

Financial statements

1.Consolidated financial statements

(1)Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	11,895	13,031
Notes receivable, accounts receivable from completed construction contracts and other	61,163	64,777
Costs on construction contracts in progress	1,335	1,476
Other inventories	60	70
Accounts receivable - other	1,790	3,119
Other	488	860
Allowance for doubtful accounts	△13	△105
Total current assets	76,719	83,229
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,859	6,474
Accumulated depreciation	△3,773	△3,601
Buildings and structures, net	3,086	2,873
Land	1,607	1,461
Other	2,494	2,353
Accumulated depreciation	△1,905	△1,813
Other, net	589	539
Total property, plant and equipment	5,283	4,874
Intangible assets		
Goodwill	1,067	974
Other	2,064	2,000
Total intangible assets	3,131	2,975
Investments and other assets		
Investment securities	4,732	6,513
Retirement benefit asset	1,220	1,839
Deferred tax assets	970	638
Other	1,492	1,697
Allowance for doubtful accounts	△515	△515
Total investments and other assets	7,900	10,172
Total non-current assets	16,315	18,022
Total assets	93,034	101,251

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts	15,333	17,605
Short-term borrowings	1,460	6,460
Current portion of long-term borrowings	348	4,626
Current portion of bonds payable	—	1,040
Accounts payable – other	204	246
Income taxes payable	1,583	2,390
Advances received on construction contracts in progress	4,638	4,197
Provision for warranties for completed construction	573	614
Provision for loss on construction contracts	38	319
Suspense receipt of consumption taxes	4,588	4,342
Other	6,421	3,339
Total current liabilities	35,190	45,181
Non-current liabilities		
Bonds payable	1,640	600
Long-term borrowings	6,884	2,258
Deferred tax liabilities	213	211
Retirement benefit liability	4,292	4,168
Other	146	126
Total non-current liabilities	13,176	7,363
Total liabilities	48,367	52,545
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus	2,186	2,202
Retained earnings	30,919	32,499
Treasury shares	△73	△64
Total shareholders' equity	42,646	44,251
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,103	2,398
Foreign currency translation adjustment	486	846
Remeasurements of defined benefit plans	△237	126
Total accumulated other comprehensive income	1,352	3,371
Non-controlling interests	668	1,083
Total net assets	44,667	48,705
Total liabilities and net assets	93,034	101,251

(2) Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	141,758	149,415
Sales in other businesses	2,678	3,261
Total net sales	144,436	152,676
Cost of sales		
Cost of sales of completed construction contracts	127,416	136,254
Cost of sales in other businesses	1,880	2,273
Total cost of sales	129,296	138,527
Gross profit		
Gross profit on completed construction contracts	14,341	13,161
Gross profit - other business	797	988
Total gross profit	15,139	14,149
Selling, general and administrative expenses		
Selling expenses	0	0
General and administrative expenses	9,447	10,091
Total selling, general and administrative expenses	9,447	10,091
Operating profit	5,691	4,057
Non-operating income		
Interest income	25	78
Dividend income	88	106
Share of profit of entities accounted for using equity method	3	3
Foreign exchange gains	163	207
Subsidy income	57	10
late charges income	—	75
Other	151	148
Total non-operating income	488	631
Non-operating expenses		
Interest expenses	105	131
Guarantee commission	42	38
Commission expenses	106	107
Provision of allowance for doubtful accounts	—	90
Other	7	14
Total non-operating expenses	262	382
Ordinary profit	5,918	4,306

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Extraordinary income		
Gain on sale of non-current assets	760	2,819
Other	0	0
Total extraordinary income	760	2,819
Extraordinary losses		
Loss on sale of non-current assets	—	4
Loss on retirement of non-current assets	1	2
Impairment losses	145	84
Loss on valuation of investment securities	16	15
Loss on valuation of other investments	10	—
Loss on valuation of membership	—	6
Total extraordinary losses	173	113
Profit before income taxes	6,505	7,012
Income taxes - current	2,111	2,404
Income taxes - deferred	△12	△399
Total income taxes	2,099	2,004
Profit	4,406	5,007
Profit attributable to non-controlling interests	206	336
Profit attributable to owners of parent	4,200	4,670

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	4,406	5,007
Other comprehensive income		
Valuation difference on available-for-sale securities	107	1,294
Foreign currency translation adjustment	595	427
Remeasurements of defined benefit plans, net of tax	△50	363
Total other comprehensive income	653	2,084
Comprehensive income	5,059	7,092
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,768	6,688
Comprehensive income attributable to non-controlling interests	291	403

(4) Consolidated Statements of Changes in Net Assets

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,614	2,178	29,648	△27	41,415
Changes during period					
Profit attributable to owners of parent			4,200		4,200
Dividends of surplus			△2,929		△2,929
Purchase of treasury shares				△102	△102
Restricted stock payment		7		55	63
Net changes in items other than shareholders' equity					—
Total changes during period	—	7	1,270	△46	1,231
Balance at end of period	9,614	2,186	30,919	△73	42,646

	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	996	△24	△187	784	673	42,873
Changes during period						
Profit attributable to owners of parent				—		4,200
Dividends of surplus				—		△2,929
Purchase of treasury shares				—		△102
Restricted stock payment				—		63
Net changes in items other than shareholders' equity	107	510	△50	568	△5	562
Total changes during period	107	510	△50	568	△5	1,794
Balance at end of period	1,103	486	△237	1,352	668	44,667

(4) Consolidated Statements of Changes in Net Assets

Previous fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,614	2,186	30,919	△73	42,646
Changes during period					
Profit attributable to owners of parent			4,670		4,670
Dividends of surplus			△3,091		△3,091
Purchase of treasury shares				△162	△162
Restricted stock payment		16		171	188
Net changes in items other than shareholders' equity					—
Total changes during period	—	16	1,579	9	1,605
Balance at end of period	9,614	2,202	32,499	△64	44,251

	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	1,103	486	△237	1,352	668	44,667
Changes during period						
Profit attributable to owners of parent				—		4,670
Dividends of surplus				—		△3,091
Purchase of treasury shares				—		△162
Restricted stock payment				—		188
Net changes in items other than shareholders' equity	1,294	360	363	2,018	414	2,432
Total changes during period	1,294	360	363	2,018	414	4,038
Balance at end of period	2,398	846	126	3,371	1,083	48,705

(5) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,505	7,012
Depreciation	820	794
Impairment losses	145	84
Increase (decrease) in allowance for doubtful accounts	△52	91
Increase (decrease) in provision for loss on construction contracts	△60	280
Increase (decrease) in net defined benefit asset and liability	△164	△221
Interest and dividend income	△113	△185
Interest expenses	105	131
Foreign exchange losses (gains)	△115	△151
Loss (gain) on sale of non-current assets	△760	△2,814
Loss on valuation of membership	—	6
Decrease (increase) in trade receivables	△5,966	△3,373
Decrease (increase) in costs on construction contracts in progress	866	△141
Decrease (increase) in inventories	16	△10
Decrease (increase) in accounts receivable - other	872	△1,327
Increase (decrease) in trade payables	△2,016	2,146
Loss (gain) on valuation of investment securities	16	15
Increase (decrease) in accounts payable - other	△22	49
Increase (decrease) in advances received on construction contracts in progress	170	△503
Other, net	3,056	△3,522
Subtotal	3,301	△1,639
Interest and dividends received	113	232
Interest paid	△104	△131
Income taxes paid	△1,957	△1,630
Net cash provided by (used in) operating activities	1,354	△3,169
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	196	98
Purchase of property, plant and equipment	△76	△134
Proceeds from sale of property, plant and equipment	893	2,999
Purchase of intangible assets	△75	△294
Purchase of investment securities	△9	△9
Proceeds from sale and redemption of investment securities	18	15
Payments of guarantee deposits	△40	△60
Proceeds from refund of guarantee deposits	35	32
Other, net	△8	2
Net cash provided by (used in) investing activities	934	2,649

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△700	4,995
Proceeds from long-term borrowings	700	—
Repayments of long-term borrowings	△346	△348
Net decrease (increase) in treasury shares	△102	△162
Dividends paid	△2,915	△3,074
Proceeds from share issuance to non-controlling shareholders	—	10
Dividends paid to non-controlling interests	△296	△10
Net cash provided by (used in) financing activities	△3,661	1,410
Effect of exchange rate change on cash and cash equivalents	271	344
Net increase (decrease) in cash and cash equivalents	△1,101	1,234
Cash and cash equivalents at beginning of period	12,898	11,796
Cash and cash equivalents at end of period	11,796	13,031