

Consolidated Financial Statements
(For the First Quarter of FY2023)

Consolidated Balance Sheets

(Millions of Yen)

	FY2022	Current First Quarter
	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets:		
Cash and deposits	33,156	37,895
Notes receivable, accounts receivable from completed construction contracts and other	142,296	112,953
Securities	—	21,000
Real estate for sale	1,081	999
Costs on construction contracts in progress	2,612	3,192
Costs on real estate investment, development business and other	982	1,033
Work in process	696	1,291
Raw materials and supplies	92	546
Other	11,248	10,462
Allowance for doubtful accounts	(152)	(122)
Total current assets	192,014	189,253
Non-current assets:		
Property, plant and equipment:		
Land	34,666	34,666
Other, net	38,709	41,673
Total property, plant and equipment	73,376	76,339
Intangible assets:		
Goodwill	408	400
Other	724	1,098
Total intangible assets	1,132	1,499
Investments and other assets:		
Investment securities	56,629	57,050
Retirement benefit asset	5,076	5,067
Other	6,074	8,960
Allowance for doubtful accounts	(1,956)	(1,952)
Total investments and other assets	65,825	69,126
Total non-current assets	140,334	146,966
Total assets	332,348	336,219

(Millions of Yen)

	FY2022	Current First Quarter
	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	51,328	41,697
Short-term borrowings	9,480	11,584
Current portion of non-recourse borrowings	—	53
Income taxes payable	1,656	634
Advances received on construction contracts in progress	11,536	15,039
Provisions	4,354	1,640
Provision for loss on construction contracts	973	957
Asset retirement obligations	83	84
Other	47,397	55,372
Total current liabilities	126,810	127,065
Non-current liabilities:		
Long-term borrowings	5,112	3,112
Non-recourse borrowings	21,062	23,801
Asset retirement obligations	90	192
Other	11,846	13,456
Total non-current liabilities	38,112	40,563
Total liabilities	164,923	167,628
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	26,240	26,240
Retained earnings	101,710	96,983
Treasury shares	(8,061)	(5,275)
Total shareholders' equity	139,727	137,786
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	24,665	25,649
Deferred gains or losses on hedges	1,099	2,165
Remeasurements of defined benefit plans	1,465	1,367
Total accumulated other comprehensive income	27,229	29,181
Non-controlling interests	467	1,624
Total net assets	167,425	168,591
Total liabilities and net assets	332,348	336,219

Consolidated Statements of Income

(Three-month Period Ended June 30)

(Millions of Yen)

	1Q / FY2022 April 1, 2021 through June 30, 2021	1Q / FY2023 April 1, 2022 through June 30, 2022
Net sales:		
Net sales of completed construction contracts	47,002	48,941
Net sales of real estate investment, development business and other	2,478	1,771
Total net sales	49,480	50,713
Cost of sales:		
Cost of sales of completed construction contracts	41,022	43,779
Cost of real estate investment, development business and other	1,425	886
Total cost of sales	42,448	44,666
Gross profit:		
Gross profit on completed construction contracts	5,980	5,161
Gross profit on real estate investment, development business and other	1,052	885
Total gross profit	7,032	6,047
Selling, general and administrative expenses	4,366	4,721
Operating profit	2,666	1,326
Non-operating income:		
Interest income	9	6
Dividend income	615	675
Foreign exchange gains	71	320
Other	88	97
Total non-operating income	784	1,099
Non-operating expenses:		
Interest expenses	92	113
Other	10	6
Total non-operating expenses	102	120
Ordinary profit	3,348	2,305
Extraordinary income:		
Gain on sale of investment securities	0	444
Other	0	18
Total extraordinary income	0	463
Extraordinary losses:		
Loss on valuation of investment securities	6	18
Other	2	4
Total extraordinary losses	8	22
Profit before income taxes	3,340	2,746
Income taxes - current	643	496
Income taxes - deferred	451	409
Total income taxes	1,095	906
Profit	2,244	1,839
Loss attributable to non-controlling interests	(67)	(154)
Profit attributable to owners of parent	2,311	1,994

Consolidated Statements of Comprehensive Income

(Three-month Period Ended June 30)

(Millions of Yen)

	1Q / FY2022 April 1, 2021 through June 30, 2021	1Q / FY2023 April 1, 2022 through June 30, 2022
Profit	2,244	1,839
Other comprehensive income:		
Valuation difference on available-for-sale securities	(2,226)	983
Deferred gains or losses on hedges	899	2,131
Remeasurements of defined benefit plans, net of tax	(97)	(97)
Total other comprehensive income	(1,423)	3,017
Comprehensive income	820	4,857
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	438	3,945
Comprehensive income attributable to non-controlling interests	382	911

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			1Q / FY2022 April 1, 2021 through June 30, 2021			1Q / FY2023 April 1, 2022 through June 30, 2022			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	12,712	63.2	35.1	3,893	45.2	46.8	(8,818)	(69.4)	
		Domestic private sector	3,195	15.9		4,521	52.5		1,326	41.5	
		Overseas	4,201	20.9		193	2.3		(4,008)	(95.4)	
		Subtotal	20,109	100		8,608	100		(11,500)	(57.2)	
	Architectural construction	Domestic public sector	1,436	3.9	64.9	818	8.3	53.2	(617)	(43.0)	
		Domestic private sector	35,769	96.1		10,059	102.6		(25,709)	(71.9)	
		Overseas	—	—		(1,072)	(10.9)		(1,072)	—	
		Subtotal	37,205	100		9,805	100		(27,400)	(73.6)	
	Total	Domestic public sector	14,148	24.7	100	4,712	25.6	100	(9,436)	(66.7)	
		Domestic private sector	38,964	68.0		14,581	79.2		(24,383)	(62.6)	
		Overseas	4,201	7.3		(879)	(4.8)		(5,081)	—	
		Total	57,314	100		18,413	100		(38,900)	(67.9)	
Net sales	Construction business	Civil engineering	Domestic public sector	12,434	61.1	[43.3]	14,451	72.9	[40.5]	2,017	16.2
			Domestic private sector	7,456	36.6	42.0	4,577	23.1	39.5	(2,879)	(38.6)
			Overseas	459	2.3		801	4.0		342	74.5
			Subtotal	20,350	100		19,830	100		(519)	(2.6)
	Architectural construction	Domestic public sector	7,129	26.8	[56.7]		6,424	22.1		[59.5]	(705)
		Domestic private sector	19,521	73.2	54.9	22,425	77.0	58.0	2,903	14.9	
		Overseas	—	—		260	0.9		260	—	
		Subtotal	26,651	100		29,111	100		2,459	9.2	
	Subtotal	Domestic public sector	19,564	41.6		[100]	20,876		42.6	[100]	1,312
		Domestic private sector	26,978	57.4	96.9	27,003	55.2	97.5	24	0.1	
		Overseas	459	1.0		1,062	2.2		603	131.3	
		Subtotal	47,002	100		48,941	100		1,939	4.1	
	Real estate investment, development business and other			1,478		3.1			1,268	2.5	
	Total			48,481	100		50,210	100		1,729	3.6
Period-end backlog	Civil engineering	Domestic public sector	113,502	57.7	52.9	108,106	57.1	58.3	(5,396)	(4.8)	
		Domestic private sector	66,250	33.7		66,236	35.0		(14)	(0.0)	
		Overseas	16,844	8.6		14,904	7.9		(1,939)	(11.5)	
		Subtotal	196,597	100		189,246	100		(7,350)	(3.7)	
	Architectural construction	Domestic public sector	52,358	30.0	47.1	45,440	33.6	41.7	(6,918)	(13.2)	
		Domestic private sector	122,420	70.0		89,644	66.4		(32,775)	(26.8)	
		Overseas	—	—		—	—		—	—	
		Subtotal	174,779	100		135,084	100		(39,694)	(22.7)	
	Total	Domestic public sector	165,861	44.7	100	153,546	47.3	100	(12,315)	(7.4)	
		Domestic private sector	188,671	50.8		155,880	48.1		(32,790)	(17.4)	
		Overseas	16,844	4.5		14,904	4.6		(1,939)	(11.5)	
		Total	371,377	100		324,331	100		(47,045)	(12.7)	