

Financial Results FY2020 2nd Quarter

November 18,2020



Kumagai Gumi Co.,Ltd.



1.Orders Received-1(Non-Consolidated)

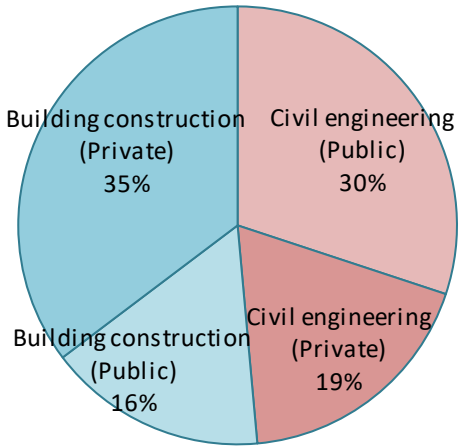
Result and Forecasts

Non-consolidated

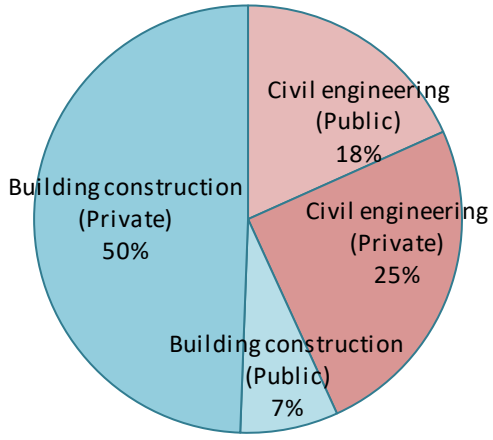
(100 millions of yen)

		A	B	B-A	
		FY2019	FY2020		
		2nd Quarter	2nd Quarter	%	
Domestic	Public	245	177	(68)	(27.9)
	Private	151	240	90	59.5
	Civil engineering	396	417	21	5.4
	Public	131	72	(60)	(45.6)
	Private	288	478	190	65.9
	Building construction	419	549	130	31.0
	Domestic	815	966	151	18.5
	Overseas	1	18	17	-
	Orders received	816	985	168	20.6

		C	D	D-C	
		FY2019	FY2020		
			(Forecasts)	%	
	Public	575	650	75	13.0
	Private	348	400	52	14.8
	Civil engineering	924	1,050	126	13.7
	Public	305	400	95	31.2
	Private	1,992	1,500	(492)	(24.7)
	Building construction	2,297	1,900	(397)	(17.3)
	Domestic	3,221	2,950	(271)	(8.4)
	Overseas	29	60	31	107.1
	Orders received	3,250	3,010	(240)	(7.4)

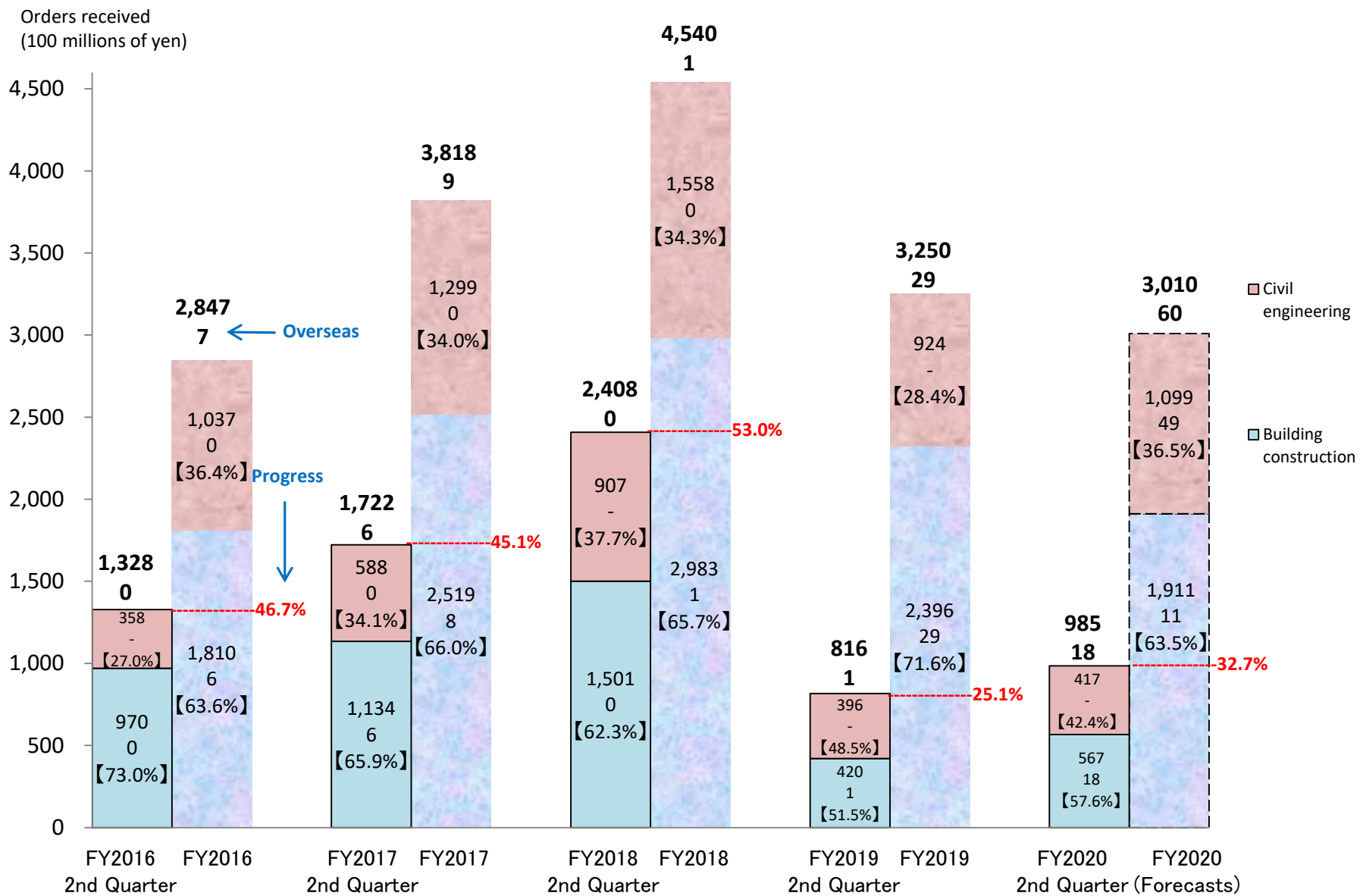


FY2019 2nd Quarter (Domestic)



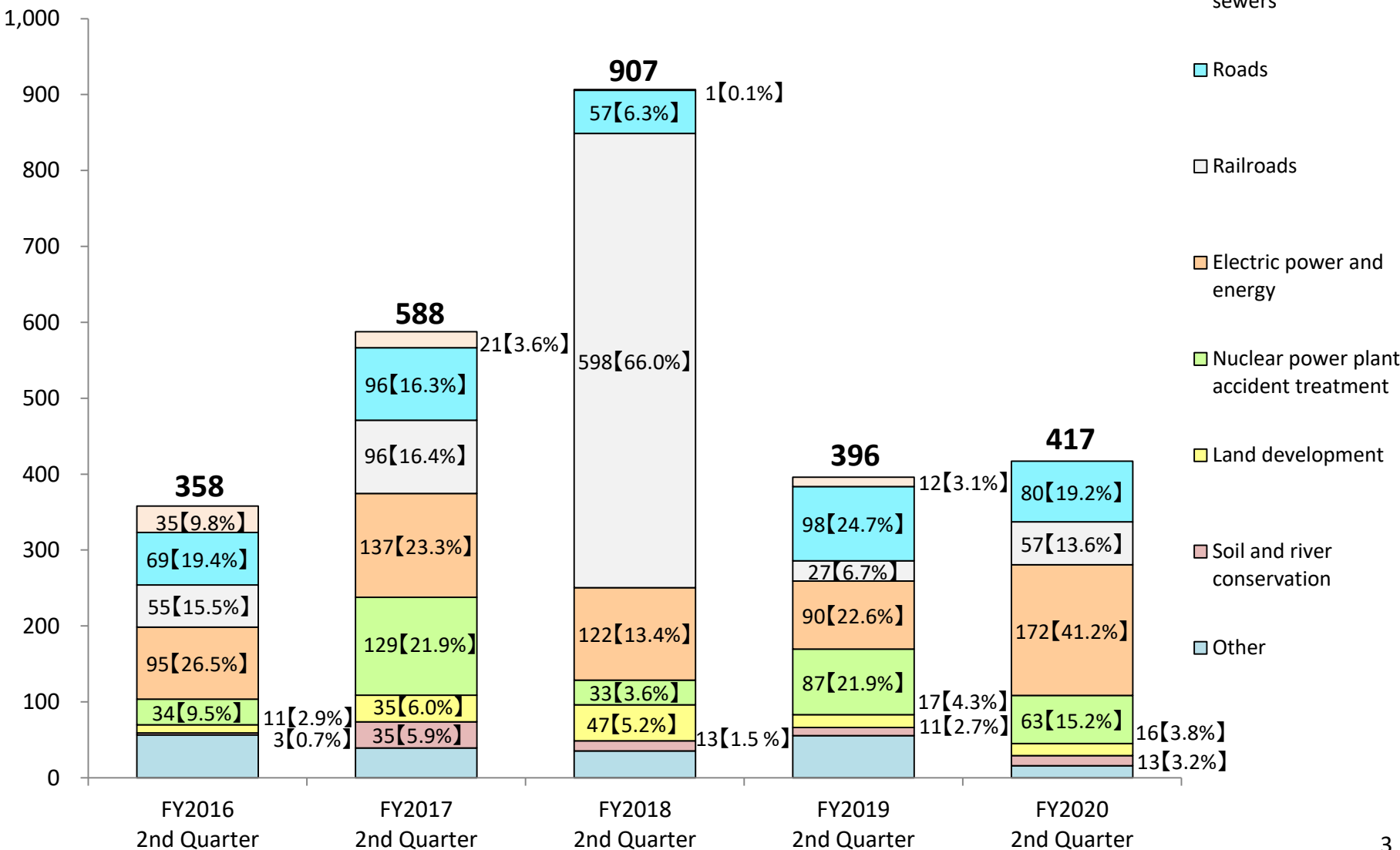
FY2020 2nd Quarter (Domestic)

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



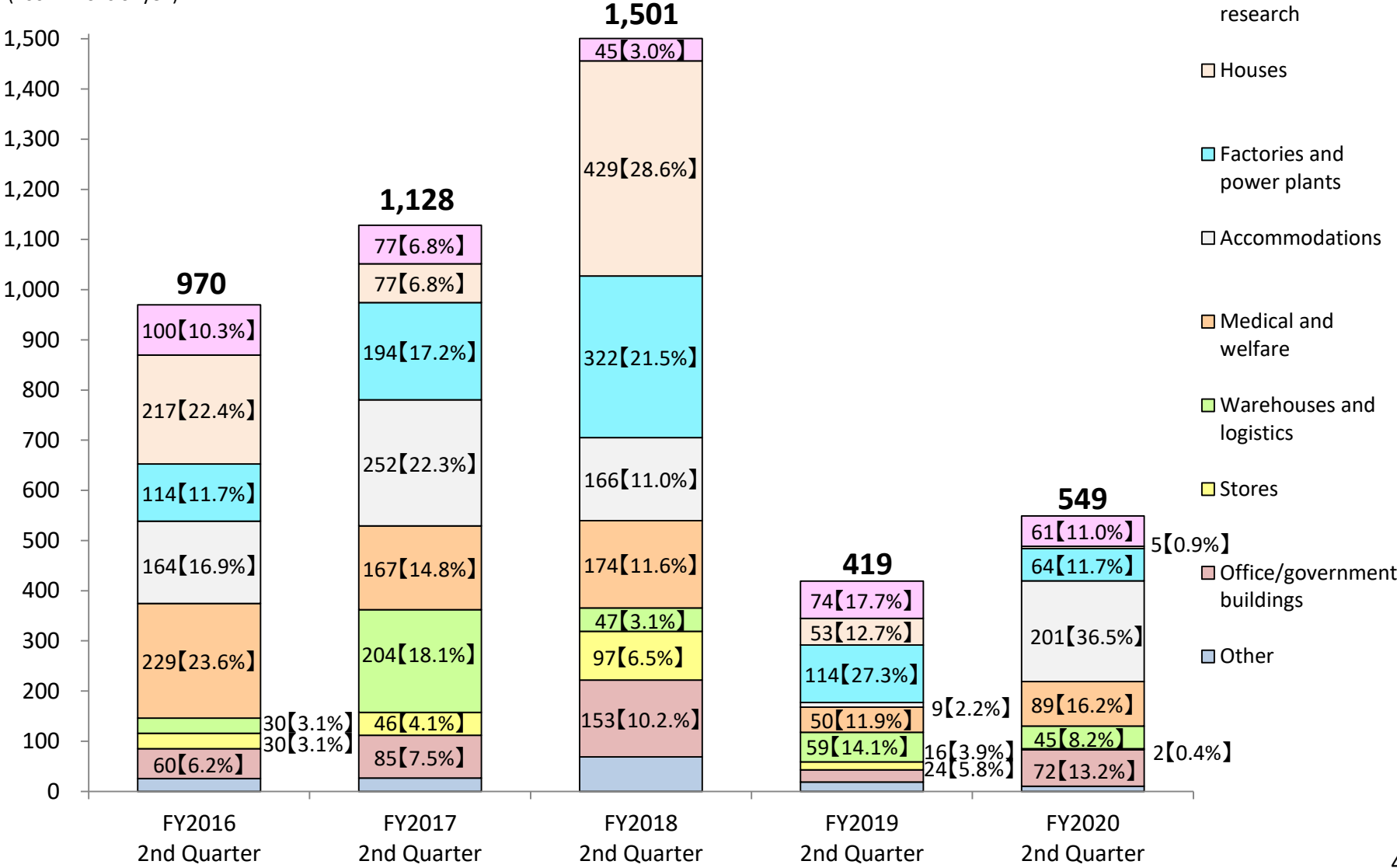
1.Orders Received-3(Non-Consolidated) Change(Domestic Civil Engineering)

Orders received
(100 millions of yen)



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

Orders received
(100 millions of yen)



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

Non-consolidated

(100 millions of yen)

		A		B		B-A	
		FY2019 2nd Quarter		FY2020 2nd Quarter			
		Ratio	Ratio	%	Ratio		
	Civil engineering	568		593		25	4.3
	Building construction	1,036		1,073		37	3.5
	Domestic	1,605		1,666		61	3.8
	Overseas	1		8		7	636.4
Net sales		1,606		1,673		68	4.2
	Civil engineering	55	9.7%	60	10.2%	5	0.5%
	Building construction	94	9.1%	113	10.6%	19	1.5%
	Domestic	150	9.3%	174	10.4%	24	1.1%
	Overseas	0	10.8%	0	4.3%	0	(6.5)%
Gross profit		150	9.3%	174	10.4%	24	16.2 1.1%
SG&A expenses	Personnel	37		36		(0)	
	Nonpersonnel	35		35		(0)	
SG&A expenses		72		71		(1)	
Operating income		78	4.8%	103	6.1%	25	32.0 1.3%
Non-operating income		6		13		6	
Non-operating expenses		2		2		(0)	
Ordinary income		82	5.1%	114	6.8%	31	38.2 1.7%
Extraordinary income		-		0		0	
Extraordinary losses		1		4		3	
Profit before income taxes		81		110		29	35.4
Income taxes-current		13		20		7	
Income taxes-deferred		12		12		0	
Profit		56	3.5%	77	4.6%	21	38.3 1.1%

		C		D		D-C	
		FY2019		FY2020 (Forecasts)			
		Ratio	Ratio	Ratio	Ratio	%	Ratio
		1,222		1,150		(72)	(5.9)
		2,295		2,290		(5)	(0.2)
		3,517		3,440		(77)	(2.2)
		5		20		15	306.0
		3,522		3,460		(62)	(1.8)
		133	10.9%	125	10.9%	(8)	0.0%
		219	9.5%	227	9.9%	8	0.4%
		352	10.0%	352	10.2%	0	0.2%
		1	26.0%	1	5.0%	(0)	(21.0)%
		353	10.0%	353	10.2%	(0)	(0.0) 0.2%
		73		74		1	
		78		76		(2)	
		151		150		(1)	
		202	5.7%	203	5.9%	1	0.3 0.2%
		8		14		6	
		4		3		(1)	
		207	5.9%	214	6.2%	7	3.4 0.3%
		7		0		(7)	
		6		0		(6)	
		209		214		5	2.6
		45		45		0	
		16		21		5	
		148	4.2%	148	4.3%	(0)	(0.2) 0.1%

2.Statement of Income-2(Consolidated)

Result and Forecasts

Consolidated

(100 millions of yen)

	A FY2019 2nd Quarter			B FY2020 2nd Quarter			B-A			
	Consolidated	Non-Consolidated	Subsidiaries	Consolidated	Non-Consolidated	Subsidiaries	Consolidated	Non-Consolidated	Subsidiaries	%
Net sales	2,001	1,606	395	2,069	1,673	395	68	68	1	3.4
Gross profit	193	150	43	214	174	40	21	24	(4)	
(Ratio)	9.6%	9.3%	10.9%	10.3%	10.4%	10.0%	0.7%	1.1%	(0.9)%	
SG&A expenses	97	72	25	95	71	24	(2)	(1)	(1)	
Operating income	96	78	18	118	103	16	22	25	(3)	23.1
(Ratio)	4.8%	4.8%	4.7%	5.7%	6.1%	4.0%	0.9%	1.3%	(0.7)%	
Non-operating income	4	6	(2)	4	13	(9)	(1)	6	(7)	
Non-operating expenses	2	2	0	2	2	0	(0)	(0)	(0)	
Ordinary income	99	82	16	120	114	7	22	31	(10)	21.9
(Ratio)	4.9%	5.1%	4.1%	5.8%	6.8%	1.7%	0.9%	1.7%	(2.4)%	
Extraordinary income	13	-	13	0	0	0	(13)	0	(13)	
Extraordinary losses	1	1	0	5	4	1	4	3	1	
Profit before income taxes	110	81	29	115	110	6	5	29	(24)	4.4
Income taxes-current	19	13	6	24	20	4	6	7	(2)	
Income taxes-deferred	13	12	0	14	12	1	1	0	1	
Profit attributable to owners of parent	79	56	23	77	77	0	(2)	21	(23)	(2.2)
(Ratio)	4.0%	3.5%	5.9%	3.7%	4.6%	0.0%	(0.3)%	1.1%	(5.9)%	

【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.

	C FY2019			D FY2020 (Forecasts)			D-C			
	Consolidated	Non-Consolidated	Subsidiaries	Consolidated	Non-Consolidated	Subsidiaries	Consolidated	Non-Consolidated	Subsidiaries	%
Net sales	4,362	3,522	839	4,380	3,460	920	18	(62)	81	0.4
Gross profit	455	353	102	456	353	103	1	(0)	1	
(Ratio)	10.4%	10.0%	12.1%	10.4%	10.2%	11.2%	0.0%	0.2%	(0.9)%	
SG&A expenses	201	151	50	201	150	51	0	(1)	1	
Operating income	254	202	52	255	203	52	1	1	(0)	0.2
(Ratio)	5.8%	5.7%	6.2%	5.8%	5.9%	5.6%	0.0%	0.2%	(0.6)%	
Non-operating income	7	8	(1)	6	14	(8)	(1)	6	(7)	
Non-operating expenses	4	4	0	3	3	(0)	(1)	(1)	(0)	
Ordinary income	257	207	50	258	214	44	1	7	(6)	0.3
(Ratio)	5.9%	5.9%	6.0%	5.9%	6.2%	4.8%	0.0%	0.3%	(1.2)%	
Extraordinary income	21	7	13	0	0	0	(21)	(7)	(13)	
Extraordinary losses	7	6	2	0	0	0	(7)	(6)	(2)	
Profit before income taxes	271	209	62	258	214	44	(13)	5	(18)	(4.7)
Income taxes-current	62	45	17	61	45	16	(1)	0	(1)	
Income taxes-deferred	14	16	(1)	22	21	1	8	5	2	
Profit attributable to owners of parent	194	148	46	175	148	27	(19)	(0)	(19)	(10.0)
(Ratio)	4.5%	4.2%	5.5%	4.0%	4.3%	2.9%	(0.5)%	0.1%	(2.6)%	

【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 FY2019 2nd Quarter			B FY2020 2nd Quarter			B-A		
	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
		Consolidated			Consolidated			Consolidated	
Interest and dividend income	2.1	5.3	(3.1)	1.9	11.7	(9.8)	(0.2)	6.4	(6.6)
Share of profit of entities accounted for using equity method	1.4	-	1.4	0.6	-	0.6	(0.7)	-	(0.7)
Other	0.9	1.0	(0.1)	1.3	1.1	0.2	0.4	0.1	0.3
Non-operating income	4.4	6.3	(1.9)	3.8	12.8	(9.0)	(0.6)	6.5	(7.1)
Interest expenses	1.0	1.0	0.0	0.9	0.8	0.0	(0.1)	(0.1)	(0.0)
Foreign exchange losses	0.2	0.1	0.1	0.2	0.2	0.0	0.1	0.2	(0.1)
Commission for syndicate loan	0.2	0.2	-	0.2	0.2	-	-	-	-
Amortization of share issuance cost	0.2	0.2	-	0.2	0.2	-	-	-	-
Other	0.3	0.3	(0.0)	0.3	0.2	0.1	0.0	(0.1)	0.1
Non-operating expenses	1.9	1.8	0.1	1.9	1.8	0.1	(0.0)	(0.0)	(0.0)

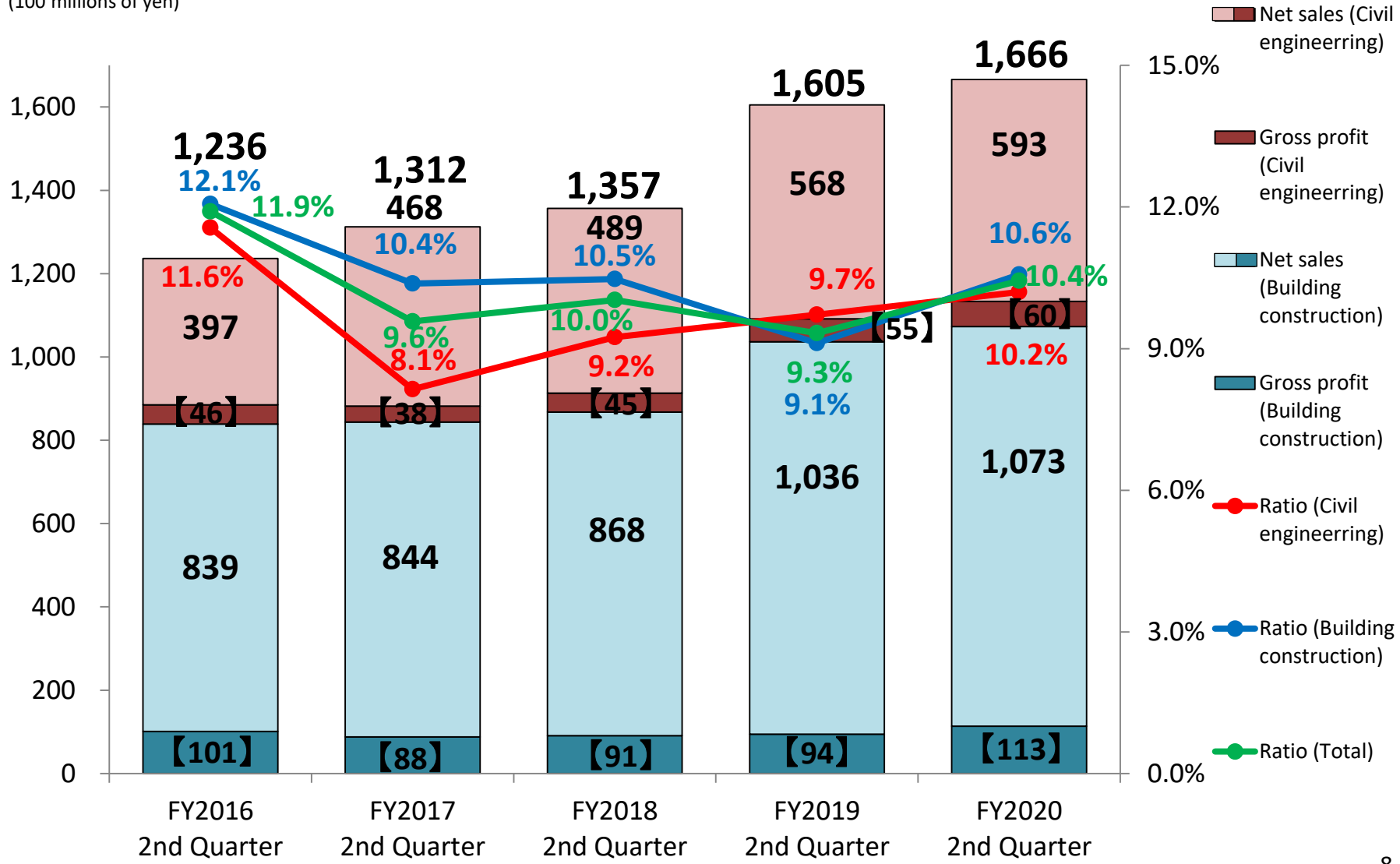
Extraordinary income(Consolidated)

(100 millions of yen)

	A FY2019 2nd Quarter			B FY2020 2nd Quarter			B-A		
	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
		Consolidated			Consolidated			Consolidated	
Gain on sales of non-current assets	0.0	-	0.0	0.0	0.0	0.0	(0.0)	0.0	(0.0)
Gain on sales of memberships	-	-	-	0.0	0.0	-	0.0	0.0	-
Reversal of provision for loss on anti-monopoly act	13.1	-	13.1	-	-	-	(13.1)	-	(13.1)
Extraordinary income	13.2	-	13.2	0.1	0.0	0.0	(13.1)	0.0	(13.1)
Compensation for damage	1.2	1.2	-	0.9	0.9	0.0	(0.3)	(0.3)	0.0
Provision for contingent loss	-	-	-	1.0	1.0	-	1.0	1.0	-
Infectious disease related costs	-	-	-	2.2	1.9	0.3	2.2	1.9	0.3
Other	0.2	0.1	0.1	0.9	0.3	0.6	0.7	0.2	0.5
Extraordinary losses	1.4	1.3	0.1	5.0	4.0	1.0	3.6	2.8	0.9

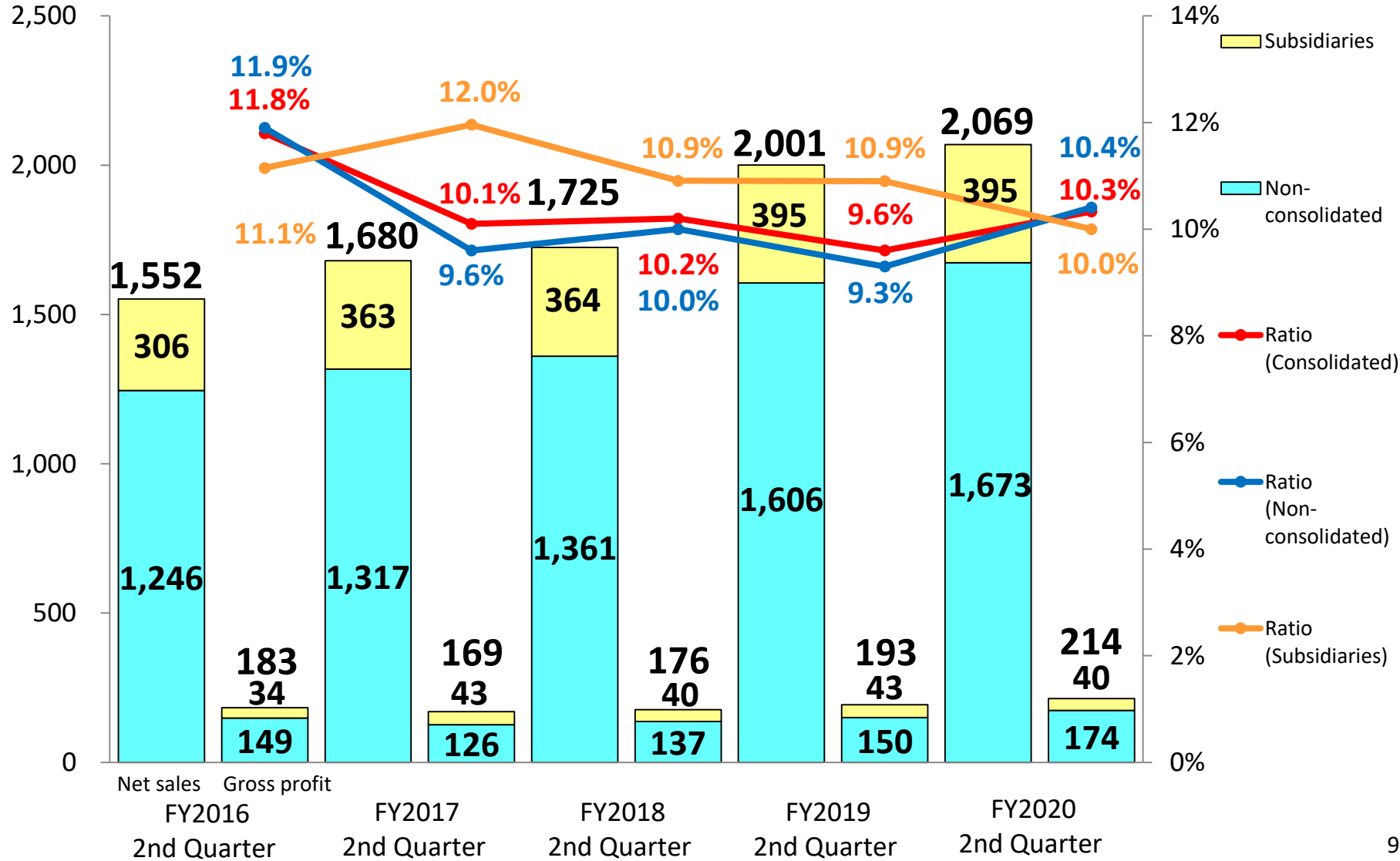
3.Net Sales and Gross Profit(Non-Consolidated) Change(Domestic)

Net sales
(100 millions of yen)



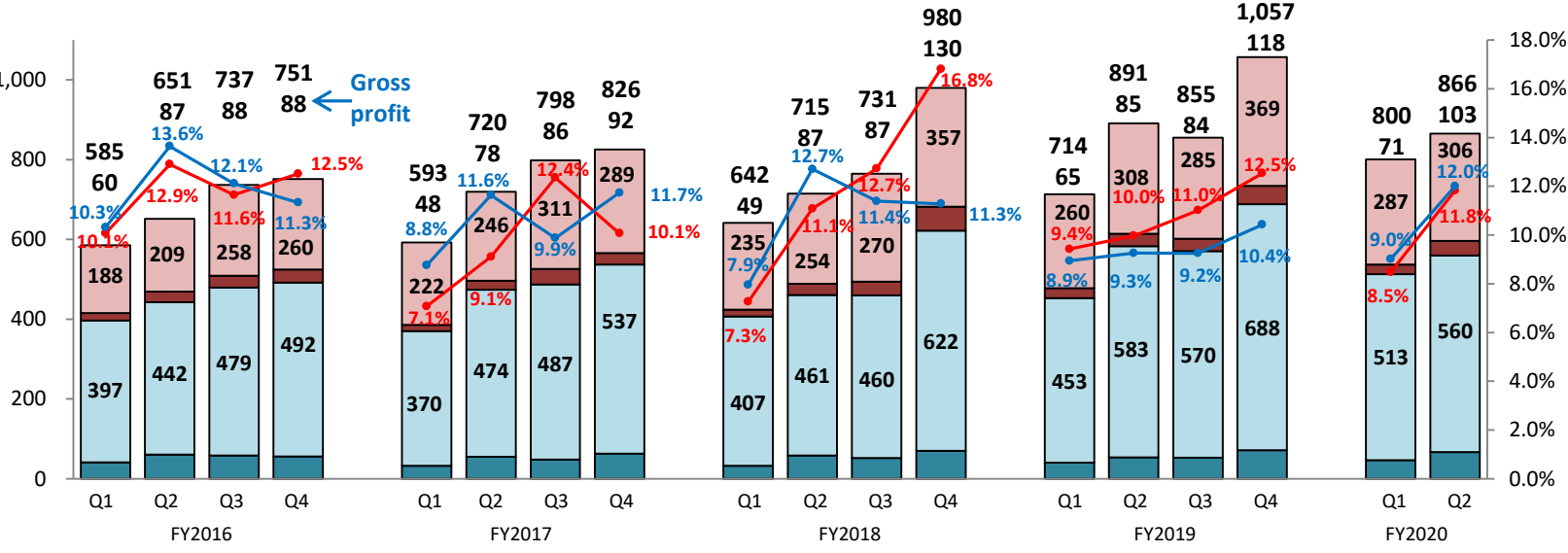
4. Net Sales and Gross Profit(Consolidated) Change

Net sales
(100 millions of yen)



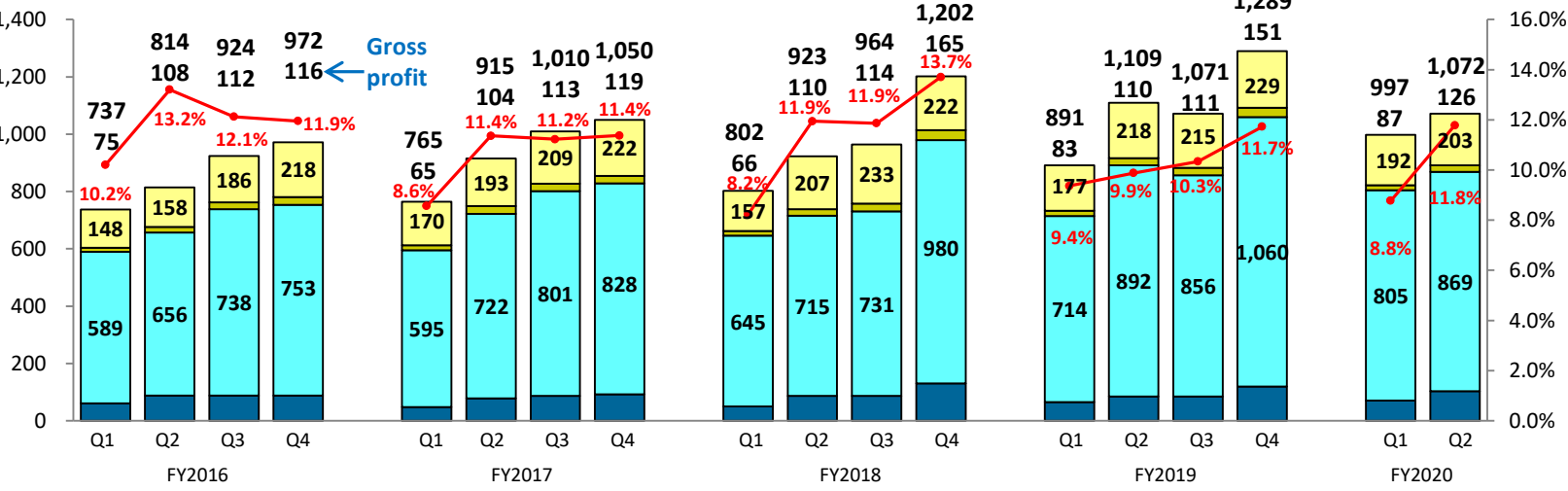
5.Net Sales and Gross Profit(Non-Consolidated and Consolidated) Quarterly Change

Net sales (100 millions of yen)



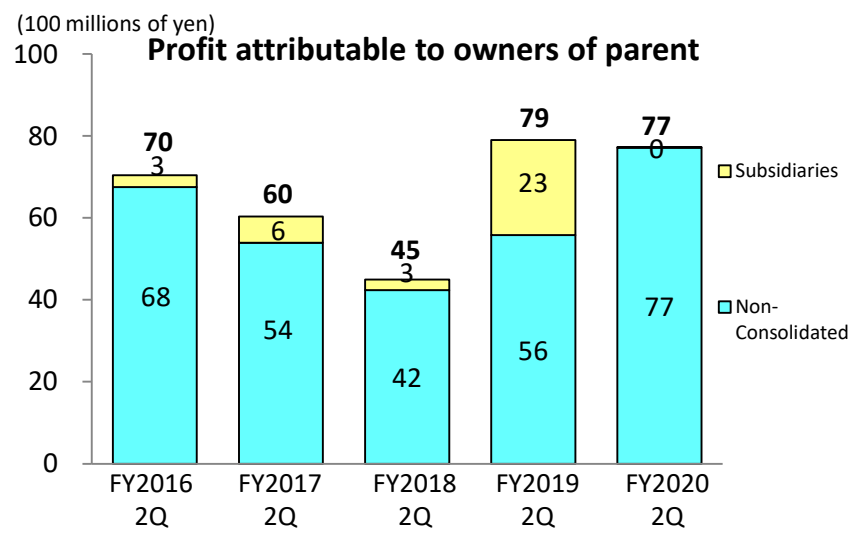
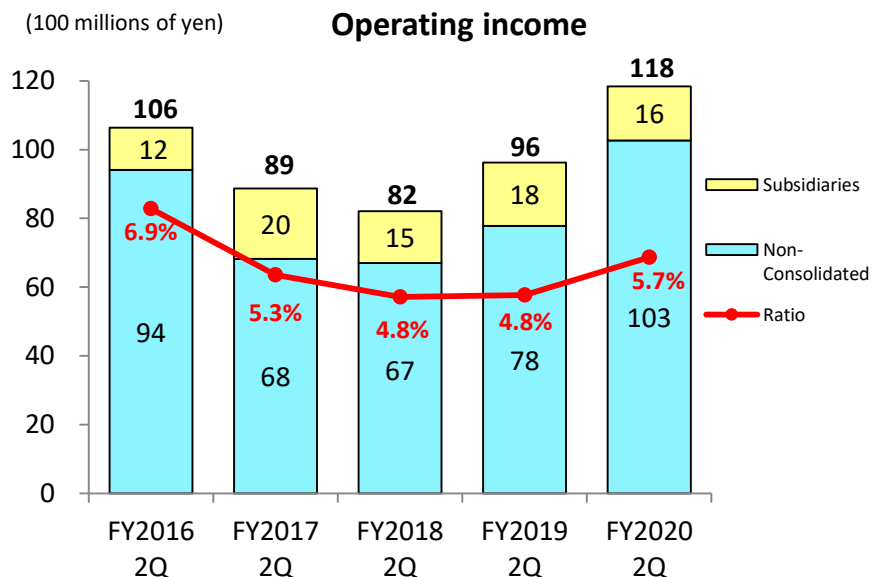
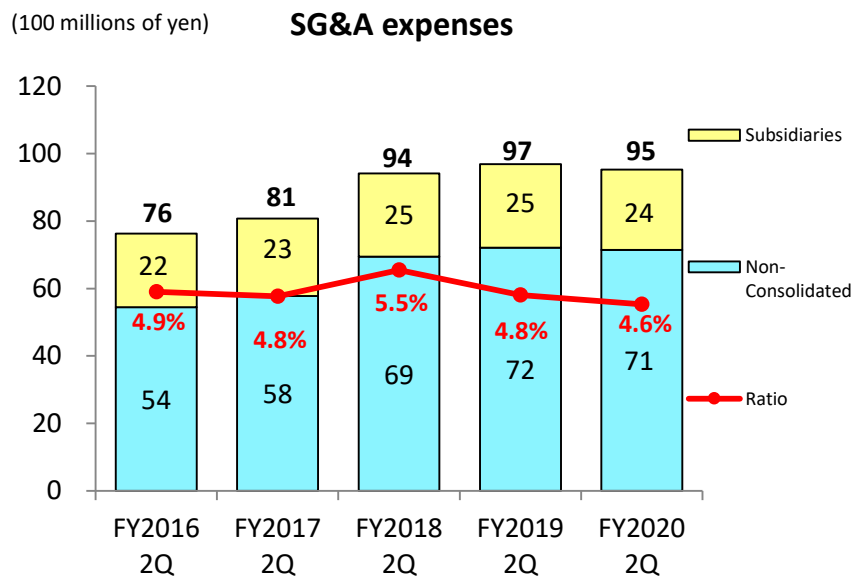
- Net sales (Civil engineering)
- Gross profit (Civil engineering)
- Net sales (Building construction)
- Gross profit (Building construction)
- Ratio (Civil engineering)
- Ratio (Building construction)

Net sales (100 millions of yen)



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

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



7. Balance Sheet-1(Consolidated)

Assets

Assets(Consolidated)

(100 millions of yen)

	A FY2019			B FY2020 2nd Quarter			B-A		
	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
		Consolidated			Consolidated			Consolidated	
Cash and deposits	752	544	207	504	276	227	(248)	(268)	20
Notes receivable,accounts receivable from completed construction contracts and other	1,906	1,620	286	1,928	1,711	217	21	91	(70)
Costs on uncompleted construction contracts	79	67	12	109	97	11	30	31	(1)
Accounts receivable-other	298	311	(13)	249	242	7	(50)	(70)	20
Other	74	83	(9)	81	72	8	7	(10)	17
Allowance for doubtful accounts	(2)	(2)	(0)	(2)	(2)	(0)	0	(0)	0
Total current assets	3,107	2,624	483	2,867	2,397	470	(239)	(227)	(13)
Buildings and structures, net	75	37	38	77	37	40	2	(1)	2
Land	148	118	30	148	119	29	0	0	(0)
Other	31	10	21	30	9	20	(1)	(0)	(1)
Total property,plant and equipment	253	165	88	254	165	90	1	(1)	2
Intangible assets	5	4	1	5	4	1	(0)	(0)	(0)
Investment securities and stocks of subsidiaries and affiliates	229	267	(38)	239	277	(38)	10	10	0
Other	156	97	59	139	86	53	(16)	(11)	(6)
Allowance for doubtful accounts	(2)	(0)	(2)	(2)	(0)	(2)	0	0	0
Total investments and other assets	383	364	18	376	363	13	(6)	(1)	(5)
Total non-current assets	641	534	108	636	532	104	(6)	(2)	(4)
Share issuance cost	0	0	-	0	0	-	(0)	(0)	-
Total deferred assets	0	0	-	0	0	-	(0)	(0)	-
Total assets	3,748	3,158	591	3,503	2,929	574	(245)	(229)	(17)

7. Balance Sheet-2(Consolidated)

Liabilities and Net Assets

Liabilities and net assets(Consolidated)

(100 millions of yen)

	A FY2019			B FY2020 2nd Quarter			B-A		
	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
		Consolidated			Consolidated			Consolidated	
Notes payable, accounts payable for construction contracts and other	965	821	144	706	575	131	(259)	(247)	(13)
Electronically recorded obligations – operating	296	260	36	295	269	26	(1)	9	(10)
Short-term borrowings	41	39	2	45	42	2	4	4	–
Income taxes payable	31	27	4	26	24	2	(5)	(3)	(2)
Advances received on construction contracts in progress	199	174	25	196	171	25	(3)	(3)	0
Deposits received	295	275	20	342	312	31	48	37	11
Provision for contingent loss	76	76	0	44	44	0	(32)	(32)	–
Provision for bonuses	37	22	15	35	21	13	(2)	(0)	(2)
Other	76	64	13	58	49	10	(18)	(15)	(3)
Total current liabilities	2,016	1,757	259	1,748	1,507	240	(268)	(250)	(18)
Long-term borrowings	82	82	0	75	75	0	(7)	(7)	(0)
Net defined benefit liability	164	132	32	166	135	31	2	2	(0)
Other	6	2	4	7	2	5	1	0	1
Total non-current liabilities	252	216	36	248	211	37	(4)	(5)	1
Total liabilities	2,268	1,973	295	1,996	1,719	277	(272)	(255)	(17)
Total shareholders' equity	1,472	1,176	296	1,494	1,198	296	21	21	0
Total accumulated other comprehensive income	8	8	0	14	13	1	6	5	1
Total net assets	1,480	1,184	296	1,507	1,211	297	27	26	1
Total liabilities and net assets	3,748	3,158	591	3,503	2,929	574	(245)	(229)	(17)

(Capital adequacy ratio)

39.5%

37.5%

50.1%

43.0%

41.3%

51.7%

+3.5%

+3.8%

+1.6%

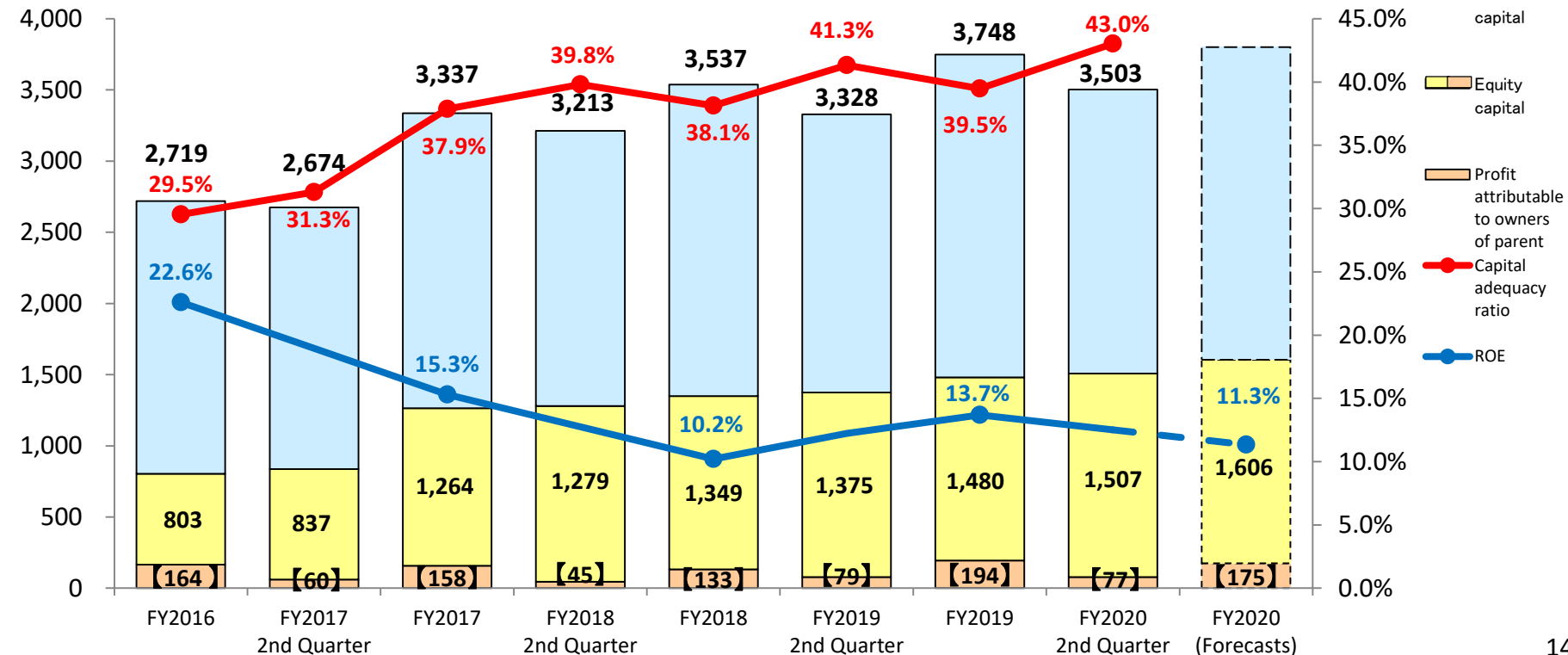
8. Equity Capital(Consolidated) Change

Equity capital(Consolidated)

(100 millions of yen)

	FY2016	FY2017 2Q	FY2017	FY2018 2Q	FY2018	FY2019 2Q	FY2019	FY2020 2Q	FY2020 (Forecasts)
Equity capital	803	837	1,264	1,279	1,349	1,375	1,480	1,507	1,606
Total capital	2,719	2,674	3,337	3,213	3,537	3,328	3,748	3,503	-
Capital adequacy ratio	29.5%	31.3%	37.9%	39.8%	38.1%	41.3%	39.5%	43.0%	-
Profit attributable to owners of parent	164	60	158	45	133	79	194	77	175
ROE	22.6%	-	15.3%	-	10.2%	-	13.7%	-	11.3%

(100 millions of yen)



9.Dividend(Consolidated) Change

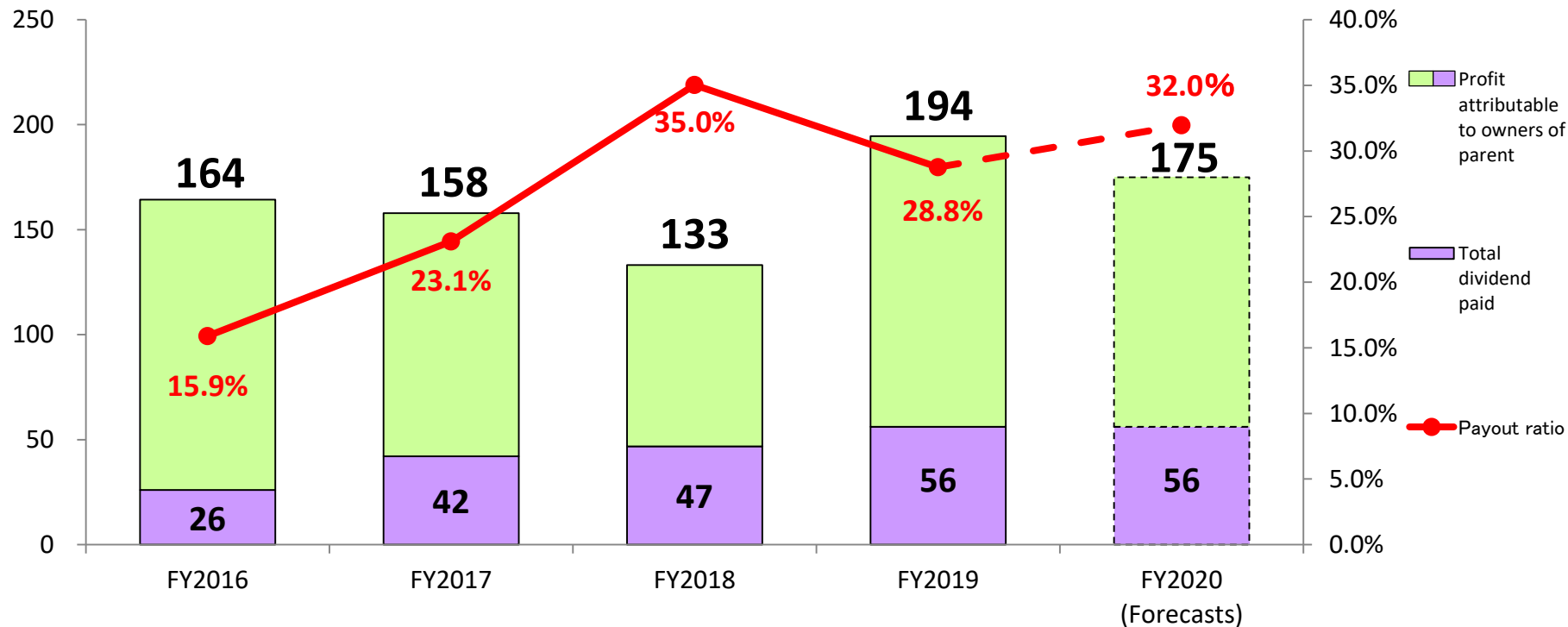
Dividend

(100 millions of yen)

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

	FY2016	FY2017	FY2018	FY2019	FY2020 (Forecasts)
Number of shares issued	377,544,607 shares	46,805,660 shares	46,805,660 shares	46,805,660 shares	46,805,660 shares
Number of treasury stocks	3,097,013 shares	22,471 shares	36,826 shares	45,563 shares	47,562 shares
Dividend per share	7.00 yen	90.00 yen	100.00 yen	120.00 yen	120.00 yen
Total dividend paid	26	42	47	56	56
Profit attributable to owners of parent	164	158	133	194	175
Basic earnings per share	43.99 yen	389.63 yen	285.49 yen	417.35 yen	375.54 yen
Payout ratio	15.9%	23.1%	35.0%	28.8%	32.0%

(100 millions of yen)

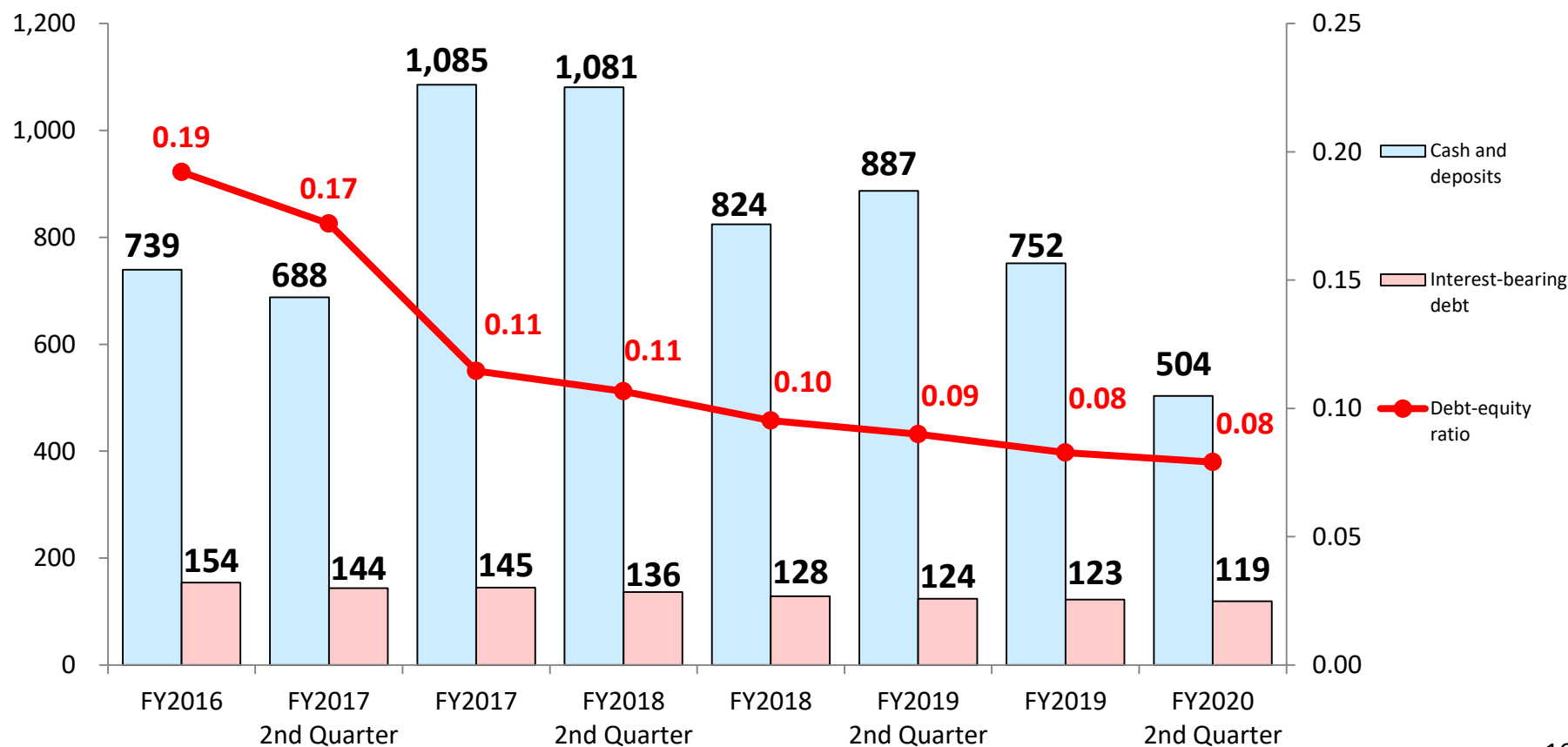


10. Interest-Bearing Debt (Consolidated)

Change

Interest-bearing debt		(100 millions of yen)						
	FY2016	FY2017 2Q	FY2017	FY2018 2Q	FY2018	FY2019 2Q	FY2019	FY2020 2Q
Interest-bearing debt	154	144	145	136	128	124	123	119
Debt-equity ratio	0.19	0.17	0.11	0.11	0.10	0.09	0.08	0.08

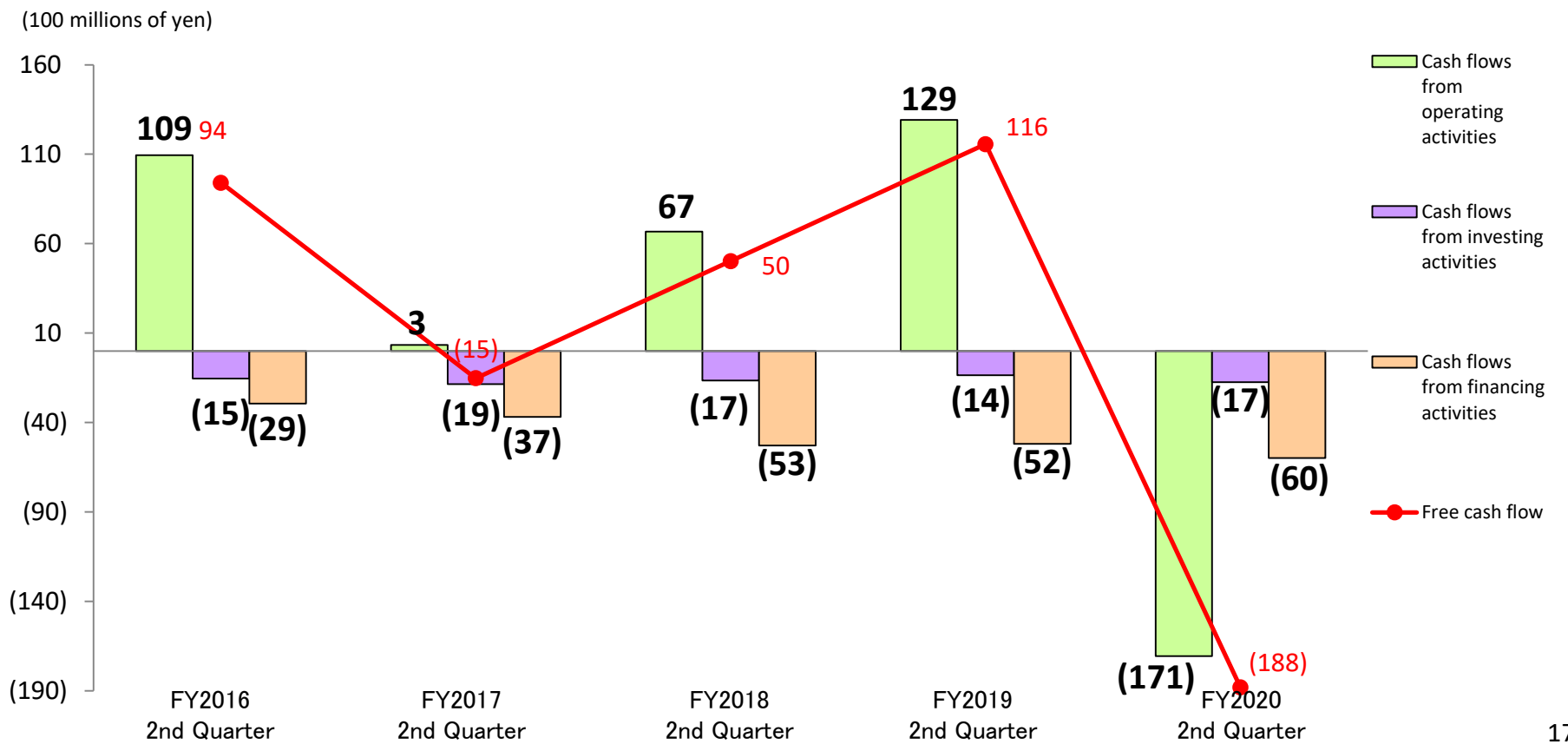
(100 millions of yen)



11.Cash Flows(Consolidated) Change

Cash Flows (100 millions of yen)

	FY2016 2Q	FY2017 2Q	FY2018 2Q	FY2019 2Q	FY2020 2Q
Cash flows from operating activities	109	3	67	129	(171)
Cash flows from investing activities	(15)	(19)	(17)	(14)	(17)
Cash flows from financing activities	(29)	(37)	(53)	(52)	(60)



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

Capital investment and other (100 millions of yen)

	FY2016	FY2017 2Q	FY2017 2Q	FY2018 2Q
Capital investment	32	19	42	16
Depreciation	13	7	17	9
Research and development expense	18	9	20	11

	FY2018	FY2019 2Q	FY2019 2Q	FY2020 2Q	FY2020 (Forecasts)
Capital investment	74	13	26	11	55
Depreciation	19	10	21	10	22
Research and development expense	23	11	26	13	27

