

Financial Results FY2019

May 19, 2020



Kumagai Gumi Co.,Ltd.



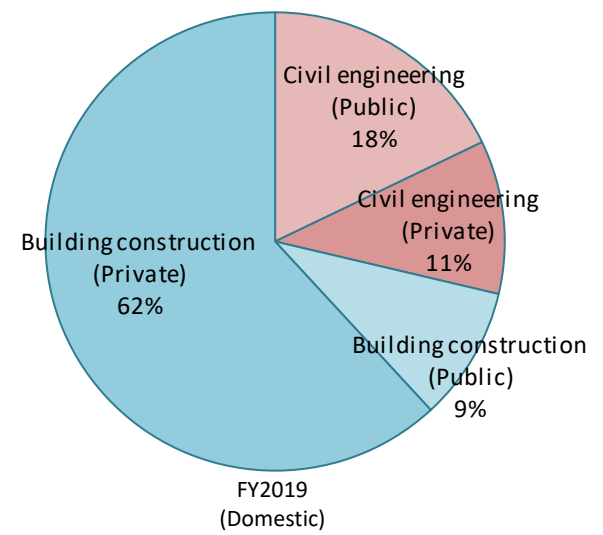
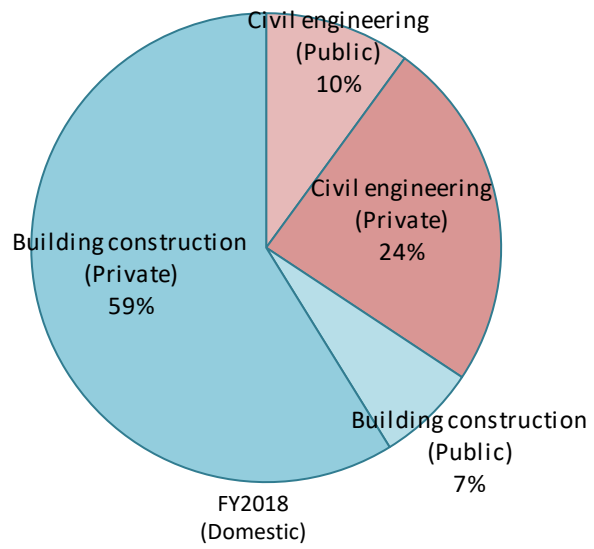
1.Orders Received-1(Non-Consolidated) Result and Forecasts

Non-consolidated

(100 millions of yen)

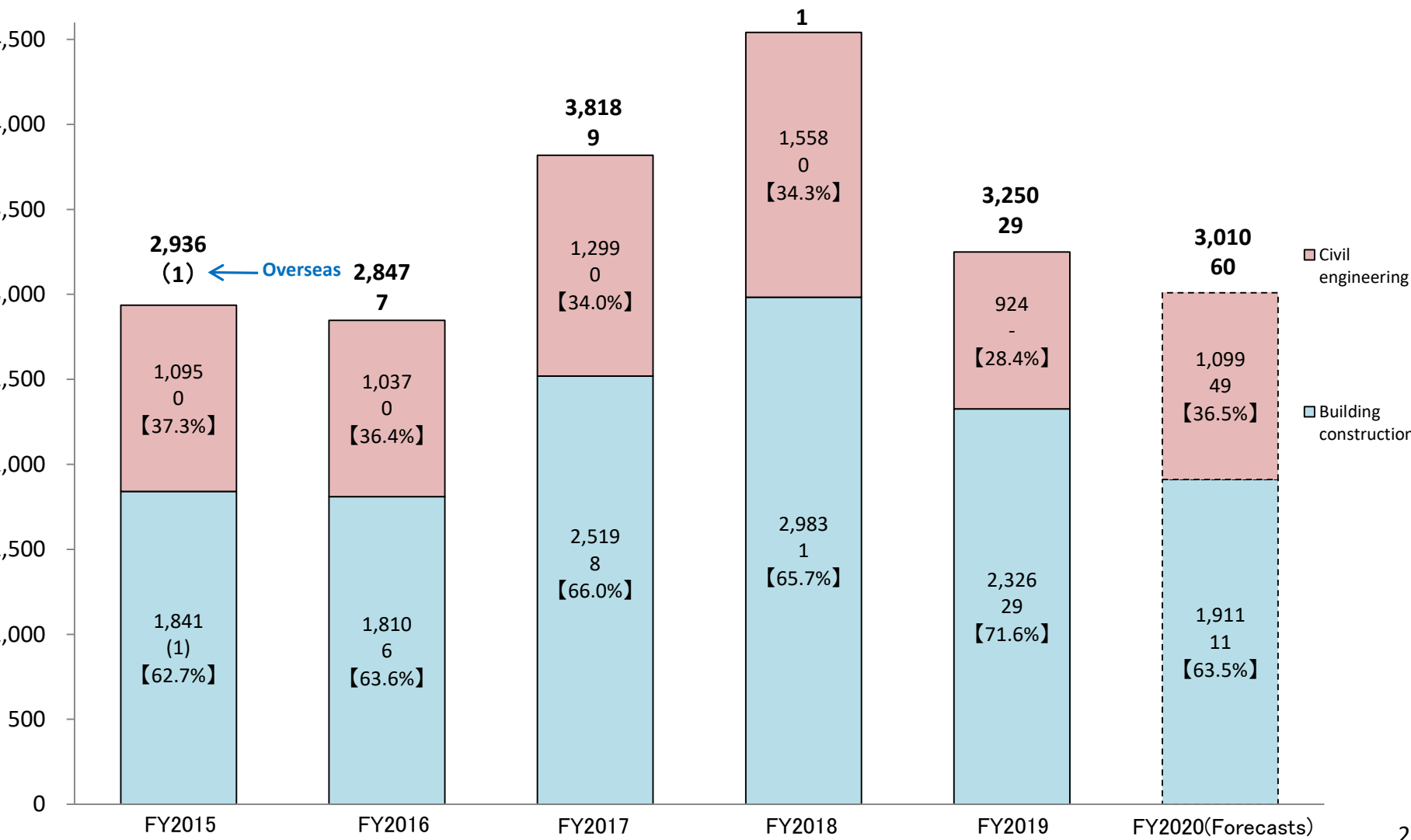
		A FY2018	B FY2019 <small>(Forecast at the beginning of FY2019)</small>	C FY2019	C-A		C-B		
						%		%	
Orders received	Public	455	630	575	120	26.4	(55)	(8.7)	
		Private	1,102	470	348	(754)	(68.4)	(122)	(25.9)
	Civil engineering		1,558	1,100	924	(634)	(40.7)	(176)	(16.0)
	Public	312	300	305	(7)	(2.4)	5	1.6	
		Private	2,669	2,100	1,992	(677)	(25.4)	(108)	(5.1)
	Building construction		2,981	2,400	2,297	(684)	(23.0)	(103)	(4.3)
	Domestic		4,539	3,500	3,221	(1,318)	(29.0)	(279)	(8.0)
	Overseas		1	100	29	28	-	(71)	(71.0)
	Orders received		4,540	3,600	3,250	(1,290)	(28.4)	(350)	(9.7)

D FY2020 <small>(Forecasts)</small>		D-C	
			%
650		75	13.0
400		52	14.8
1,050		126	13.7
400		95	31.2
1,500		(492)	(24.7)
1,900		(397)	(17.3)
2,950		(271)	(8.4)
60		31	107.1
3,010		(240)	(7.4)



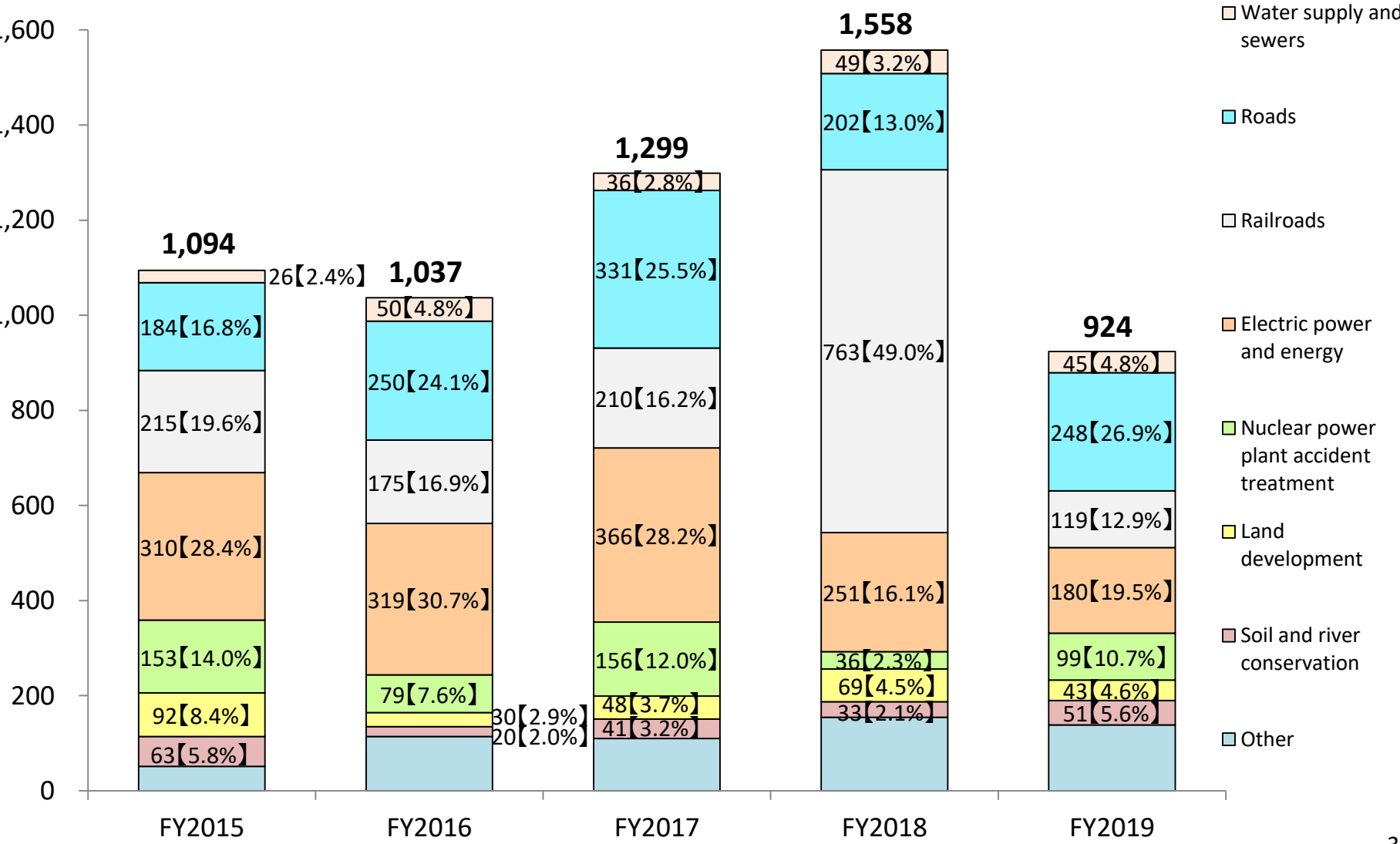
1.Orders Received-2(Non-Consolidated) Change

(100 millions of yen)



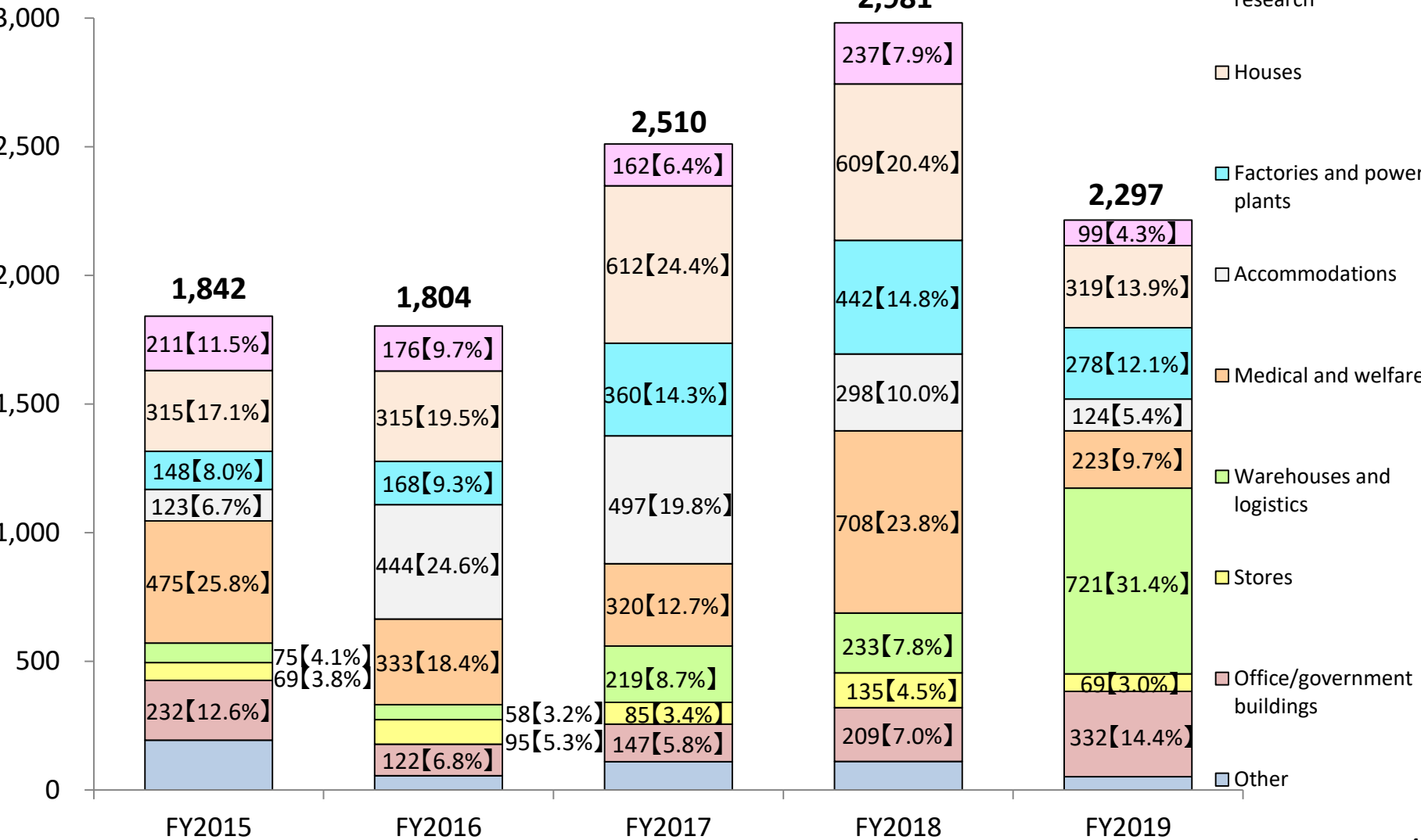
1.Orders Received-3(Non-Consolidated) Change(Domestic Civil Engineering)

(100 millions of yen)



1.Orders Received-4(Non-Consolidated) Change(Domestic Building Construction)

(100 millions of yen)



2.Statement of Income-1(Non-Consolidated) Result and Forecasts

Non-consolidated

(100 millions of yen)

		A		B		C		C-A		C-B		D		D-C	
		FY2018		FY2019		FY2019						FY2020		D-C	
			Ratio		Ratio		Ratio	%	Ratio	%	Ratio		%	Ratio	
	Civil engineering	1,116		1,150		1,222		106	9.5	72	6.3	1,150		(72)	(5.9)
	Building construction	1,950		2,260		2,295		345	17.7	35	1.5	2,290		(5)	(0.2)
	Domestic	3,067		3,410		3,517		451	14.7	107	3.1	3,440		(77)	(2.2)
	Overseas	4		10		5		1	18.6	(5)	(50.7)	20		15	306.0
	Net sales	3,071		3,420		3,522		451	14.7	102	3.0	3,460		(62)	(1.8)
	Civil engineering	140	12.5%	139	12.1%	133	10.9%	(7)	(1.6)%	(6)	(1.2)%	125	10.9%	(8)	0.0%
	Building construction	213	10.9%	244	10.8%	219	9.5%	5	(1.4)%	(25)	(1.3)%	227	9.9%	8	0.4%
	Domestic	353	11.5%	383	11.2%	352	10.0%	(1)	(1.5)%	(31)	(1.2)%	352	10.2%	0	0.2%
	Overseas	1	20.4%	1	10.0%	1	26.0%	0	5.6%	0	16.0%	1	5.0%	(0)	(21.0)%
	Gross profit	354	11.5%	384	11.2%	353	10.0%	(1)	(0.2)	(31)	(8.0)	353	10.2%	(0)	(0.0)
	Personnel	69		73		73		4		(0)		74		1	
	Nonpersonnel	74		81		78		4		(3)		76		(2)	
	SG&A expenses	143		154		151		7		(3)		150		(1)	
	Operating income	211	6.9%	230	6.7%	202	5.7%	(8)	(3.9)	(1.2)%	(28)	(12.0)	(1.0)%	203	5.9%
	Non-operating income	12		8		8		(4)		0		14		6	
	Non-operating expenses	5		4		4		(1)		0		3		(1)	
	Ordinary income	218	7.1%	234	6.8%	207	5.9%	(11)	(5.0)	(1.2)%	(27)	(11.6)	(0.9)%	214	6.2%
	Extraordinary income	0		0		7		7		7		0		(7)	
	Extraordinary losses	16		0		6		(10)		6		0		(6)	
	Income before income taxes	202		234		209		7	3.3	(25)	(10.9)	214		5	2.6
	Income taxes-current	57		56		45		(12)		(11)		45		0	
	Income taxes-deferred	3		18		16		12		(2)		21		5	
	Net income	142	4.6%	160	4.7%	148	4.2%	7	4.7	(0.4)%	(12)	(7.4)	(0.5)%	148	4.3%

2.Statement of Income-2(Consolidated)

Result and Forecasts

Consolidated

(100 millions of yen)

	A FY2018			B FY2019 (Forecast at the beginning of FY2019)			C FY2019			C-A				C-B				D FY2020 (Forecast)			D-C			
	Consolidated	Non- Consolidated	Subsidiaries	Consolidated	Non- Consolidated	Subsidiaries	Consolidated	Non- Consolidated	Subsidiaries	Consolidated	Non- Consolidated	Subsidiaries	%	Consolidated	Non- Consolidated	Subsidiaries	%	Consolidated	Non- Consolidated	Subsidiaries	Consolidated	Non- Consolidated	Subsidiaries	%
Net sales	3,891	3,071	820	4,260	3,420	840	4,362	3,522	839	471	451	20	12.1	102	102	(1)	2.4	4,380	3,460	920	18	(62)	81	0.4
Gross profit	455	354	101	484	384	100	455	353	102	(0)	(1)	1		(29)	(31)	2		456	353	103	1	(0)	1	
(Ratio)	11.7%	11.5%	12.4%	11.4%	11.2%	11.9%	10.4%	10.0%	12.1%	(1.3)%	(1.5)%	(0.3)%		(1.0)%	(1.2)%	0.2%		10.4%	10.2%	11.2%	0.0%	0.2%	(0.9)%	
SG&A expenses	191	143	47	204	154	50	201	151	50	10	7	2		(3)	(3)	(0)		201	150	51	0	(1)	1	
Operating income	265	211	54	280	230	50	254	202	52	(10)	(8)	(2)	(3.9)	(26)	(28)	2	(9.1)	255	203	52	1	1	(0)	0.2
(Ratio)	6.8%	6.9%	6.6%	6.6%	6.7%	6.0%	5.8%	5.7%	6.2%	(1.0)%	(1.2)%	(0.4)%		(0.8)%	(1.0)%	0.2%		5.8%	5.9%	5.6%	0.0%	0.2%	(0.6)%	
Non-operating income	6	12	(6)	5	8	(3)	7	8	(1)	1	(4)	4		2	0	2		6	14	(8)	(1)	6	(7)	
Non-operating expenses	5	5	0	5	4	1	4	4	0	(1)	(1)	(0)		(1)	0	(1)		3	3	(0)	(1)	(1)	(0)	
Ordinary income	266	218	48	280	234	46	257	207	50	(8)	(11)	3	(3.1)	(23)	(27)	4	(8.1)	258	214	44	1	7	(6)	0.3
(Ratio)	6.8%	7.1%	5.8%	6.6%	6.8%	5.5%	5.9%	5.9%	6.0%	(0.9)%	(1.2)%	0.2%		(0.7)%	(0.9)%	0.5%		5.9%	6.2%	4.8%	0.0%	0.3%	(1.2)%	
Extraordinary income	1	0	1	0	0	0	21	7	13	20	7	12		21	7	13		0	0	0	(21)	(7)	(13)	
Extraordinary losses	56	16	40	0	0	0	7	6	2	(48)	(10)	(38)		7	6	2		0	0	0	(7)	(6)	(2)	
Income before income taxes	211	202	9	280	234	46	271	209	62	60	7	53	28.3	(9)	(25)	16	(3.3)	258	214	44	(13)	5	(18)	(4.7)
Income taxes- current	73	57	16	71	56	15	62	45	17	(12)	(12)	1		(9)	(11)	2		61	45	16	(1)	0	(1)	
Income taxes- deferred	5	3	1	19	18	1	14	16	(1)	10	12	(3)		(5)	(2)	(2)		22	21	1	8	5	2	
Net income attributable to owners of parent	133	142	(8)	190	160	30	194	148	46	61	7	55	46.1	4	(12)	16	2.4	175	148	27	(19)	(0)	(19)	(10.0)
(Ratio)	3.4%	4.6%	(1.0)%	4.5%	4.7%	3.6%	4.5%	4.2%	5.5%	1.1%	(0.4)%	6.5%		0.0%	(0.5)%	1.9%		4.0%	4.3%	2.9%	(0.5)%	0.1%	(2.6)%	

【Subsidiaries】

GAEART Co.,Ltd.

K&E Co.,Ltd.

TECHNOS Co.,Ltd.

FATEC Co.,Ltd.

TECHNO SPACE CREATES Co.,Ltd.

TECHNICAL SUPPORT Co.,Ltd.

TAIWAN KUMAGAI Co.,Ltd.

【Equity method】

SASAJIMA CONSTRUCTION Co.,Ltd.

KYOEI MACHINERY ENGINEERING Co.,Ltd.

MAEDA Co.,Ltd.

2.Statement of Income-3(Consolidated)

Non-Operating Income and Extraordinary Income

Non-operating income(Consolidated)

(100 millions of yen)

	A FY2018			B FY2019			B-A		
	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
		Consolidated			Consolidated			Consolidated	
Interest and dividends income	4	10	(7)	4	7	(3)	0	(4)	4
Share of profit of entities accounted for using equity method	2	-	2	2	-	2	0	-	0
Other	1	2	(1)	1	2	(0)	0	0	0
Non-operating income	6	12	(6)	7	8	(1)	1	(4)	4
Interest expenses	2	2	0	2	2	0	(0)	(0)	(0)
Commission for syndicate loan	2	2	-	0	0	-	(2)	(2)	-
Capital and business alliance expenses	0	0	-	0	0	-	-	-	-
Other	1	1	0	2	1	0	1	1	(0)
Non-operating expenses	5	5	0	4	4	0	(1)	(1)	(0)

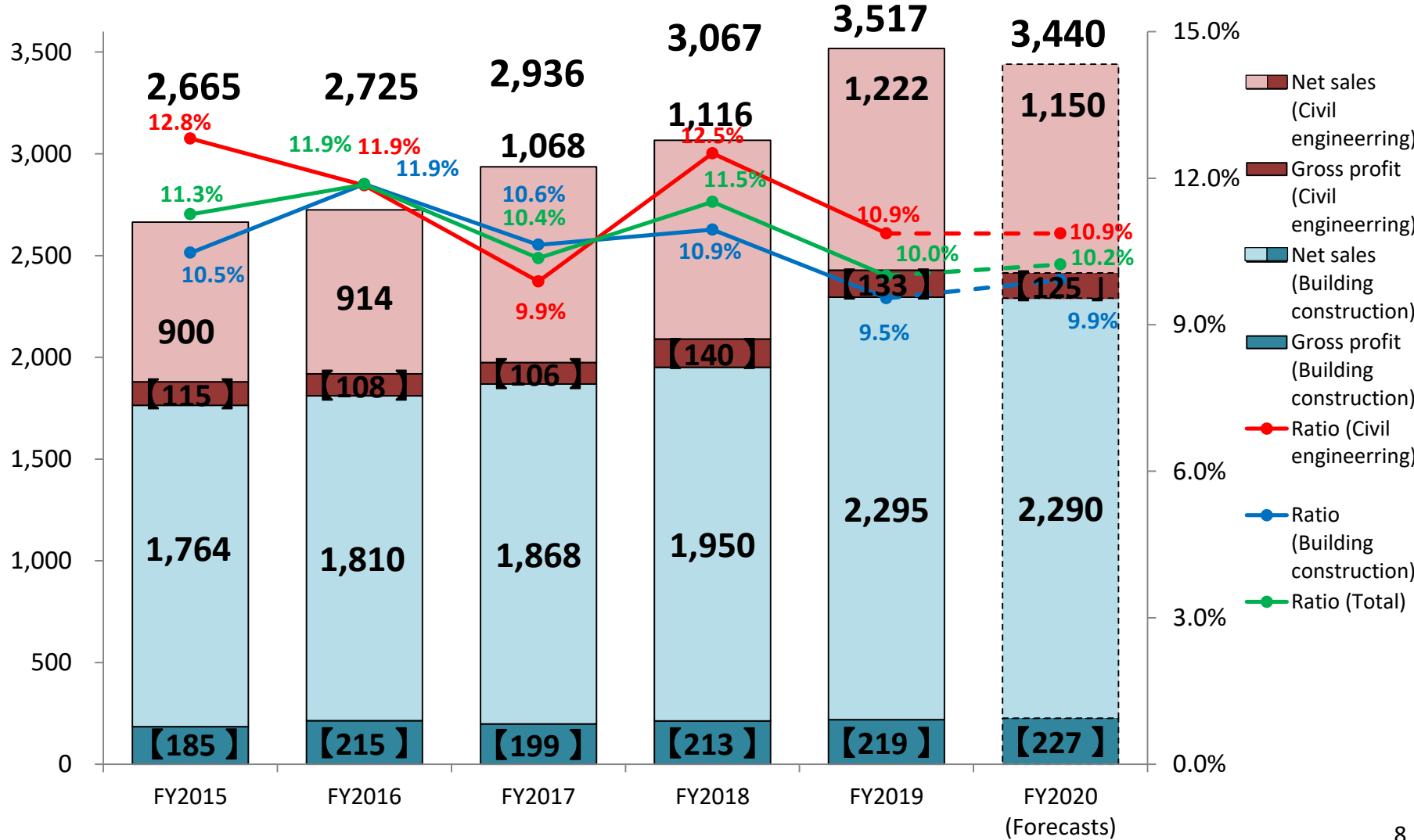
Extraordinary income(Consolidated)

(100 millions of yen)

	A FY2018			B FY2019			B-A		
	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
		Consolidated			Consolidated			Consolidated	
Gain on sales of memberships	0	0	-	7	7	-	7	7	-
Reversal of provision for loss on anti-monopoly act	-	-	-	13	-	13	13	-	13
Other	1	0	1	0	-	0	(1)	(0)	(1)
Extraordinary income	1	0	1	21	7	13	20	7	12
Compensation for damage	1	1	-	1	1	-	1	1	-
Loss on valuation of investment securities	-	-	-	1	1	0	1	1	0
Provision for contingent loss	13	13	-	3	3	-	(11)	(11)	-
Provision for loss on anti-monopoly act	39	-	39	-	-	-	(39)	-	(39)
Other	2	2	0	2	0	2	(0)	(1)	1
Extraordinary losses	56	16	40	7	6	2	(48)	(10)	(38)

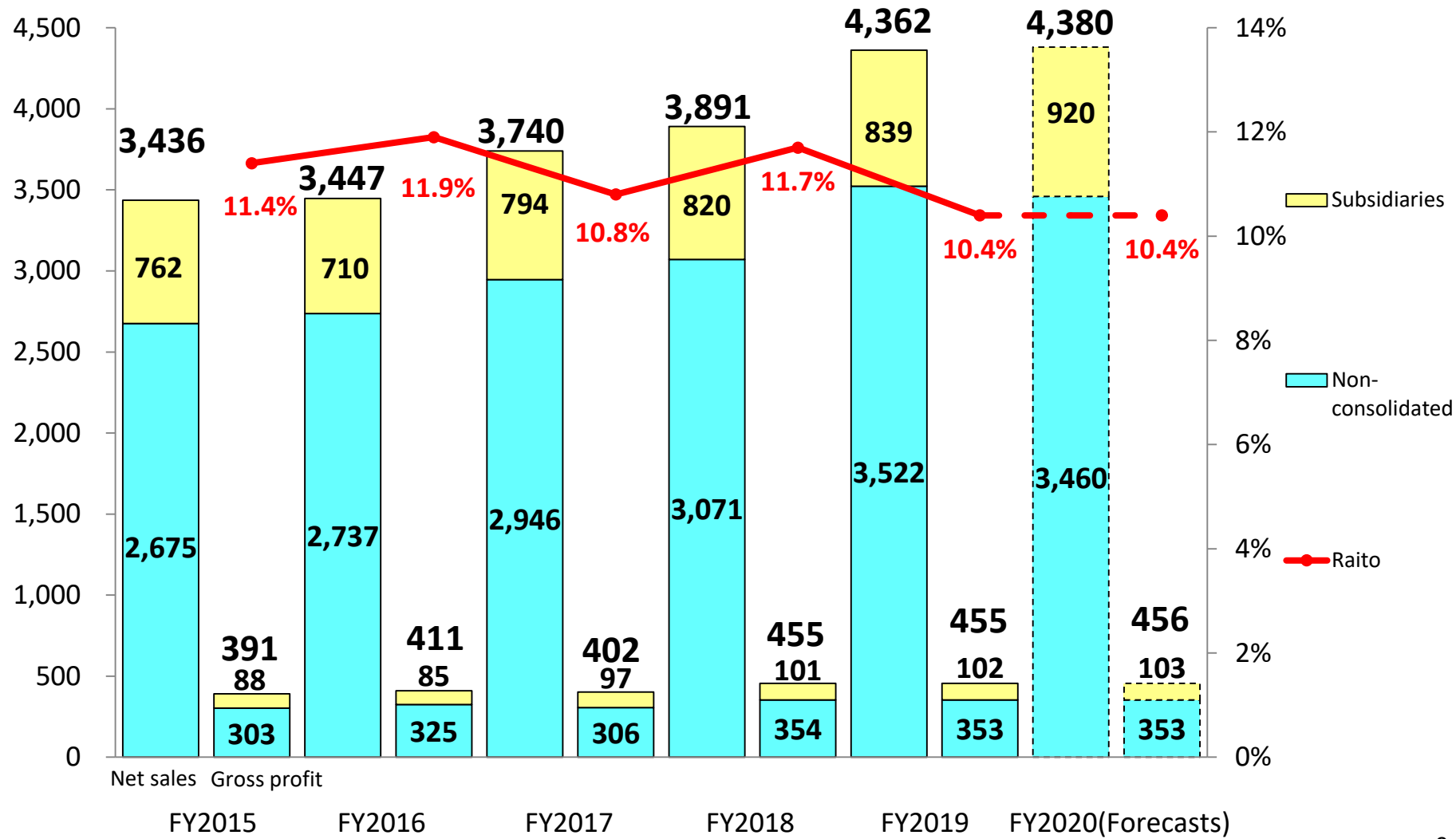
3.Net Sales and Gross Profit(Non-Consolidated) Change(Domestic)

(100 millions of yen)



4.Net Sales and Gross Profit(Consolidated) Change

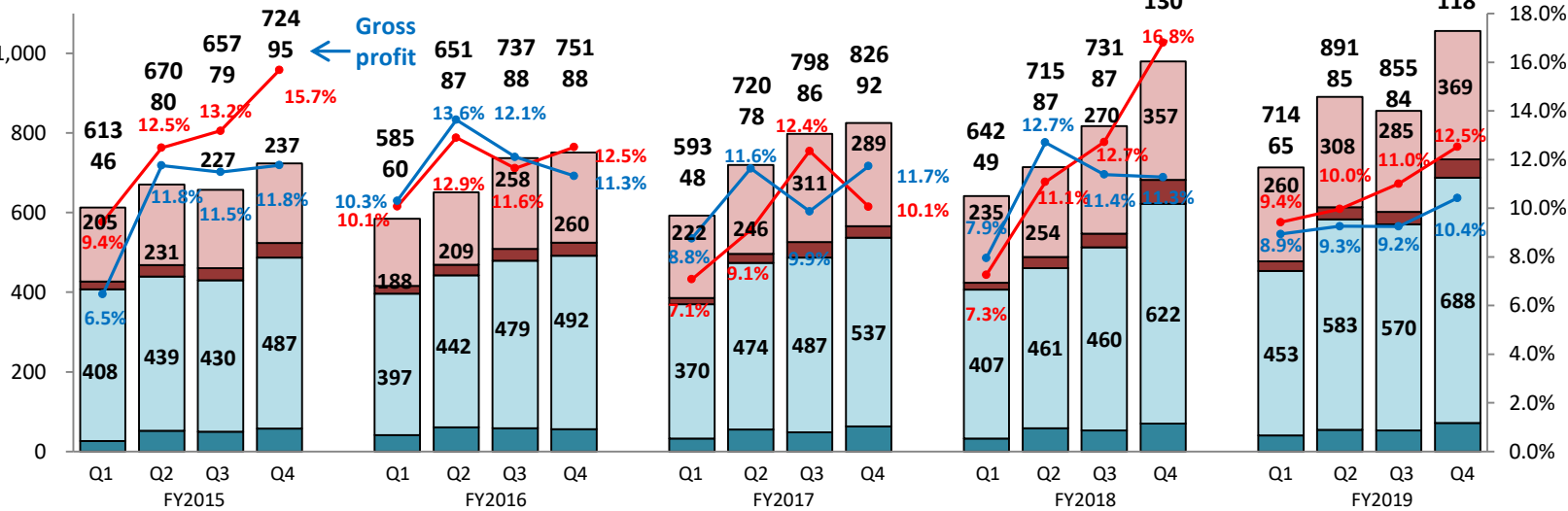
(100 millions of yen)



5.Net Sales and Gross Profit(Non-Consolidated and Consolidated) Quarterly Change

(100 millions of yen)

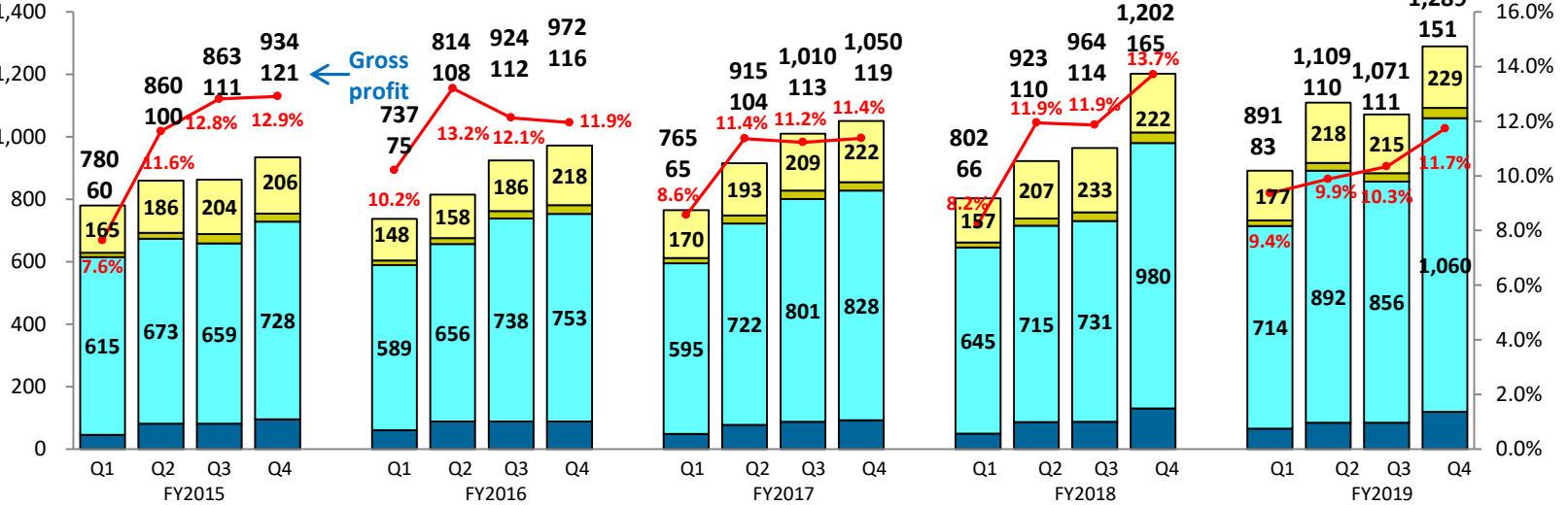
Non-consolidated(Domestic)



- Net sales (Civil engineering)
- Gross profit (Civil engineering)
- Net sales (Building construction)
- Gross profit (Building construction)
- Ratio (Civil engineering)
- Ratio (Building construction)

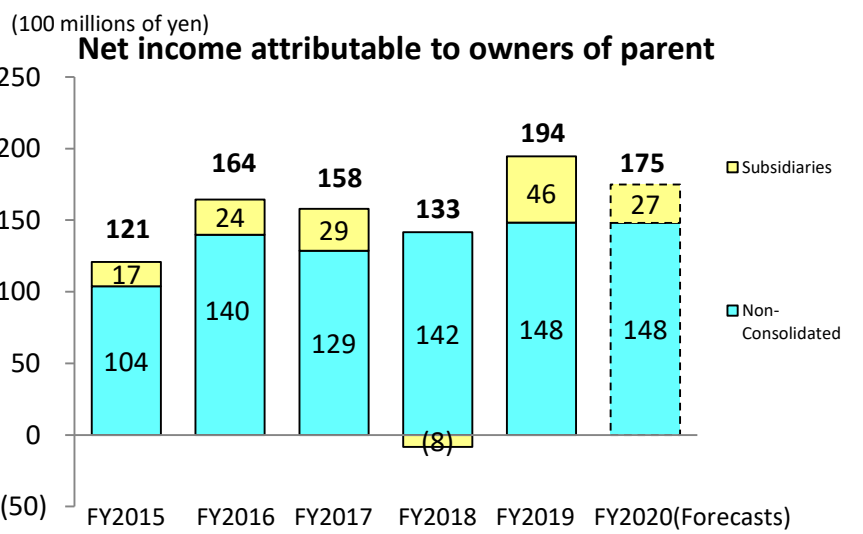
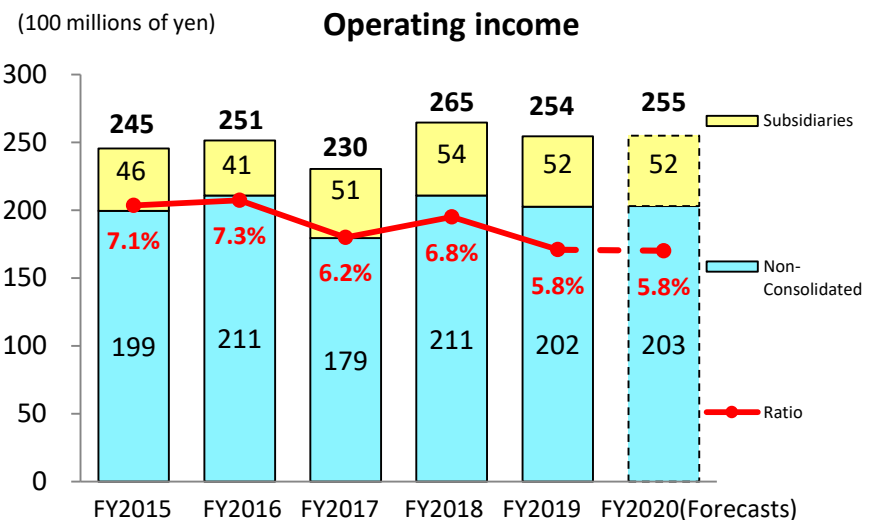
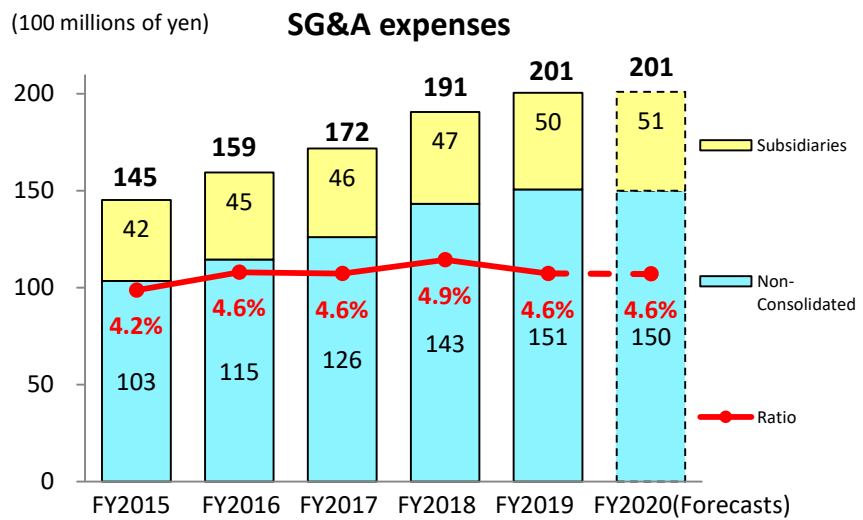
(100 millions of yen)

Consolidated



- Net sales (Subsidiaries)
- Gross profit (Subsidiaries)
- Net sales (Non-Consolidated)
- Gross profit (Non-Consolidated)
- Ratio

6.SG&A Expenses, Operating Income and Net Income Attributable to Owners of Parent(Consolidated) Change



7. Balance Sheet-1(Consolidated)

Assets

Assets(Consolidated)

(100 millions of yen)

	A FY2018			B FY2019			B-A		
	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
		Consolidated			Consolidated			Consolidated	
Cash and deposits	824	630	194	752	544	207	(73)	(86)	13
Notes receivable,accounts receivable from completed construction contracts and other	1,757	1,491	266	1,906	1,620	286	149	129	21
Costs on uncompleted construction contracts	73	59	14	79	67	12	6	7	(2)
Accounts receivable	157	169	(12)	298	311	(13)	141	143	(1)
Other	70	63	7	74	83	(9)	4	20	(16)
Allowance for doubtful accounts	(2)	(2)	(0)	(2)	(2)	(0)	(0)	(0)	0
Total current assets	2,879	2,411	468	3,107	2,624	483	227	213	15
Buildings and structures	67	30	38	75	37	38	7	7	(0)
Land	146	117	29	148	118	30	2	2	0
Other	35	16	19	31	10	21	(4)	(7)	2
Total property,plant and equipment	248	163	86	253	165	88	5	3	2
Intangible assets	5	3	1	5	4	1	1	1	(0)
Investment securities and stocks of subsidiaries and affiliates	244	262	(18)	229	267	(38)	(16)	5	(21)
Other	161	110	51	156	97	59	(5)	(13)	7
Allowance for doubtful accounts	(2)	(0)	(2)	(2)	(0)	(2)	(0)	0	(0)
Total investments and other assets	404	372	32	383	364	18	(21)	(8)	(14)
Total non-current assets	657	538	119	641	534	108	(15)	(4)	(12)
Share issuance cost	1	1	-	0	0	-	(0)	(0)	-
Total deferred assets	1	1	-	0	0	-	(0)	(0)	-
Total assets	3,537	2,950	588	3,748	3,158	591	211	208	3

7. Balance Sheet-2(Consolidated)

Liabilities and Net Assets

Liabilities and net assets(Consolidated)

(100 millions of yen)

	A			B			B-A		
	FY2018			FY2019					
	Consolidated	Non-Consolidated	Subsidiaries	Consolidated	Non-Consolidated	Subsidiaries	Consolidated	Non-Consolidated	Subsidiaries
Notes payable, accounts payable for construction contracts and other	869	665	204	965	821	144	96	156	(60)
Electronically recorded obligations – operating	332	332	(0)	296	260	36	(36)	(72)	36
Short-term loans payable	30	28	2	41	39	2	10	10	(0)
Income taxes payable	48	45	3	31	27	4	(17)	(18)	1
Advances received on uncompleted construction contracts	147	135	13	199	174	25	52	40	12
Deposits received	194	178	16	295	275	20	101	97	4
Provision for contingent loss	107	107	0	76	76	0	(31)	(31)	(0)
Provision for loss on anti-monopoly act	39	–	39	–	–	–	(39)	–	(39)
Provision for bonuses	39	26	13	37	22	15	(2)	(5)	2
Other	105	92	13	76	64	13	(29)	(28)	(0)
Total current liabilities	1,911	1,608	304	2,016	1,757	259	104	150	(45)
Long-term loans payable	98	98	0	82	82	0	(16)	(16)	(0)
Net defined benefit liability	165	132	33	164	132	32	(1)	0	(1)
Other	14	12	2	6	2	4	(8)	(10)	2
Total non-current liabilities	277	242	35	252	216	36	(25)	(26)	1
Total liabilities	2,188	1,850	339	2,268	1,973	295	80	124	(44)
Total shareholders' equity	1,325	1,075	250	1,472	1,176	296	147	101	46
Total accumulated other comprehensive income	24	24	(0)	8	8	0	(16)	(17)	1
Total net assets	1,349	1,100	249	1,480	1,184	296	132	85	47
Total liabilities and net assets	3,537	2,950	588	3,748	3,158	591	211	208	3
(Capital adequacy ratio)	38.1%	37.3%	42.4%	39.5%	37.5%	50.1%	+1.4%	+0.2%	7.7%

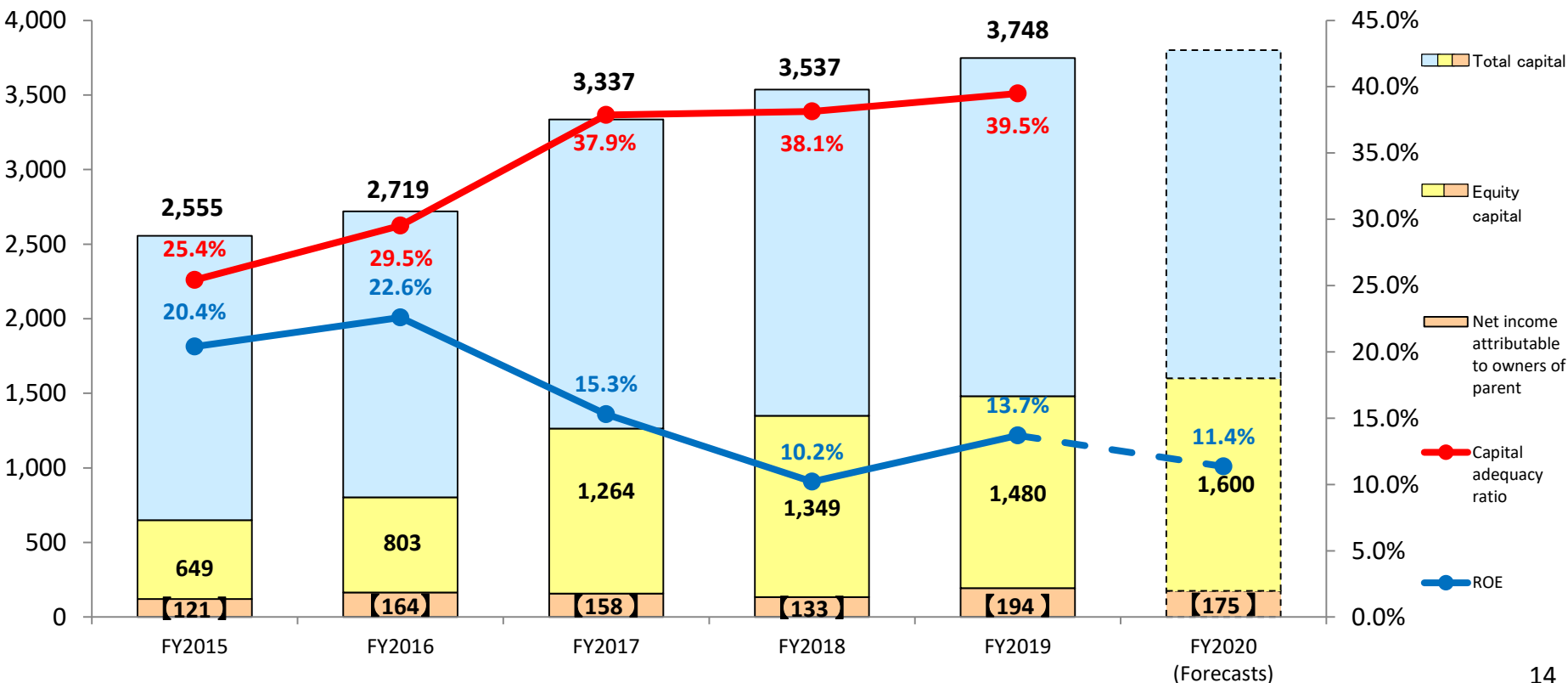
8. Equity Capital(Consolidated) Change

Equity capital(Consolidated)

(100 millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 (Forecasts)
Equity capital	649	803	1,264	1,349	1,480	1,600
Total capital	2,555	2,719	3,337	3,537	3,748	-
Capital adequacy ratio	25.4%	29.5%	37.9%	38.1%	39.5%	-
Net income attributable to owners of parent	121	164	158	133	194	175
ROE	20.4%	22.6%	15.3%	10.2%	13.7%	11.4%

(100 millions of yen)

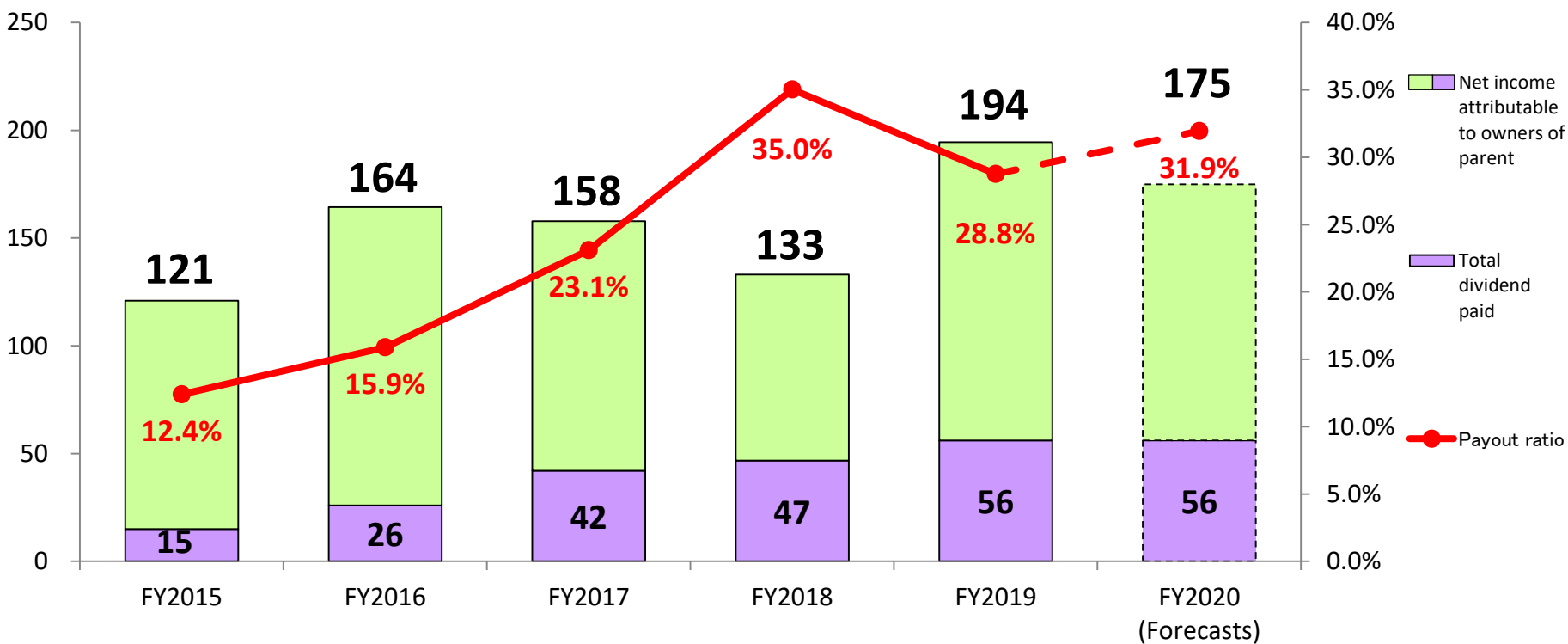


9.Dividend(Consolidated) Change

Dividend	(100 millions of yen)					
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 (Forecasts)
Number of shares issued	377,544,607 shares	377,544,607 shares	46,805,660 shares	46,805,660 shares	46,805,660 shares	46,805,660 shares
Number of treasury stocks	2,794,454 shares	3,097,013 shares	22,471 shares	36,826 shares	45,563 shares	45,563 shares
Dividend per share	4.00 yen	7.00 yen	90.00 yen	100.00 yen	120.00 yen	120.00 yen
Total dividend paid	15	26	42	47	56	56
Net income attributable to owners of parent	121	164	158	133	194	175
Basic earnings per share	32.36 yen	43.99 yen	389.63 yen	285.49 yen	417.35 yen	375.60 yen
Payout ratio	12.4%	15.9%	23.1%	35.0%	28.8%	31.9%

※ The company conducted a one-for-ten reverse stock split of common stock on October 1, 2017.

(100 millions of yen)



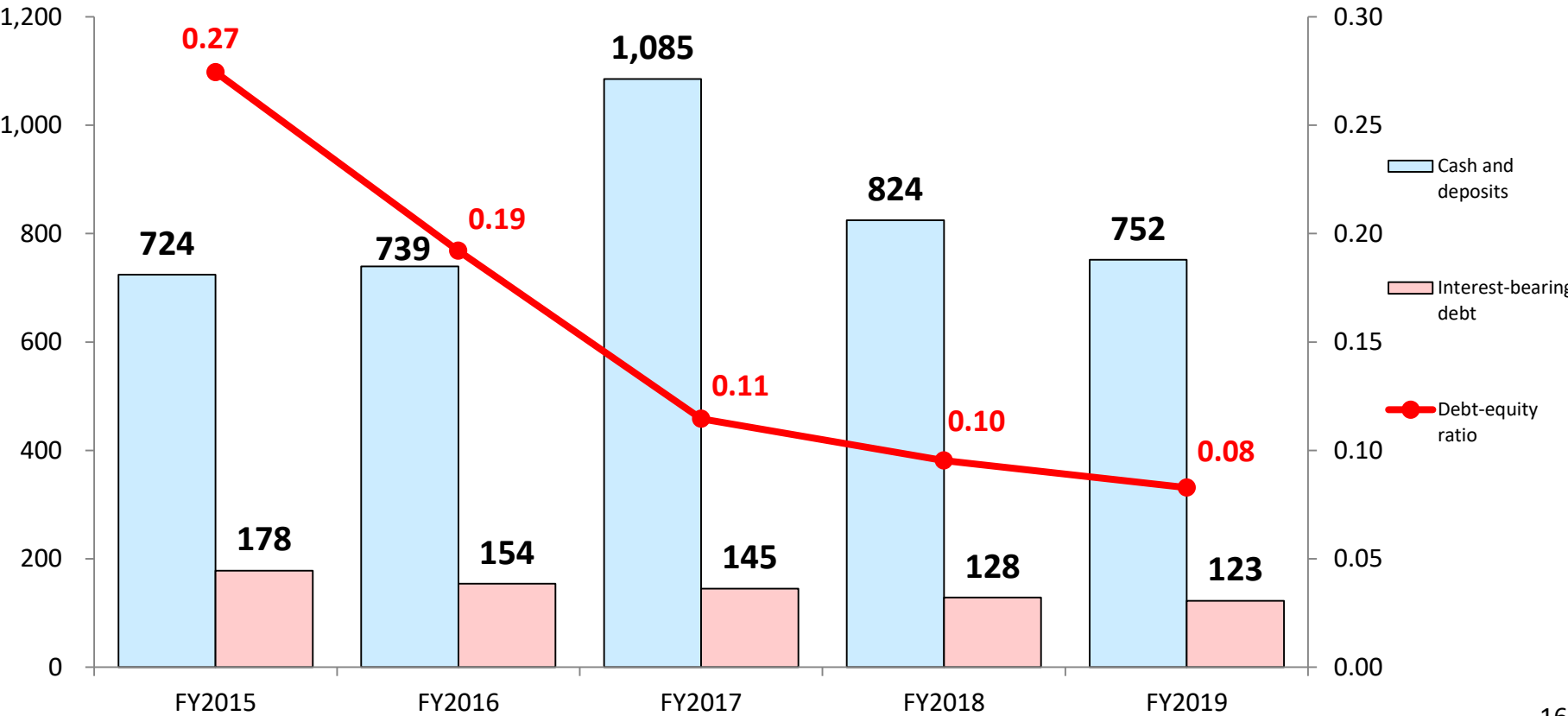
10. Interest-Bearing Debt (Consolidated)

Change

Interest-bearing debt (100 millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019
Interest-bearing debt	178	154	145	128	123
Debt-equity ratio	0.27	0.19	0.11	0.10	0.08

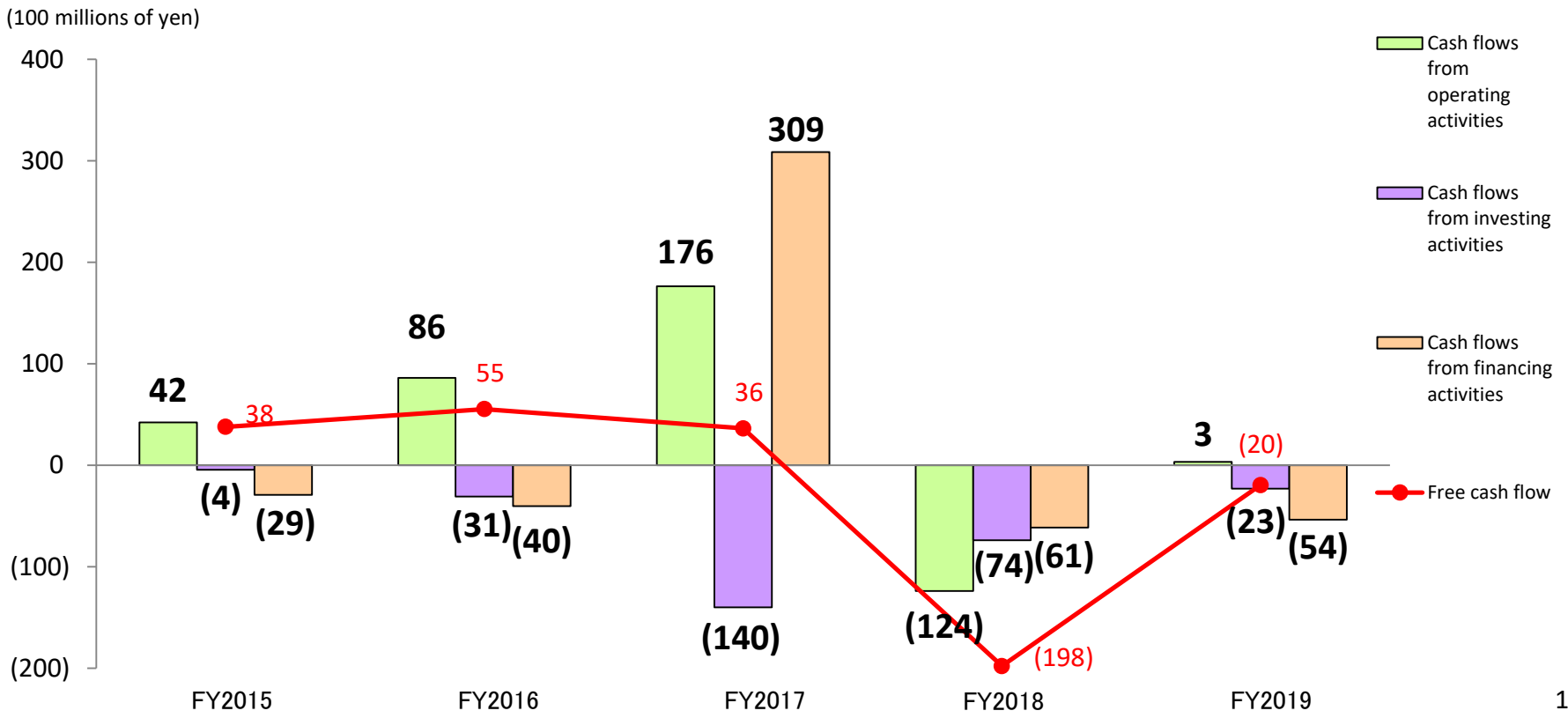
(100 millions of yen)



11. Cash Flows(Consolidated) Change

Cash Flows (100 millions of yen)

	FY2015	FY2016	FY2017	FY2018	FY2019
Cash flows from operating activities	42	86	176	(124)	3
Cash flows from investing activities	(4)	(31)	(140)	(74)	(23)
Cash flows from financing activities	(29)	(40)	309	(61)	(54)



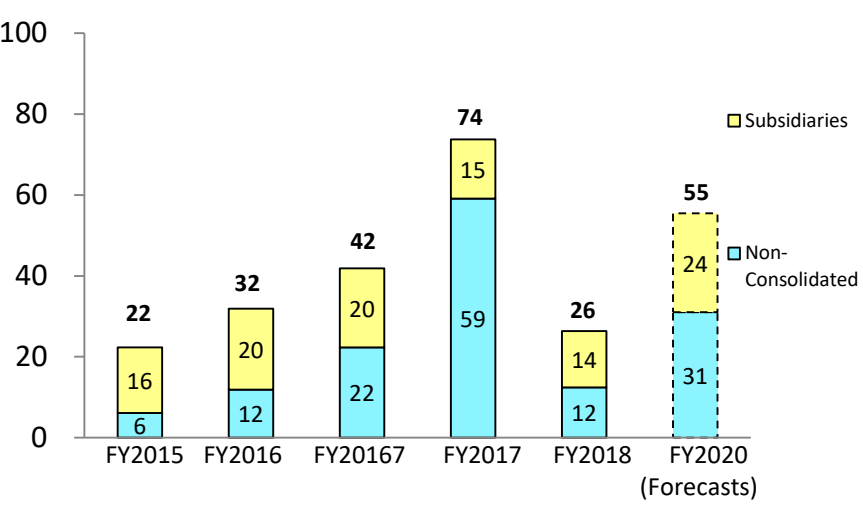
12.Capital Investment, Depreciation and Research and Development Expense(Consolidated) Change

Capital investment and other (100 millions of yen)

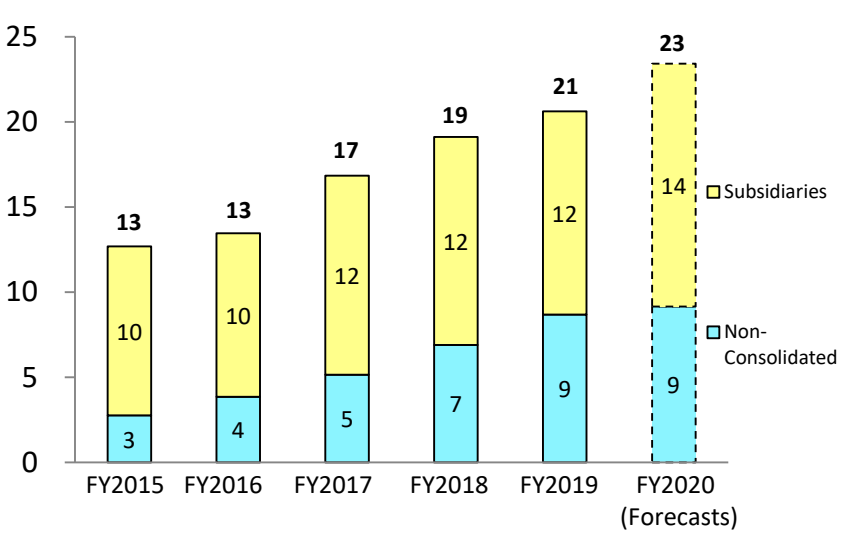
	FY2015	FY2016	FY2017
Capital investment	22	32	42
Depreciation	13	13	17
Research and development expense	15	18	20

	FY2018	FY2019	FY2020 (Forecasts)
Capital investment	74	26	55
Depreciation	19	21	23
Research and development expense	23	26	26

(100 millions of yen) **Capital investment**



(100 millions of yen) **Depreciation**



(100 millions of yen) **Research and development expense**

