

Financial statements

(1) Consolidated Balance Sheet

(Millions of yen)

| | As of March 31, 2023 | As of December 31, 2023 |
|---|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 11,895 | 8,733 |
| Notes receivable, accounts receivable from completed construction contracts and other | 61,163 | 61,731 |
| Costs on construction contracts in progress | 1,335 | 1,820 |
| Other inventories | 60 | 48 |
| Accounts receivable - other | 1,790 | 1,169 |
| Other | 488 | 1,453 |
| Allowance for doubtful accounts | △13 | △12 |
| Total current assets | 76,719 | 74,945 |
| Non-current assets | | |
| Property, plant and equipment | 5,283 | 5,104 |
| Intangible assets | | |
| Goodwill | 1,067 | 1,040 |
| Other | 2,064 | 2,082 |
| Total intangible assets | 3,131 | 3,123 |
| Investments and other assets | | |
| Investment securities | 4,732 | 5,473 |
| Retirement benefit asset | 1,220 | 1,296 |
| Other | 2,462 | 2,051 |
| Allowance for doubtful accounts | △515 | △515 |
| Total investments and other assets | 7,900 | 8,305 |
| Total non-current assets | 16,315 | 16,533 |
| Total assets | 93,034 | 91,478 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable for construction contracts | 15,333 | 14,984 |
| Short-term borrowings | 1,808 | 9,784 |
| Current portion of bonds payable | — | 390 |
| Accounts payable - other | 204 | 319 |
| Income taxes payable | 1,583 | 502 |
| Advances received on construction contracts in progress | 4,638 | 4,129 |
| Provision for warranties for completed construction | 573 | 589 |
| Provision for loss on construction contracts | 38 | 40 |
| Other | 11,010 | 3,862 |
| Total current liabilities | 35,190 | 34,602 |
| Non-current liabilities | | |
| Bonds payable | 1,640 | 1,250 |
| Long-term borrowings | 6,884 | 6,645 |
| Retirement benefit liability | 4,292 | 4,188 |
| Other | 359 | 376 |
| Total non-current liabilities | 13,176 | 12,460 |
| Total liabilities | 48,367 | 47,063 |

(Millions of yen)

| | As of March 31, 2023 | As of December 31, 2023 |
|---|----------------------|-------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 9,614 | 9,614 |
| Capital surplus | 2,186 | 2,196 |
| Retained earnings | 30,919 | 29,431 |
| Treasury shares | △73 | △191 |
| Total shareholders' equity | 42,646 | 41,051 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,103 | 1,658 |
| Foreign currency translation adjustment | 486 | 929 |
| Remeasurements of defined benefit plans | △237 | △227 |
| Total accumulated other comprehensive income | 1,352 | 2,359 |
| Non-controlling interests | 668 | 1,004 |
| Total net assets | 44,667 | 44,415 |
| Total liabilities and net assets | 93,034 | 91,478 |

(2) Consolidated Statement of Income

(Millions of yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2023 |
|---|--|--|
| Net sales | | |
| Net sales of completed construction contracts | 102,155 | 109,298 |
| Sales in other businesses | 2,026 | 2,314 |
| Total net sales | 104,182 | 111,612 |
| Cost of sales | | |
| Cost of sales of completed construction contracts | 92,202 | 100,144 |
| Cost of sales in other businesses | 1,450 | 1,644 |
| Total cost of sales | 93,652 | 101,788 |
| Gross profit | | |
| Gross profit on completed construction contracts | 9,953 | 9,153 |
| Gross profit - other business | 576 | 669 |
| Total gross profit | 10,530 | 9,823 |
| Selling, general and administrative expenses | 7,013 | 7,205 |
| Operating profit | 3,517 | 2,617 |
| Non-operating income | | |
| Interest income | 16 | 57 |
| Dividend income | 68 | 83 |
| Foreign exchange gains | 149 | 127 |
| Share of profit of entities accounted for using equity method | 1 | 2 |
| Other | 190 | 71 |
| Total non-operating income | 427 | 342 |
| Non-operating expenses | | |
| Interest expenses | 79 | 83 |
| Commission expenses | 92 | 93 |
| Guarantee commission | 38 | 29 |
| Other | 11 | 10 |
| Total non-operating expenses | 222 | 217 |
| Ordinary profit | 3,722 | 2,742 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 759 | 16 |
| Other | 0 | 0 |
| Total extraordinary income | 760 | 16 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | — | 4 |
| Impairment losses | — | 85 |
| Loss on retirement of non-current assets | 0 | 0 |
| Loss on valuation of investment securities | 16 | — |
| Total extraordinary losses | 16 | 90 |
| Profit before income taxes | 4,465 | 2,669 |
| Income taxes - current | 1,265 | 615 |
| Income taxes - deferred | 155 | 208 |
| Total income taxes | 1,421 | 823 |
| Profit | 3,044 | 1,845 |
| Profit attributable to non-controlling interests | 176 | 253 |
| Profit attributable to owners of parent | 2,867 | 1,591 |

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2023 |
|--|--|--|
| Profit | 3,044 | 1,845 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 90 | 554 |
| Foreign currency translation adjustment | 842 | 524 |
| Remeasurements of defined benefit plans, net of tax | 106 | 9 |
| Total other comprehensive income | 1,038 | 1,088 |
| Comprehensive income | 4,082 | 2,934 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,786 | 2,598 |
| Comprehensive income attributable to non-controlling interests | 296 | 335 |