

Consolidated Financial Statements (For the Second Quarter of FY2025)

Consolidated Balance Sheets

(Millions of Yen)

	FY2024	Current Second Quarter
	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets:		
Cash and deposits	30,248	14,676
Notes receivable, accounts receivable from completed construction contracts and other	172,323	182,333
Real estate for sale	933	753
Costs on construction contracts in progress	3,695	4,317
Costs on real estate investment, development business and other	1,960	2,213
Work in process	926	1,820
Raw materials and supplies	582	650
Other	9,937	10,432
Allowance for doubtful accounts	(189)	(190)
Total current assets	220,418	217,007
Non-current assets:		
Property, plant and equipment:		
Land	35,149	36,296
Other, net	40,326	40,199
Total property, plant and equipment	75,476	76,496
Intangible assets:		
Goodwill	348	334
Other	1,457	1,426
Total intangible assets	1,806	1,760
Investments and other assets:		
Investment securities	68,732	60,737
Retirement benefit asset	5,525	5,487
Other	14,722	14,105
Allowance for doubtful accounts	(1,930)	(1,924)
Total investments and other assets	87,049	78,405
Total non-current assets	164,332	156,662
Total assets	384,750	373,670

(Millions of Yen)

	FY2024	Current Second Quarter
	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	52,074	51,763
Short-term borrowings	16,701	25,801
Income taxes payable	3,385	1,946
Advances received on construction contracts in progress	19,161	18,450
Provisions	4,307	3,543
Provision for loss on construction contracts	859	2,303
Asset retirement obligations	86	—
Other	49,791	44,898
Total current liabilities	146,367	148,707
Non-current liabilities:		
Long-term borrowings	5,108	5,007
Non-recourse borrowings	22,333	21,408
Provisions	150	250
Asset retirement obligations	393	478
Other	18,823	18,136
Total non-current liabilities	46,809	45,280
Total liabilities	193,176	193,988
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	26,466	26,510
Retained earnings	107,684	101,424
Treasury shares	(5,316)	(5,267)
Total shareholders' equity	148,673	142,505
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	34,976	29,608
Deferred gains or losses on hedges	3,840	5,334
Remeasurements of defined benefit plans	1,201	1,064
Total accumulated other comprehensive income	40,017	36,007
Non-controlling interests	2,882	1,168
Total net assets	191,573	179,681
Total liabilities and net assets	384,750	373,670

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2024 April 1, 2023 through September 30, 2023	2Q / FY2025 April 1, 2024 through September 30, 2024
Net sales :		
Net sales of completed construction contracts	126,221	132,553
Net sales of real estate investment, development business and other	9,439	6,785
Total net sales	135,660	139,339
Cost of sales :		
Cost of sales of completed construction contracts	111,865	121,146
Cost of real estate investment, development business and other	6,938	6,644
Total cost of sales	118,804	127,790
Gross profit :		
Gross profit on completed construction contracts	14,355	11,406
Gross profit on real estate investment, development business and other	2,500	141
Total gross profit	16,856	11,548
Selling, general and administrative expenses	10,400	10,757
Operating profit	6,455	791
Non-operating income :		
Interest income	44	40
Dividend income	692	742
Other	327	100
Total non-operating income	1,063	882
Non-operating expenses :		
Interest expenses	299	326
Loss on valuation of forward exchange contracts	—	3,908
Other	40	540
Total non-operating expenses	339	4,775
Ordinary profit (loss)	7,180	(3,101)
Extraordinary income :		
Gain on sale of investment securities	1,086	1,540
Other	610	—
Total extraordinary income	1,696	1,540
Extraordinary losses :		
Loss on retirement of non-current assets	489	26
Other	—	0
Total extraordinary losses	489	26
Profit (loss) before income taxes	8,387	(1,587)
Income taxes - current	2,478	1,603
Income taxes - deferred	382	340
Total income taxes	2,861	1,944
Profit (loss)	5,525	(3,532)
Loss attributable to non-controlling interests	(182)	(3,208)
Profit (loss) attributable to owners of parent	5,707	(324)

Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2024 April 1, 2023 through September 30, 2023	2Q / FY2025 April 1, 2024 through September 30, 2024
Profit (loss)	5,525	(3,532)
Other comprehensive income :		
Valuation difference on available-for-sale securities	5,441	(5,367)
Deferred gains or losses on hedges	2,837	2,987
Remeasurements of defined benefit plans, net of tax	(133)	(136)
Total other comprehensive income	8,145	(2,515)
Comprehensive income	13,670	(6,048)
Comprehensive income attributable to :		
Comprehensive income attributable to owners of parent	12,433	(4,334)
Comprehensive income attributable to non-controlling interests	1,236	(1,714)

Consolidated Statements of Cash Flows

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2024	2Q / FY2025
	April 1, 2023 through September 30, 2023	April 1, 2024 through September 30, 2024
Cash flows from operating activities :		
Profit (loss) before income taxes	8,387	(1,587)
Depreciation	2,131	1,996
Amortization of goodwill	14	14
Loss on retirement of non-current assets	489	26
Increase (decrease) in allowance for doubtful accounts	493	(5)
Decrease (increase) in retirement benefit asset	(158)	(158)
Increase (decrease) in provision for loss on construction contracts	(711)	1,444
Interest and dividend income	(736)	(782)
Interest expenses	299	326
Loss (gain) on sale of short-term and long-term investment securities	(1,086)	(1,540)
Loss (gain) on valuation of forward exchange contracts	—	3,908
Decrease (increase) in trade receivables	(14,554)	(10,010)
Decrease (increase) in costs on construction contracts in progress	(1,749)	(622)
Decrease (increase) in other inventories	339	(1,034)
Increase (decrease) in trade payables	(1,311)	(1,707)
Increase (decrease) in advances received on construction contracts in progress	2,780	(710)
Other, net	(2,650)	(2,604)
Subtotal	(8,022)	(13,048)
Interest and dividends received	736	782
Interest paid	(227)	(236)
Income taxes refund (paid)	(2,653)	(3,680)
Net cash provided by (used in) operating activities	(10,167)	(16,182)

(Millions of Yen)

	2Q / FY2024	2Q / FY2025
	April 1, 2023 through September 30, 2023	April 1, 2024 through September 30, 2024
Cash flows from investing activities :		
Purchase of short-term and long-term investment securities	(57)	(156)
Proceeds from sale and redemption of short-term and long-term investment securities	1,802	1,910
Purchase of property, plant and equipment and intangible assets	(1,350)	(3,131)
Proceeds from sale of property, plant and equipment and intangible assets	354	—
Loan advances	(1)	(8)
Proceeds from collection of loans receivable	6	42
Other, net	(116)	(22)
Net cash provided by (used in) investing activities	638	(1,366)
Cash flows from financing activities :		
Net increase (decrease) in short-term borrowings	1,993	8,000
Proceeds from long-term borrowings	—	1,000
Repayments of long-term borrowings	(2,000)	(0)
Repayments of non-recourse borrowings	(2,311)	(925)
Purchase of treasury shares	(8)	(5)
Proceeds from sale of treasury shares	0	3
Dividends paid	(5,759)	(5,873)
Other, net	(0)	(3)
Net cash provided by (used in) financing activities	(8,087)	2,195
Effect of exchange rate change on cash and cash equivalents	69	(167)
Net increase (decrease) in cash and cash equivalents	(17,546)	(15,521)
Cash and cash equivalents at beginning of period	48,792	28,917
Cash and cash equivalents at end of period	31,246	13,396

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			2Q / FY2024 April 1, 2023 through September 30, 2023			2Q / FY2025 April 1, 2024 through September 30, 2024			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%	%		
Construction orders awarded	Civil engineering	Domestic public sector	27,917	54.6	34.6	79,078	79.4	75.7	51,161	183.3	
		Domestic private sector	11,282	22.1		9,180	9.2		(2,102)	(18.6)	
		Overseas	11,926	23.3		11,340	11.4		(585)	(4.9)	
		Subtotal	51,126	100		99,599	100		48,473	94.8	
	Architectural construction	Domestic public sector	10,661	11.0	65.4	3,136	9.8	24.3	(7,524)	(70.6)	
		Domestic private sector	85,967	89.0		28,807	90.2		(57,160)	(66.5)	
		Overseas	—	—		—	—		—	—	
		Subtotal	96,629	100		31,944	100		(64,685)	(66.9)	
	Total	Domestic public sector	38,578	26.1	100	82,215	62.5	100	43,636	113.1	
		Domestic private sector	97,250	65.8		37,987	28.9		(59,262)	(60.9)	
		Overseas	11,926	8.1		11,340	8.6		(585)	(4.9)	
		Total	147,755	100		131,543	100		(16,211)	(11.0)	
	Net sales	Construction business	Civil engineering	Domestic public sector	29,816	61.4	[38.5]	28,971	64.3	[34.0]	(845)
Domestic private sector				14,063	29.0	37.6	13,828	30.7	33.3	(235)	(1.7)
Overseas				4,663	9.6		2,244	5.0		(2,419)	(51.9)
Subtotal				48,543	100		45,043	100		(3,500)	(7.2)
Architectural construction		Domestic public sector	10,727	13.8	[61.5]		14,930	17.1		[66.0]	4,202
		Domestic private sector	66,950	86.2	60.1	72,580	82.9	64.6	5,629	8.4	
		Overseas	—	—		—	—		—	—	
		Subtotal	77,677	100		87,510	100		9,832	12.7	
Subtotal		Domestic public sector	40,543	32.1		[100]	43,901		33.1	[100]	3,357
		Domestic private sector	81,013	64.2	97.7	86,408	65.2	97.9	5,394	6.7	
		Overseas	4,663	3.7		2,244	1.7		(2,419)	(51.9)	
		Subtotal	126,221	100		132,553	100		6,332	5.0	
Real estate investment, development business and other			2,999	2.3			2,838		2.1		(161)
Total			129,221	100		135,392	100		6,171	4.8	
Period-end backlog	Civil engineering	Domestic public sector	100,091	51.7	46.1	154,617	62.3	53.3	54,526	54.5	
		Domestic private sector	63,688	32.9		56,341	22.7		(7,347)	(11.5)	
		Overseas	29,854	15.4		37,344	15.0		7,490	25.1	
		Subtotal	193,633	100		248,303	100		54,669	28.2	
	Architectural construction	Domestic public sector	45,938	20.3	53.9	63,774	29.3	46.7	17,836	38.8	
		Domestic private sector	180,089	79.7		153,581	70.7		(26,507)	(14.7)	
		Overseas	—	—		—	—		—	—	
		Subtotal	226,027	100		217,356	100		(8,671)	(3.8)	
	Total	Domestic public sector	146,029	34.8	100	218,391	46.9	100	72,362	49.6	
		Domestic private sector	243,778	58.1		209,923	45.1		(33,854)	(13.9)	
		Overseas	29,854	7.1		37,344	8.0		7,490	25.1	
		Total	419,661	100		465,659	100		45,998	11.0	