

Consolidated Financial Statements
(For the fiscal year ended March 31, 2020)

Consolidated Balance Sheets

(Millions of Yen)

	FY2019	FY2020
	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets:		
Cash and deposits	34,847	26,179
Notes receivable, accounts receivable from completed construction contracts and other	101,041	121,748
Securities	17,000	3,000
Real estate for sale	991	592
Costs on construction contracts in progress	4,336	5,410
Costs on real estate business	2,736	3,102
Work in process	1,438	1,096
Raw materials and supplies	75	66
Other	7,974	10,658
Allowance for doubtful accounts	(700)	(190)
Total current assets	169,742	171,664
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	13,170	14,865
Machinery, vehicles, tools, furniture and fixtures, net	1,188	1,578
Land	31,758	33,604
Leased assets, net	3	2
Construction in progress	2,958	9,505
Total property, plant and equipment	49,079	59,556
Intangible assets:		
Goodwill	497	467
Other	439	682
Total intangible assets	937	1,149
Investments and other assets:		
Investment securities	74,168	57,429
Long-term loans receivable	199	165
Retirement benefit asset	3,140	4,067
Deferred tax assets	31	1
Other	2,400	2,865
Allowance for doubtful accounts	(2,009)	(1,980)
Total investments and other assets	77,930	62,548
Total non-current assets	127,947	123,254
Total assets	297,690	294,919

(Millions of Yen)

	FY2019	FY2020
	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	43,337	43,944
Short-term borrowings	8,075	8,946
Lease obligations	2	1
Income taxes payable	2,298	1,938
Advances received on construction contracts in progress	13,942	12,598
Deposits received	18,080	22,983
Provision for warranties for completed construction	715	667
Provision for bonuses	3,450	3,289
Provision for bonuses for directors (and other officers)	59	44
Provision for loss on construction contracts	1,118	1,127
Asset retirement obligations	86	87
Other	16,853	17,360
Total current liabilities	108,020	112,990
Non-current liabilities:		
Long-term borrowings	7,122	6,015
Non-recourse borrowings	—	9,221
Lease obligations	1	1
Deferred tax liabilities	14,041	10,215
Asset retirement obligations	57	58
Other	46	304
Total non-current liabilities	21,269	25,817
Total liabilities	129,289	138,807
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	25,330	26,248
Retained earnings	103,250	105,554
Treasury shares	(16,069)	(19,761)
Total shareholders' equity	132,349	131,880
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	34,414	23,233
Deferred gains or losses on hedges	—	46
Remeasurements of defined benefit plans	1,693	1,364
Total accumulated other comprehensive income	36,108	24,644
Non-controlling interests	(57)	(413)
Total net assets	168,400	156,111
Total liabilities and net assets	297,690	294,919

Consolidated Statements of Income

(Millions of Yen)

	FY2019 April 1, 2018 through March 31, 2019	FY2020 April 1, 2019 through March 31, 2020
Net sales:		
Net sales of completed construction contracts	210,020	216,905
Net sales in real estate business and other	10,863	9,466
Total net sales	220,884	226,371
Cost of sales:		
Cost of sales of completed construction contracts	182,685	191,874
Cost of sales in real estate business and other	6,655	5,408
Total cost of sales	189,341	197,283
Gross profit:		
Gross profit on completed construction contracts	27,335	25,031
Gross profit on real estate business and other	4,207	4,057
Total gross profit	31,543	29,088
Selling, general and administrative expenses	17,826	17,571
Operating profit	13,716	11,516
Non-operating income:		
Interest income	43	44
Dividend income	1,219	1,415
Reversal of allowance for doubtful accounts	105	539
Other	229	310
Total non-operating income	1,598	2,309
Non-operating expenses:		
Interest expenses	154	208
Foreign exchange losses	38	—
Commission expenses	15	288
Other	7	46
Total non-operating expenses	216	542
Ordinary profit	15,098	13,283
Extraordinary income:		
Gain on sales of investment securities	1,420	980
Other	194	0
Total extraordinary income	1,615	980
Extraordinary losses:		
Loss on valuation of investment securities	28	430
Loss on tax purpose reduction entry of non-current assets	—	65
Other	127	28
Total extraordinary losses	155	524
Profit before income taxes	16,558	13,739
Income taxes - current	3,555	3,602
Income taxes - deferred	690	433
Total income taxes	4,245	4,035
Profit	12,312	9,704
Loss attributable to non-controlling interests	(1)	(91)
Profit attributable to owners of parent	12,314	9,795

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2019 April 1, 2018 through March 31, 2019	FY2020 April 1, 2019 through March 31, 2020
Profit	12,312	9,704
Other comprehensive income:		
Valuation difference on available-for-sale securities	(423)	(11,181)
Deferred gains or losses on hedges	—	92
Remeasurements of defined benefit plans, net of tax	(445)	(328)
Total other comprehensive income	(869)	(11,417)
Comprehensive income	11,443	(1,713)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	11,445	(1,667)
Comprehensive income attributable to non-controlling interests	(1)	(45)

Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2019 April 1, 2018 through March 31, 2019	FY2020 April 1, 2019 through March 31, 2020
Cash flows from operating activities:		
Profit before income taxes	16,558	13,739
Depreciation	1,175	1,429
Amortization of goodwill	7	29
Loss on tax purpose reduction entry of non-current assets	—	65
Increase (decrease) in allowance for doubtful accounts	(105)	(539)
Decrease (increase) in retirement benefit asset	(1,167)	(1,400)
Increase (decrease) in provision for warranties for completed construction	41	(47)
Increase (decrease) in provision for bonuses	(767)	(161)
Increase (decrease) in provision for bonuses for directors (and other officers)	11	(15)
Increase (decrease) in provision for loss on construction contracts	(1,226)	9
Interest and dividend income	(1,263)	(1,459)
Interest expenses	154	208
Loss (gain) on sales of short-term and long-term investment securities	(1,420)	(980)
Loss (gain) on valuation of short-term and long-term investment securities	28	430
Decrease (increase) in trade receivables	11,245	(20,707)
Decrease (increase) in costs on construction contracts in progress	1,210	(1,073)
Decrease (increase) in other inventories	(414)	384
Increase (decrease) in trade payables	(11,381)	705
Increase (decrease) in advances received on construction contracts in progress	(2,071)	(1,343)
Increase (decrease) in deposits received	854	4,902
Other, net	605	(3,026)
Subtotal	12,075	(8,848)
Interest and dividends received	1,262	1,458
Interest paid	(154)	(208)
Income taxes (paid) refund	(3,984)	(4,147)
Net cash provided by (used in) operating activities	9,198	(11,745)

(Millions of Yen)

	FY2019	FY2020
	April 1, 2018 through March 31, 2019	April 1, 2019 through March 31, 2020
Cash flows from investing activities:		
Net decrease (increase) in time deposits	436	99
Purchase of short-term and long-term investment securities	(273)	(73)
Proceeds from sales and redemption of short-term and long-term investment securities	2,164	1,957
Purchase of property, plant and equipment and intangible assets	(4,515)	(11,610)
Proceeds from sales of property, plant and equipment and intangible assets	286	0
Proceeds from purchase of Investments in capital of subsidiaries and associates resulting in change in scope of consolidation	267	—
Loan advances	(1,749)	(215)
Collection of loans receivable	29	287
Other, net	(10)	0
Net cash provided by (used in) investing activities	(3,364)	(9,554)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(3,754)	(158)
Proceeds from long-term borrowings	4,000	—
Repayments of long-term borrowings	(20)	(10)
Proceeds from non-recourse borrowings	—	9,221
Purchase of treasury shares	(3,381)	(3,691)
Proceeds from sales of treasury shares	—	0
Dividends paid	(7,314)	(7,473)
Proceeds from sales of investments in capital of subsidiaries and associates without change in scope of consolidation	—	369
Proceeds from share issuance to non-controlling shareholders	—	447
Other, net	(7)	(2)
Net cash provided by (used in) financing activities	(10,477)	(1,298)
Effect of exchange rate change on cash and cash equivalents	(9)	23
Net increase (decrease) in cash and cash equivalents	(4,653)	(22,575)
Cash and cash equivalents at beginning of period	54,486	49,833
Cash and cash equivalents at end of period	49,833	27,258

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			FY2019			FY2020			Change	% Change		
			April 1, 2018 through			April 1, 2019 through			Increase	Increase		
			March 31, 2019			March 31, 2020			(Decrease)	(Decrease)		
				%	%		%	%		%		
Construction orders awarded	Civil engineering	Domestic public sector	75,009	68.2	40.9	30,943	34.5	41.0	(44,066)	(58.7)		
		Domestic private sector	35,031	31.8		50,679	56.5		15,647	44.7		
		Overseas	(16)	(0.0)		8,027	9.0		8,043	—		
		Subtotal	110,024	100		89,649	100		(20,374)	(18.5)		
	Architectural construction	Domestic public sector	22,605	14.2	59.1	38,372	29.7	59.0	15,766	69.7		
		Domestic private sector	136,196	85.8		90,840	70.3		(45,356)	(33.3)		
		Overseas	—	—		—	—		—	—		
		Subtotal	158,801	100		129,212	100		(29,589)	(18.6)		
	Total	Domestic public sector	97,615	36.3	100	69,315	31.7	100	(28,299)	(29.0)		
		Domestic private sector	171,227	63.7		141,519	64.6		(29,708)	(17.4)		
		Overseas	(16)	(0.0)		8,027	3.7		8,043	—		
		Total	268,826	100		218,862	100		(49,964)	(18.6)		
	Net sales	Projects completed	Civil engineering	Domestic public sector	71,201	77.7	[43.6]	69,239	69.1	[46.2]	(1,961)	(2.8)
				Domestic private sector	19,691	21.5		28,552	28.5		8,861	45.0
				Overseas	762	0.8		2,353	2.4		1,591	208.9
				Subtotal	91,654	100	42.5	100,145	100	45.0	8,491	9.3
Architectural construction		Domestic public sector	19,597	16.6	[56.4]	12,258	10.5	[53.8]	(7,339)	(37.5)		
		Domestic private sector	98,769	83.4		104,501	89.5		5,732	5.8		
		Overseas	—	—		—	—		—	—		
		Subtotal	118,366	100	54.9	116,759	100	52.5	(1,606)	(1.4)		
Subtotal		Domestic public sector	90,798	43.2	[100]	81,497	37.6	[100]	(9,301)	(10.2)		
		Domestic private sector	118,460	56.4		133,054	61.3		14,593	12.3		
		Overseas	762	0.4		2,353	1.1		1,591	208.9		
		Subtotal	210,021	100	97.4	216,905	100	97.5	6,884	3.3		
Real estate business and other			5,496	2.6		5,521	2.5		24	0.5		
Total			215,517	100		222,426	100		6,909	3.2		
Period-end backlog		Civil engineering	Domestic public sector	124,807	67.9	52.6	86,510	49.9	49.3	(38,296)	(30.7)	
			Domestic private sector	50,761	27.6		72,888	42.1		22,126	43.6	
	Overseas		8,233	4.5	13,907		8.0	5,673		68.9		
	Subtotal		183,802	100	173,306		100	(10,495)		(5.7)		
	Architectural construction	Domestic public sector	22,941	13.8	47.4	49,056	27.5	50.7	26,114	113.8		
		Domestic private sector	142,894	86.2		129,233	72.5		(13,661)	(9.6)		
		Overseas	—	—		—	—		—	—		
		Subtotal	165,836	100		178,289	100		12,452	7.5		
	Total	Domestic public sector	147,748	42.3	100	135,567	38.6	100	(12,181)	(8.2)		
		Domestic private sector	193,656	55.4		202,121	57.5		8,465	4.4		
		Overseas	8,233	2.3		13,907	3.9		5,673	68.9		
		Total	349,638	100		351,595	100		1,956	0.6		