

Financial statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	11,895	16,628
Notes receivable, accounts receivable from completed construction contracts and other	61,163	50,906
Costs on construction contracts in progress	1,335	1,379
Other inventories	60	54
Accounts receivable - other	1,790	1,606
Other	488	794
Allowance for doubtful accounts	△13	△10
Total current assets	76,719	71,361
Non-current assets		
Property, plant and equipment	5,283	5,121
Intangible assets		
Goodwill	1,067	1,062
Other	2,064	2,108
Total intangible assets	3,131	3,171
Investments and other assets		
Investment securities	4,732	5,428
Retirement benefit asset	1,220	1,259
Other	2,462	2,125
Allowance for doubtful accounts	△515	△515
Total investments and other assets	7,900	8,297
Total non-current assets	16,315	16,590
Total assets	93,034	87,951
Liabilities		
Current liabilities		
Accounts payable for construction contracts	15,333	16,771
Short-term borrowings	1,808	1,786
Current portion of bonds payable	—	390
Accounts payable - other	204	187
Income taxes payable	1,583	528
Advances received on construction contracts in progress	4,638	6,264
Provision for warranties for completed construction	573	571
Provision for loss on construction contracts	38	34
Other	11,010	5,168
Total current liabilities	35,190	31,702
Non-current liabilities		
Bonds payable	1,640	1,250
Long-term borrowings	6,884	6,729
Retirement benefit liability	4,292	4,233
Other	359	362
Total non-current liabilities	13,176	12,574
Total liabilities	48,367	44,277

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus	2,186	2,191
Retained earnings	30,919	28,940
Treasury shares	△73	△190
Total shareholders' equity	42,646	40,555
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,103	1,633
Foreign currency translation adjustment	486	824
Remeasurements of defined benefit plans	△237	△229
Total accumulated other comprehensive income	1,352	2,227
Non-controlling interests	668	889
Total net assets	44,667	43,673
Total liabilities and net assets	93,034	87,951

(2) Consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales		
Net sales of completed construction contracts	65,635	68,665
Sales in other businesses	1,253	1,375
Total net sales	66,888	70,040
Cost of sales		
Cost of sales of completed construction contracts	59,250	62,773
Cost of sales in other businesses	877	990
Total cost of sales	60,128	63,764
Gross profit		
Gross profit on completed construction contracts	6,384	5,892
Gross profit - other business	375	384
Total gross profit	6,760	6,276
Selling, general and administrative expenses	4,594	4,691
Operating profit	2,165	1,585
Non-operating income		
Interest income	11	31
Dividend income	45	57
Foreign exchange gains	321	239
Share of profit of entities accounted for using equity method	1	1
Other	161	47
Total non-operating income	540	378
Non-operating expenses		
Interest expenses	52	50
Commission expenses	79	79
Guarantee commission	31	22
Other	2	9
Total non-operating expenses	166	161
Ordinary profit	2,540	1,802
Extraordinary income		
Gain on sale of non-current assets	759	16
Other	0	0
Total extraordinary income	759	16
Extraordinary losses		
Loss on sale of non-current assets	—	4
Impairment losses	—	32
Loss on retirement of non-current assets	0	0
Loss on valuation of investment securities	16	—
Total extraordinary losses	16	38
Profit before income taxes	3,283	1,780
Income taxes - current	986	341
Income taxes - deferred	87	178
Total income taxes	1,073	520
Profit	2,210	1,259
Profit attributable to non-controlling interests	74	158
Profit attributable to owners of parent	2,135	1,101

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,210	1,259
Other comprehensive income		
Valuation difference on available-for-sale securities	175	529
Foreign currency translation adjustment	566	400
Remeasurements of defined benefit plans, net of tax	94	7
Total other comprehensive income	837	937
Comprehensive income	3,047	2,197
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,891	1,976
Comprehensive income attributable to non-controlling interests	155	221

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,283	1,780
Depreciation	414	383
Impairment losses	—	32
Increase (decrease) in allowance for doubtful accounts	△14	△3
Increase (decrease) in provision for loss on construction contracts	△11	△4
Increase (decrease) in net defined benefit asset and liability	△91	△87
Interest and dividend income	△56	△89
Interest expenses	52	50
Foreign exchange losses (gains)	△250	△192
Loss (gain) on sale of non-current assets	△759	△11
Decrease (increase) in trade receivables	6,483	10,482
Decrease (increase) in costs on construction contracts in progress	191	△44
Decrease (increase) in inventories	9	5
Decrease (increase) in accounts receivable - other	△680	185
Increase (decrease) in trade payables	△4,223	1,319
Loss (gain) on valuation of investment securities	16	—
Increase (decrease) in accounts payable - other	△31	△11
Increase (decrease) in advances received on construction contracts in progress	3,314	1,567
Other, net	1,307	△6,217
Subtotal	8,952	9,143
Interest and dividends received	56	136
Interest paid	△53	△51
Income taxes paid	△1,082	△1,262
Net cash provided by (used in) operating activities	7,874	7,965
Cash flows from investing activities		
Purchase of property, plant and equipment	△39	△54
Proceeds from sale of property, plant and equipment	880	19
Purchase of intangible assets	△20	△146
Purchase of investment securities	△4	△4
Proceeds from sale and redemption of investment securities	18	15
Proceeds from withdrawal of time deposits	295	98
Payments of guarantee deposits	△26	△45
Proceeds from refund of guarantee deposits	21	23
Other, net	1	1
Net cash provided by (used in) investing activities	1,126	△92
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	△4
Repayments of long-term borrowings	△174	△176
Purchase of treasury shares	△101	△161
Dividends paid	△2,912	△3,071
Dividends paid to non-controlling interests	△294	—

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net cash provided by (used in) financing activities	△3,482	△3,413
Effect of exchange rate change on cash and cash equivalents	399	372
Net increase (decrease) in cash and cash equivalents	5,917	4,832
Cash and cash equivalents at beginning of period	12,898	11,796
Cash and cash equivalents at end of period	18,815	16,628