

Consolidated Financial Statements
(For the fiscal year ended March 31, 2022)

Consolidated Balance Sheets

(Millions of Yen)

	FY2021	FY2022
	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets:		
Cash and deposits	21,613	33,156
Notes receivable, accounts receivable from completed construction contracts and other	143,421	142,296
Securities	122	—
Real estate for sale	714	1,081
Costs on construction contracts in progress	4,873	2,612
Costs on real estate business	3,376	982
Work in process	895	696
Raw materials and supplies	81	92
Other	12,148	11,248
Allowance for doubtful accounts	(153)	(152)
Total current assets	187,095	192,014
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	15,759	15,272
Machinery, vehicles, tools, furniture and fixtures, net	1,679	1,193
Land	34,405	34,666
Leased assets, net	1	2
Construction in progress	15,968	22,240
Total property, plant and equipment	67,814	73,376
Intangible assets:		
Goodwill	437	408
Other	722	724
Total intangible assets	1,160	1,132
Investments and other assets:		
Investment securities	67,342	56,629
Long-term loans receivable	129	116
Retirement benefit asset	4,973	5,076
Deferred tax assets	4	3
Other	2,453	5,954
Allowance for doubtful accounts	(1,968)	(1,956)
Total investments and other assets	72,934	65,825
Total non-current assets	141,910	140,334
Total assets	329,005	332,348

(Millions of Yen)

	FY2021	FY2022
	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	47,038	51,328
Short-term borrowings	7,459	9,480
Lease obligations	0	0
Income taxes payable	4,522	1,656
Advances received on construction contracts in progress	15,713	11,536
Deposits received	24,562	25,610
Provision for warranties for completed construction	462	540
Provision for bonuses	3,301	3,771
Provision for bonuses for directors (and other officers)	51	43
Provision for loss on construction contracts	863	973
Asset retirement obligations	83	83
Suspense receipt of consumption taxes	16,118	18,050
Other	4,003	3,735
Total current liabilities	124,181	126,810
Non-current liabilities:		
Long-term borrowings	7,113	5,112
Non-recourse borrowings	16,228	21,062
Lease obligations	1	1
Deferred tax liabilities	12,430	11,658
Asset retirement obligations	88	90
Other	996	186
Total non-current liabilities	36,859	38,112
Total liabilities	161,041	164,923
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	26,240	26,240
Retained earnings	95,460	101,710
Treasury shares	(4,636)	(8,061)
Total shareholders' equity	136,902	139,727
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	30,957	24,665
Deferred gains or losses on hedges	(475)	1,099
Remeasurements of defined benefit plans	1,752	1,465
Total accumulated other comprehensive income	32,234	27,229
Non-controlling interests	(1,173)	467
Total net assets	167,963	167,425
Total liabilities and net assets	329,005	332,348

Consolidated Statements of Income

(Millions of Yen)

	FY2021 April 1, 2020 through March 31, 2021	FY2022 April 1, 2021 through March 31, 2022
Net sales:		
Net sales of completed construction contracts	209,805	229,906
Net sales in real estate business and other	10,907	12,552
Total net sales	220,712	242,458
Cost of sales:		
Cost of sales of completed construction contracts	182,729	202,378
Cost of sales in real estate business and other	6,502	8,242
Total cost of sales	189,232	210,620
Gross profit:		
Gross profit on completed construction contracts	27,075	27,528
Gross profit on real estate business and other	4,404	4,309
Total gross profit	31,479	31,837
Selling, general and administrative expenses	18,599	19,190
Operating profit	12,880	12,647
Non-operating income:		
Interest income	32	43
Dividend income	1,180	1,196
Settlement received	362	—
Gain on investments in investment partnerships	258	—
Foreign exchange gains	201	345
Other	278	222
Total non-operating income	2,313	1,808
Non-operating expenses:		
Interest expenses	366	393
Other	47	50
Total non-operating expenses	414	443
Ordinary profit	14,779	14,012
Extraordinary income:		
Gain on sale of investment securities	429	3,200
Other	1	0
Total extraordinary income	430	3,201
Extraordinary losses:		
Loss on valuation of investment securities	145	6
Loss on retirement of non-current assets	164	5
Other	0	—
Total extraordinary losses	310	11
Profit before income taxes	14,899	17,202
Income taxes - current	5,802	4,224
Income taxes - deferred	(550)	963
Total income taxes	5,251	5,188
Profit	9,648	12,013
Loss attributable to non-controlling interests	(637)	(528)
Profit attributable to owners of parent	10,285	12,541

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2021 April 1, 2020 through March 31, 2021	FY2022 April 1, 2021 through March 31, 2022
Profit	9,648	12,013
Other comprehensive income:		
Valuation difference on available-for-sale securities	7,723	(6,291)
Deferred gains or losses on hedges	(1,042)	3,148
Remeasurements of defined benefit plans, net of tax	387	(287)
Total other comprehensive income	7,069	(3,430)
Comprehensive income	16,717	8,582
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	17,875	7,536
Comprehensive income attributable to non-controlling interests	(1,158)	1,046

Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2021	FY2022
	April 1, 2020 through March 31, 2021	April 1, 2021 through March 31, 2022
Cash flows from operating activities:		
Profit before income taxes	14,899	17,202
Depreciation	1,776	1,803
Amortization of goodwill	29	29
Loss on retirement of non-current assets	164	5
Increase (decrease) in allowance for doubtful accounts	(48)	(13)
Decrease (increase) in retirement benefit asset	(347)	(517)
Increase (decrease) in provision for warranties for completed construction	(204)	77
Increase (decrease) in provision for bonuses	12	469
Increase (decrease) in provision for bonuses for directors (and other officers)	7	(8)
Increase (decrease) in provision for loss on construction contracts	(264)	110
Interest and dividend income	(1,212)	(1,240)
Interest expenses	366	393
Loss (gain) on sale of short-term and long-term investment securities	(429)	(3,200)
Loss (gain) on valuation of short-term and long-term investment securities	145	6
Decrease (increase) in trade receivables	(21,673)	1,125
Decrease (increase) in costs on construction contracts in progress	536	2,261
Decrease (increase) in other inventories	(210)	2,215
Increase (decrease) in trade payables	(776)	4,932
Increase (decrease) in advances received on construction contracts in progress	3,114	(4,176)
Increase (decrease) in deposits received	1,578	1,048
Other, net	4,915	1,798
Subtotal	2,379	24,322
Interest and dividends received	1,211	1,239
Interest paid	(283)	(278)
Income taxes refund (paid)	(3,284)	(6,994)
Net cash provided by (used in) operating activities	23	18,289

(Millions of Yen)

	FY2021	FY2022
	April 1, 2020 through March 31, 2021	April 1, 2021 through March 31, 2022
Cash flows from investing activities :		
Net decrease (increase) in time deposits	523	39
Purchase of short-term and long-term investment securities	(110)	(135)
Proceeds from sale and redemption of short-term and long-term investment securities	1,081	5,191
Purchase of property, plant and equipment and intangible assets	(10,506)	(7,912)
Proceeds from sale of property, plant and equipment and intangible assets	4	0
Proceeds from collection of loans receivable	150	35
Other, net	(104)	26
Net cash provided by (used in) investing activities	(8,963)	(2,754)
Cash flows from financing activities :		
Net increase (decrease) in short-term borrowings	(424)	(30)
Proceeds from long-term borrowings	1,100	—
Repayments of long-term borrowings	(1,101)	(1)
Proceeds from non-recourse borrowings	7,070	4,927
Repayments of non-recourse borrowings	(63)	(92)
Purchase of treasury shares	(4)	(3,255)
Proceeds from sale of treasury shares	0	0
Dividends paid	(5,249)	(6,349)
Proceeds from share issuance to non-controlling shareholders	398	594
Other, net	(1)	(0)
Net cash provided by (used in) financing activities	1,722	(4,209)
Effect of exchange rate change on cash and cash equivalents	88	167
Net increase (decrease) in cash and cash equivalents	(7,128)	11,492
Cash and cash equivalents at beginning of period	27,258	20,129
Cash and cash equivalents at end of period	20,129	31,622

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			FY2021 April 1, 2020 through March 31, 2021			FY2022 April 1, 2021 through March 31, 2022			Change Increase (Decrease)	% Change Increase (Decrease)	
				%			%		%		
Construction orders awarded	Civil engineering	Domestic public sector	93,118	72.6	57.7	67,584	69.7	43.3	(25,534)	(27.4)	
		Domestic private sector	34,125	26.6		23,648	24.4		(10,477)	(30.7)	
		Overseas	987	0.8		5,704	5.9		4,717	478.0	
		Subtotal	128,230	100		96,937	100		(31,293)	(24.4)	
	Architectural construction	Domestic public sector	32,708	34.8	42.3	27,199	21.5	56.7	(5,508)	(16.8)	
		Domestic private sector	61,284	65.2		98,231	77.5		36,946	60.3	
		Overseas	—	—		1,333	1.0		1,333	—	
		Subtotal	93,993	100		126,765	100		32,772	34.9	
	Total	Domestic public sector	125,827	56.6	100	94,784	42.4	100	(31,042)	(24.7)	
		Domestic private sector	95,410	42.9		121,879	54.5		26,469	27.7	
		Overseas	987	0.5		7,038	3.1		6,051	613.1	
		Total	222,224	100		223,702	100		1,478	0.7	
Net sales	Projects completed	Civil engineering	Domestic public sector	66,404	63.4	[49.9]	62,144	66.6	[40.6]	(4,260)	(6.4)
			Domestic private sector	36,501	34.9	48.5	27,867	29.9	39.3	(8,633)	(23.7)
			Overseas	1,792	1.7		3,294	3.5		1,501	83.8
			Subtotal	104,698	100		93,306	100		(11,391)	(10.9)
	Architectural construction	Domestic public sector	23,712	22.6	[50.1]		34,205	25.0		[59.4]	10,493
		Domestic private sector	81,394	77.4	48.7	102,394	75.0	57.6	21,000	25.8	
		Overseas	—	—		—	—		—	—	
		Subtotal	105,106	100		136,600	100		31,493	30.0	
	Subtotal	Domestic public sector	90,116	42.9		[100]	96,350		41.9	[100]	6,233
		Domestic private sector	117,895	56.2	97.2	130,262	56.7	96.9	12,366	10.5	
		Overseas	1,792	0.9		3,294	1.4		1,501	83.8	
		Subtotal	209,805	100		229,907	100		20,102	9.6	
	Real estate business and other	5,977	2.8	7,322		3.1	1,345		22.5		
	Total			215,782	100		237,230	100		21,447	9.9
Period-end backlog	Civil engineering	Domestic public sector	113,224	57.5	54.1	118,664	59.2	56.5	5,439	4.8	
		Domestic private sector	70,512	35.8		66,292	33.1		(4,219)	(6.0)	
		Overseas	13,101	6.7		15,512	7.7		2,410	18.4	
		Subtotal	196,838	100		200,468	100		3,630	1.8	
	Architectural construction	Domestic public sector	58,052	34.7	45.9	51,046	33.0	43.5	(7,005)	(12.1)	
		Domestic private sector	109,123	65.3		102,010	66.1		(7,113)	(6.5)	
		Overseas	—	—		1,333	0.9		1,333	—	
		Subtotal	167,175	100		154,390	100		(12,785)	(7.6)	
	Total	Domestic public sector	171,277	47.1	100	169,710	47.8	100	(1,566)	(0.9)	
		Domestic private sector	179,635	49.3		168,302	47.4		(11,332)	(6.3)	
		Overseas	13,101	3.6		16,846	4.8		3,744	28.6	
		Total	364,014	100		354,859	100		(9,155)	(2.5)	

※ The "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March31,2020) and others are applied from the beginning of the current fiscal year, and the amount of construction work carried forward from the beginning of the current fiscal year decreased by 2,949 million yen compared to the amount of construction work carried forward from the previous fiscal year.