

Consolidated Financial Statements
(For the Second Quarter of FY2022)

Consolidated Balance Sheets

(Millions of Yen)

	FY2021	Current Second Quarter
	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets :		
Cash and deposits	21,613	40,752
Notes receivable, accounts receivable from completed construction contracts and other	143,421	109,298
Securities	122	22,123
Real estate for sale	714	432
Costs on construction contracts in progress	4,873	1,904
Costs on real estate business	3,376	1,716
Work in process	895	1,196
Raw materials and supplies	81	101
Other	12,148	9,473
Allowance for doubtful accounts	(153)	(117)
Total current assets	187,095	186,882
Non-current assets :		
Property, plant and equipment :		
Land	34,405	34,405
Other, net	33,408	35,384
Total property, plant and equipment	67,814	69,790
Intangible assets :		
Goodwill	437	423
Other	722	710
Total intangible assets	1,160	1,133
Investments and other assets :		
Investment securities	67,342	64,766
Retirement benefit asset	4,973	4,954
Other	2,587	3,947
Allowance for doubtful accounts	(1,968)	(1,962)
Total investments and other assets	72,934	71,706
Total non-current assets	141,910	142,630
Total assets	329,005	329,513

(Millions of Yen)

	FY2021	Current Second Quarter
	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities :		
Notes payable, accounts payable for construction contracts and other	47,038	43,645
Short-term borrowings	7,459	7,446
Income taxes payable	4,522	2,362
Advances received on construction contracts in progress	15,713	16,152
Provisions	3,815	2,504
Provision for loss on construction contracts	863	693
Asset retirement obligations	83	83
Other	44,685	47,784
Total current liabilities	124,181	120,674
Non-current liabilities :		
Long-term borrowings	7,113	7,113
Non-recourse borrowings	16,228	19,079
Asset retirement obligations	88	89
Other	13,428	13,232
Total non-current liabilities	36,859	39,514
Total liabilities	161,041	160,189
Net assets		
Shareholders' equity :		
Share capital	19,838	19,838
Capital surplus	26,240	26,240
Retained earnings	95,460	97,240
Treasury shares	(4,636)	(4,638)
Total shareholders' equity	136,902	138,681
Accumulated other comprehensive income :		
Valuation difference on available-for-sale securities	30,957	29,408
Deferred gains or losses on hedges	(475)	278
Remeasurements of defined benefit plans	1,752	1,558
Total accumulated other comprehensive income	32,234	31,245
Non-controlling interests	(1,173)	(602)
Total net assets	167,963	169,323
Total liabilities and net assets	329,005	329,513

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2021 April 1, 2020 through September 30, 2020	2Q / FY2022 April 1, 2021 through September 30, 2021
Net sales:		
Net sales of completed construction contracts	96,600	105,831
Net sales in real estate business and other	4,673	6,479
Total net sales	101,273	112,310
Cost of sales:		
Cost of sales of completed construction contracts	86,783	92,143
Cost of sales in real estate business and other	2,763	4,379
Total cost of sales	89,547	96,522
Gross profit:		
Gross profit on completed construction contracts	9,816	13,687
Gross profit on real estate business and other	1,910	2,100
Total gross profit	11,726	15,787
Selling, general and administrative expenses	9,009	9,073
Operating profit	2,716	6,714
Non-operating income:		
Interest income	18	15
Dividend income	710	636
Other	447	287
Total non-operating income	1,175	938
Non-operating expenses:		
Interest expenses	142	186
Other	32	18
Total non-operating expenses	175	204
Ordinary profit	3,717	7,448
Extraordinary income:		
Gain on sale of investment securities	—	550
Other	0	0
Total extraordinary income	0	550
Extraordinary losses:		
Loss on valuation of investment securities	24	6
Loss on retirement of non-current assets	22	2
Other	0	—
Total extraordinary losses	47	8
Profit before income taxes	3,670	7,990
Income taxes - current	990	2,083
Income taxes - deferred	493	621
Total income taxes	1,484	2,704
Profit	2,186	5,285
Loss attributable to non-controlling interests	(503)	(327)
Profit attributable to owners of parent	2,689	5,613

Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of Yen)

	2Q / FY2021 April 1, 2020 through September 30, 2020	2Q / FY2022 April 1, 2021 through September 30, 2021
Profit	2,186	5,285
Other comprehensive income:		
Valuation difference on available-for-sale securities	2,813	(1,549)
Deferred gains or losses on hedges	(361)	1,507
Remeasurements of defined benefit plans, net of tax	(139)	(194)
Total other comprehensive income	2,313	(236)
Comprehensive income	4,499	5,049
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	5,183	4,623
Comprehensive income attributable to non-controlling interests	(683)	426

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

(Millions of Yen)

	2Q / FY2021 April 1, 2020 through September 30, 2020	2Q / FY2022 April 1, 2021 through September 30, 2021
Cash flows from operating activities:		
Profit before income taxes	3,670	7,990
Depreciation	842	880
Amortization of goodwill	14	14
Loss on retirement of non-current assets	22	2
Increase (decrease) in allowance for doubtful accounts	(62)	(42)
Decrease (increase) in retirement benefit asset	(175)	(260)
Increase (decrease) in provision for loss on construction contracts	(120)	(169)
Interest and dividend income	(728)	(651)
Interest expenses	142	186
Loss (gain) on sale of short-term and long-term investment securities	—	(550)
Loss (gain) on valuation of short-term and long-term investment securities	24	6
Decrease (increase) in trade receivables	(3,613)	34,123
Decrease (increase) in costs on construction contracts in progress	149	2,969
Decrease (increase) in other inventories	(572)	1,620
Increase (decrease) in trade payables	(6,592)	(331)
Increase (decrease) in advances received on construction contracts in progress	(110)	439
Other, net	(2,653)	1,955
Subtotal	(9,762)	48,184
Interest and dividends received	728	650
Interest paid	(142)	(133)
Income taxes refund (paid)	(1,741)	(4,197)
Net cash provided by (used in) operating activities	(10,918)	44,505

(Millions of Yen)

	2Q / FY2021	2Q / FY2022
	April 1, 2020 through September 30, 2020	April 1, 2021 through September 30, 2021
Cash flows from investing activities:		
Net decrease (increase) in time deposits	364	(8,850)
Purchase of short-term and long-term investment securities	(5)	(17,130)
Proceeds from sale and redemption of short-term and long-term investment securities	418	1,046
Purchase of property, plant and equipment and intangible assets	(6,620)	(3,534)
Proceeds from sale of property, plant and equipment and intangible assets	0	0
Proceeds from collection of loans receivable	6	29
Other, net	(12)	34
Net cash provided by (used in) investing activities	(5,848)	(28,405)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	697	(12)
Proceeds from long-term borrowings	1,100	—
Repayments of long-term borrowings	(1,100)	(0)
Proceeds from non-recourse borrowings	3,665	2,944
Repayments of non-recourse borrowings	(63)	(92)
Purchase of treasury shares	(2)	(2)
Proceeds from sale of treasury shares	0	0
Dividends paid	(3,843)	(3,882)
Proceeds from share issuance to non-controlling shareholders	228	145
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	681	(902)
Effect of exchange rate change on cash and cash equivalents	13	58
Net increase (decrease) in cash and cash equivalents	(16,071)	15,256
Cash and cash equivalents at beginning of period	27,258	20,129
Cash and cash equivalents at end of period	11,186	35,386

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			2Q / FY2021 April 1, 2020 through September 30, 2020			2Q / FY2022 April 1, 2021 through September 30, 2021			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	14,600	59.9	49.5	31,114	72.4	41.6	16,513	113.1	
		Domestic private sector	9,740	40.0		7,584	17.6		(2,156)	(22.1)	
		Overseas	31	0.1		4,284	10.0		4,252	—	
		Subtotal	24,373	100		42,982	100		18,609	76.4	
	Architectural construction	Domestic public sector	5,406	21.7	50.5	3,024	5.0	58.4	(2,381)	(44.1)	
		Domestic private sector	19,494	78.3		57,280	95.0		37,785	193.8	
		Overseas	—	—		—	—		—	—	
		Subtotal	24,901	100		60,304	100		35,403	142.2	
	Total	Domestic public sector	20,007	40.6	100	34,138	33.1	100	14,131	70.6	
		Domestic private sector	29,235	59.3		64,864	62.8		35,629	121.9	
		Overseas	31	0.1		4,284	4.1		4,252	—	
		Total	49,274	100		103,287	100		54,012	109.6	
Net sales	Projects completed	Civil engineering	Domestic public sector	29,448	61.9	[49.2]	27,411	62.5	[41.5]	(2,037)	(6.9)
			Domestic private sector	17,517	36.9	47.9	14,608	33.3	39.8	(2,909)	(16.6)
			Overseas	577	1.2		1,851	4.2		1,273	220.4
			Subtotal	47,543	100		43,870	100		(3,673)	(7.7)
	Architectural construction	Domestic public sector	9,688	19.8	[50.8]		16,697	26.9		[58.5]	7,009
		Domestic private sector	39,367	80.2	49.5	45,263	73.1	56.2	5,895	15.0	
		Overseas	—	—		—	—		—	—	
		Subtotal	49,056	100		61,960	100		12,904	26.3	
	Subtotal	Domestic public sector	39,137	40.5		[100]	44,109		41.7	[100]	4,971
		Domestic private sector	56,885	58.9	97.4	59,871	56.6	96.0	2,985	5.2	
		Overseas	577	0.6		1,851	1.7		1,273	220.4	
		Subtotal	96,600	100		105,831	100		9,231	9.6	
Real estate business and other			2,612	2.6			4,397		4.0		1,785
Total			99,212	100		110,229	100		11,016	11.1	
Period-end backlog	Civil engineering	Domestic public sector	71,662	47.7	49.3	116,927	59.7	54.7	45,264	63.2	
		Domestic private sector	65,111	43.4		63,488	32.4		(1,623)	(2.5)	
		Overseas	13,361	8.9		15,534	7.9		2,173	16.3	
		Subtotal	150,135	100		195,950	100		45,814	30.5	
	Architectural construction	Domestic public sector	44,773	29.0	50.7	44,379	27.3	45.3	(394)	(0.9)	
		Domestic private sector	109,360	71.0		118,190	72.7		8,830	8.1	
		Overseas	—	—		—	—		—	—	
		Subtotal	154,134	100		162,570	100		8,436	5.5	
	Total	Domestic public sector	116,436	38.3	100	161,306	45.0	100	44,870	38.5	
		Domestic private sector	174,471	57.3		181,679	50.7		7,207	4.1	
		Overseas	13,361	4.4		15,534	4.3		2,173	16.3	
		Total	304,270	100		358,520	100		54,250	17.8	