

**Consolidated Financial Statements**  
**(For the Second Quarter of FY2017)**

**Consolidated Balance Sheets**

(Millions of yen)

	FY2016	Current Second Quarter
	As of March 31, 2016	As of September 30, 2016
<b>Assets</b>		
<b>Current assets:</b>		
Cash and deposits	15,353	31,316
Notes receivable, accounts receivable from completed construction contracts and other	113,190	97,432
Securities	10,500	7,000
Real estate for sale	563	455
Costs on uncompleted construction contracts	4,706	5,819
Costs on real estate business	2,823	3,055
Work in process	479	920
Raw materials and supplies	43	53
Other	10,248	9,538
Allowance for doubtful accounts	(1,665)	(1,297)
<b>Total current assets</b>	<b>156,243</b>	<b>154,294</b>
<b>Non-current assets:</b>		
Property, plant and equipment:		
Land	30,114	30,738
Other, net	11,099	11,793
<b>Total property, plant and equipment</b>	<b>41,213</b>	<b>42,532</b>
Intangible assets	263	245
Investments and other assets:		
Investment securities	66,250	60,253
Net defined benefit asset	2,156	2,144
Other	2,745	2,749
Allowance for doubtful accounts	(2,192)	(2,192)
<b>Total investments and other assets</b>	<b>68,960</b>	<b>62,955</b>
<b>Total non-current assets</b>	<b>110,437</b>	<b>105,733</b>
<b>Total assets</b>	<b>266,680</b>	<b>260,028</b>

(Millions of yen)

	FY2016	Current Second Quarter
	As of March 31, 2016	As of September 30, 2016
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes payable, accounts payable for construction contracts and other	54,033	47,757
Short-term loans payable	15,778	11,599
Income taxes payable	565	662
Advances received on uncompleted construction contracts	6,718	12,748
Provision	3,840	2,097
Provision for loss on construction contracts	4,449	3,411
Asset retirement obligations	79	77
Other	19,374	25,802
<b>Total current liabilities</b>	<b>104,840</b>	<b>104,157</b>
<b>Non-current liabilities:</b>		
Long-term loans payable	5,168	3,160
Asset retirement obligations	67	70
Other	13,325	11,424
<b>Total non-current liabilities</b>	<b>18,561</b>	<b>14,655</b>
<b>Total liabilities</b>	<b>123,401</b>	<b>118,812</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Capital stock	19,838	19,838
Capital surplus	25,329	25,329
Retained earnings	80,245	82,590
Treasury shares	(12,634)	(12,643)
<b>Total shareholders' equity</b>	<b>112,779</b>	<b>115,114</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	28,329	24,004
Remeasurements of defined benefit plans	2,170	2,097
<b>Total accumulated other comprehensive income</b>	<b>30,499</b>	<b>26,101</b>
<b>Total net assets</b>	<b>143,278</b>	<b>141,215</b>
<b>Total liabilities and net assets</b>	<b>266,680</b>	<b>260,028</b>

# Consolidated Statements of Income

## (Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2016 April 1, 2015 through September 30, 2015	2Q / FY2017 April 1, 2016 through September 30, 2016
<b>Net sales:</b>		
Net sales of completed construction contracts	87,902	90,108
Net sales of real estate business and other	4,948	4,300
Total net sales	92,851	94,409
<b>Cost of sales:</b>		
Cost of sales of completed construction contracts	79,724	78,646
Cost of sales on real estate business and other	2,746	2,324
Total cost of sales	82,471	80,971
<b>Gross profit:</b>		
Gross profit on completed construction contracts	8,178	11,461
Gross profit on real estate business and other	2,202	1,975
Total gross profit	10,380	13,437
<b>Selling, general and administrative expenses</b>	6,581	6,986
<b>Operating income</b>	3,799	6,451
<b>Non-operating income:</b>		
Interest income	46	30
Dividend income	608	614
Reversal of allowance for doubtful accounts	233	312
Other	75	73
Total non-operating income	962	1,031
<b>Non-operating expenses:</b>		
Interest expenses	81	79
Foreign exchange losses	182	175
Other	19	9
Total non-operating expenses	283	263
<b>Ordinary income</b>	4,478	7,218
<b>Extraordinary income:</b>		
Gain on sales of non-current assets	1	2
Other	88	0
Total extraordinary income	90	2
<b>Extraordinary losses:</b>		
Loss on retirement of non-current assets	124	175
Other	8	0
Total extraordinary losses	133	175
<b>Profit before income taxes</b>	4,435	7,046
<b>Income taxes - current</b>	434	526
<b>Income taxes - deferred</b>	(9)	(8)
<b>Total income taxes</b>	425	517
<b>Profit</b>	4,009	6,528
<b>Profit attributable to owners of parent</b>	4,009	6,528

# Consolidated Statements of Comprehensive Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2016 April 1, 2015 through September 30, 2015	2Q / FY2017 April 1, 2016 through September 30, 2016
<b>Profit</b>	4,009	6,528
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	(1,989)	(4,324)
Remeasurements of defined benefit plans, net of tax	(154)	(73)
Total other comprehensive income	(2,144)	(4,398)
<b>Comprehensive income</b>	1,865	2,130
<b>Comprehensive income attributable to:</b>		
Comprehensive income attributable to owners of parent	1,865	2,130
Comprehensive income attributable to non-controlling interests	—	—

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

(Millions of yen)

	<b>2Q / FY2016</b>	<b>2Q / FY2017</b>
	April 1, 2015 through September 30, 2015	April 1, 2016 through September 30, 2016
<b>Cash flows from operating activities:</b>		
Profit before income taxes	4,435	7,046
Depreciation	420	440
Loss on retirement of non-current assets	124	175
Increase (decrease) in allowance for doubtful accounts	(233)	(368)
Decrease (increase) in net defined benefit asset	(173)	(64)
Increase (decrease) in provision for loss on construction contracts	(591)	(1,037)
Interest and dividend income	(654)	(645)
Interest expenses	81	79
Loss (gain) on sales of non-current assets	(1)	(2)
Decrease (increase) in notes and accounts receivable - trade	18,672	15,757
Decrease (increase) in costs on uncompleted construction contracts	75	(1,112)
Decrease (increase) in other inventories	(422)	(575)
Increase (decrease) in notes and accounts payable - trade	(9,242)	(8,612)
Increase (decrease) in advances received on uncompleted construction contracts	4,140	6,030
Other, net	747	8,220
Subtotal	17,378	25,329
Interest and dividend income received	653	644
Interest expenses paid	(81)	(79)
Income taxes (paid) refund	(548)	(518)
Net cash provided by (used in) operating activities	17,401	25,376

(Millions of yen)

	<b>2Q / FY2016</b>	<b>2Q / FY2017</b>
	April 1, 2015 through September 30, 2015	April 1, 2016 through September 30, 2016
<b>Cash flows from investing activities:</b>		
Net decrease (increase) in time deposits	(1,000)	(713)
Purchase of short-term and long-term investment securities	(15)	(207)
Proceeds from sales and redemption of short-term and long-term investment securities	261	1
Purchase of property, plant and equipment and intangible assets	(1,054)	(2,074)
Proceeds from sales of property, plant and equipment and intangible assets	4	8
Payments of loans receivable	(18)	(15)
Collection of loans receivable	40	11
Other, net	(117)	(155)
Net cash provided by (used in) investing activities	(1,899)	(3,143)
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term loans payable	(5,520)	(5,080)
Proceeds from long-term loans payable	1,100	—
Repayments of long-term loans payable	(5)	(1,107)
Purchase of treasury shares	(40)	(10)
Proceeds from sales of treasury shares	1	0
Cash dividends paid	(2,382)	(4,164)
Other, net	(19)	(12)
Net cash provided by (used in) financing activities	(6,866)	(10,373)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(35)	(49)
<b>Net increase (decrease) in cash and cash equivalents</b>	8,600	11,809
<b>Cash and cash equivalents at beginning of period</b>	27,727	25,379
<b>Cash and cash equivalents at end of period</b>	36,328	37,188

## Breakdown of Orders (Nonconsolidated)

(Millions of yen)

			2Q / FY2016 April 1, 2015 through September 30, 2015			2Q / FY2017 April 1, 2016 through September 30, 2016			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%	%		
Construction orders awarded	Civil engineering	Domestic public sector	25,780	72.1	36.2	48,623	86.3	50.5	22,843	88.6	
		Domestic private sector	9,299	26.0		7,685	13.6		(1,614)	(17.4)	
		Overseas	688	1.9		42	0.1		(645)	(93.8)	
		Subtotal	35,768	100		56,351	100		20,583	57.5	
	Architectural construction	Domestic public sector	18,761	29.7	63.8	7,707	13.9	49.5	(11,054)	(58.9)	
		Domestic private sector	44,403	70.3		47,591	86.1		3,188	7.2	
		Overseas	—	—		12	0.0		12	—	
		Subtotal	63,164	100		55,311	100		(7,853)	(12.4)	
	Total	Domestic public sector	44,541	45.0	100	56,330	50.4	100	11,789	26.5	
		Domestic private sector	53,702	54.3		55,276	49.5		1,574	2.9	
		Overseas	688	0.7		55	0.1		(633)	(92.0)	
		Total	98,932	100		111,662	100		12,729	12.9	
Net sales	Projects completed	Civil engineering	Domestic public sector	29,074	77.1	[42.9]	27,920	80.2	[38.6]	(1,154)	(4.0)
			Domestic private sector	8,358	22.2	41.3	6,855	19.7	37.6	(1,503)	(18.0)
			Overseas	281	0.7		50	0.1		(231)	(82.0)
			Subtotal	37,715	100		34,826	100		(2,888)	(7.7)
	Architectural construction	Domestic public sector	15,233	30.3	[57.1]		17,786	32.2		[61.4]	2,552
		Domestic private sector	34,565	68.9	55.0	37,398	67.6	59.6	2,832	8.2	
		Overseas	388	0.8		97	0.2		(290)	(74.8)	
		Subtotal	50,187	100		55,282	100		5,094	10.2	
	Subtotal	Domestic public sector	44,308	50.4		[100]	45,706		50.7	[100]	1,398
		Domestic private sector	42,924	48.8	96.3	44,253	49.1	97.2	1,329	3.1	
		Overseas	670	0.8		148	0.2		(521)	(77.8)	
		Subtotal	87,902	100		90,108	100		2,205	2.5	
	Real estate business and other			3,347		3.7			2,621	2.8	
	Total			91,250	100		92,730	100		1,479	1.6
Period-end backlog	Civil engineering	Domestic public sector	80,918	78.5	43.7	117,208	82.2	52.1	36,290	44.8	
		Domestic private sector	21,701	21.1		25,031	17.5		3,329	15.3	
		Overseas	432	0.4		396	0.3		(36)	(8.3)	
		Subtotal	103,052	100		142,636	100		39,584	38.4	
	Architectural construction	Domestic public sector	62,472	47.1	56.3	54,663	41.7	47.9	(7,809)	(12.5)	
		Domestic private sector	70,040	52.8		76,405	58.3		6,364	9.1	
		Overseas	172	0.1		12	0.0		(159)	(92.7)	
		Subtotal	132,685	100		131,081	100		(1,604)	(1.2)	
	Total	Domestic public sector	143,390	60.8	100	171,871	62.8	100	28,481	19.9	
		Domestic private sector	91,742	38.9		101,436	37.1		9,694	10.6	
		Overseas	605	0.3		409	0.1		(195)	(32.4)	
		Total	235,737	100		273,717	100		37,980	16.1	