

Consolidated Financial Statements
(For the fiscal year ended March 31, 2019)

Consolidated Balance Sheets

(Millions of yen)

	FY2018	FY2019
	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets:		
Cash and deposits	45,942	34,847
Notes receivable, accounts receivable from completed construction contracts and other	112,287	101,041
Securities	10,999	17,000
Real estate for sale	705	991
Costs on uncompleted construction contracts	5,547	4,336
Costs on real estate business	3,215	2,736
Work in process	865	1,438
Raw materials and supplies	41	75
Other	11,652	7,974
Allowance for doubtful accounts	(786)	(700)
Total current assets	190,470	169,742
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	13,070	13,170
Machinery, vehicles, tools, furniture and fixtures, net	962	1,188
Land	31,250	31,758
Leased assets, net	9	3
Construction in progress	21	2,958
Total property, plant and equipment	45,314	49,079
Intangible assets		
Goodwill	—	497
Other	280	439
Total intangible assets	280	937
Investments and other assets:		
Investment securities	74,759	74,168
Long-term loans receivable	175	199
Retirement benefit asset	2,409	3,140
Deferred tax assets	35	31
Other	2,479	2,400
Allowance for doubtful accounts	(2,060)	(2,009)
Total investments and other assets	77,798	77,930
Total non-current assets	123,393	127,947
Total assets	313,863	297,690

(Millions of yen)

	FY2018	FY2019
	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	58,985	43,337
Short-term loans payable	11,659	8,075
Lease obligations	7	2
Income taxes payable	2,707	2,298
Advances received on uncompleted construction contracts	16,013	13,942
Deposits received	17,226	18,080
Provision for warranties for completed construction	674	715
Provision for bonuses	4,217	3,450
Provision for bonuses for directors (and other officers)	48	59
Provision for loss on construction contracts	2,344	1,118
Asset retirement obligations	104	86
Other	15,868	16,853
Total current liabilities	129,856	108,020
Non-current liabilities:		
Long-term loans payable	3,141	7,122
Lease obligations	3	1
Deferred tax liabilities	13,028	14,041
Asset retirement obligations	64	57
Other	46	46
Total non-current liabilities	16,283	21,269
Total liabilities	146,140	129,289
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,330	25,330
Retained earnings	98,265	103,250
Treasury shares	(12,688)	(16,069)
Total shareholders' equity	130,746	132,349
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	34,838	34,414
Remeasurements of defined benefit plans	2,138	1,693
Total accumulated other comprehensive income	36,977	36,108
Non-controlling interests	—	(57)
Total net assets	167,723	168,400
Total liabilities and net assets	313,863	297,690

Consolidated Statements of Income

(Millions of yen)

	FY2018 April 1, 2017 through March 31, 2018	FY2019 April 1, 2018 through March 31, 2019
Net sales:		
Net sales of completed construction contracts	213,135	210,020
Net sales of real estate business and other	10,791	10,863
Total net sales	223,927	220,884
Cost of sales:		
Cost of sales of completed construction contracts	184,565	182,685
Cost of sales on real estate business and other	6,596	6,655
Total cost of sales	191,162	189,341
Gross profit:		
Gross profit on completed construction contracts	28,570	27,335
Gross profit on real estate business and other	4,194	4,207
Total gross profit	32,765	31,543
Selling, general and administrative expenses	16,911	17,826
Operating profit	15,853	13,716
Non-operating income:		
Interest income	66	43
Dividend income	1,139	1,219
Other	413	334
Total non-operating income	1,619	1,598
Non-operating expenses:		
Interest expenses	135	154
Foreign exchange losses	18	38
Other	44	23
Total non-operating expenses	197	216
Ordinary profit	17,275	15,098
Extraordinary income:		
Gain on sales of non-current assets	157	194
Gain on sales of investment securities	180	1,420
Total extraordinary income	338	1,615
Extraordinary losses:		
Loss on sales of non-current assets	0	68
Loss on retirement of non-current assets	18	59
Loss on valuation of investment securities	0	28
Total extraordinary losses	18	155
Profit before income taxes	17,595	16,558
Income taxes - current	3,239	3,555
Income taxes - deferred	(807)	690
Total income taxes	2,431	4,245
Profit	15,163	12,312
Loss attributable to non-controlling interests	—	(1)
Profit attributable to owners of parent	15,163	12,314

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2018 April 1, 2017 through March 31, 2018	FY2019 April 1, 2018 through March 31, 2019
Profit	15,163	12,312
Other comprehensive income:		
Valuation difference on available-for-sale securities	6,092	(423)
Remeasurements of defined benefit plans, net of tax	116	(445)
Total other comprehensive income	6,208	(869)
Comprehensive income	21,372	11,443
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	21,372	11,445
Comprehensive income attributable to non-controlling interests	—	(1)

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2018	FY2019
	April 1, 2017 through March 31, 2018	April 1, 2018 through March 31, 2019
Cash flows from operating activities:		
Profit before income taxes	17,595	16,558
Depreciation	1,093	1,175
Amortization of goodwill	—	7
Loss on retirement of non-current assets	18	59
Increase (decrease) in allowance for doubtful accounts	(226)	(105)
Decrease (increase) in retirement benefit asset	(87)	(1,167)
Increase (decrease) in provision for warranties for completed construction	35	41
Increase (decrease) in provision for bonuses	(157)	(767)
Increase (decrease) in provision for bonuses for directors (and other officers)	14	11
Increase (decrease) in provision for loss on construction contracts	(1,022)	(1,226)
Interest and dividend income	(1,206)	(1,263)
Interest expenses	135	154
Loss (gain) on sales of non-current assets	(157)	(126)
Loss (gain) on sales of short-term and long-term investment securities	(180)	(1,420)
Loss (gain) on valuation of short-term and long-term investment securities	0	28
Decrease (increase) in notes and accounts receivable - trade	(15,011)	11,245
Decrease (increase) in costs on uncompleted construction contracts	971	1,210
Decrease (increase) in other inventories	(584)	(414)
Increase (decrease) in notes and accounts payable - trade	154	(11,381)
Increase (decrease) in advances received on uncompleted construction contracts	1,113	(2,071)
Increase (decrease) in deposits received	5,661	854
Other, net	999	673
Subtotal	9,157	12,075
Interest and dividend income received	1,205	1,262
Interest expenses paid	(135)	(154)
Income taxes (paid) refund	(1,792)	(3,984)
Net cash provided by (used in) operating activities	8,435	9,198

(Millions of yen)

	FY2018	FY2019
	April 1, 2017 through March 31, 2018	April 1, 2018 through March 31, 2019
Cash flows from investing activities:		
Net decrease (increase) in time deposits	(806)	436
Purchase of short-term and long-term investment securities	(169)	(273)
Proceeds from sales and redemption of short-term and long-term investment securities	399	2,164
Purchase of property, plant and equipment and intangible assets	(3,435)	(4,515)
Proceeds from sales of property, plant and equipment and intangible assets	166	286
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	267
Payments of loans receivable	(18)	(1,749)
Collection of loans receivable	24	29
Other, net	(11)	(10)
Net cash provided by (used in) investing activities	(3,851)	(3,364)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	2,571	(3,754)
Proceeds from long-term loans payable	2,000	4,000
Repayments of long-term loans payable	(4,016)	(20)
Purchase of treasury shares	(35)	(3,381)
Proceeds from sales of treasury shares	1	—
Cash dividends paid	(6,559)	(7,314)
Other, net	(13)	(7)
Net cash provided by (used in) financing activities	(6,052)	(10,477)
Effect of exchange rate change on cash and cash equivalents	(3)	(9)
Net increase (decrease) in cash and cash equivalents	(1,472)	(4,653)
Cash and cash equivalents at beginning of period	55,958	54,486
Cash and cash equivalents at end of period	54,486	49,833

Breakdown of Orders (Nonconsolidated)

(Millions of yen)

			FY2018 April 1, 2017 through March 31, 2018			FY2019 April 1, 2018 through March 31, 2019			Change Increase (Decrease)	% Change Increase (Decrease)		
				%	%		%		%			
Construction orders awarded	Civil engineering	Domestic public sector	52,306	63.4	40.8	75,009	68.2	40.9	22,702	43.4		
		Domestic private sector	25,429	30.8		35,031	31.8		9,601	37.8		
		Overseas	4,745	5.8		(16)	(0.0)		(4,761)	—		
		Subtotal	82,481	100		110,024	100		27,543	33.4		
	Architectural construction	Domestic public sector	15,258	12.8	59.2	22,605	14.2	59.1	7,347	48.2		
		Domestic private sector	104,384	87.2		136,196	85.8		31,811	30.5		
		Overseas	1	0.0		—	—		(1)	—		
		Subtotal	119,644	100		158,801	100		39,157	32.7		
	Total	Domestic public sector	67,565	33.4	100	97,615	36.3	100	30,050	44.5		
		Domestic private sector	129,814	64.2		171,227	63.7		41,413	31.9		
		Overseas	4,746	2.4		(16)	(0.0)		(4,762)	—		
		Total	202,126	100		268,826	100		66,700	33.0		
	Net sales	Projects completed	Civil engineering	Domestic public sector	60,884	74.9	[38.1]	71,201	77.7	[43.6]	10,317	16.9
				Domestic private sector	19,892	24.5	37.2	19,691	21.5	42.5	(201)	(1.0)
				Overseas	452	0.6		762	0.8		309	68.3
				Subtotal	81,229	100		91,654	100		10,425	12.8
Architectural construction		Domestic public sector	37,289	28.3	[61.9]	19,597		16.6	[56.4]		(17,691)	(47.4)
		Domestic private sector	94,615	71.7	60.3	98,769	83.4	54.9	4,153	4.4		
		Overseas	1	0.0		—	—		(1)	—		
		Subtotal	131,906	100		118,366	100		(13,539)	(10.3)		
Subtotal		Domestic public sector	98,173	46.1		[100]	90,798		43.2	[100]	(7,374)	(7.5)
		Domestic private sector	114,507	53.7	97.5	118,460	56.4	97.4	3,952	3.5		
		Overseas	454	0.2		762	0.4		307	67.8		
		Subtotal	213,135	100		210,021	100		(3,114)	(1.5)		
Real estate business and other		5,438	2.5	5,496		2.6	58		1.1			
Total			218,573	100		215,517	100		(3,056)	(1.4)		
Period-end backlog		Civil engineering	Domestic public sector	120,998	73.1	56.9	124,807	67.9	52.6	3,808	3.1	
			Domestic private sector	35,421	21.4		50,761	27.6		15,340	43.3	
	Overseas		9,012	5.5	8,233		4.5	(778)		(8.6)		
	Subtotal		165,432	100	183,802		100	18,370		11.1		
	Architectural construction	Domestic public sector	19,933	15.9	43.1	22,941	13.8	47.4	3,008	15.1		
		Domestic private sector	105,467	84.1		142,894	86.2		37,427	35.5		
		Overseas	—	—		—	—		—	—		
		Subtotal	125,401	100		165,836	100		40,435	32.2		
	Total	Domestic public sector	140,932	48.5	100	147,748	42.3	100	6,816	4.8		
		Domestic private sector	140,888	48.4		193,656	55.4		52,767	37.5		
		Overseas	9,012	3.1		8,233	2.3		(778)	(8.6)		
		Total	290,833	100		349,638	100		58,805	20.2		