

Consolidated Financial Statements
(For the First Quarter of FY2019)

Consolidated Balance Sheets

(Millions of yen)

	FY2018	Current First Quarter
	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets:		
Cash and deposits	45,942	69,305
Notes receivable, accounts receivable from completed construction contracts and other	112,287	79,652
Securities	10,999	18,000
Real estate for sale	705	643
Costs on uncompleted construction contracts	5,547	5,277
Costs on real estate business	3,215	3,168
Work in process	865	1,608
Raw materials and supplies	41	46
Other	11,652	8,941
Allowance for doubtful accounts	(786)	(579)
Total current assets	190,470	186,063
Non-current assets:		
Property, plant and equipment:		
Land	31,250	31,193
Other, net	14,064	13,901
Total property, plant and equipment	45,314	45,094
Intangible assets	280	273
Investments and other assets:		
Investment securities	74,759	77,360
Net defined benefit asset	2,409	2,405
Other	2,690	2,635
Allowance for doubtful accounts	(2,060)	(2,011)
Total investments and other assets	77,798	80,389
Total non-current assets	123,393	125,757
Total assets	313,863	311,821

(Millions of yen)

	FY2018	Current First Quarter
	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	58,985	51,270
Short-term loans payable	11,659	9,612
Income taxes payable	2,707	525
Advances received on uncompleted construction contracts	16,013	22,297
Provision	4,940	1,957
Provision for loss on construction contracts	2,344	1,393
Asset retirement obligations	104	104
Other	33,102	39,440
Total current liabilities	129,856	126,601
Non-current liabilities:		
Long-term loans payable	3,141	5,141
Asset retirement obligations	64	64
Other	13,077	14,625
Total non-current liabilities	16,283	19,830
Total liabilities	146,140	146,432
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,330	25,330
Retained earnings	98,265	94,347
Treasury shares	(12,688)	(12,689)
Total shareholders' equity	130,746	126,826
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	34,838	36,500
Remeasurements of defined benefit plans	2,138	2,062
Total accumulated other comprehensive income	36,977	38,562
Total net assets	167,723	165,389
Total liabilities and net assets	313,863	311,821

Consolidated Statements of Income

(Three-month Period Ended June 30)

(Millions of yen)

	1Q / FY2018 April 1, 2017 through June 30, 2017	1Q / FY2019 April 1, 2018 through June 30, 2018
Net sales:		
Net sales of completed construction contracts	48,747	49,531
Net sales of real estate business and other	1,902	2,048
Total net sales	50,649	51,580
Cost of sales:		
Cost of sales of completed construction contracts	42,590	42,786
Cost of sales on real estate business and other	969	925
Total cost of sales	43,560	43,711
Gross profit:		
Gross profit on completed construction contracts	6,156	6,745
Gross profit on real estate business and other	933	1,123
Total gross profit	7,089	7,868
Selling, general and administrative expenses	3,817	4,115
Operating profit	3,271	3,752
Non-operating income:		
Interest income	19	10
Dividend income	646	679
Reversal of allowance for doubtful accounts	97	223
Other	35	52
Total non-operating income	799	966
Non-operating expenses:		
Interest expenses	35	35
Foreign exchange losses	3	17
Other	7	8
Total non-operating expenses	46	61
Ordinary profit	4,024	4,657
Extraordinary income:		
Gain on sales of non-current assets	38	21
Total extraordinary income	38	21
Extraordinary losses:		
Loss on sales of non-current assets	—	42
Loss on valuation of investment securities	0	—
Loss on retirement of non-current assets	1	3
Total extraordinary losses	1	46
Profit before income taxes	4,061	4,632
Income taxes - current	48	459
Income taxes - deferred	(3)	762
Total income taxes	44	1,222
Profit	4,016	3,410
Profit attributable to owners of parent	4,016	3,410

Consolidated Statements of Comprehensive Income

(Three-month Period Ended June 30)

(Millions of yen)

	1Q / FY2018 April 1, 2017 through June 30, 2017	1Q / FY2019 April 1, 2018 through June 30, 2018
Profit	4,016	3,410
Other comprehensive income:		
Valuation difference on available-for-sale securities	4,325	1,661
Remeasurements of defined benefit plans, net of tax	(29)	(76)
Total other comprehensive income	4,296	1,585
Comprehensive income	8,313	4,996
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	8,313	4,996
Comprehensive income attributable to non-controlling interests	—	—

Breakdown of Orders (Nonconsolidated)

(Millions of yen)

			1Q / FY2018 April 1, 2017 through June 30, 2017			1Q / FY2019 April 1, 2018 through June 30, 2018			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	12,102	67.4	51.6	14,000	69.2	1,898	15.7		
		Domestic private sector	5,846	32.6		6,241	30.8	395	6.8		
		Overseas	0	0.0		(0)	(0.0)	(1)	—		
		Subtotal	17,949	100		20,241	100	2,292	12.8		
	Architectural construction	Domestic public sector	3,511	20.9	48.4	202	1.5	(3,308)	(94.2)		
		Domestic private sector	13,308	79.1		13,194	98.5	(114)	(0.9)		
		Overseas	—	—		—	—	—	—		
		Subtotal	16,819	100		13,396	100	(3,423)	(20.4)		
	Total	Domestic public sector	15,613	44.9	100	14,202	42.2	(1,410)	(9.0)		
		Domestic private sector	19,154	55.1		19,436	57.8	281	1.5		
		Overseas	0	0.0		(0)	(0.0)	(1)	—		
		Total	34,769	100		33,638	100	(1,130)	(3.3)		
Net sales	Projects completed	Civil engineering	Domestic public sector	16,112	81.8	[40.4]	17,036	77.8	[44.2]	924	5.7
			Domestic private sector	3,554	18.0	39.5	4,700	21.5	42.9	1,145	32.2
			Overseas	31	0.2		161	0.7		129	407.3
			Subtotal	19,698	100		21,898	100		2,199	11.2
	Architectural construction	Domestic public sector	9,757	33.6	[59.6]		5,347	19.4		[55.8]	(4,410)
		Domestic private sector	19,290	66.4	58.2	22,286	80.6	54.1	2,995	15.5	
		Overseas	—	—		—	—		—	—	
		Subtotal	29,048	100		27,633	100		(1,414)	(4.9)	
	Subtotal	Domestic public sector	25,869	53.1		[100]	22,383		45.2	[100]	(3,486)
		Domestic private sector	22,845	46.8	97.7	26,986	54.5	97.0	4,141	18.1	
		Overseas	31	0.1		161	0.3		129	407.3	
		Subtotal	48,747	100		49,531	100		784	1.6	
	Real estate business and other	1,162	2.3	1,538		3.0	376		32.4		
	Total			49,909	100		51,070	100	1,161	2.3	
	Period-end backlog	Civil engineering	Domestic public sector	125,565	77.3	56.4	117,962	72.0	59.6	(7,603)	(6.1)
Domestic private sector			32,175	19.8	36,962		22.6	4,786		14.9	
Overseas			4,688	2.9	8,850		5.4	4,161		88.7	
Subtotal			162,430	100	163,775		100	1,344		0.8	
Architectural construction		Domestic public sector	35,718	28.5	43.6	14,789	13.3	40.4	(20,929)	(58.6)	
		Domestic private sector	89,716	71.5		96,375	86.7		6,659	7.4	
		Overseas	—	—		—	—		—	—	
		Subtotal	125,434	100		111,164	100		(14,269)	(11.4)	
Total		Domestic public sector	161,284	56.0	100	132,751	48.3	100	(28,532)	(17.7)	
		Domestic private sector	121,891	42.4		133,338	48.5		11,446	9.4	
		Overseas	4,688	1.6		8,850	3.2		4,161	88.7	
		Total	287,865	100		274,940	100		(12,925)	(4.5)	