

**Consolidated Financial Statements**  
**(For the Second Quarter of FY2019)**

**Consolidated Balance Sheets**

(Millions of yen)

	FY2018	Current Second Quarter
	As of March 31, 2018	As of September 30, 2018
<b>Assets</b>		
<b>Current assets:</b>		
Cash and deposits	45,942	43,701
Notes receivable, accounts receivable from completed construction contracts and other	112,287	84,051
Securities	10,999	25,000
Real estate for sale	705	564
Costs on uncompleted construction contracts	5,547	4,857
Costs on real estate business	3,215	3,175
Work in process	865	1,875
Raw materials and supplies	41	71
Other	11,652	6,933
Allowance for doubtful accounts	(786)	(599)
<b>Total current assets</b>	<b>190,470</b>	<b>169,630</b>
<b>Non-current assets:</b>		
Property, plant and equipment:		
Land	31,250	31,183
Other, net	14,064	14,033
<b>Total property, plant and equipment</b>	<b>45,314</b>	<b>45,216</b>
Intangible assets	280	280
Investments and other assets:		
Investment securities	74,759	79,416
Net defined benefit asset	2,409	2,395
Other	2,690	2,650
Allowance for doubtful accounts	(2,060)	(2,011)
<b>Total investments and other assets</b>	<b>77,798</b>	<b>82,450</b>
<b>Total non-current assets</b>	<b>123,393</b>	<b>127,946</b>
<b>Total assets</b>	<b>313,863</b>	<b>297,577</b>

(Millions of yen)

	FY2018	Current Second Quarter
	As of March 31, 2018	As of September 30, 2018
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes payable, accounts payable for construction contracts and other	58,985	41,298
Short-term loans payable	11,659	9,499
Income taxes payable	2,707	1,442
Advances received on uncompleted construction contracts	16,013	19,847
Provision	4,940	3,256
Provision for loss on construction contracts	2,344	1,280
Asset retirement obligations	104	104
Other	33,102	32,876
<b>Total current liabilities</b>	<b>129,856</b>	<b>109,604</b>
<b>Non-current liabilities:</b>		
Long-term loans payable	3,141	5,134
Asset retirement obligations	64	64
Other	13,077	15,362
<b>Total non-current liabilities</b>	<b>16,283</b>	<b>20,560</b>
<b>Total liabilities</b>	<b>146,140</b>	<b>130,165</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Capital stock	19,838	19,838
Capital surplus	25,330	25,330
Retained earnings	98,265	96,626
Treasury shares	(12,688)	(14,380)
<b>Total shareholders' equity</b>	<b>130,746</b>	<b>127,414</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	34,838	38,010
Remeasurements of defined benefit plans	2,138	1,987
<b>Total accumulated other comprehensive income</b>	<b>36,977</b>	<b>39,997</b>
<b>Total net assets</b>	<b>167,723</b>	<b>167,412</b>
<b>Total liabilities and net assets</b>	<b>313,863</b>	<b>297,577</b>

# Consolidated Statements of Income

## (Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2018 April 1, 2017 through September 30, 2017	2Q / FY2019 April 1, 2018 through September 30, 2018
<b>Net sales:</b>		
Net sales of completed construction contracts	103,525	101,151
Net sales of real estate business and other	4,422	4,391
Total net sales	107,947	105,543
<b>Cost of sales:</b>		
Cost of sales of completed construction contracts	88,783	88,162
Cost of sales on real estate business and other	2,467	2,340
Total cost of sales	91,251	90,503
<b>Gross profit:</b>		
Gross profit on completed construction contracts	14,741	12,988
Gross profit on real estate business and other	1,954	2,050
Total gross profit	16,696	15,039
<b>Selling, general and administrative expenses</b>	7,617	8,228
<b>Operating profit</b>	9,078	6,810
<b>Non-operating income:</b>		
Interest income	36	19
Dividend income	656	691
Other	99	354
Total non-operating income	791	1,066
<b>Non-operating expenses:</b>		
Interest expenses	68	77
Other	18	13
Total non-operating expenses	87	90
<b>Ordinary profit</b>	9,783	7,786
<b>Extraordinary income:</b>		
Gain on sales of non-current assets	48	79
Gain on sales of investment securities	125	—
Total extraordinary income	173	79
<b>Extraordinary losses:</b>		
Loss on sales of non-current assets	—	42
Other	2	4
Total extraordinary losses	2	46
<b>Profit before income taxes</b>	9,953	7,819
<b>Income taxes - current</b>	1,006	1,239
<b>Income taxes - deferred</b>	(7)	890
<b>Total income taxes</b>	998	2,129
<b>Profit</b>	8,954	5,689
<b>Profit attributable to owners of parent</b>	8,954	5,689

## Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2018 April 1, 2017 through September 30, 2017	2Q / FY2019 April 1, 2018 through September 30, 2018
<b>Profit</b>	8,954	5,689
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	4,691	3,171
Remeasurements of defined benefit plans, net of tax	(57)	(151)
Total other comprehensive income	4,633	3,020
<b>Comprehensive income</b>	13,588	8,709
<b>Comprehensive income attributable to:</b>		
Comprehensive income attributable to owners of parent	13,588	8,709
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated Statements of Cash Flows (Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2018 April 1, 2017 through September 30, 2017	2Q / FY2019 April 1, 2018 through September 30, 2018
<b>Cash flows from operating activities:</b>		
Profit before income taxes	9,953	7,819
Depreciation	511	566
Increase (decrease) in allowance for doubtful accounts	29	(203)
Decrease (increase) in net defined benefit asset	(34)	(141)
Increase (decrease) in provision for loss on construction contracts	(1,272)	(1,064)
Interest and dividend income	(692)	(711)
Interest expenses	68	77
Loss (gain) on sales of non-current assets	(48)	(37)
Loss (gain) on sales of short-term and long-term investment securities	(125)	—
Decrease (increase) in notes and accounts receivable - trade	(4,713)	28,235
Decrease (increase) in costs on uncompleted construction contracts	1,017	690
Decrease (increase) in other inventories	(798)	(859)
Increase (decrease) in notes and accounts payable - trade	(4,439)	(12,788)
Increase (decrease) in advances received on uncompleted construction contracts	(1,065)	3,834
Other, net	2,180	(1,696)
Subtotal	572	23,721
Interest and dividend income received	692	710
Interest expenses paid	(68)	(77)
Income taxes (paid) refund	(1,120)	(2,480)
Net cash provided by (used in) operating activities	75	21,874

(Millions of yen)

	<b>2Q / FY2018</b>	<b>2Q / FY2019</b>
	April 1, 2017 through September 30, 2017	April 1, 2018 through September 30, 2018
<b>Cash flows from investing activities:</b>		
Net decrease (increase) in time deposits	(8,799)	(612)
Purchase of short-term and long-term investment securities	(3,155)	(23,155)
Proceeds from sales and redemption of short-term and long-term investment securities	262	90
Purchase of property, plant and equipment and intangible assets	(2,208)	(1,065)
Proceeds from sales of property, plant and equipment and intangible assets	64	149
Payments of loans receivable	(6)	(1)
Collection of loans receivable	8	12
Other, net	(1)	(8)
Net cash provided by (used in) investing activities	(13,835)	(24,591)
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term loans payable	2,607	(2,164)
Proceeds from long-term loans payable	—	2,000
Repayments of long-term loans payable	(2,005)	(8)
Purchase of treasury shares	(18)	(1,692)
Proceeds from sales of treasury shares	1	—
Cash dividends paid	(6,545)	(7,299)
Other, net	(7)	(4)
Net cash provided by (used in) financing activities	(5,968)	(9,168)
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>2</b>	<b>4</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(19,725)</b>	<b>(11,881)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>55,958</b>	<b>54,486</b>
<b>Cash and cash equivalents at end of period</b>	<b>36,233</b>	<b>42,605</b>

## Breakdown of Orders (Nonconsolidated)

(Millions of yen)

			2Q / FY2018 April 1, 2017 through September 30, 2017			2Q / FY2019 April 1, 2018 through September 30, 2018			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%	%		
Construction orders awarded	Civil engineering	Domestic public sector	19,415	65.3	43.9	19,795	45.3	53.3	380	2.0	
		Domestic private sector	10,331	34.7		23,898	54.7		13,566	131.3	
		Overseas	7	0.0		1	0.0		(6)	(83.6)	
		Subtotal	29,754	100		43,695	100		13,940	46.9	
	Architectural construction	Domestic public sector	9,992	26.2	56.1	5,475	14.3	46.7	(4,516)	(45.2)	
		Domestic private sector	28,084	73.8		32,787	85.7		4,702	16.7	
		Overseas	—	—		—	—		—	—	
		Subtotal	38,077	100		38,263	100		186	0.5	
	Total	Domestic public sector	29,408	43.4	100	25,271	30.8	100	(4,136)	(14.1)	
		Domestic private sector	38,416	56.6		56,685	69.2		18,269	47.6	
		Overseas	7	0.0		1	0.0		(6)	(83.6)	
		Total	67,831	100		81,959	100		14,127	20.8	
Net sales	Projects completed	Civil engineering	Domestic public sector	30,430	76.4	[38.5]	32,598	78.3	[41.1]	2,167	7.1
			Domestic private sector	8,947	22.5	37.6	8,616	20.7	40.0	(331)	(3.7)
			Overseas	451	1.1		394	1.0		(56)	(12.6)
			Subtotal	39,829	100		41,609	100		1,779	4.5
	Architectural construction	Domestic public sector	19,866	31.2	[61.5]		11,864	19.9		[58.9]	(8,001)
		Domestic private sector	43,829	68.8	60.1	47,677	80.1	57.3	3,848	8.8	
		Overseas	—	—		—	—		—	—	
		Subtotal	63,695	100		59,542	100		(4,153)	(6.5)	
	Subtotal	Domestic public sector	50,297	48.6		[100]	44,463		44.0	[100]	(5,833)
		Domestic private sector	52,776	51.0	97.7	56,294	55.6	97.3	3,517	6.7	
		Overseas	451	0.4		394	0.4		(56)	(12.6)	
		Subtotal	103,525	100		101,151	100		(2,373)	(2.3)	
	Real estate business and other			2,396		2.3	2,810		2.7	413	17.3
	Total			105,921	100	103,962	100	(1,959)	(1.9)		
	Period-end backlog	Civil engineering	Domestic public sector	118,561	76.9	57.9	108,196	64.6	61.7	(10,365)	(8.7)
Domestic private sector			31,268	20.3	50,703		30.3	19,435		62.2	
Overseas			4,276	2.8	8,619		5.1	4,342		101.6	
Subtotal			154,105	100	167,518		100	13,413		8.7	
Architectural construction		Domestic public sector	32,090	28.6	42.1	13,544	13.0	38.3	(18,545)	(57.8)	
		Domestic private sector	79,953	71.4		90,577	87.0		10,623	13.3	
		Overseas	—	—		—	—		—	—	
		Subtotal	112,044	100		104,122	100		(7,922)	(7.1)	
Total		Domestic public sector	150,651	56.6	100	121,741	44.8	100	(28,910)	(19.2)	
		Domestic private sector	111,221	41.8		141,280	52.0		30,058	27.0	
		Overseas	4,276	1.6		8,619	3.2		4,342	101.6	
		Total	266,149	100		271,640	100		5,491	2.1	