
Tools, furniture and fixtures	1,454	1,497
Accumulated depreciation	△1,010	△1,117
Tools, furniture and fixtures, net	444	379
Land	1,694	1,608
Leased assets	3	3
Accumulated depreciation	△2	△3
Leased assets, net	1	0
Construction in progress	—	405
Total property, plant and equipment	4,809	4,938
Intangible assets		
Patent right	4	1
Leasehold interests in land	43	43
Software	303	910
Software in progress	598	206
Other	54	54
Total intangible assets	1,004	1,216
Investments and other assets		
Investment securities	7,601	6,269
Shares of subsidiaries and associates	695	695
Long-term non-operating accounts receivable	653	691
Long-term loans receivable from subsidiaries and associates	265	253
Long-term prepaid expenses	11	11
Prepaid pension costs	—	1,088
Deferred tax assets	905	916
Membership and admission charge	200	199
Other	499	506
Allowance for doubtful accounts	△652	△691
Total investments and other assets	10,179	9,940
Total non-current assets	15,993	16,095
Total assets	98,382	88,274

(1)Non-consolidated Balance Sheet

(Millions of Yen)

	As of March 31,2020	As of March 31,2021
Liabilities		
Current liabilities		
Notes payable - trade	195	—
Accounts payable for construction contracts	26,154	15,024
Short-term borrowings	1,470	1,470
Accounts payable - other	547	616
Accrued expenses	1,505	1,152
Income taxes payable	1,505	1,839
Accrued consumption taxes	1,979	180
Advances received on construction contracts in progress	9,137	7,782
Deposits received	1,970	1,946
Suspense receipt of consumption taxes	3,588	5,115
Provision for warranties for completed construction	590	543
Provision for loss on construction contracts	214	118
Total current liabilities	<u>48,859</u>	<u>35,788</u>
Non-current liabilities		
Bonds payable	1,640	1,640
Long-term borrowings	5,000	5,000
Provision for retirement benefits	3,606	4,409
Other	79	79
Total non-current liabilities	<u>10,325</u>	<u>11,129</u>
Total liabilities	<u>59,184</u>	<u>46,917</u>
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus		
Legal capital surplus	2,165	2,165
Other capital surplus	0	0
Total capital surplus	<u>2,165</u>	<u>2,165</u>
Retained earnings		
Legal retained earnings	394	568
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	295	289
Retained earnings brought forward	24,594	26,824
Total retained earnings	<u>25,284</u>	<u>27,683</u>
Treasury shares	<u>△60</u>	<u>△66</u>
Total shareholders' equity	<u>37,004</u>	<u>39,397</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,193	1,959
Total valuation and translation adjustments	<u>2,193</u>	<u>1,959</u>
Total net assets	<u>39,198</u>	<u>41,356</u>
Total liabilities and net assets	<u>98,382</u>	<u>88,274</u>

(2)Non-consolidated Statement of Income

(Millions of Yen)

	Curent fiscal year (From April 1,2019 to March 31,2020)	Curent fiscal year (From April 1,2020 to March 31,2021)
Net sales		
Net sales of completed construction contracts	138,333	136,709
Sales in other businesses	705	395
Total net sales	<u>139,039</u>	<u>137,105</u>
Cost of sales		
Cost of sales of completed construction contracts	124,300	123,263
Cost of sales in other businesses	516	232
Total cost of sales	<u>124,816</u>	<u>123,495</u>
Gross profit		
Gross profit on completed construction contracts	14,033	13,446
Gross profit - other business	189	163
Total gross profit	<u>14,222</u>	<u>13,609</u>
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	167	180
Employees' salaries and allowances	3,261	3,562
Retirement benefit expenses	141	224
Legal welfare expenses	517	546
Welfare expenses	90	125
Repair and maintenance expenses	149	155
Stationery expenses	326	479
Communication and transportation expenses	313	207
Power utilities expenses	38	35
Research study expenses	119	177
Advertising expenses	31	33
Provision of allowance for doubtful accounts	23	4
Entertainment expenses	179	96
Donations	25	26
Rent expenses	1,003	1,137
Depreciation	263	237
Taxes and dues	343	351
Insurance expenses	18	16
Miscellaneous expenses	686	731
Total selling, general and administrative expenses	<u>7,700</u>	<u>8,332</u>
Operating profit	<u>6,521</u>	<u>5,277</u>
Non-operating income		
Interest income	18	11
Interest on securities	0	0
Dividend income	220	150
Foreign exchange gains	—	25
Outsourcing service income	99	72
Other	39	20
Total non-operating income	<u>378</u>	<u>280</u>
Non-operating expenses		
Interest expenses	96	86
Guarantee commission	60	45
Commission expenses	158	106
Foreign exchange losses	41	—
Other	34	5
Total non-operating expenses	<u>392</u>	<u>244</u>
Ordinary profit	<u>6,508</u>	<u>5,312</u>
Extraordinary income		
Gain on sale of non-current assets	7	4
Gain on sale of investment securities	90	989
Gain on withdrawal of membership	2	0
Other	0	0
Total extraordinary income	<u>101</u>	<u>995</u>
Extraordinary losses		
Loss on sale of non-current assets	5	1
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>260</u>
Profit before income taxes	<u>6,498</u>	<u>6,046</u>
Income taxes - current	2,145	1,849
Income taxes - deferred	6	57
Total income taxes	<u>2,152</u>	<u>1,907</u>
Profit	<u>4,346</u>	<u>4,139</u>

(3)Non-consolidated Statement of Changes in Net Assets
 Current fiscal year (From April 1,2019 to March 31,2020)

(Millions of Yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	
Balance at beginning of period	9,614	2,165	0	2,166	271	398	22,607	23,277
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets						△103	103	—
Provision of legal retained earnings					123		△123	—
Dividends of surplus							△1,233	△1,233
Profit							4,346	4,346
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Cancellation of treasury shares			△0	△0			△1,106	△1,106
Net changes in items other than shareholders' equity								
Total changes during period	—	—	△0	△0	123	△103	1,986	2,006
Balance at end of period	9,614	2,165	0	2,165	394	295	24,594	25,284

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	△1,149	33,909	3,328	3,328	37,238
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets		—			—
Provision of legal retained earnings		—			—
Dividends of surplus		△1,233			△1,233
Profit		4,346			4,346
Purchase of treasury shares	△18	△18			△18
Disposal of treasury shares	0	0			0
Cancellation of treasury shares	1,107	—			—
Net changes in items other than shareholders' equity			△1,135	△1,135	△1,135
Total changes during period	1,088	3,094	△1,135	△1,135	1,959
Balance at end of period	△60	37,004	2,193	2,193	39,198

(3) Non-consolidated Statement of Changes in Net Assets
 Current fiscal year (From April 1, 2020 to March 31, 2021)

(Millions of Yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	
Balance at beginning of period	9,614	2,165	0	2,165	394	295	24,594	25,284
Changes during period								
Reversal of reserve for tax purpose reduction entry of non-current assets						△5	5	—
Provision of legal retained earnings					174		△174	—
Dividends of surplus							△1,740	△1,740
Profit							4,139	4,139
Purchase of treasury shares								
Disposal of treasury shares								
Cancellation of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	—	—	—	—	174	△5	2,230	2,398
Balance at end of period	9,614	2,165	0	2,165	568	289	26,824	27,683

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	△60	37,004	2,193	2,193	39,198
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets		—			—
Provision of legal retained earnings		—			—
Dividends of surplus		△1,740			△1,740
Profit		4,139			4,139
Purchase of treasury shares	△6	△6			△6
Disposal of treasury shares		—			—
Cancellation of treasury shares		—			—
Net changes in items other than shareholders' equity			△234	△234	△234
Total changes during period	△6	2,392	△234	△234	2,158
Balance at end of period	△66	39,397	1,959	1,959	41,356