

Financial statements
(1) Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	13,193	18,815
Notes receivable, accounts receivable from completed construction contracts and other	54,833	48,695
Costs on construction contracts in progress	2,202	2,011
Other inventories	77	67
Accounts receivable - other	2,660	3,343
Other	560	746
Allowance for doubtful accounts	△27	△13
Total current assets	73,500	73,667
Non-current assets		
Property, plant and equipment	5,653	5,437
Intangible assets		
Goodwill	1,069	1,146
Other	2,345	2,332
Total intangible assets	3,414	3,478
Investments and other assets		
Investment securities	4,610	4,830
Retirement benefit asset	1,277	1,416
Other	2,635	2,340
Allowance for doubtful accounts	△553	△553
Total investments and other assets	7,968	8,033
Total non-current assets	17,036	16,949
Total assets	90,537	90,616
Liabilities		
Current liabilities		
Accounts payable for construction contracts	17,174	13,118
Short-term borrowings	2,506	2,509
Accounts payable - other	786	184
Income taxes payable	1,401	1,208
Advances received on construction contracts in progress	4,404	7,779
Provision for warranties for completed construction	535	587
Provision for loss on construction contracts	98	86
Other	7,739	9,770
Total current liabilities	34,647	35,242
Non-current liabilities		
Bonds payable	1,640	1,640
Long-term borrowings	6,532	6,356
Retirement benefit liability	4,442	4,353
Other	401	378
Total non-current liabilities	13,016	12,728
Total liabilities	47,663	47,971
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus	2,178	2,172
Retained earnings	29,648	28,854
Treasury shares	△27	△72
Total shareholders' equity	41,415	40,569
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	996	1,172
Foreign currency translation adjustment	△24	461
Remeasurements of defined benefit plans	△187	△92
Total accumulated other comprehensive income	784	1,541
Non-controlling interests	673	534
Total net assets	42,873	42,645
Total liabilities and net assets	90,537	90,616

(2)Consolidated Statement of Income

(Millions of Yen)

	Previous Second Quarter (From April 1,2021 to September 30,2021)	Current Second Quarter (From April 1,2022 to September 30,2022)
Net sales		
Net sales of completed construction contracts	59,194	65,635
Sales in other businesses	494	1,253
Total net sales	<u>59,689</u>	<u>66,888</u>
Cost of sales		
Cost of sales of completed construction contracts	53,609	59,250
Cost of sales in other businesses	358	877
Total cost of sales	<u>53,968</u>	<u>60,128</u>
Gross profit		
Gross profit on completed construction contracts	5,584	6,384
Gross profit - other business	136	375
Total gross profit	<u>5,720</u>	<u>6,760</u>
Selling, general and administrative expenses	<u>4,209</u>	<u>4,594</u>
Operating profit	<u>1,511</u>	<u>2,165</u>
Non-operating income		
Interest income	12	11
Dividend income	47	45
Foreign exchange gains	10	321
Share of profit of entities accounted for using equity method	0	1
Other	48	161
Total non-operating income	<u>118</u>	<u>540</u>
Non-operating expenses		
Interest expenses	52	52
Commission expenses	79	79
Guarantee commission	26	31
Other	2	2
Total non-operating expenses	<u>160</u>	<u>166</u>
Ordinary profit	<u>1,470</u>	<u>2,540</u>
Extraordinary income		
Gain on sale of non-current assets	0	759
Other	0	0
Total extraordinary income	<u>0</u>	<u>759</u>
Extraordinary losses		
Loss on sale of non-current assets	2	—
Loss on retirement of non-current assets	1	0
Loss on valuation of investment securities	—	16
Total extraordinary losses	<u>3</u>	<u>16</u>
Profit before income taxes	<u>1,467</u>	<u>3,283</u>
Income taxes - current	64	986
Income taxes - deferred	432	87
Total income taxes	<u>496</u>	<u>1,073</u>
Profit	<u>970</u>	<u>2,210</u>
Profit attributable to non-controlling interests	13	74
Profit attributable to owners of parent	<u>956</u>	<u>2,135</u>

(3) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Previous Second Quarter (From April 1, 2021 to September 30, 2021)	Current Second Quarter (From April 1, 2022 to September 30, 2022)
Profit	970	2,210
Other comprehensive income		
Valuation difference on available-for-sale securities	△202	175
Foreign currency translation adjustment	23	566
Remeasurements of defined benefit plans, net of tax	△27	94
Total other comprehensive income	△205	837
Comprehensive income	764	3,047
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	746	2,891
Comprehensive income attributable to non-controlling interests	18	155

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Previous Second Quarter (From April 1, 2021 to September 30, 2021)	Current Second Quarter (From April 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Profit before income taxes	1,467	3,283
Depreciation	300	414
Increase (decrease) in allowance for doubtful accounts	△0	△14
Increase (decrease) in provision for loss on construction contracts	△73	△11
Increase (decrease) in net defined benefit asset and liability	△234	△91
Interest and dividend income	△60	△56
Interest expenses	52	52
Foreign exchange losses (gains)	△10	△250
Loss (gain) on sale of non-current assets	1	△759
Decrease (increase) in trade receivables	11,346	6,483
Decrease (increase) in costs on construction contracts in progress	△305	191
Decrease (increase) in inventories	△2	9
Decrease (increase) in accounts receivable - other	4,259	△680
Increase (decrease) in trade payables	△2,775	△4,223
Loss (gain) on valuation of investment securities	—	16
Increase (decrease) in accounts payable - other	△60	△31
Increase (decrease) in advances received on construction contracts in progress	△1,120	3,314
Other, net	△1,330	1,307
Subtotal	11,452	8,952
Interest and dividends received	60	56
Interest paid	△52	△53
Income taxes paid	△1,699	△1,082
Net cash provided by (used in) operating activities	9,760	7,874
Cash flows from investing activities		
Purchase of property, plant and equipment	△721	△39
Proceeds from sale of property, plant and equipment	8	880
Purchase of intangible assets	△74	△20
Purchase of investment securities	△19	△4
Proceeds from sale of investment securities	—	18
Proceeds from collection of loans receivable	104	—
Payments into time deposits	△40	—
Proceeds from withdrawal of time deposits	—	295
Payments of guarantee deposits	△84	△26
Proceeds from refund of guarantee deposits	55	21
Other, net	70	1
Net cash provided by (used in) investing activities	△701	1,126
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△14	—
Repayments of long-term borrowings	△172	△174
Purchase of treasury shares	△1	△101
Dividends paid	△1,898	△2,912
Dividends paid to non-controlling interests	—	△294
Net cash provided by (used in) financing activities	△2,086	△3,482
Effect of exchange rate change on cash and cash equivalents	17	399
Net increase (decrease) in cash and cash equivalents	6,988	5,917
Cash and cash equivalents at beginning of period	15,760	12,898
Cash and cash equivalents at end of period	22,749	18,815