

Consolidated Financial Statements
(For the First Quarter of FY2017)

Consolidated Balance Sheets

(Millions of yen)

	FY2016	Current First Quarter
	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets:		
Cash and deposits	15,353	34,748
Notes receivable, accounts receivable from completed construction contracts and other	113,190	89,280
Securities	10,500	12,500
Real estate for sale	563	495
Costs on uncompleted construction contracts	4,706	6,011
Costs on real estate business	2,823	2,931
Work in process	479	915
Raw materials and supplies	43	50
Other	10,248	7,248
Allowance for doubtful accounts	(1,665)	(1,175)
Total current assets	156,243	153,006
Non-current assets:		
Property, plant and equipment:		
Land	30,114	30,114
Other, net	11,099	11,337
Total property, plant and equipment	41,213	41,451
Intangible assets	263	256
Investments and other assets:		
Investment securities	66,250	61,462
Net defined benefit asset	2,156	2,141
Other	2,745	2,755
Allowance for doubtful accounts	(2,192)	(2,192)
Total investments and other assets	68,960	64,167
Total non-current assets	110,437	105,875
Total assets	266,680	258,882

(Millions of yen)

	FY2016	Current First Quarter
	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	54,033	49,852
Short-term loans payable	15,778	11,724
Income taxes payable	565	169
Advances received on uncompleted construction contracts	6,718	9,950
Provision	3,840	1,411
Provision for loss on construction contracts	4,449	4,032
Asset retirement obligations	79	78
Other	19,374	27,845
Total current liabilities	104,840	105,065
Non-current liabilities:		
Long-term loans payable	5,168	3,168
Asset retirement obligations	67	68
Other	13,325	12,077
Total non-current liabilities	18,561	15,314
Total liabilities	123,401	120,379
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,329	25,329
Retained earnings	80,245	78,932
Treasury shares	(12,634)	(12,639)
Total shareholders' equity	112,779	111,460
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	28,329	24,905
Remeasurements of defined benefit plans	2,170	2,136
Total accumulated other comprehensive income	30,499	27,042
Total net assets	143,278	138,502
Total liabilities and net assets	266,680	258,882

Consolidated Statements of Income

(Three-month Period Ended June 30)

(Millions of yen)

	1Q / FY2016 April 1, 2015 through June 30, 2015	1Q / FY2017 April 1, 2016 through June 30, 2016
Net sales:		
Net sales of completed construction contracts	39,915	43,844
Net sales of real estate business and other	2,164	2,029
Total net sales	42,080	45,874
Cost of sales:		
Cost of sales of completed construction contracts	36,432	39,067
Cost of sales on real estate business and other	882	1,000
Total cost of sales	37,315	40,068
Gross profit:		
Gross profit on completed construction contracts	3,482	4,776
Gross profit on real estate business and other	1,281	1,029
Total gross profit	4,764	5,806
Selling, general and administrative expenses	3,313	3,526
Operating income	1,450	2,279
Non-operating income:		
Interest income	20	16
Dividend income	594	602
Reversal of allowance for doubtful accounts	342	433
Other	154	36
Total non-operating income	1,111	1,089
Non-operating expenses:		
Interest expenses	41	42
Foreign exchange losses	—	205
Other	16	4
Total non-operating expenses	58	253
Ordinary income	2,504	3,116
Extraordinary income:		
Gain on sales of non-current assets	1	—
Gain on sales of investment securities	—	0
Total extraordinary income	1	0
Extraordinary losses:		
Loss on valuation of investment securities	—	135
Loss on retirement of non-current assets	6	67
Total extraordinary losses	6	202
Profit before income taxes	2,500	2,913
Income taxes - current	102	47
Income taxes - deferred	(4)	(4)
Total income taxes	98	42
Profit	2,401	2,870
Profit attributable to owners of parent	2,401	2,870

Consolidated Statements of Comprehensive Income

(Three-month Period Ended June 30)

(Millions of yen)

	1Q / FY2016 April 1, 2015 through June 30, 2015	1Q / FY2017 April 1, 2016 through June 30, 2016
Profit	2,401	2,870
Other comprehensive income:		
Valuation difference on available-for-sale securities	2,009	(3,423)
Remeasurements of defined benefit plans, net of tax	(80)	(33)
Total other comprehensive income	1,928	(3,457)
Comprehensive income	4,330	(586)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	4,330	(586)
Comprehensive income attributable to non-controlling interests	—	—

Breakdown of Orders (Nonconsolidated)

(Millions of yen)

			1Q / FY2016 April 1, 2015 through June 30, 2015			1Q / FY2017 April 1, 2016 through June 30, 2016			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%	%	%		
Construction orders awarded	Civil engineering	Domestic public sector	11,015	62.0	46.4	11,924	73.7	39.5	909	8.3	
		Domestic private sector	6,050	34.1		4,257	26.3		(1,792)	(29.6)	
		Overseas	688	3.9		—	—		(688)	—	
		Subtotal	17,754	100		16,182	100		(1,571)	(8.9)	
	Architectural construction	Domestic public sector	6,281	30.7	53.6	2,719	11.0	60.5	(3,561)	(56.7)	
		Domestic private sector	14,209	69.3		22,030	89.0		7,821	55.0	
		Overseas	—	—		—	—		—	—	
		Subtotal	20,490	100		24,750	100		4,260	20.8	
	Total	Domestic public sector	17,296	45.2	100	14,644	35.8	100	(2,652)	(15.3)	
		Domestic private sector	20,259	53.0		26,288	64.2		6,029	29.8	
		Overseas	688	1.8		—	—		(688)	—	
		Total	38,244	100		40,933	100		2,688	7.0	
Net sales	Projects completed	Civil engineering	Domestic public sector	13,597	77.8	[43.8]	13,255	79.4	[38.1]	(342)	(2.5)
			Domestic private sector	3,701	21.2	41.9	3,422	20.5	36.9	(278)	(7.5)
			Overseas	186	1.0		20	0.1		(165)	(89.0)
			Subtotal	17,485	100		16,698	100		(787)	(4.5)
	Architectural construction	Domestic public sector	8,452	37.7	[56.2]		8,692	32.0		[61.9]	239
		Domestic private sector	13,716	61.1	53.7	18,451	68.0	60.0	4,735	34.5	
		Overseas	260	1.2		1	0.0		(258)	(99.2)	
		Subtotal	22,430	100		27,146	100		4,715	21.0	
	Subtotal	Domestic public sector	22,050	55.2		[100]	21,948		50.1	[100]	(102)
		Domestic private sector	17,417	43.6	95.6	21,873	49.9	96.9	4,456	25.6	
		Overseas	447	1.2		22	0.0		(424)	(95.0)	
		Subtotal	39,915	100		43,844	100		3,928	9.8	
	Real estate business and other	1,846	4.4	1,390		3.1	(455)		(24.7)		
	Total			41,761	100		45,235	100		3,473	8.3
	Period-end backlog	Civil engineering	Domestic public sector	81,630	77.5	47.2	95,174	78.9	48.4	13,544	16.6
Domestic private sector			23,109	22.0	25,036		20.8	1,927		8.3	
Overseas			528	0.5	384		0.3	(143)		(27.2)	
Subtotal			105,268	100	120,596		100	15,328		14.6	
Architectural construction		Domestic public sector	56,772	48.2	52.8	58,768	45.7	51.6	1,996	3.5	
		Domestic private sector	60,696	51.5		69,791	54.2		9,095	15.0	
		Overseas	300	0.3		95	0.1		(204)	(68.1)	
		Subtotal	117,768	100		128,656	100		10,887	9.2	
Total		Domestic public sector	138,402	62.0	100	153,943	61.8	100	15,541	11.2	
		Domestic private sector	83,805	37.6		94,828	38.0		11,022	13.2	
		Overseas	828	0.4		480	0.2		(348)	(42.0)	
		Total	223,036	100		249,252	100		26,215	11.8	