

Consolidated Financial Statements
(For the Second Quarter of FY2024)

Consolidated Balance Sheets

(Millions of Yen)

	FY2023	Current Second Quarter
	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets :		
Cash and deposits	40,244	32,758
Notes receivable, accounts receivable from completed construction contracts and other	132,454	147,009
Securities	10,000	—
Real estate for sale	959	665
Costs on construction contracts in progress	3,180	4,930
Costs on real estate investment, development business and other	796	907
Work in process	1,230	1,366
Raw materials and supplies	744	453
Other	9,386	10,272
Allowance for doubtful accounts	(142)	(643)
Total current assets	198,855	197,720
Non-current assets :		
Property, plant and equipment :		
Land	34,667	35,043
Other, net	42,454	40,911
Total property, plant and equipment	77,122	75,955
Intangible assets :		
Goodwill	378	363
Other	1,304	1,246
Total intangible assets	1,683	1,609
Investments and other assets :		
Investment securities	54,913	62,059
Retirement benefit asset	4,435	4,400
Other	8,662	13,065
Allowance for doubtful accounts	(1,943)	(1,936)
Total investments and other assets	66,067	77,588
Total non-current assets	144,872	155,153
Total assets	343,727	352,874

(Millions of Yen)

	FY2023	Current Second Quarter
	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	50,268	47,514
Short-term borrowings	10,708	10,701
Income taxes payable	3,050	2,564
Advances received on construction contracts in progress	12,594	15,375
Provisions	4,005	2,844
Provision for loss on construction contracts	1,566	854
Asset retirement obligations	83	85
Other	46,771	48,536
Total current liabilities	129,048	128,477
Non-current liabilities:		
Long-term borrowings	3,110	3,109
Non-recourse borrowings	26,003	23,691
Provisions	—	74
Asset retirement obligations	300	299
Other	12,050	16,014
Total non-current liabilities	41,463	43,189
Total liabilities	170,511	171,667
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	26,240	26,466
Retained earnings	103,827	103,756
Treasury shares	(5,185)	(5,313)
Total shareholders' equity	144,720	144,748
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	24,801	30,243
Deferred gains or losses on hedges	1,829	3,248
Remeasurements of defined benefit plans	662	528
Total accumulated other comprehensive income	27,293	34,020
Non-controlling interests	1,201	2,437
Total net assets	173,215	181,206
Total liabilities and net assets	343,727	352,874

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2023 April 1, 2022 through September 30, 2022	2Q / FY2024 April 1, 2023 through September 30, 2023
Net sales:		
Net sales of completed construction contracts	106,710	126,221
Net sales of real estate investment, development business and other	4,432	9,439
Total net sales	111,143	135,660
Cost of sales:		
Cost of sales of completed construction contracts	95,465	111,865
Cost of real estate investment, development business and other	2,682	6,938
Total cost of sales	98,148	118,804
Gross profit:		
Gross profit on completed construction contracts	11,245	14,355
Gross profit on real estate investment, development business and other	1,749	2,500
Total gross profit	12,995	16,856
Selling, general and administrative expenses	9,313	10,400
Operating profit	3,681	6,455
Non-operating income		
Interest income	11	44
Dividend income	676	692
Other	403	327
Total non-operating income	1,091	1,063
Non-operating expenses:		
Interest expenses	239	299
Other	26	40
Total non-operating expenses	266	339
Ordinary profit	4,506	7,180
Extraordinary income:		
Gain on sale of investment securities	1,035	1,086
Other	18	610
Total extraordinary income	1,053	1,696
Extraordinary losses:		
Loss on valuation of investment securities	18	—
Loss on retirement of non-current assets	4	489
Total extraordinary losses	22	489
Profit before income taxes	5,537	8,387
Income taxes - current	1,578	2,478
Income taxes - deferred	391	382
Total income taxes	1,969	2,861
Profit	3,567	5,525
Loss attributable to non-controlling interests	(354)	(182)
Profit attributable to owners of parent	3,921	5,707

Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2023 April 1, 2022 through September 30, 2022	2Q / FY2024 April 1, 2023 through September 30, 2023
Profit	3,567	5,525
Other comprehensive income:		
Valuation difference on available-for-sale securities	1,038	5,441
Deferred gains or losses on hedges	3,329	2,837
Remeasurements of defined benefit plans, net of tax	(195)	(133)
Total other comprehensive income	4,172	8,145
Comprehensive income	7,740	13,670
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	6,429	12,433
Comprehensive income attributable to non-controlling interests	1,310	1,236

Consolidated Statements of Cash Flows (Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2023 April 1, 2022 through September 30, 2022	2Q / FY2024 April 1, 2023 through September 30, 2023
Cash flows from operating activities:		
Profit before income taxes	5,537	8,387
Depreciation	911	2,131
Amortization of goodwill	14	14
Loss on retirement of non-current assets	4	489
Increase (decrease) in allowance for doubtful accounts	(18)	493
Decrease (increase) in retirement benefit asset	(263)	(158)
Increase (decrease) in provision for loss on construction contracts	652	(711)
Interest and dividend income	(687)	(736)
Interest expenses	239	299
Loss (gain) on sale of short-term and long-term investment securities	(1,035)	(1,086)
Loss (gain) on valuation of short-term and long-term investment securities	18	—
Decrease (increase) in trade receivables	13,718	(14,554)
Decrease (increase) in costs on construction contracts in progress	(1,675)	(1,749)
Decrease (increase) in other inventories	(905)	339
Increase (decrease) in trade payables	(2,524)	(1,311)
Increase (decrease) in advances received on construction contracts in progress	812	2,780
Other, net	(10,485)	(2,650)
Subtotal	4,315	(8,022)
Interest and dividends received	687	736
Interest paid	(159)	(227)
Income taxes refund (paid)	(1,378)	(2,653)
Net cash provided by (used in) operating activities	3,465	(10,167)

(Millions of Yen)

	2Q / FY2023	2Q / FY2024
	April 1, 2022 through September 30, 2022	April 1, 2023 through September 30, 2023
Cash flows from investing activities :		
Net decrease (increase) in time deposits	(888)	—
Purchase of short-term and long-term investment securities	(630)	(57)
Proceeds from sale and redemption of short-term and long-term investment securities	2,373	1,802
Purchase of property, plant and equipment and intangible assets	(4,958)	(1,350)
Proceeds from sale of property, plant and equipment and intangible assets	18	354
Loan advances	—	(1)
Proceeds from collection of loans receivable	6	6
Other, net	(3)	(116)
Net cash provided by (used in) investing activities	(4,083)	638
Cash flows from financing activities :		
Net increase (decrease) in short-term borrowings	(186)	1,993
Repayments of long-term borrowings	(0)	(2,000)
Proceeds from non-recourse borrowings	5,430	—
Repayments of non-recourse borrowings	(53)	(2,311)
Purchase of treasury shares	(4)	(8)
Proceeds from sale of treasury shares	0	0
Dividends paid	(3,924)	(5,759)
Proceeds from share issuance to non-controlling shareholders	480	—
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	1,741	(8,087)
Effect of exchange rate change on cash and cash equivalents	115	69
Net increase (decrease) in cash and cash equivalents	1,239	(17,546)
Cash and cash equivalents at beginning of period	31,622	48,792
Cash and cash equivalents at end of period	32,861	31,246

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			2Q / FY2023				2Q / FY2024		Change	% Change	
			April 1, 2022 through				April 1, 2023 through		Increase	Increase	
			September 30, 2022				September 30, 2023		(Decrease)	(Decrease)	
				%		%		%		%	
Construction orders awarded	Civil engineering	Domestic public sector	21,572	57.8	29.9	27,917	54.6	34.6	6,345	29.4	
		Domestic private sector	12,554	33.6		11,282	22.1		(1,272)	(10.1)	
		Overseas	3,224	8.6		11,926	23.3		8,702	269.9	
		Subtotal	37,351	100		51,126	100		13,774	36.9	
	Architectural construction	Domestic public sector	6,944	7.9	70.1	10,661	11.0	65.4	3,717	53.5	
		Domestic private sector	81,790	93.3		85,967	89.0		4,177	5.1	
		Overseas	(1,072)	(1.2)		—	—		1,072	—	
		Subtotal	87,661	100		96,629	100		8,967	10.2	
	Total	Domestic public sector	28,516	22.8	100	38,578	26.1	100	10,062	35.3	
		Domestic private sector	94,345	75.5		97,250	65.8		2,904	3.1	
		Overseas	2,151	1.7		11,926	8.1		9,775	454.4	
		Total	125,012	100		147,755	100		22,742	18.2	
Net sales	Construction business	Civil engineering	Domestic public sector	30,767	71.3	[40.5]	29,816	61.4	[38.5]	(951)	(3.1)
			Domestic private sector	10,395	24.1	39.4	14,063	29.0	37.6	3,668	35.3
			Overseas	2,002	4.6		4,663	9.6		2,661	132.9
			Subtotal	43,165	100		48,543	100		5,378	12.5
	Architectural construction	Domestic public sector	13,602	21.4	[59.5]		10,727	13.8		[61.5]	(2,875)
		Domestic private sector	49,681	78.2	58.1	66,950	86.2	60.1	17,268	34.8	
		Overseas	260	0.4		—	—		(260)	—	
		Subtotal	63,545	100		77,677	100		14,131	22.2	
	Subtotal	Domestic public sector	44,370	41.6		[100]	40,543		32.1	[100]	(3,826)
		Domestic private sector	60,077	56.3	97.5	81,013	64.2	97.7	20,936	34.8	
		Overseas	2,262	2.1		4,663	3.7		2,400	106.1	
		Subtotal	106,710	100		126,221	100		19,510	18.3	
	Real estate investment, development business and other			2,762		2.5	2,999		2.3	237	8.6
	Total			109,473	100	129,221	100	19,747	18.0		
Period-end backlog	Civil engineering	Domestic public sector	109,468	56.2	52.2	100,091	51.7	46.1	(9,377)	(8.6)	
		Domestic private sector	68,451	35.2		63,688	32.9		(4,763)	(7.0)	
		Overseas	16,734	8.6		29,854	15.4		13,119	78.4	
		Subtotal	194,654	100		193,633	100		(1,020)	(0.5)	
	Architectural construction	Domestic public sector	44,387	24.9	47.8	45,938	20.3	53.9	1,550	3.5	
		Domestic private sector	134,118	75.1		180,089	79.7		45,970	34.3	
		Overseas	—	—		—	—		—	—	
		Subtotal	178,506	100		226,027	100		47,520	26.6	
	Total	Domestic public sector	153,856	41.2	100	146,029	34.8	100	(7,827)	(5.1)	
		Domestic private sector	202,570	54.3		243,778	58.1		41,207	20.3	
		Overseas	16,734	4.5		29,854	7.1		13,119	78.4	
		Total	373,161	100		419,661	100		46,499	12.5	