

Consolidated Financial Statements
(For the Third Quarter of FY2018)

Consolidated Balance Sheets

(Millions of yen)

	FY2017	Current Third Quarter
	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets:		
Cash and deposits	43,621	43,187
Notes receivable, accounts receivable from completed construction contracts and other	97,275	106,808
Securities	14,000	5,000
Real estate for sale	322	901
Costs on uncompleted construction contracts	6,519	6,660
Costs on real estate business	3,391	3,239
Work in process	469	1,422
Raw materials and supplies	60	56
Other	12,967	14,149
Allowance for doubtful accounts	(949)	(998)
Total current assets	177,678	180,428
Non-current assets:		
Property, plant and equipment:		
Land	30,735	30,723
Other, net	11,915	13,746
Total property, plant and equipment	42,651	44,470
Intangible assets	262	268
Investments and other assets:		
Investment securities	66,192	78,529
Net defined benefit asset	2,114	2,072
Other	2,717	2,751
Allowance for doubtful accounts	(2,142)	(2,142)
Total investments and other assets	68,882	81,211
Total non-current assets	111,796	125,950
Total assets	289,474	306,379

(Millions of yen)

	FY2017	Current Third Quarter
	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	58,230	57,750
Short-term loans payable	13,089	11,732
Income taxes payable	1,348	1,522
Advances received on uncompleted construction contracts	14,900	13,487
Provision	5,048	1,858
Provision for loss on construction contracts	3,367	2,451
Asset retirement obligations	77	77
Other	26,147	29,209
Total current liabilities	122,210	118,091
Non-current liabilities:		
Long-term loans payable	1,156	3,151
Asset retirement obligations	72	76
Other	13,077	16,685
Total non-current liabilities	14,305	19,912
Total liabilities	136,515	138,003
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,329	25,330
Retained earnings	89,675	96,545
Treasury shares	(12,654)	(12,685)
Total shareholders' equity	122,189	129,028
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	28,746	37,413
Remeasurements of defined benefit plans	2,022	1,932
Total accumulated other comprehensive income	30,768	39,346
Total net assets	152,958	168,375
Total liabilities and net assets	289,474	306,379

Consolidated Statements of Income

(Nine-month Period Ended December 31)

(Millions of yen)

	3Q / FY2017 April 1, 2016 through December 31, 2016	3Q / FY2018 April 1, 2017 through December 31, 2017
Net sales:		
Net sales of completed construction contracts	136,437	159,148
Net sales of real estate business and other	6,039	7,007
Total net sales	142,476	166,155
Cost of sales:		
Cost of sales of completed construction contracts	118,815	136,706
Cost of sales on real estate business and other	3,167	3,999
Total cost of sales	121,982	140,705
Gross profit:		
Gross profit on completed construction contracts	17,622	22,442
Gross profit on real estate business and other	2,872	3,008
Total gross profit	20,494	25,450
Selling, general and administrative expenses	10,532	11,405
Operating profit	9,962	14,045
Non-operating income:		
Interest income	47	53
Dividend income	1,022	1,129
Other	457	199
Total non-operating income	1,526	1,382
Non-operating expenses:		
Interest expenses	114	101
Other	17	31
Total non-operating expenses	131	132
Ordinary profit	11,357	15,295
Extraordinary income:		
Gain on sales of non-current assets	131	150
Gain on sales of investment securities	0	125
Total extraordinary income	132	275
Extraordinary losses:		
Loss on retirement of non-current assets	180	4
Other	0	0
Total extraordinary losses	181	5
Profit before income taxes	11,308	15,565
Income taxes - current	963	2,133
Income taxes - deferred	(12)	(12)
Total income taxes	951	2,121
Profit	10,357	13,443
Profit attributable to owners of parent	10,357	13,443

Consolidated Statements of Comprehensive Income

(Nine-month Period Ended December 31)

(Millions of yen)

	3Q / FY2017 April 1, 2016 through December 31, 2016	3Q / FY2018 April 1, 2017 through December 31, 2017
Profit	10,357	13,443
Other comprehensive income:		
Valuation difference on available-for-sale securities	1,866	8,666
Remeasurements of defined benefit plans, net of tax	(109)	(89)
Total other comprehensive income	1,756	8,577
Comprehensive income	12,113	22,021
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	12,113	22,021
Comprehensive income attributable to non-controlling interests	-	-

Breakdown of Orders (Nonconsolidated)

(Millions of yen)

			3Q / FY2017 April 1, 2016 through December 31, 2016			3Q / FY2018 April 1, 2017 through December 31, 2017			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%	%		
Construction orders awarded	Civil engineering	Domestic public sector	73,948	83.0	53.1	30,118	57.6	41.4	(43,829)	(59.3)	
		Domestic private sector	15,006	16.9		22,162	42.4		7,156	47.7	
		Overseas	105	0.1		7	0.0		(97)	(93.0)	
		Subtotal	89,059	100		52,288	100		(36,770)	(41.3)	
	Architectural construction	Domestic public sector	13,426	17.1	46.9	12,017	16.2	58.6	(1,409)	(10.5)	
		Domestic private sector	65,248	83.0		61,959	83.8		(3,288)	(5.0)	
		Overseas	(47)	(0.1)		—	—		47	—	
		Subtotal	78,627	100		73,977	100		(4,650)	(5.9)	
	Total	Domestic public sector	87,375	52.1	100	42,135	33.4	100	(45,239)	(51.8)	
		Domestic private sector	80,254	47.9		84,122	66.6		3,868	4.8	
		Overseas	57	0.0		7	0.0		(49)	(87.1)	
		Total	167,687	100		126,266	100		(41,420)	(24.7)	
Net sales	Projects completed	Civil engineering	Domestic public sector	42,878	78.7	[39.9]	46,012	76.9	[37.6]	3,133	7.3
			Domestic private sector	11,536	21.2	38.9	13,345	22.3	36.8	1,808	15.7
			Overseas	80	0.1		451	0.8		371	464.2
			Subtotal	54,495	100		59,809	100		5,314	9.8
	Architectural construction	Domestic public sector	27,157	33.1	[60.1]		30,292	30.5		[62.4]	3,135
		Domestic private sector	54,734	66.8	58.4	69,045	69.5	61.0	14,311	26.1	
		Overseas	50	0.1		—	—		(50)	—	
		Subtotal	81,942	100		99,338	100		17,396	21.2	
	Subtotal	Domestic public sector	70,036	51.3		[100]	76,305		47.9	[100]	6,268
		Domestic private sector	66,271	48.6	97.3	82,391	51.8	97.8	16,119	24.3	
		Overseas	130	0.1		451	0.3		321	247.1	
		Subtotal	136,437	100		159,148	100		22,710	16.6	
	Real estate business and other			3,807		2.7	3,641		2.2	(166)	(4.4)
	Total			140,245	100	162,789	100	22,543	16.1		
Period-end backlog	Civil engineering	Domestic public sector	127,575	81.9	54.9	113,682	72.6	58.2	(13,892)	(10.9)	
		Domestic private sector	27,670	17.8		38,701	24.7		11,030	39.9	
		Overseas	429	0.3		4,275	2.7		3,845	894.4	
		Subtotal	155,675	100		156,659	100		983	0.6	
	Architectural construction	Domestic public sector	51,011	39.9	45.1	23,689	21.1	41.8	(27,322)	(53.6)	
		Domestic private sector	76,726	60.1		88,612	78.9		11,886	15.5	
		Overseas	—	—		—	—		—	—	
		Subtotal	127,737	100		112,301	100		(15,435)	(12.1)	
	Total	Domestic public sector	178,586	63.0	100	137,371	51.1	100	(41,214)	(23.1)	
		Domestic private sector	104,396	36.8		127,314	47.3		22,917	22.0	
		Overseas	429	0.2		4,275	1.6		3,845	894.4	
		Total	283,413	100		268,961	100		(14,451)	(5.1)	