

Financial Statements

1.Consolidated Financial Statements

(1)Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	13,031	16,833
Notes receivable, accounts receivable from completed construction contracts and other	64,777	73,588
Costs on construction contracts in progress	1,476	1,900
Other inventories	70	74
Accounts receivable - other	3,119	4,632
Other	860	823
Allowance for doubtful accounts	(105)	(188)
Total current assets	83,229	97,664
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,474	6,525
Accumulated depreciation	(3,601)	(3,748)
Buildings and structures, net	2,873	2,776
Land	1,461	1,461
Other	2,353	2,617
Accumulated depreciation	(1,813)	(1,980)
Other, net	539	636
Total property, plant and equipment	4,874	4,874
Intangible assets		
Goodwill	974	853
Other	2,000	1,850
Total intangible assets	2,975	2,703
Investments and other assets		
Investment securities	6,513	6,277
Retirement benefit asset	1,839	1,708
Deferred tax assets	638	1,276
Other	1,697	1,764
Allowance for doubtful accounts	(515)	(1,029)
Total investments and other assets	10,172	9,997
Total non-current assets	18,022	17,576
Total assets	101,251	115,240

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable for construction contracts	17,605	20,885
Short-term borrowings	6,460	8,310
Current portion of long-term borrowings	4,626	1,036
Current portion of bonds payable	1,040	600
Accounts payable - other	246	220
Income taxes payable	2,390	2,044
Advances received on construction contracts in progress	4,197	8,569
Provision for warranties for completed construction	614	717
Provision for loss on construction contracts	319	75
Suspense receipt of consumption taxes	4,342	7,184
Other	3,339	3,243
Total current liabilities	45,181	52,885
Non-current liabilities		
Bonds payable	600	390
Long-term borrowings	2,258	11,221
Deferred tax liabilities	211	220
Retirement benefit liability	4,168	4,198
Other	126	184
Total non-current liabilities	7,363	16,216
Total liabilities	52,545	69,102
Net assets		
Shareholders' equity		
Share capital	9,614	9,614
Capital surplus	2,202	222
Retained earnings	32,499	32,706
Treasury shares	(64)	(131)
Total shareholders' equity	44,251	42,411
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,398	2,029
Foreign currency translation adjustment	846	1,348
Remeasurements of defined benefit plans	126	(81)
Total accumulated other comprehensive income	3,371	3,296
Non-controlling interests	1,083	430
Total net assets	48,705	46,138
Total liabilities and net assets	101,251	115,240

(2)Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	149,415	163,661
Sales in other businesses	3,261	3,344
Total net sales	152,676	167,005
Cost of sales		
Cost of sales of completed construction contracts	136,254	146,579
Cost of sales in other businesses	2,273	2,434
Total cost of sales	138,527	149,013
Gross profit		
Gross profit on completed construction contracts	13,161	17,081
Gross profit - other business	988	909
Total gross profit	14,149	17,991
Selling, general and administrative expenses		
Selling expenses	0	0
General and administrative expenses	10,091	11,123
Total selling, general and administrative expenses	10,091	11,124
Operating profit	4,057	6,867
Non-operating income		
Interest income	78	114
Dividend income	106	127
Share of profit of entities accounted for using equity method	3	3
Foreign exchange gains	207	33
Subsidy income	10	24
late charges income	75	—
Other	148	95
Total non-operating income	631	399
Non-operating expenses		
Interest expenses	131	192
Guarantee commission	38	48
Commission expenses	107	323
Provision of allowance for doubtful accounts	90	146
Other	14	10
Total non-operating expenses	382	721
Ordinary profit	4,306	6,545

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of non-current assets	2,819	6
Gain on sale of investment securities	—	82
Other	0	0
Total extraordinary income	2,819	88
Extraordinary losses		
Loss on sale of non-current assets	4	0
Loss on retirement of non-current assets	2	7
Impairment losses	84	182
Loss on valuation of investment securities	15	—
Loss on valuation of membership	6	—
Total extraordinary losses	113	190
Profit before income taxes	7,012	6,442
Income taxes - current	2,404	2,106
Income taxes - deferred	(399)	(437)
Total income taxes	2,004	1,669
Profit	5,007	4,773
Profit attributable to non-controlling interests	336	81
Profit attributable to owners of parent	4,670	4,692

(3)Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	5,007	4,773
Other comprehensive income		
Valuation difference on available-for-sale securities	1,294	(368)
Foreign currency translation adjustment	427	559
Remeasurements of defined benefit plans, net of tax	363	(208)
Total other comprehensive income	2,084	(17)
Comprehensive income	7,092	4,756
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,688	4,617
Comprehensive income attributable to non-controlling interests	403	138

(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

(4) Consolidated Statements of Changes in Net Assets

Previous fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,614	2,202	32,499	(64)	44,251
Changes during period					
Profit attributable to owners of parent			4,692		4,692
Dividends of surplus			(4,484)		(4,484)
Purchase of treasury shares				(232)	(232)
Restricted stock payment		2		165	168
Change in ownership interest of parent due to transactions with non-controlling interests		(1,983)			(1,983)
Net changes in items other than shareholders' equity					—
Total changes during period	—	(1,980)	207	(66)	(1,840)
Balance at end of period	9,614	222	32,706	(131)	42,411

	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	2,398	846	126	3,371	1,083	48,705
Changes during period						
Profit attributable to owners of parent				—		4,692
Dividends of surplus				—		(4,484)
Purchase of treasury shares				—		(232)
Restricted stock payment				—		168
Change in ownership interest of parent due to transactions with non-controlling interests				—		(1,983)
Net changes in items other than shareholders' equity	(368)	502	(208)	(74)	(652)	(727)
Total changes during period	(368)	502	(208)	(74)	(652)	(2,567)
Balance at end of period	2,029	1,348	(81)	3,296	430	46,138

(5) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	7,012	6,442
Depreciation	794	883
Impairment losses	84	182
Increase (decrease) in allowance for doubtful accounts	91	596
Increase (decrease) in provision for loss on construction contracts	280	(243)
Increase (decrease) in net defined benefit asset and liability	(221)	(139)
Interest and dividend income	(185)	(241)
Interest expenses	131	192
Foreign exchange losses (gains)	(151)	(13)
Loss (gain) on sale of investment securities	—	(82)
Loss (gain) on valuation of investment securities	15	—
Loss (gain) on sale of non-current assets	(2,814)	(5)
Loss on valuation of membership	6	—
Decrease (increase) in trade receivables	(3,373)	(8,509)
Decrease (increase) in costs on construction contracts in progress	(141)	(423)
Decrease (increase) in inventories	(10)	(4)
Decrease (increase) in accounts receivable - other	(1,327)	(1,513)
Increase (decrease) in trade payables	2,146	3,127
Increase (decrease) in accounts payable - other	49	(53)
Increase (decrease) in advances received on construction contracts in progress	(503)	4,351
Other, net	(3,522)	3,072
Subtotal	(1,639)	7,619
Interest and dividends received	232	241
Interest paid	(131)	(191)
Income taxes paid	(1,630)	(2,486)
Net cash provided by (used in) operating activities	(3,169)	5,184
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	98	—
Purchase of property, plant and equipment	(134)	(209)
Proceeds from sale of property, plant and equipment	2,999	11
Purchase of intangible assets	(294)	(402)
Purchase of investment securities	(9)	(259)
Proceeds from sale and redemption of investment securities	15	93
Payments of guarantee deposits	(60)	(56)
Proceeds from refund of guarantee deposits	32	35
Other, net	2	3
Net cash provided by (used in) investing activities	2,649	(784)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,995	1,831
Proceeds from long-term borrowings	—	10,000
Repayments of long-term borrowings	(348)	(4,626)
Proceeds from issuance of bonds	—	390
Redemption of bonds	—	(1,040)
Net decrease (increase) in treasury shares	(162)	(232)
Dividends paid	(3,074)	(4,471)
Proceeds from share issuance to non-controlling shareholders	10	—
Dividends paid to non-controlling interests	(10)	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(2,764)
Net cash provided by (used in) financing activities	1,410	(913)
Effect of exchange rate change on cash and cash equivalents	344	315
Net increase (decrease) in cash and cash equivalents	1,234	3,801
Cash and cash equivalents at beginning of period	11,796	13,031
Cash and cash equivalents at end of period	13,031	16,833