

Consolidated Financial Statements
(For the Third Quarter of FY2020)

Consolidated Balance Sheets

(Millions of Yen)

	FY2019	Current Third Quarter
	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets:		
Cash and deposits	34,847	14,510
Notes receivable, accounts receivable from completed construction contracts and other	101,041	122,402
Securities	17,000	7,000
Real estate for sale	991	648
Costs on construction contracts in progress	4,336	5,112
Costs on real estate business	2,736	2,981
Work in process	1,438	980
Raw materials and supplies	75	71
Other	7,974	10,801
Allowance for doubtful accounts	(700)	(763)
Total current assets	169,742	163,745
Non-current assets:		
Property, plant and equipment:		
Land	31,758	33,604
Other, net	17,320	24,739
Total property, plant and equipment	49,079	58,343
Intangible assets:		
Goodwill	497	475
Other	439	598
Total intangible assets	937	1,073
Investments and other assets:		
Investment securities	74,168	72,540
Retirement benefit asset	3,140	3,111
Other	2,631	2,551
Allowance for doubtful accounts	(2,009)	(1,984)
Total investments and other assets	77,930	76,219
Total non-current assets	127,947	135,636
Total assets	297,690	299,381

(Millions of Yen)

	FY2019	Current Third Quarter
	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	43,337	38,605
Short-term borrowings	8,075	22,603
Income taxes payable	2,298	181
Advances received on construction contracts in progress	13,942	13,419
Provisions	4,225	2,284
Provision for loss on construction contracts	1,118	1,348
Asset retirement obligations	86	86
Other	34,936	37,981
Total current liabilities	108,020	116,512
Non-current liabilities:		
Long-term borrowings	7,122	6,016
Asset retirement obligations	57	58
Other	14,089	14,370
Total non-current liabilities	21,269	20,446
Total liabilities	129,289	136,958
Net assets		
Shareholders' equity:		
Share capital	19,838	19,838
Capital surplus	25,330	25,243
Retained earnings	103,250	101,952
Treasury shares	(16,069)	(19,760)
Total shareholders' equity	132,349	127,274
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	34,414	33,713
Remeasurements of defined benefit plans	1,693	1,434
Total accumulated other comprehensive income	36,108	35,147
Non-controlling interests	(57)	—
Total net assets	168,400	162,422
Total liabilities and net assets	297,690	299,381

Consolidated Statements of Income

(Nine-month Period Ended December 31)

(Millions of Yen)

	3Q / FY2019 April 1, 2018 through December 31, 2018	3Q / FY2020 April 1, 2019 through December 31, 2019
Net sales:		
Net sales of completed construction contracts	150,567	156,052
Net sales in real estate business and other	7,262	7,064
Total net sales	157,829	163,117
Cost of sales:		
Cost of sales of completed construction contracts	131,035	140,289
Cost of sales in real estate business and other	4,187	4,015
Total cost of sales	135,223	144,304
Gross profit:		
Gross profit on completed construction contracts	19,531	15,762
Gross profit on real estate business and other	3,075	3,049
Total gross profit	22,606	18,812
Selling, general and administrative expenses	12,462	12,102
Operating profit	10,144	6,710
Non-operating income:		
Interest income	27	36
Dividend income	1,209	1,255
Other	350	233
Total non-operating income	1,588	1,525
Non-operating expenses:		
Interest expenses	114	124
Other	51	42
Total non-operating expenses	165	167
Ordinary profit	11,567	8,068
Extraordinary income:		
Gain on sales of investment securities	1,264	742
Other	80	0
Total extraordinary income	1,345	742
Extraordinary losses:		
Loss on sales of non-current assets	42	3
Loss on valuation of investment securities	27	—
Loss on retirement of non-current assets	6	5
Total extraordinary losses	75	9
Profit before income taxes	12,836	8,801
Income taxes - current	2,232	2,117
Income taxes - deferred	1,324	518
Total income taxes	3,556	2,636
Profit	9,280	6,165
Loss attributable to non-controlling interests	—	(28)
Profit attributable to owners of parent	9,280	6,193

Consolidated Statements of Comprehensive Income

(Nine-month Period Ended December 31)

(Millions of Yen)

	3Q / FY2019 April 1, 2018 through December 31, 2018	3Q / FY2020 April 1, 2019 through December 31, 2019
Profit	9,280	6,165
Other comprehensive income:		
Valuation difference on available-for-sale securities	(3,160)	(701)
Remeasurements of defined benefit plans, net of tax	(224)	(258)
Total other comprehensive income	(3,384)	(960)
Comprehensive income	5,895	5,205
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	5,895	5,233
Comprehensive income attributable to non-controlling interests	—	(28)

Breakdown of Orders (Nonconsolidated)

(Millions of Yen)

			3Q / FY2019 April 1, 2018 through December 31, 2018			3Q / FY2020 April 1, 2019 through December 31, 2019			Change Increase (Decrease)	% Change Increase (Decrease)	
				%			%		%		
Construction orders awarded	Civil engineering	Domestic public sector	27,644	47.6	46.1	19,325	27.4	57.5	(8,318)	(30.1)	
		Domestic private sector	30,381	52.4		43,516	61.6		13,135	43.2	
		Overseas	1	0.0		7,765	11.0		7,763	—	
		Subtotal	58,027	100		70,608	100		12,580	21.7	
	Architectural construction	Domestic public sector	10,254	15.1	53.9	18,088	34.7	42.5	7,833	76.4	
		Domestic private sector	57,472	84.9		34,080	65.3		(23,392)	(40.7)	
		Overseas	—	—		—	—		—	—	
		Subtotal	67,726	100		52,168	100		(15,558)	(23.0)	
	Total	Domestic public sector	37,898	30.1	100	37,413	30.5	100	(485)	(1.3)	
		Domestic private sector	87,853	69.9		77,597	63.2		(10,256)	(11.7)	
		Overseas	1	0.0		7,765	6.3		7,763	—	
		Total	125,754	100		122,776	100		(2,977)	(2.4)	
Net sales	Projects completed	Civil engineering	Domestic public sector	50,384	77.8	[43.0]	49,848	69.2	[46.2]	(535)	(1.1)
			Domestic private sector	13,810	21.3	41.9	19,282	26.7	45.0	5,472	39.6
			Overseas	579	0.9		2,941	4.1		2,361	407.3
			Subtotal	64,773	100		72,072	100		7,298	11.3
	Architectural construction	Domestic public sector	15,631	18.2	[57.0]		8,062	9.6		[53.8]	(7,569)
		Domestic private sector	70,161	81.8	55.4	75,917	90.4	52.5	5,755	8.2	
		Overseas	—	—		—	—		—	—	
		Subtotal	85,793	100		83,979	100		(1,813)	(2.1)	
	Subtotal	Domestic public sector	66,015	43.8		[100]	57,911		37.1	[100]	(8,104)
		Domestic private sector	83,971	55.8	97.3	95,200	61.0	97.5	11,228	13.4	
		Overseas	579	0.4		2,941	1.9		2,361	407.3	
		Subtotal	150,567	100		156,052	100		5,485	3.6	
	Real estate business and other	4,223	2.7	3,937		2.5	(286)		(6.8)		
	Total			154,791	100		159,990	100		5,198	3.4
Period-end backlog	Civil engineering	Domestic public sector	98,259	61.9	59.7	94,283	51.7	57.6	(3,975)	(4.0)	
		Domestic private sector	51,992	32.8		74,995	41.1		23,002	44.2	
		Overseas	8,434	5.3		13,058	7.2		4,624	54.8	
		Subtotal	158,685	100		182,337	100		23,651	14.9	
	Architectural construction	Domestic public sector	14,556	13.6	40.3	32,967	24.6	42.4	18,411	126.5	
		Domestic private sector	92,778	86.4		101,057	75.4		8,279	8.9	
		Overseas	—	—		—	—		—	—	
		Subtotal	107,334	100		134,025	100		26,690	24.9	
	Total	Domestic public sector	112,815	42.4	100	127,251	40.2	100	14,435	12.8	
		Domestic private sector	144,771	54.4		176,052	55.7		31,281	21.6	
		Overseas	8,434	3.2		13,058	4.1		4,624	54.8	
		Total	266,020	100		316,363	100		50,342	18.9	