



3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020  
(April 1, 2019 to March 31, 2020)

(% indicates change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Full year ending March 31, 2020	430,000	14.4	21,500	3.9	23,000	4.6	15,000	(41.7)	155.91

(Note) Revision of financial results forecasts from recently announced figures: None

\* Notes:

- (1) Significant changes in subsidiaries during the period under review: None
- (2) Application of specific accounting practices for preparing consolidated quarterly financial statements: Yes
- (3) Changes in accounting principles and changes or restatements of accounting estimates:
- 1) Changes in accounting principles due to revision of accounting standards: None
  - 2) Changes in accounting principles other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Restatements: None

(4) Total number of issued shares (common stock)

- 1) Total number of issued shares at the end of the period (including treasury stock):

September 30, 2019	108,325,329 shares	March 31, 2019	108,325,329 shares
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- 2) Total number of treasury stock at the end of the period

September 30, 2019	12,402,043 shares	March 31, 2019	6,746,565 shares
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- 3) Average number of shares outstanding during the period

September 30, 2019	100,248,168 shares	September 30, 2018	79,279,364 shares
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(Note) Total number of treasury stock includes the Company's stock held by the Board Incentive Plan trust under the Company's performance-linked stock remuneration program for directors and executive officers.

\* Implementation status of quarterly review processes

- This quarterly summary of consolidated financial results is not subject to the quarterly review procedures stipulated under the Financial Instruments and Exchange Act.

\* Explanation regarding the appropriate use of performance forecasts, and other items warranting special mention

- The performance forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Accordingly, actual performance may differ materially depending on various factors.

Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2019	Six Months Ended September 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	38,206	35,035
Notes receivable, accounts receivable from completed construction contracts and other	133,364	90,993
Costs on construction contracts in progress	28,400	45,786
Investments in leases	4,983	4,837
Other	6,188	5,118
Allowance for doubtful accounts	(58)	(51)
<b>Total current assets</b>	<b>211,085</b>	<b>181,719</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,079	38,130
Land	31,707	32,795
Construction in progress	699	1,086
Other, net	8,354	9,859
<b>Total property, plant and equipment</b>	<b>78,840</b>	<b>81,872</b>
Intangible assets		
Goodwill	3,220	2,941
Customer related assets	2,060	1,968
Software	1,656	1,644
Other	121	134
<b>Total intangible assets</b>	<b>7,058</b>	<b>6,689</b>
Investments and other assets		
Investment securities	27,123	28,736
Retirement benefit asset	2,433	2,529
Deferred tax assets	1,835	2,184
Leasehold and guarantee deposits	1,337	1,365
Other	1,890	1,847
Allowance for doubtful accounts	(144)	(168)
<b>Total investments and other assets</b>	<b>34,476</b>	<b>36,494</b>
<b>Total non-current assets</b>	<b>120,376</b>	<b>125,056</b>
<b>Total assets</b>	<b>331,462</b>	<b>306,776</b>

(Millions of yen)

	Fiscal Year Ended March 31, 2019	Six Months Ended September 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	50,894	46,539
Short-term borrowings	3,602	515
Income taxes payable	4,667	1,494
Lease obligations	2,958	3,154
Advances received on construction contracts in progress	5,549	4,378
Provision for loss on construction contracts	515	615
Provision for bonuses	7,035	6,863
Provision for bonuses for directors (and other officers)	148	50
Provision for warranties for completed construction	9	11
Other	13,525	7,394
<b>Total current liabilities</b>	<b>88,908</b>	<b>71,017</b>
Non-current liabilities		
Convertible bond-type bonds with share acquisition rights	16,544	15,548
Long-term accounts payable - other	159	208
Lease obligations	6,873	6,956
Deferred tax liabilities	1,285	1,975
Deferred tax liabilities for land revaluation	41	41
Provision for retirement benefits for directors (and other officers)	180	113
Provision for share based compensation	194	193
Retirement benefit liability	17,213	17,412
Asset retirement obligations	114	115
Other	385	884
<b>Total non-current liabilities</b>	<b>42,994</b>	<b>43,448</b>
<b>Total liabilities</b>	<b>131,903</b>	<b>114,466</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	71,559	71,488
Retained earnings	124,287	125,595
Treasury shares	(9,684)	(18,909)
<b>Total shareholders' equity</b>	<b>193,163</b>	<b>185,174</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,028	4,123
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	(493)	(726)
Remeasurements of defined benefit plans	836	777
<b>Total accumulated other comprehensive income</b>	<b>3,272</b>	<b>4,075</b>
Non-controlling interests	3,123	3,060
<b>Total net assets</b>	<b>199,559</b>	<b>192,310</b>
<b>Total liabilities and net assets</b>	<b>331,462</b>	<b>306,776</b>

(2) Consolidated Quarterly Statements of Income and Comprehensive Income  
Six Months Ended September 30, 2019

(Millions of yen)

	Six Months Ended September 30, 2018	Six Months Ended September 30, 2019
Net sales of completed construction contracts	140,358	182,973
Cost of sales of completed construction contracts	123,589	163,376
Gross profit on completed construction contracts	16,768	19,597
Selling, general and administrative expenses	11,762	14,638
Operating profit	5,006	4,958
Non-operating income		
Interest income	44	57
Dividend income	292	484
Surrender value of insurance policies	66	58
Share of profit of entities accounted for using equity method	182	55
Other	134	203
Total non-operating income	720	859
Non-operating expenses		
Interest expenses	2	22
Foreign exchange losses	—	113
Other	35	94
Total non-operating expenses	38	230
Ordinary profit	5,688	5,587
Extraordinary income		
Gain on sales of non-current assets	38	398
Gain on sales of investment securities	496	38
Other	15	—
Total extraordinary income	551	436
Extraordinary losses		
Loss on retirement of non-current assets	37	23
Loss on sales of investment securities	7	31
Loss on change in equity	62	—
Other	53	21
Total extraordinary losses	160	76
Profit before income taxes	6,078	5,948
Income taxes	2,394	2,504
Profit	3,683	3,443
Profit attributable to		
Profit attributable to owners of parent	3,600	3,352
Profit attributable to non-controlling interests	83	90

(Millions of yen)

	Six Months Ended September 30, 2018	Six Months Ended September 30, 2019
Other comprehensive income		
Valuation difference on available-for-sale securities	2,131	1,096
Foreign currency translation adjustment	(803)	(235)
Remeasurements of defined benefit plans, net of tax	(79)	(59)
Share of other comprehensive income of entities accounted for using equity method	(31)	(1)
Total other comprehensive income	1,216	800
Comprehensive income	4,900	4,244
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,826	4,194
Comprehensive income attributable to non-controlling interests	73	88