

Consolidated Financial Statements
(For the Second Quarter of FY2021)

Consolidated Balance Sheets

(Millions of Yen)

	FY2020	Current Second Quarter
	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets:		
Cash and deposits	26,179	12,759
Notes receivable, accounts receivable from completed construction contracts and other	121,748	125,362
Securities	3,000	—
Real estate for sale	592	855
Costs on construction contracts in progress	5,410	5,260
Costs on real estate business	3,102	3,141
Work in process	1,096	1,352
Raw materials and supplies	66	79
Other	10,658	12,337
Allowance for doubtful accounts	(190)	(133)
Total current assets	171,664	161,015
Non-current assets:		
Property, plant and equipment:		
Land	33,604	34,405
Other, net	25,951	33,541
Total property, plant and equipment	59,556	67,947
Intangible assets:		
Goodwill	467	452
Other	682	662
Total intangible assets	1,149	1,114
Investments and other assets:		
Investment securities	57,429	61,086
Retirement benefit asset	4,067	4,042
Other	3,031	2,676
Allowance for doubtful accounts	(1,980)	(1,974)
Total investments and other assets	62,548	65,830
Total non-current assets	123,254	134,892
Total assets	294,919	295,907

(Millions of Yen)

	FY2020	Current Second Quarter
	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	43,944	38,890
Short-term borrowings	8,946	8,551
Income taxes payable	1,938	1,163
Advances received on construction contracts in progress	12,598	12,488
Provisions	4,000	2,767
Provision for loss on construction contracts	1,127	1,007
Asset retirement obligations	87	87
Other	40,345	41,981
Total current liabilities	112,990	106,937
Non-current liabilities:		
Long-term borrowings	6,015	7,114
Non-recourse borrowings	9,221	12,823
Asset retirement obligations	58	71
Other	10,521	11,980
Total non-current liabilities	25,817	31,990
Total liabilities	138,807	138,928
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	26,248	26,240
Retained earnings	105,554	89,264
Treasury shares	(19,761)	(4,633)
Total shareholders' equity	131,880	130,709
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	23,233	26,047
Deferred gains or losses on hedges	46	(134)
Remeasurements of defined benefit plans	1,364	1,225
Total accumulated other comprehensive income	24,644	27,138
Non-controlling interests	(413)	(868)
Total net assets	156,111	156,979
Total liabilities and net assets	294,919	295,907

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2020 April 1, 2019 through September 30, 2019	2Q / FY2021 April 1, 2020 through September 30, 2020
Net sales:		
Net sales of completed construction contracts	101,394	96,600
Net sales in real estate business and other	4,901	4,673
Total net sales	106,295	101,273
Cost of sales:		
Cost of sales of completed construction contracts	92,083	86,783
Cost of sales in real estate business and other	2,771	2,763
Total cost of sales	94,855	89,547
Gross profit:		
Gross profit on completed construction contracts	9,310	9,816
Gross profit on real estate business and other	2,129	1,910
Total gross profit	11,439	11,726
Selling, general and administrative expenses	8,147	9,009
Operating profit	3,292	2,716
Non-operating income:		
Interest income	25	18
Dividend income	735	710
Gain on investments in investment partnerships	—	249
Other	170	197
Total non-operating income	931	1,175
Non-operating expenses:		
Interest expenses	83	142
Foreign exchange losses	55	—
Other	33	32
Total non-operating expenses	172	175
Ordinary profit	4,051	3,717
Extraordinary income:		
Gain on sales of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses:		
Loss on valuation of investment securities	—	24
Loss on retirement of non-current assets	4	22
Other	3	0
Total extraordinary losses	8	47
Profit before income taxes	4,042	3,670
Income taxes - current	1,043	990
Income taxes - deferred	342	493
Total income taxes	1,386	1,484
Profit	2,656	2,186
Loss attributable to non-controlling interests	(28)	(503)
Profit attributable to owners of parent	2,684	2,689

Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2020 April 1, 2019 through September 30, 2019	2Q / FY2021 April 1, 2020 through September 30, 2020
Profit	2,656	2,186
Other comprehensive income:		
Valuation difference on available-for-sale securities	(2,606)	2,813
Deferred gains or losses on hedges	—	(361)
Remeasurements of defined benefit plans, net of tax	(172)	(139)
Total other comprehensive income	(2,778)	2,313
Comprehensive income	(122)	4,499
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(93)	5,183
Comprehensive income attributable to non-controlling interests	(28)	(683)

Consolidated Statements of Cash Flows

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2020 April 1, 2019 through September 30, 2019	2Q / FY2021 April 1, 2020 through September 30, 2020
Cash flows from operating activities:		
Profit before income taxes	4,042	3,670
Depreciation	655	842
Amortization of goodwill	14	14
Loss on retirement of non-current assets	4	22
Increase (decrease) in allowance for doubtful accounts	(37)	(62)
Decrease (increase) in retirement benefit asset	(235)	(175)
Increase (decrease) in provision for loss on construction contracts	495	(120)
Interest and dividend income	(761)	(728)
Interest expenses	83	142
Loss (gain) on sales of non-current assets	3	0
Loss (gain) on valuation of short-term and long-term investment securities	—	24
Decrease (increase) in trade receivables	1,231	(3,613)
Decrease (increase) in costs on construction contracts in progress	(535)	149
Decrease (increase) in other inventories	498	(572)
Increase (decrease) in trade payables	(3,864)	(6,592)
Increase (decrease) in advances received on construction contracts in progress	1,649	(110)
Other, net	(2,266)	(2,653)
Subtotal	978	(9,762)
Interest and dividends received	760	728
Interest paid	(83)	(142)
Income taxes (paid) refund	(2,088)	(1,741)
Net cash provided by (used in) operating activities	(432)	(10,918)

(Millions of Yen)

	2Q / FY2020	2Q / FY2021
	April 1, 2019 through September 30, 2019	April 1, 2020 through September 30, 2020
Cash flows from investing activities:		
Net decrease (increase) in time deposits	725	364
Purchase of short-term and long-term investment securities	(22)	(5)
Proceeds from sales and redemption of short-term and long-term investment securities	36	418
Purchase of property, plant and equipment and intangible assets	(6,639)	(6,620)
Proceeds from sales of property, plant and equipment and intangible assets	0	0
Loan advances	(3)	—
Collection of loans receivable	186	6
Other, net	(5)	(12)
Net cash provided by (used in) investing activities	(5,720)	(5,848)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	147	697
Proceeds from long-term borrowings	—	1,100
Repayments of long-term borrowings	(9)	(1,100)
Proceeds from non-recourse borrowings	—	3,665
Repayments of non-recourse borrowings	—	(63)
Purchase of treasury shares	(3,687)	(2)
Proceeds from sales of treasury shares	—	0
Dividends paid	(5,915)	(3,843)
Proceeds from share issuance to non-controlling shareholders	—	228
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	(9,467)	681
Effect of exchange rate change on cash and cash equivalents	(3)	13
Net increase (decrease) in cash and cash equivalents	(15,623)	(16,071)
Cash and cash equivalents at beginning of period	49,833	27,258
Cash and cash equivalents at end of period	34,210	11,186

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			2Q / FY2020 April 1, 2019 through September 30, 2019			2Q / FY2021 April 1, 2020 through September 30, 2020			Change Increase (Decrease)	% Change Increase (Decrease)	
				%			%		%		
Construction orders awarded	Civil engineering	Domestic public sector	11,689	20.9	67.8	14,600	59.9	49.5	2,911	24.9	
		Domestic private sector	36,500	65.2		9,740	40.0		(26,759)	(73.3)	
		Overseas	7,765	13.9		31	0.1		(7,733)	(99.6)	
		Subtotal	55,955	100		24,373	100		(31,582)	(56.4)	
	Architectural construction	Domestic public sector	6,907	26.0	32.2	5,406	21.7	50.5	(1,500)	(21.7)	
		Domestic private sector	19,687	74.0		19,494	78.3		(192)	(1.0)	
		Overseas	—	—		—	—		—	—	
		Subtotal	26,594	100		24,901	100		(1,692)	(6.4)	
	Total	Domestic public sector	18,596	22.5	100	20,007	40.6	100	1,410	7.6	
		Domestic private sector	56,187	68.1		29,235	59.3		(26,951)	(48.0)	
		Overseas	7,765	9.4		31	0.1		(7,733)	(99.6)	
		Total	82,549	100		49,274	100		(33,274)	(40.3)	
Net sales	Projects completed	Civil engineering	Domestic public sector	33,875	71.2	[46.9]	29,448	61.9	[49.2]	(4,426)	(13.1)
			Domestic private sector	11,452	24.1		17,517	36.9		6,064	53.0
			Overseas	2,224	4.7		577	1.2		(1,646)	(74.0)
			Subtotal	47,552	100	45.7	47,543	100	47.9	(8)	(0.0)
	Architectural construction	Domestic public sector	4,725	8.8	[53.1]	9,688	19.8	[50.8]	4,963	105.0	
		Domestic private sector	49,116	91.2		39,367	80.2		(9,748)	(19.8)	
		Overseas	—	—		—	—		—	—	
		Subtotal	53,842	100	51.8	49,056	100	49.5	(4,785)	(8.9)	
	Subtotal	Domestic public sector	38,600	38.1	[100]	39,137	40.5	[100]	536	1.4	
		Domestic private sector	60,569	59.7		56,885	58.9		(3,684)	(6.1)	
		Overseas	2,224	2.2		577	0.6		(1,646)	(74.0)	
		Subtotal	101,394	100	97.5	96,600	100	97.4	(4,793)	(4.7)	
	Real estate business and other			2,585	2.5		2,612	2.6		26	1.0
	Total			103,980	100		99,212	100		(4,767)	(4.6)
Period-end backlog	Civil engineering	Domestic public sector	102,621	53.4	58.1	71,662	47.7	49.3	(30,958)	(30.2)	
		Domestic private sector	75,808	39.4		65,111	43.4		(10,697)	(14.1)	
		Overseas	13,775	7.2		13,361	8.9		(413)	(3.0)	
		Subtotal	192,205	100		150,135	100		(42,069)	(21.9)	
	Architectural construction	Domestic public sector	25,123	18.1	41.9	44,773	29.0	50.7	19,650	78.2	
		Domestic private sector	113,465	81.9		109,360	71.0		(4,104)	(3.6)	
		Overseas	—	—		—	—		—	—	
		Subtotal	138,588	100		154,134	100		15,545	11.2	
	Total	Domestic public sector	127,744	38.6	100	116,436	38.3	100	(11,308)	(8.9)	
		Domestic private sector	189,274	57.2		174,471	57.3		(14,802)	(7.8)	
		Overseas	13,775	4.2		13,361	4.4		(413)	(3.0)	
		Total	330,794	100		304,270	100		(26,524)	(8.0)	