

Consolidated Financial Statements
(For the First Quarter of FY2018)

Consolidated Balance Sheets

(Millions of yen)

	FY2017	Current First Quarter
	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets:		
Cash and deposits	43,621	44,306
Notes receivable, accounts receivable from completed construction contracts and other	97,275	85,287
Securities	14,000	29,000
Real estate for sale	322	313
Costs on uncompleted construction contracts	6,519	6,432
Costs on real estate business	3,391	3,510
Work in process	469	932
Raw materials and supplies	60	52
Other	12,967	14,117
Allowance for doubtful accounts	(949)	(852)
Total current assets	177,678	183,101
Non-current assets:		
Property, plant and equipment:		
Land	30,735	30,727
Other, net	11,915	12,498
Total property, plant and equipment	42,651	43,225
Intangible assets	262	253
Investments and other assets:		
Investment securities	66,192	72,293
Net defined benefit asset	2,114	2,098
Other	2,717	2,732
Allowance for doubtful accounts	(2,142)	(2,142)
Total investments and other assets	68,882	74,981
Total non-current assets	111,796	118,460
Total assets	289,474	301,562

(Millions of yen)

	FY2017	Current First Quarter
	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	58,230	55,420
Short-term loans payable	13,089	13,553
Income taxes payable	1,348	211
Advances received on uncompleted construction contracts	14,900	19,125
Provision	5,048	1,702
Provision for loss on construction contracts	3,367	2,706
Asset retirement obligations	77	77
Other	26,147	38,009
Total current liabilities	122,210	130,806
Non-current liabilities:		
Long-term loans payable	1,156	1,156
Asset retirement obligations	72	75
Other	13,077	14,830
Total non-current liabilities	14,305	16,061
Total liabilities	136,515	146,868
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,329	25,329
Retained earnings	89,675	87,118
Treasury shares	(12,654)	(12,659)
Total shareholders' equity	122,189	119,628
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	28,746	33,072
Remeasurements of defined benefit plans	2,022	1,992
Total accumulated other comprehensive income	30,768	35,065
Total net assets	152,958	154,693
Total liabilities and net assets	289,474	301,562

Consolidated Statements of Income

(Three-month Period Ended June 30)

(Millions of yen)

	1Q / FY2017 April 1, 2016 through June 30, 2016	1Q / FY2018 April 1, 2017 through June 30, 2017
Net sales:		
Net sales of completed construction contracts	43,844	48,747
Net sales of real estate business and other	2,029	1,902
Total net sales	45,874	50,649
Cost of sales:		
Cost of sales of completed construction contracts	39,067	42,590
Cost of sales on real estate business and other	1,000	969
Total cost of sales	40,068	43,560
Gross profit:		
Gross profit on completed construction contracts	4,776	6,156
Gross profit on real estate business and other	1,029	933
Total gross profit	5,806	7,089
Selling, general and administrative expenses	3,526	3,817
Operating income	2,279	3,271
Non-operating income:		
Interest income	16	19
Dividend income	602	646
Other	470	133
Total non-operating income	1,089	799
Non-operating expenses:		
Interest expenses	42	35
Other	210	11
Total non-operating expenses	253	46
Ordinary income	3,116	4,024
Extraordinary income:		
Gain on sales of non-current assets	—	38
Gain on sales of investment securities	0	—
Total extraordinary income	0	38
Extraordinary losses:		
Loss on valuation of investment securities	135	0
Loss on retirement of non-current assets	67	1
Total extraordinary losses	202	1
Profit before income taxes	2,913	4,061
Income taxes - current	47	48
Income taxes - deferred	(4)	(3)
Total income taxes	42	44
Profit	2,870	4,016
Profit attributable to owners of parent	2,870	4,016

Consolidated Statements of Comprehensive Income

(Three-month Period Ended June 30)

(Millions of yen)

	1Q / FY2017 April 1, 2016 through June 30, 2016	1Q / FY2018 April 1, 2017 through June 30, 2017
Profit	2,870	4,016
Other comprehensive income:		
Valuation difference on available-for-sale securities	(3,423)	4,325
Remeasurements of defined benefit plans, net of tax	(33)	(29)
Total other comprehensive income	(3,457)	4,296
Comprehensive income	(586)	8,313
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(586)	8,313
Comprehensive income attributable to non-controlling interests	—	—

Breakdown of Orders (Nonconsolidated)

(Millions of yen)

			1Q / FY2017 April 1, 2016 through June 30, 2016			1Q / FY2018 April 1, 2017 through June 30, 2017			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	11,924	73.7	39.5	12,102	67.4	51.6	177	1.5	
		Domestic private sector	4,257	26.3		5,846	32.6		1,588	37.3	
		Overseas	—	—		0	0.0		0	—	
		Subtotal	16,182	100		17,949	100		1,766	10.9	
	Architectural construction	Domestic public sector	2,719	11.0	60.5	3,511	20.9	48.4	791	29.1	
		Domestic private sector	22,030	89.0		13,308	79.1		(8,722)	(39.6)	
		Overseas	—	—		—	—		—	—	
		Subtotal	24,750	100		16,819	100		(7,930)	(32.0)	
	Total	Domestic public sector	14,644	35.8	100	15,613	44.9	100	968	6.6	
		Domestic private sector	26,288	64.2		19,154	55.1		(7,133)	(27.1)	
		Overseas	—	—		0	0.0		0	—	
		Total	40,933	100		34,769	100		(6,164)	(15.1)	
Net sales	Projects completed	Civil engineering	Domestic public sector	13,255	79.4	[38.1]	16,112	81.8	[40.4]	2,857	21.6
			Domestic private sector	3,422	20.5	36.9	3,554	18.0	39.5	131	3.9
			Overseas	20	0.1		31	0.2		11	55.0
			Subtotal	16,698	100		19,698	100		3,000	18.0
	Architectural construction	Domestic public sector	8,692	32.0	[61.9]		9,757	33.6		[59.6]	1,064
		Domestic private sector	18,451	68.0	60.0	19,290	66.4	58.2	839	4.5	
		Overseas	1	0.0		—	—		(1)	—	
		Subtotal	27,146	100		29,048	100		1,902	7.0	
	Subtotal	Domestic public sector	21,948	50.1		[100]	25,869		53.1	[100]	3,921
		Domestic private sector	21,873	49.9	96.9	22,845	46.8	97.7	971	4.4	
		Overseas	22	0.0		31	0.1		9	41.3	
		Subtotal	43,844	100		48,747	100		4,902	11.2	
	Real estate business and other	1,390	3.1			1,162	2.3			(228)	(16.5)
	Total			45,235	100		49,909	100		4,673	10.3
	Period-end backlog	Civil engineering	Domestic public sector	95,174	78.9	48.4	125,565	77.3	56.4	30,390	31.9
Domestic private sector			25,036	20.8	32,175		19.8	7,139		28.5	
Overseas			384	0.3	4,688		2.9	4,304		—	
Subtotal			120,596	100	162,430		100	41,834		34.7	
Architectural construction		Domestic public sector	58,768	45.7	51.6	35,718	28.5	43.6	(23,050)	(39.2)	
		Domestic private sector	69,791	54.2		89,716	71.5		19,924	28.5	
		Overseas	95	0.1		—	—		(95)	—	
		Subtotal	128,656	100		125,434	100		(3,221)	(2.5)	
Total		Domestic public sector	153,943	61.8	100	161,284	56.0	100	7,340	4.8	
		Domestic private sector	94,828	38.0		121,891	42.4		27,063	28.5	
		Overseas	480	0.2		4,688	1.6		4,208	876.2	
		Total	249,252	100		287,865	100		38,612	15.5	