

Consolidated Financial Statements
(For the Third Quarter of FY2019)

Consolidated Balance Sheets

(Millions of yen)

	FY2018	Current Third Quarter
	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets:		
Cash and deposits	45,942	42,611
Notes receivable, accounts receivable from completed construction contracts and other	112,287	89,176
Securities	10,999	14,000
Real estate for sale	705	449
Costs on uncompleted construction contracts	5,547	4,930
Costs on real estate business	3,215	3,151
Work in process	865	2,418
Raw materials and supplies	41	67
Other	11,652	7,923
Allowance for doubtful accounts	(786)	(628)
Total current assets	190,470	164,099
Non-current assets:		
Property, plant and equipment:		
Land	31,250	31,183
Other, net	14,064	15,041
Total property, plant and equipment	45,314	46,225
Intangible assets	280	311
Investments and other assets:		
Investment securities	74,759	70,364
Net defined benefit asset	2,409	2,379
Other	2,690	2,664
Allowance for doubtful accounts	(2,060)	(2,011)
Total investments and other assets	77,798	73,396
Total non-current assets	123,393	119,932
Total assets	313,863	284,032

(Millions of yen)

	FY2018	Current Third Quarter
	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	58,985	38,507
Short-term loans payable	11,659	9,731
Income taxes payable	2,707	807
Advances received on uncompleted construction contracts	16,013	17,194
Provision	4,940	2,092
Provision for loss on construction contracts	2,344	1,084
Asset retirement obligations	104	104
Other	33,102	32,945
Total current liabilities	129,856	102,467
Non-current liabilities:		
Long-term loans payable	3,141	5,126
Asset retirement obligations	64	64
Other	13,077	13,527
Total non-current liabilities	16,283	18,717
Total liabilities	146,140	121,185
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,330	25,330
Retained earnings	98,265	100,159
Treasury shares	(12,688)	(16,068)
Total shareholders' equity	130,746	129,260
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	34,838	31,678
Remeasurements of defined benefit plans	2,138	1,914
Total accumulated other comprehensive income	36,977	33,592
Non-controlling interests	—	(5)
Total net assets	167,723	162,847
Total liabilities and net assets	313,863	284,032

Consolidated Statements of Income

(Nine-month Period Ended December 31)

(Millions of yen)

	3Q / FY2018 April 1, 2017 through December 31, 2017	3Q / FY2019 April 1, 2018 through December 31, 2018
Net sales:		
Net sales of completed construction contracts	159,148	150,567
Net sales of real estate business and other	7,007	7,262
Total net sales	166,155	157,829
Cost of sales:		
Cost of sales of completed construction contracts	136,706	131,035
Cost of sales on real estate business and other	3,999	4,187
Total cost of sales	140,705	135,223
Gross profit:		
Gross profit on completed construction contracts	22,442	19,531
Gross profit on real estate business and other	3,008	3,075
Total gross profit	25,450	22,606
Selling, general and administrative expenses	11,405	12,519
Operating profit	14,045	10,087
Non-operating income:		
Interest income	53	27
Dividend income	1,129	1,209
Other	199	350
Total non-operating income	1,382	1,588
Non-operating expenses:		
Interest expenses	101	114
Other	31	51
Total non-operating expenses	132	165
Ordinary profit	15,295	11,510
Extraordinary income:		
Gain on sales of investment securities	125	1,264
Other	150	80
Total extraordinary income	275	1,345
Extraordinary losses:		
Loss on sales of non-current assets	—	42
Loss on valuation of investment securities	0	27
Other	4	6
Total extraordinary losses	5	75
Profit before income taxes	15,565	12,779
Income taxes - current	2,133	2,232
Income taxes - deferred	(12)	1,324
Total income taxes	2,121	3,556
Profit	13,443	9,223
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	13,443	9,223

Consolidated Statements of Comprehensive Income

(Nine-month Period Ended December 31)

(Millions of yen)

	3Q / FY2018	3Q / FY2019
	April 1, 2017 through December 31, 2017	April 1, 2018 through December 31, 2018
Profit	13,443	9,223
Other comprehensive income:		
Valuation difference on available-for-sale securities	8,666	(3,160)
Remeasurements of defined benefit plans, net of tax	(89)	(224)
Total other comprehensive income	8,577	(3,384)
Comprehensive income	22,021	5,838
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	22,021	5,838
Comprehensive income attributable to non-controlling interests	—	—

Breakdown of Orders (Nonconsolidated)

(Millions of yen)

			3Q / FY2018 April 1, 2017 through December 31, 2017			3Q / FY2019 April 1, 2018 through December 31, 2018			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	30,118	57.6	41.4	27,644	47.6	(2,474)	(8.2)		
		Domestic private sector	22,162	42.4		30,381	52.4	8,218	37.1		
		Overseas	7	0.0		1	0.0	(5)	(75.4)		
		Subtotal	52,288	100		58,027	100	5,738	11.0		
	Architectural construction	Domestic public sector	12,017	16.2	58.6	10,254	15.1	(1,762)	(14.7)		
		Domestic private sector	61,959	83.8		57,472	84.9	(4,487)	(7.2)		
		Overseas	—	—		—	—	—	—		
		Subtotal	73,977	100		67,726	100	(6,250)	(8.4)		
	Total	Domestic public sector	42,135	33.4	100	37,898	30.1	(4,236)	(10.1)		
		Domestic private sector	84,122	66.6		87,853	69.9	3,730	4.4		
		Overseas	7	0.0		1	0.0	(5)	(75.4)		
		Total	126,266	100		125,754	100	(511)	(0.4)		
Net sales	Projects completed	Civil engineering	Domestic public sector	46,012	76.9	[37.6]	50,384	77.8	[43.0]	4,371	9.5
			Domestic private sector	13,345	22.3		13,810	21.3		464	3.5
			Overseas	451	0.8		579	0.9		128	28.3
			Subtotal	59,809	100	36.8	64,773	100	41.9	4,964	8.3
		Architectural construction	Domestic public sector	30,292	30.5	[62.4]	15,631	18.2	[57.0]	(14,661)	(48.4)
			Domestic private sector	69,045	69.5		70,161	81.8		1,115	1.6
			Overseas	—	—		—	—		—	—
			Subtotal	99,338	100	61.0	85,793	100	55.4	(13,545)	(13.6)
		Subtotal	Domestic public sector	76,305	47.9	[100]	66,015	43.8	[100]	(10,289)	(13.5)
			Domestic private sector	82,391	51.8		83,971	55.8		1,580	1.9
			Overseas	451	0.3		579	0.4		128	28.3
			Subtotal	159,148	100	97.8	150,567	100	97.3	(8,580)	(5.4)
	Real estate business and other			3,641	2.2		4,223	2.7		582	16.0
	Total			162,789	100		154,791	100		(7,998)	(4.9)
	Period-end backlog	Civil engineering	Domestic public sector	113,682	72.6	58.2	98,259	61.9	(15,423)	(13.6)	
Domestic private sector			38,701	24.7	51,992		32.8	13,290	34.3		
Overseas			4,275	2.7	8,434		5.3	4,158	97.3		
Subtotal			156,659	100	158,685		100	2,026	1.3		
Architectural construction		Domestic public sector	23,689	21.1	41.8	14,556	13.6	(9,132)	(38.6)		
		Domestic private sector	88,612	78.9		92,778	86.4	4,165	4.7		
		Overseas	—	—		—	—	—	—		
		Subtotal	112,301	100		107,334	100	(4,966)	(4.4)		
Total		Domestic public sector	137,371	51.1	100	112,815	42.4	(24,555)	(17.9)		
		Domestic private sector	127,314	47.3		144,771	54.4	17,456	13.7		
		Overseas	4,275	1.6		8,434	3.2	4,158	97.3		
		Total	268,961	100		266,020	100	(2,940)	(1.1)		