

Consolidated Financial Statements
(For the Second Quarter of FY2023)

Consolidated Balance Sheets

(Millions of Yen)

	FY2022	Current Second Quarter
	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets :		
Cash and deposits	33,156	25,386
Notes receivable, accounts receivable from completed construction contracts and other	142,296	128,577
Securities	—	10,000
Real estate for sale	1,081	825
Costs on construction contracts in progress	2,612	4,288
Costs on real estate investment, development business and other	982	1,031
Work in process	696	1,218
Raw materials and supplies	92	681
Other	11,248	13,746
Allowance for doubtful accounts	(152)	(139)
Total current assets	192,014	185,617
Non-current assets :		
Property, plant and equipment :		
Land	34,666	34,666
Other, net	38,709	42,567
Total property, plant and equipment	73,376	77,234
Intangible assets :		
Goodwill	408	393
Other	724	1,261
Total intangible assets	1,132	1,655
Investments and other assets :		
Investment securities	56,629	57,471
Retirement benefit asset	5,076	5,057
Other	6,074	10,696
Allowance for doubtful accounts	(1,956)	(1,950)
Total investments and other assets	65,825	71,275
Total non-current assets	140,334	150,165
Total assets	332,348	335,782

(Millions of Yen)

	FY2022	Current Second Quarter
	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	51,328	49,450
Short-term borrowings	9,480	11,365
Income taxes payable	1,656	1,881
Advances received on construction contracts in progress	11,536	12,349
Provisions	4,354	2,765
Provision for loss on construction contracts	973	1,626
Asset retirement obligations	83	84
Other	47,397	40,740
Total current liabilities	126,810	120,264
Non-current liabilities:		
Long-term borrowings	5,112	3,111
Non-recourse borrowings	21,062	26,439
Asset retirement obligations	90	193
Other	11,846	13,964
Total non-current liabilities	38,112	43,708
Total liabilities	164,923	163,973
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	26,240	26,240
Retained earnings	101,710	98,916
Treasury shares	(8,061)	(5,182)
Total shareholders' equity	139,727	139,812
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	24,665	25,704
Deferred gains or losses on hedges	1,099	2,764
Remeasurements of defined benefit plans	1,465	1,269
Total accumulated other comprehensive income	27,229	29,737
Non-controlling interests	467	2,258
Total net assets	167,425	171,809
Total liabilities and net assets	332,348	335,782

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2022 April 1, 2021 through September 30, 2021	2Q / FY2023 April 1, 2022 through September 30, 2022
Net sales:		
Net sales of completed construction contracts	105,831	106,710
Net sales of real estate investment, development business and other	6,479	4,432
Total net sales	112,310	111,143
Cost of sales:		
Cost of sales of completed construction contracts	92,143	95,465
Cost of real estate investment, development business and other	4,379	2,682
Total cost of sales	96,522	98,148
Gross profit:		
Gross profit on completed construction contracts	13,687	11,245
Gross profit on real estate investment, development business and other	2,100	1,749
Total gross profit	15,787	12,995
Selling, general and administrative expenses	9,073	9,313
Operating profit	6,714	3,681
Non-operating income:		
Interest income	15	11
Dividend income	636	676
Foreign exchange gains	143	268
Other	144	135
Total non-operating income	938	1,091
Non-operating expenses:		
Interest expenses	186	239
Other	18	26
Total non-operating expenses	204	266
Ordinary profit	7,448	4,506
Extraordinary income:		
Gain on sale of investment securities	550	1,035
Other	0	18
Total extraordinary income	550	1,053
Extraordinary losses:		
Loss on valuation of investment securities	6	18
Other	2	4
Total extraordinary losses	8	22
Profit before income taxes	7,990	5,537
Income taxes - current	2,083	1,578
Income taxes - deferred	621	391
Total income taxes	2,704	1,969
Profit	5,285	3,567
Loss attributable to non-controlling interests	(327)	(354)
Profit attributable to owners of parent	5,613	3,921

Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2022 April 1, 2021 through September 30, 2021	2Q / FY2023 April 1, 2022 through September 30, 2022
Profit	5,285	3,567
Other comprehensive income:		
Valuation difference on available-for-sale securities	(1,549)	1,038
Deferred gains or losses on hedges	1,507	3,329
Remeasurements of defined benefit plans, net of tax	(194)	(195)
Total other comprehensive income	(236)	4,172
Comprehensive income	5,049	7,740
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,623	6,429
Comprehensive income attributable to non-controlling interests	426	1,310

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

(Millions of Yen)

	2Q / FY2022 April 1, 2021 through September 30, 2021	2Q / FY2023 April 1, 2022 through September 30, 2022
Cash flows from operating activities:		
Profit before income taxes	7,990	5,537
Depreciation	880	911
Amortization of goodwill	14	14
Increase (decrease) in allowance for doubtful accounts	(42)	(18)
Decrease (increase) in retirement benefit asset	(260)	(263)
Increase (decrease) in provision for loss on construction contracts	(169)	652
Interest and dividend income	(651)	(687)
Interest expenses	186	239
Loss (gain) on sale of short-term and long-term investment securities	(550)	(1,035)
Loss (gain) on valuation of short-term and long-term investment securities	6	18
Decrease (increase) in trade receivables	34,123	13,718
Decrease (increase) in costs on construction contracts in progress	2,969	(1,675)
Decrease (increase) in other inventories	1,620	(905)
Increase (decrease) in trade payables	(331)	(2,524)
Increase (decrease) in advances received on construction contracts in progress	439	812
Other, net	1,958	(10,480)
Subtotal	48,184	4,315
Interest and dividends received	650	687
Interest paid	(133)	(159)
Income taxes refund (paid)	(4,197)	(1,378)
Net cash provided by (used in) operating activities	44,505	3,465

(Millions of Yen)

	2Q / FY2022	2Q / FY2023
	April 1, 2021 through September 30, 2021	April 1, 2022 through September 30, 2022
Cash flows from investing activities :		
Net decrease (increase) in time deposits	(8,850)	(888)
Purchase of short-term and long-term investment securities	(17,130)	(630)
Proceeds from sale and redemption of short-term and long-term investment securities	1,046	2,373
Purchase of property, plant and equipment and intangible assets	(3,534)	(4,958)
Proceeds from sale of property, plant and equipment and intangible assets	0	18
Proceeds from collection of loans receivable	29	6
Other, net	34	(3)
Net cash provided by (used in) investing activities	(28,405)	(4,083)
Cash flows from financing activities :		
Net increase (decrease) in short-term borrowings	(12)	(186)
Repayments of long-term borrowings	(0)	(0)
Proceeds from non-recourse borrowings	2,944	5,430
Repayments of non-recourse borrowings	(92)	(53)
Purchase of treasury shares	(2)	(4)
Proceeds from sale of treasury shares	0	0
Dividends paid	(3,882)	(3,924)
Proceeds from share issuance to non-controlling shareholders	145	480
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(902)	1,741
Effect of exchange rate change on cash and cash equivalents	58	115
Net increase (decrease) in cash and cash equivalents	15,256	1,239
Cash and cash equivalents at beginning of period	20,129	31,622
Cash and cash equivalents at end of period	35,386	32,861

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			2Q / FY2022 April 1, 2021 through September 30, 2021			2Q / FY2023 April 1, 2022 through September 30, 2022			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	31,114	72.4	41.6	21,572	57.8	29.9	(9,542)	(30.7)	
		Domestic private sector	7,584	17.6		12,554	33.6		4,970	65.5	
		Overseas	4,284	10.0		3,224	8.6		(1,060)	(24.7)	
		Subtotal	42,982	100		37,351	100		(5,631)	(13.1)	
	Architectural construction	Domestic public sector	3,024	5.0	58.4	6,944	7.9	70.1	3,919	129.6	
		Domestic private sector	57,280	95.0		81,790	93.3		24,510	42.8	
		Overseas	—	—		(1,072)	(1.2)		(1,072)	—	
		Subtotal	60,304	100		87,661	100		27,356	45.4	
	Total	Domestic public sector	34,138	33.1	100	28,516	22.8	100	(5,622)	(16.5)	
		Domestic private sector	64,864	62.8		94,345	75.5		29,480	45.4	
		Overseas	4,284	4.1		2,151	1.7		(2,132)	(49.8)	
		Total	103,287	100		125,012	100		21,724	21.0	
Net sales	Construction business	Civil engineering	Domestic public sector	27,411	62.5	[41.5]	30,767	71.3	[40.5]	3,356	12.2
			Domestic private sector	14,608	33.3	39.8	10,395	24.1	39.4	(4,212)	(28.8)
			Overseas	1,851	4.2		2,002	4.6		150	8.1
			Subtotal	43,870	100		43,165	100		(705)	(1.6)
	Architectural construction	Domestic public sector	16,697	26.9	[58.5]		13,602	21.4		[59.5]	(3,094)
		Domestic private sector	45,263	73.1	56.2	49,681	78.2	58.1	4,418	9.8	
		Overseas	—	—		260	0.4		260	—	
		Subtotal	61,960	100		63,545	100		1,584	2.6	
	Subtotal	Domestic public sector	44,109	41.7		[100]	44,370		41.6	[100]	261
		Domestic private sector	59,871	56.6	96.0	60,077	56.3	97.5	206	0.3	
		Overseas	1,851	1.7		2,262	2.1		411	22.2	
		Subtotal	105,831	100		106,710	100		878	0.8	
	Real estate investment, development business and other			4,397		4.0			2,762	2.5	
	Total			110,229	100		109,473	100		(756)	(0.7)
	Period-end backlog	Civil engineering	Domestic public sector	116,927	59.7	54.7	109,468	56.2	52.2	(7,459)	(6.4)
Domestic private sector			63,488	32.4	68,451		35.2	4,963		7.8	
Overseas			15,534	7.9	16,734		8.6	1,199		7.7	
Subtotal			195,950	100	194,654		100	(1,295)		(0.7)	
Architectural construction		Domestic public sector	44,379	27.3	45.3	44,387	24.9	47.8	8	0.0	
		Domestic private sector	118,190	72.7		134,118	75.1		15,927	13.5	
		Overseas	—	—		—	—		—	—	
		Subtotal	162,570	100		178,506	100		15,936	9.8	
Total		Domestic public sector	161,306	45.0	100	153,856	41.2	100	(7,450)	(4.6)	
		Domestic private sector	181,679	50.7		202,570	54.3		20,891	11.5	
		Overseas	15,534	4.3		16,734	4.5		1,199	7.7	
		Total	358,520	100		373,161	100		14,640	4.1	