

Consolidated Financial Statements
(For the First Quarter of FY2020)

Consolidated Balance Sheets

(Millions of Yen)

	FY2019	Current First Quarter
	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets:		
Cash and deposits	34,847	20,798
Notes receivable, accounts receivable from completed construction contracts and other	101,041	87,573
Securities	17,000	42,000
Real estate for sale	991	853
Costs on construction contracts in progress	4,336	4,942
Costs on real estate business	2,736	2,816
Work in process	1,438	1,718
Raw materials and supplies	75	76
Other	7,974	8,936
Allowance for doubtful accounts	(700)	(614)
Total current assets	169,742	169,103
Non-current assets:		
Property, plant and equipment:		
Land	31,758	32,937
Other, net	17,320	17,629
Total property, plant and equipment	49,079	50,566
Intangible assets:		
Goodwill	497	489
Other	439	463
Total intangible assets	937	953
Investments and other assets:		
Investment securities	74,168	68,502
Retirement benefit asset	3,140	3,128
Other	2,631	2,566
Allowance for doubtful accounts	(2,009)	(1,990)
Total investments and other assets	77,930	72,207
Total non-current assets	127,947	123,727
Total assets	297,690	292,831

(Millions of Yen)

	FY2019	Current First Quarter
	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	43,337	39,104
Short-term borrowings	8,075	8,315
Income taxes payable	2,298	277
Advances received on construction contracts in progress	13,942	23,235
Provisions	4,225	2,051
Provision for loss on construction contracts	1,118	1,116
Asset retirement obligations	86	86
Other	34,936	42,430
Total current liabilities	108,020	116,618
Non-current liabilities:		
Long-term borrowings	7,122	7,117
Asset retirement obligations	57	57
Other	14,089	12,751
Total non-current liabilities	21,269	19,926
Total liabilities	129,289	136,545
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	25,330	25,330
Retained earnings	103,250	98,880
Treasury shares	(16,069)	(19,756)
Total shareholders' equity	132,349	124,294
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	34,414	30,444
Remeasurements of defined benefit plans	1,693	1,607
Total accumulated other comprehensive income	36,108	32,051
Non-controlling interests	(57)	(59)
Total net assets	168,400	156,285
Total liabilities and net assets	297,690	292,831

Consolidated Statements of Income

(Three-month Period Ended June 30)

(Millions of Yen)

	1Q / FY2019 April 1, 2018 through June 30, 2018	1Q / FY2020 April 1, 2019 through June 30, 2019
Net sales:		
Net sales of completed construction contracts	49,531	48,153
Net sales of real estate business and other	2,048	2,451
Total net sales	51,580	50,605
Cost of sales:		
Cost of sales of completed construction contracts	42,786	43,986
Cost of sales on real estate business and other	925	1,361
Total cost of sales	43,711	45,348
Gross profit:		
Gross profit on completed construction contracts	6,745	4,166
Gross profit on real estate business and other	1,123	1,090
Total gross profit	7,868	5,257
Selling, general and administrative expenses	4,115	3,822
Operating profit	3,752	1,434
Non-operating income:		
Interest income	10	15
Dividend income	679	723
Other	276	152
Total non-operating income	966	891
Non-operating expenses:		
Interest expenses	35	42
Foreign exchange losses	17	56
Other	8	4
Total non-operating expenses	61	103
Ordinary profit	4,657	2,222
Extraordinary income:		
Gain on sales of non-current assets	21	0
Total extraordinary income	21	0
Extraordinary losses :		
Loss on sales of non-current assets	42	—
Loss on retirement of non-current assets	3	0
Total extraordinary losses	46	0
Profit before income taxes	4,632	2,222
Income taxes - current	459	256
Income taxes - deferred	762	397
Total income taxes	1,222	653
Profit	3,410	1,569
Loss attributable to non-controlling interests	—	(1)
Profit attributable to owners of parent	3,410	1,571

Consolidated Statements of Comprehensive Income

(Three-month Period Ended June 30)

(Millions of Yen)

	1Q / FY2019 April 1, 2018 through June 30, 2018	1Q / FY2020 April 1, 2019 through June 30, 2019
Profit	3,410	1,569
Other comprehensive income:		
Valuation difference on available-for-sale securities	1,661	(3,970)
Remeasurements of defined benefit plans, net of tax	(76)	(86)
Total other comprehensive income	1,585	(4,056)
Comprehensive income	4,996	(2,487)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,996	(2,485)
Comprehensive income attributable to non-controlling interests	—	(1)

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			1Q / FY2019 April 1, 2018 through June 30, 2018			1Q / FY2020 April 1, 2019 through June 30, 2019			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	14,000	69.2	60.2	4,400	13.1	78.1	(9,599)	(68.6)	
		Domestic private sector	6,241	30.8		29,323	86.9		23,081	369.8	
		Overseas	(0)	(0.0)		4	0.0		5	—	
		Subtotal	20,241	100		33,728	100		13,486	66.6	
	Architectural construction	Domestic public sector	202	1.5	39.8	1,526	16.1	21.9	1,323	653.9	
		Domestic private sector	13,194	98.5		7,941	83.9		(5,252)	(39.8)	
		Overseas	—	—		—	—		—	—	
		Subtotal	13,396	100		9,468	100		(3,928)	(29.3)	
	Total	Domestic public sector	14,202	42.2	100	5,926	13.7	100	(8,276)	(58.3)	
		Domestic private sector	19,436	57.8		37,265	86.3		17,829	91.7	
		Overseas	(0)	(0.0)		4	0.0		5	—	
		Total	33,638	100		43,196	100		9,557	28.4	
Net sales	Projects completed	Civil engineering	Domestic public sector	17,036	77.8	[44.2]	18,070	76.3	[49.2]	1,034	6.1
			Domestic private sector	4,700	21.5	42.9	5,407	22.8	47.9	707	15.0
			Overseas	161	0.7		221	0.9		60	37.3
			Subtotal	21,898	100		23,700	100		1,801	8.2
	Architectural construction	Domestic public sector	5,347	19.4	[55.8]		2,520	10.3		[50.8]	(2,827)
		Domestic private sector	22,286	80.6	54.1	21,933	89.7	49.4	(352)	(1.6)	
		Overseas	—	—		—	—		—	—	
		Subtotal	27,633	100		24,453	100		(3,179)	(11.5)	
	Subtotal	Domestic public sector	22,383	45.2		[100]	20,590		42.7	[100]	(1,793)
		Domestic private sector	26,986	54.5	97.0	27,341	56.8	97.3	354	1.3	
		Overseas	161	0.3		221	0.5		60	37.3	
		Subtotal	49,531	100		48,153	100		(1,378)	(2.8)	
	Real estate business and other	1,538	3.0	1,336		2.7	(201)		(13.1)		
	Total			51,070	100		49,490	100		(1,579)	(3.1)
Period-end backlog	Civil engineering	Domestic public sector	117,962	72.0	59.6	111,137	57.4	56.2	(6,825)	(5.8)	
		Domestic private sector	36,962	22.6		74,676	38.5		37,714	102.0	
		Overseas	8,850	5.4		8,016	4.1		(833)	(9.4)	
		Subtotal	163,775	100		193,830	100		30,055	18.4	
	Architectural construction	Domestic public sector	14,789	13.3	40.4	21,947	14.5	43.8	7,158	48.4	
		Domestic private sector	96,375	86.7		128,902	85.5		32,527	33.8	
		Overseas	—	—		—	—		—	—	
		Subtotal	111,164	100		150,850	100		39,686	35.7	
	Total	Domestic public sector	132,751	48.3	100	133,084	38.6	100	333	0.3	
		Domestic private sector	133,338	48.5		203,579	59.1		70,241	52.7	
		Overseas	8,850	3.2		8,016	2.3		(833)	(9.4)	
		Total	274,940	100		344,681	100		69,741	25.4	