

Consolidated Financial Statements
(For the fiscal year ended March 31, 2023)

Consolidated Balance Sheets

(Millions of Yen)

	FY2022	FY2023
	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets:		
Cash and deposits	33,156	40,244
Notes receivable, accounts receivable from completed construction contracts and other	142,296	132,454
Securities	—	10,000
Real estate for sale	1,081	959
Costs on construction contracts in progress	2,612	3,180
Costs on real estate investment, development business and other	982	796
Work in process	696	1,230
Raw materials and supplies	92	744
Other	11,248	9,386
Allowance for doubtful accounts	(152)	(142)
Total current assets	192,014	198,855
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	15,272	22,839
Machinery, vehicles, tools, furniture and fixtures, net	1,193	19,558
Land	34,666	34,667
Leased assets, net	2	6
Construction in progress	22,240	49
Total property, plant and equipment	73,376	77,122
Intangible assets:		
Goodwill	408	378
Other	724	1,304
Total intangible assets	1,132	1,683
Investments and other assets:		
Investment securities	56,629	54,913
Long-term loans receivable	116	103
Retirement benefit asset	5,076	4,435
Deferred tax assets	3	3
Other	5,954	8,555
Allowance for doubtful accounts	(1,956)	(1,943)
Total investments and other assets	65,825	66,067
Total non-current assets	140,334	144,872
Total assets	332,348	343,727

(Millions of Yen)

	FY2022	FY2023
	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	51,328	50,268
Short-term borrowings	9,480	10,708
Lease liabilities	0	1
Income taxes payable	1,656	3,050
Advances received on construction contracts in progress	11,536	12,594
Deposits received	25,610	20,061
Provision for warranties for completed construction	540	504
Provision for bonuses	3,771	3,462
Provision for bonuses for directors (and other officers)	43	37
Provision for loss on construction contracts	973	1,566
Asset retirement obligations	83	83
Suspense receipt of consumption taxes	18,050	17,938
Other	3,735	8,769
Total current liabilities	126,810	129,048
Non-current liabilities:		
Long-term borrowings	5,112	3,110
Non-recourse borrowings	21,062	26,003
Lease liabilities	1	5
Deferred tax liabilities	11,658	11,998
Asset retirement obligations	90	300
Other	186	46
Total non-current liabilities	38,112	41,463
Total liabilities	164,923	170,511
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	26,240	26,240
Retained earnings	101,710	103,827
Treasury shares	(8,061)	(5,185)
Total shareholders' equity	139,727	144,720
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	24,665	24,801
Deferred gains or losses on hedges	1,099	1,829
Remeasurements of defined benefit plans	1,465	662
Total accumulated other comprehensive income	27,229	27,293
Non-controlling interests	467	1,201
Total net assets	167,425	173,215
Total liabilities and net assets	332,348	343,727

Consolidated Statements of Income

(Millions of Yen)

	FY2022 April 1, 2021 through March 31, 2022	FY2023 April 1, 2022 through March 31, 2023
Net sales:		
Net sales of completed construction contracts	229,906	236,649
Net sales of real estate investment, development business and other	12,552	12,793
Total net sales	242,458	249,442
Cost of sales:		
Cost of sales of completed construction contracts	202,378	208,900
Cost of real estate investment, development business and other	8,242	8,541
Total cost of sales	210,620	217,441
Gross profit:		
Gross profit on completed construction contracts	27,528	27,748
Gross profit on real estate investment, development business and other	4,309	4,252
Total gross profit	31,837	32,001
Selling, general and administrative expenses	19,190	20,153
Operating profit	12,647	11,847
Non-operating income:		
Interest income	43	28
Dividend income	1,196	1,161
Other	568	482
Total non-operating income	1,808	1,672
Non-operating expenses:		
Interest expenses	393	550
Other	50	60
Total non-operating expenses	443	611
Ordinary profit	14,012	12,908
Extraordinary income:		
Gain on sale of investment securities	3,200	3,056
Other	0	18
Total extraordinary income	3,201	3,074
Extraordinary losses:		
Loss on retirement of non-current assets	5	595
Other	6	51
Total extraordinary losses	11	647
Profit before income taxes	17,202	15,335
Income taxes - current	4,224	4,693
Income taxes - deferred	963	99
Total income taxes	5,188	4,792
Profit	12,013	10,542
Loss attributable to non-controlling interests	(528)	(718)
Profit attributable to owners of parent	12,541	11,261

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2022 April 1, 2021 through March 31, 2022	FY2023 April 1, 2022 through March 31, 2023
Profit	12,013	10,542
Other comprehensive income :		
Valuation difference on available-for-sale securities	(6,291)	135
Deferred gains or losses on hedges	3,148	1,461
Remeasurements of defined benefit plans, net of tax	(287)	(802)
Total other comprehensive income	(3,430)	794
Comprehensive income	8,582	11,337
Comprehensive income attributable to :		
Comprehensive income attributable to owners of parent	7,536	11,325
Comprehensive income attributable to non-controlling interests	1,046	11

Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2022 April 1, 2021 through March 31, 2022	FY2023 April 1, 2022 through March 31, 2023
Cash flows from operating activities:		
Profit before income taxes	17,202	15,335
Depreciation	1,803	2,301
Amortization of goodwill	29	29
Loss on retirement of non-current assets	5	595
Increase (decrease) in allowance for doubtful accounts	(13)	(21)
Decrease (increase) in retirement benefit asset	(517)	(515)
Increase (decrease) in provision for warranties for completed construction	77	(35)
Increase (decrease) in provision for bonuses	469	(308)
Increase (decrease) in provision for bonuses for directors (and other officers)	(8)	(5)
Increase (decrease) in provision for loss on construction contracts	110	592
Interest and dividend income	(1,240)	(1,189)
Interest expenses	393	550
Loss (gain) on sale of short-term and long-term investment securities	(3,200)	(3,023)
Decrease (increase) in trade receivables	1,125	9,841
Decrease (increase) in costs on construction contracts in progress	2,261	(568)
Decrease (increase) in other inventories	2,215	(878)
Increase (decrease) in trade payables	4,932	3,094
Increase (decrease) in advances received on construction contracts in progress	(4,176)	1,057
Increase (decrease) in deposits received	1,048	(5,548)
Other, net	1,804	(830)
Subtotal	24,322	20,474
Interest and dividends received	1,239	1,189
Interest paid	(278)	(375)
Income taxes refund (paid)	(6,994)	(3,387)
Net cash provided by (used in) operating activities	18,289	17,900

(Millions of Yen)

	FY2022	FY2023
	April 1, 2021 through March 31, 2022	April 1, 2022 through March 31, 2023
Cash flows from investing activities :		
Net decrease (increase) in time deposits	39	139
Purchase of short-term and long-term investment securities	(135)	(761)
Proceeds from sale and redemption of short-term and long-term investment securities	5,191	5,592
Purchase of property, plant and equipment and intangible assets	(7,912)	(4,114)
Proceeds from sale of property, plant and equipment and intangible assets	0	18
Proceeds from collection of loans receivable	35	13
Other, net	26	(114)
Net cash provided by (used in) investing activities	(2,754)	772
Cash flows from financing activities :		
Net increase (decrease) in short-term borrowings	(30)	(832)
Proceeds from long-term borrowings	—	2,000
Repayments of long-term borrowings	(1)	(2,001)
Proceeds from non-recourse borrowings	4,927	5,947
Repayments of non-recourse borrowings	(92)	(1,006)
Purchase of treasury shares	(3,255)	(30)
Proceeds from sale of treasury shares	0	0
Dividends paid	(6,349)	(6,368)
Proceeds from share issuance to non-controlling shareholders	594	722
Other, net	(0)	(1)
Net cash provided by (used in) financing activities	(4,209)	(1,571)
Effect of exchange rate change on cash and cash equivalents	167	68
Net increase (decrease) in cash and cash equivalents	11,492	17,170
Cash and cash equivalents at beginning of period	20,129	31,622
Cash and cash equivalents at end of period	31,622	48,792

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			FY2022 April 1, 2021 through March 31, 2022			FY2023 April 1, 2022 through March 31, 2023			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	67,584	69.7	43.3	48,301	55.0	31.4	(19,282)	(28.5)	
		Domestic private sector	23,648	24.4		26,764	30.4		3,116	13.2	
		Overseas	5,704	5.9		12,802	14.6		7,098	124.4	
		Subtotal	96,937	100		87,869	100		(9,067)	(9.4)	
	Architectural construction	Domestic public sector	27,199	21.5	56.7	22,961	12.0	68.6	(4,238)	(15.6)	
		Domestic private sector	98,231	77.5		170,159	88.6		71,927	73.2	
		Overseas	1,333	1.0		(1,072)	(0.6)		(2,406)	—	
		Subtotal	126,765	100		192,047	100		65,282	51.5	
	Total	Domestic public sector	94,784	42.4	100	71,262	25.5	100	(23,521)	(24.8)	
		Domestic private sector	121,879	54.5		196,923	70.3		75,044	61.6	
		Overseas	7,038	3.1		11,730	4.2		4,691	66.7	
		Total	223,702	100		279,916	100		56,214	25.1	
Net sales	Construction business	Civil engineering	Domestic public sector	62,144	66.6	[40.6]	64,975	66.8	[41.1]	2,830	4.6
			Domestic private sector	27,867	29.9		26,587	27.3		(1,280)	(4.6)
			Overseas	3,294	3.5		5,723	5.9		2,429	73.8
			Subtotal	93,306	100		97,286	100		3,979	4.3
	Architectural construction	Domestic public sector	34,205	25.0	[59.4]	28,004	20.1	[58.9]	(6,201)	(18.1)	
		Domestic private sector	102,394	75.0		111,097	79.7		8,702	8.5	
		Overseas	—	—		260	0.2		260	—	
		Subtotal	136,600	100		139,362	100		2,762	2.0	
	Subtotal	Domestic public sector	96,350	41.9	[100]	92,979	39.3	[100]	(3,371)	(3.5)	
		Domestic private sector	130,262	56.7		137,684	58.2		7,421	5.7	
		Overseas	3,294	1.4		5,984	2.5		2,690	81.7	
		Subtotal	229,907	100		236,649	100		6,741	2.9	
	Real estate investment, development business and other			7,322	3.1		5,617	2.3		(1,705)	(23.3)
	Total			237,230	100		242,266	100		5,036	2.1
Period-end backlog	Civil engineering	Domestic public sector	118,664	59.2	56.5	101,990	53.4	48.0	(16,673)	(14.1)	
		Domestic private sector	66,292	33.1		66,469	34.8		177	0.3	
		Overseas	15,512	7.7		22,591	11.8		7,079	45.6	
		Subtotal	200,468	100		191,051	100		(9,416)	(4.7)	
	Architectural construction	Domestic public sector	51,046	33.0	43.5	46,003	22.2	52.0	(5,043)	(9.9)	
		Domestic private sector	102,010	66.1		161,071	77.8		59,061	57.9	
		Overseas	1,333	0.9		—	—		(1,333)	—	
		Subtotal	154,390	100		207,075	100		52,684	34.1	
	Total	Domestic public sector	169,710	47.8	100	147,993	37.2	100	(21,716)	(12.8)	
		Domestic private sector	168,302	47.4		227,541	57.1		59,239	35.2	
		Overseas	16,846	4.8		22,591	5.7		5,745	34.1	
		Total	354,859	100		398,127	100		43,267	12.2	