

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022
(April 1, 2021 to March 31, 2022)

(% indicates change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Full year ending March 31, 2022	480,000	3.5	32,000	6.2	33,500	5.5	22,500	(7.0)	224.09

(Note) Revision of financial results forecasts from recently announced figures: None

* Notes:

- (1) Significant changes in subsidiaries during the period under review: None
- (2) Application of specific accounting practices for preparing consolidated quarterly financial statements: Yes
- (3) Changes in accounting principles and changes or restatements of accounting estimates:
- 1) Changes in accounting principles due to revision of accounting standards: Yes
 - 2) Changes in accounting principles other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None

(4) Total number of issued shares (common stock)

- 1) Total number of issued shares at the end of the period (including treasury stock):

December 31, 2021	108,325,329 shares	March 31, 2021	108,325,329 shares
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- 2) Total number of treasury stock at the end of the period

December 31, 2021	8,331,400 shares	March 31, 2021	6,907,718 shares
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- 3) Average number of shares outstanding during the period

December 31, 2021	100,538,525 shares	December 31, 2020	106,742,903 shares
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(Note) Total number of treasury stock includes the Company's stock held by the Board Incentive Plan trust under the Company's performance-linked stock remuneration program for directors and executive officers.

* Implementation status of quarterly review processes

- This quarterly summary of consolidated financial results is not subject to the quarterly review procedures stipulated under the Financial Instruments and Exchange Act.

* Explanation regarding the appropriate use of performance forecasts, and other items warranting special mention

- The performance forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Accordingly, actual performance may differ materially depending on various factors.

Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2021	Nine Months Ended December 31, 2021
Assets		
Current assets		
Cash and deposits	44,764	38,011
Notes receivable, accounts receivable from completed construction contracts and other	147,605	120,971
Costs on construction contracts in progress	30,789	42,421
Investments in leases	5,460	4,528
Other	4,902	10,406
Allowance for doubtful accounts	(26)	(11)
Total current assets	233,494	216,328
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,546	40,761
Land	32,891	35,252
Construction in progress	5,602	2,840
Other, net	9,614	9,393
Total property, plant and equipment	86,655	88,247
Intangible assets		
Customer related assets	2,523	2,503
Goodwill	3,094	2,845
Software	1,620	2,656
Other	311	271
Total intangible assets	7,549	8,277
Investments and other assets		
Investment securities	22,562	14,487
Retirement benefit asset	2,988	4,001
Deferred tax assets	2,504	3,369
Leasehold and guarantee deposits	1,425	1,440
Other	1,798	1,702
Allowance for doubtful accounts	(227)	(179)
Total investments and other assets	31,052	24,821
Total non-current asset	125,256	121,347
Total assets	358,751	337,675

(Millions of yen)

	Fiscal Year Ended March 31, 2021	Nine Months Ended December 31, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	63,213	50,784
Short-term borrowings	186	186
Income taxes payable	8,086	1,363
Lease obligations	3,347	3,372
Advances received on construction contracts in progress	3,150	4,390
Provision for loss on construction contracts	1,299	805
Provision for bonuses	8,023	3,951
Provision for bonuses for directors (and other officers)	101	77
Provision for warranties for completed construction	10	15
Other	15,599	10,950
Total current liabilities	103,018	75,898
Non-current liabilities		
Long-term accounts payable - other	1,324	773
Lease obligations	6,592	5,675
Deferred tax liabilities	1,139	940
Deferred tax liabilities for land revaluation	41	41
Provision for retirement benefits for directors (and other officers)	122	76
Provision for share-based compensation	310	359
Retirement benefit liability	13,974	15,258
Asset retirement obligations	189	202
Other	714	552
Total non-current liabilities	24,409	23,881
Total liabilities	127,428	99,780
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	69,571	69,638
Retained earnings	155,239	165,930
Treasury shares	(10,888)	(13,843)
Total shareholders' equity	220,922	228,725
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,660	2,512
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	(1,126)	(253)
Remeasurements of defined benefit plans	2,031	1,984
Total accumulated other comprehensive income	5,466	4,144
Non-controlling interests	4,934	5,025
Total net assets	231,323	237,895
Total liabilities and net assets	358,751	337,675

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Nine Months Ended December 31, 2021

(Millions of yen)

	Nine Months Ended December 31, 2020	Nine Months Ended December 31, 2021
Net sales of completed construction contracts	304,459	324,598
Cost of sales of completed construction contracts	266,916	281,038
Gross profit on completed construction contracts	37,542	43,560
Selling, general and administrative expenses	22,107	24,454
Operating profit	15,434	19,105
Non-operating income		
Interest income	42	35
Dividend income	970	622
Foreign exchange gains	284	—
Surrender value of insurance policies	102	54
Share of profit of entities accounted for using equity method	—	154
Other	329	375
Total non-operating income	1,729	1,241
Non-operating expenses		
Interest expenses	32	39
Share of loss of entities accounted for using equity method	59	—
Foreign exchange losses	—	11
Infectious disease control costs	—	56
Other	73	85
Total non-operating expenses	165	192
Ordinary profit	16,998	20,154
Extraordinary income		
Gain on sale of non-current assets	16	643
Gain on sale of investment securities	4,277	2,973
Gain on revision of retirement benefit plan	271	—
Other	3	34
Total extraordinary income	4,569	3,652
Extraordinary losses		
Loss on sale of non-current assets	0	28
Loss on retirement of non-current assets	105	80
Loss on sale of investment securities	5	—
Loss on valuation of investment securities	59	0
Loss on revision of retirement benefit plan	—	34
Business restructuring expenses	—	70
Other	73	71
Total extraordinary losses	244	285
Profit before income taxes	21,323	23,521
Income taxes	7,161	8,089
Profit	14,161	15,432
Profit attributable to		
Profit attributable to owners of parent	13,934	15,279
Profit attributable to non-controlling interests	227	152

(Millions of yen)

	Nine Months Ended December 31, 2020	Nine Months Ended December 31, 2021
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,190)	(2,149)
Foreign currency translation adjustment	(921)	875
Remeasurements of defined benefit plans, net of tax	216	(47)
Share of other comprehensive income of entities accounted for using equity method	0	3
Total other comprehensive income	(1,894)	(1,317)
Comprehensive income	12,267	14,114
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,038	13,956
Comprehensive income attributable to non-controlling interests	229	157