

# Financial Results FY2018

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May 17,2019



Kumagai Gumi Co.,Ltd.

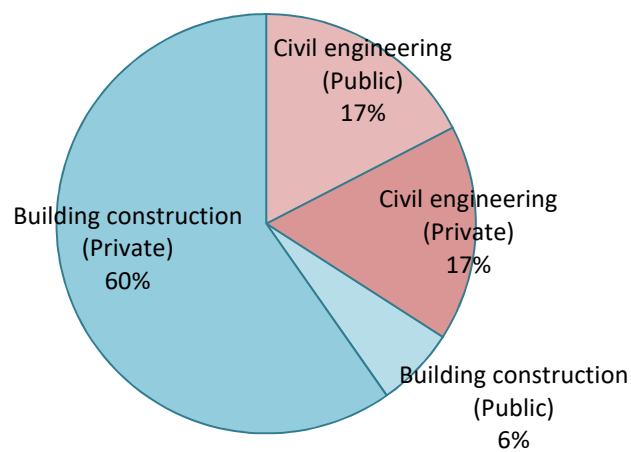


# 1.Orders Received-1(Non-Consolidated) Result and Forecasts

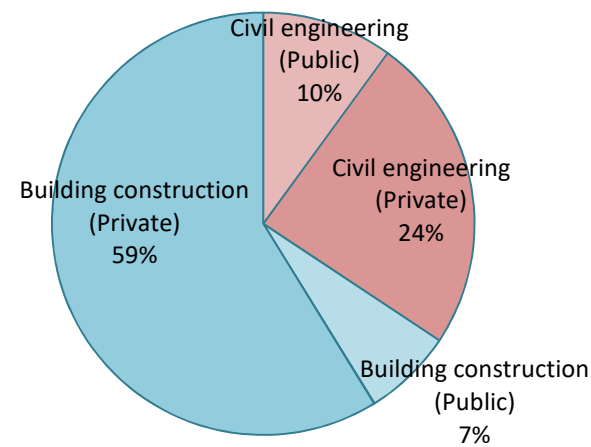
Non-consolidated

(100 millions of yen)

		A FY2017	B FY2018 <small>(Forecast at the beginning of FY2018)</small>	C FY2018	C-A		C-B		D FY2019 <small>(Forecasts)</small>	D-C	
						%		%			%
Orders received	Public	664	450	455	(209)	(31.4)	5	1.2	630	175	38.4
	Private	635	850	1,102	468	73.7	252	29.7	470	(632)	(57.4)
	Civil engineering	1,299	1,300	1,558	259	19.9	258	19.8	1,100	(458)	(29.4)
	Public	235	160	312	77	32.7	152	95.1	300	(12)	(3.9)
	Private	2,275	2,240	2,669	394	17.3	429	19.2	2,100	(569)	(21.3)
	Building construction	2,510	2,400	2,981	471	18.8	581	24.2	2,400	(581)	(19.5)
	Domestic	3,809	3,700	4,539	730	19.2	839	22.7	3,500	(1,039)	(22.9)
	Overseas	9	120	1	(7)	(85.1)	(119)	(98.9)	100	99	-
	<b>Orders received</b>	<b>3,818</b>	<b>3,820</b>	<b>4,540</b>	<b>722</b>	<b>18.9</b>	<b>720</b>	<b>18.9</b>	<b>3,600</b>	<b>(940)</b>	<b>(20.7)</b>

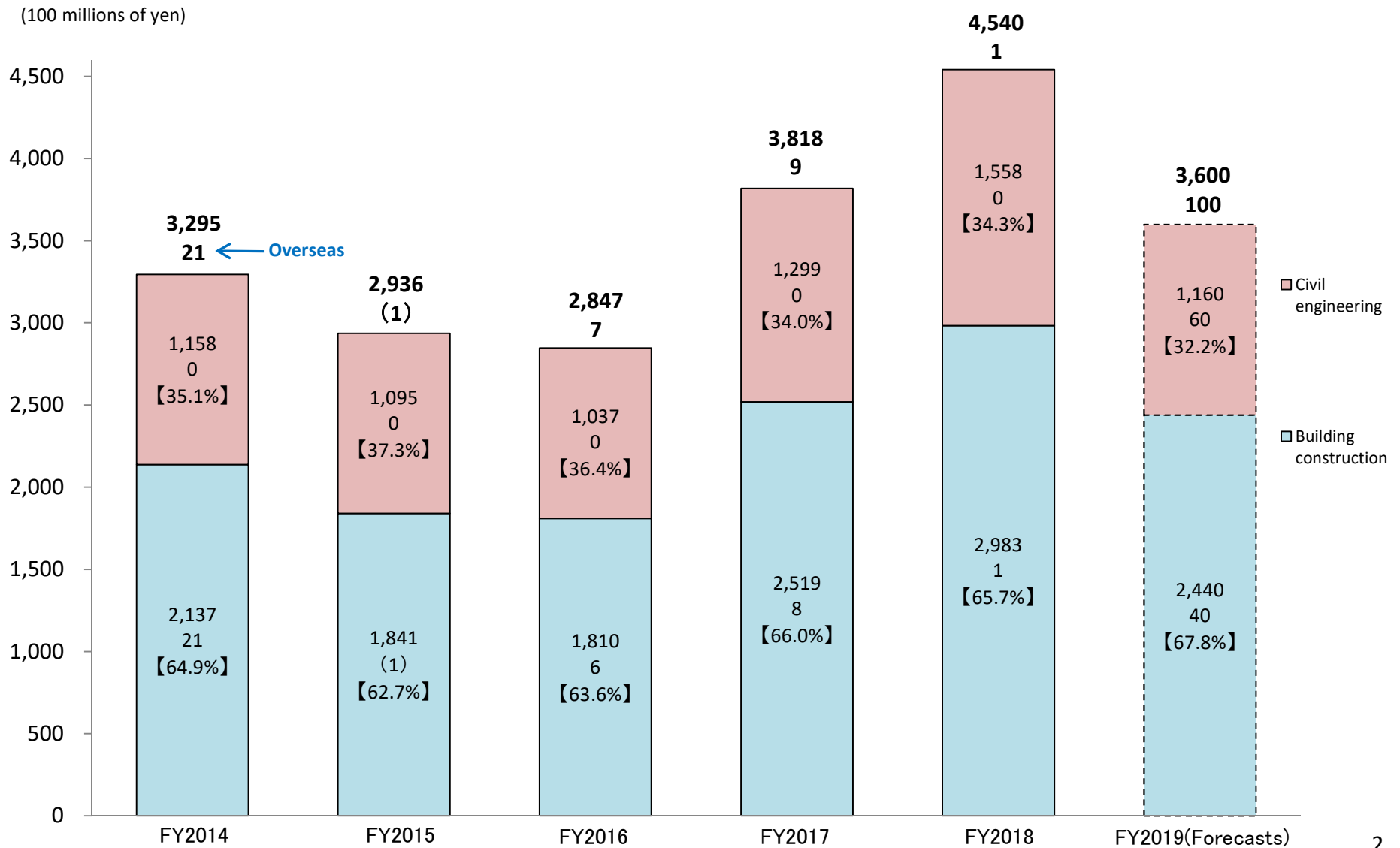


FY2017  
(Domestic)

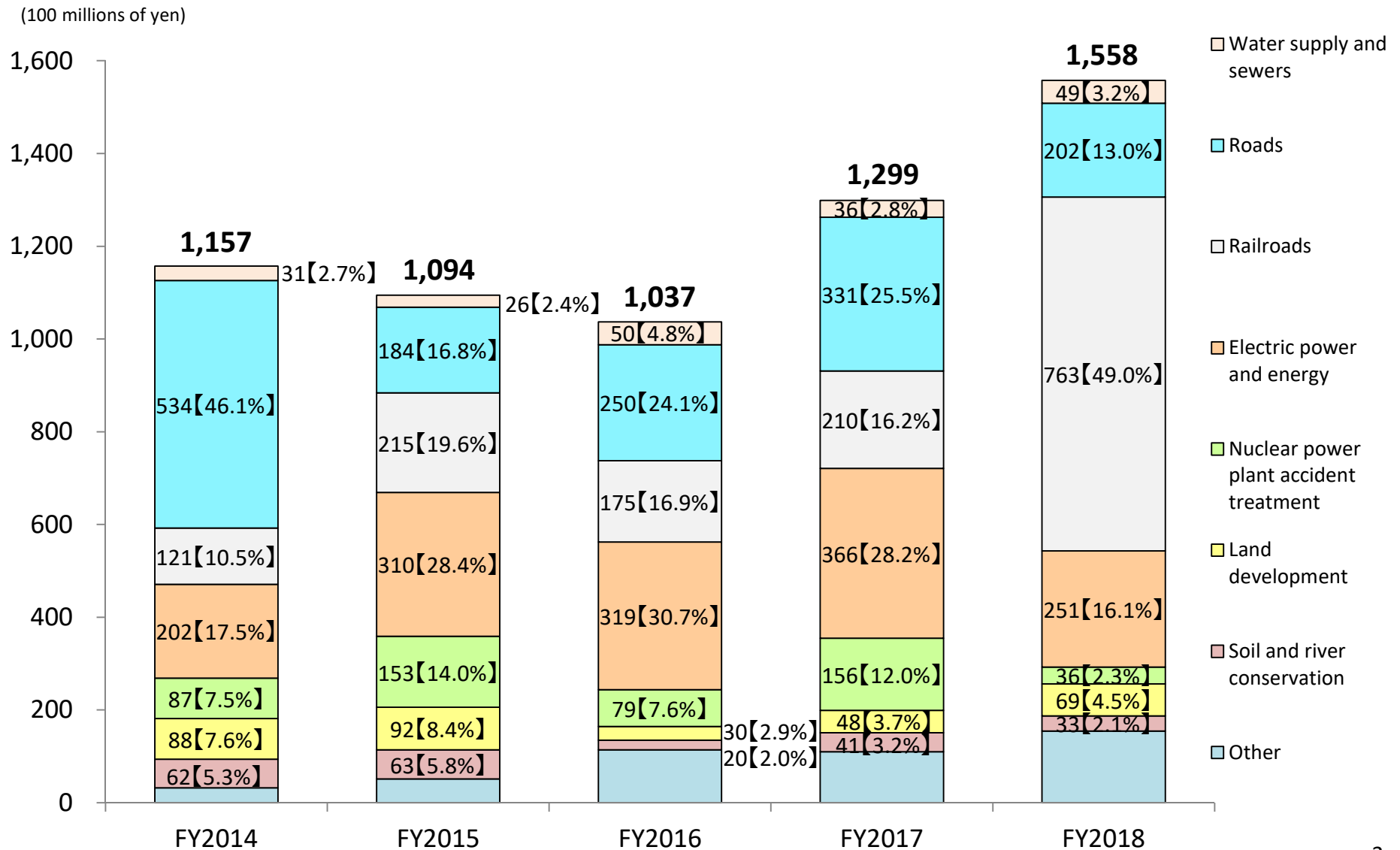


FY2018  
(Domestic)

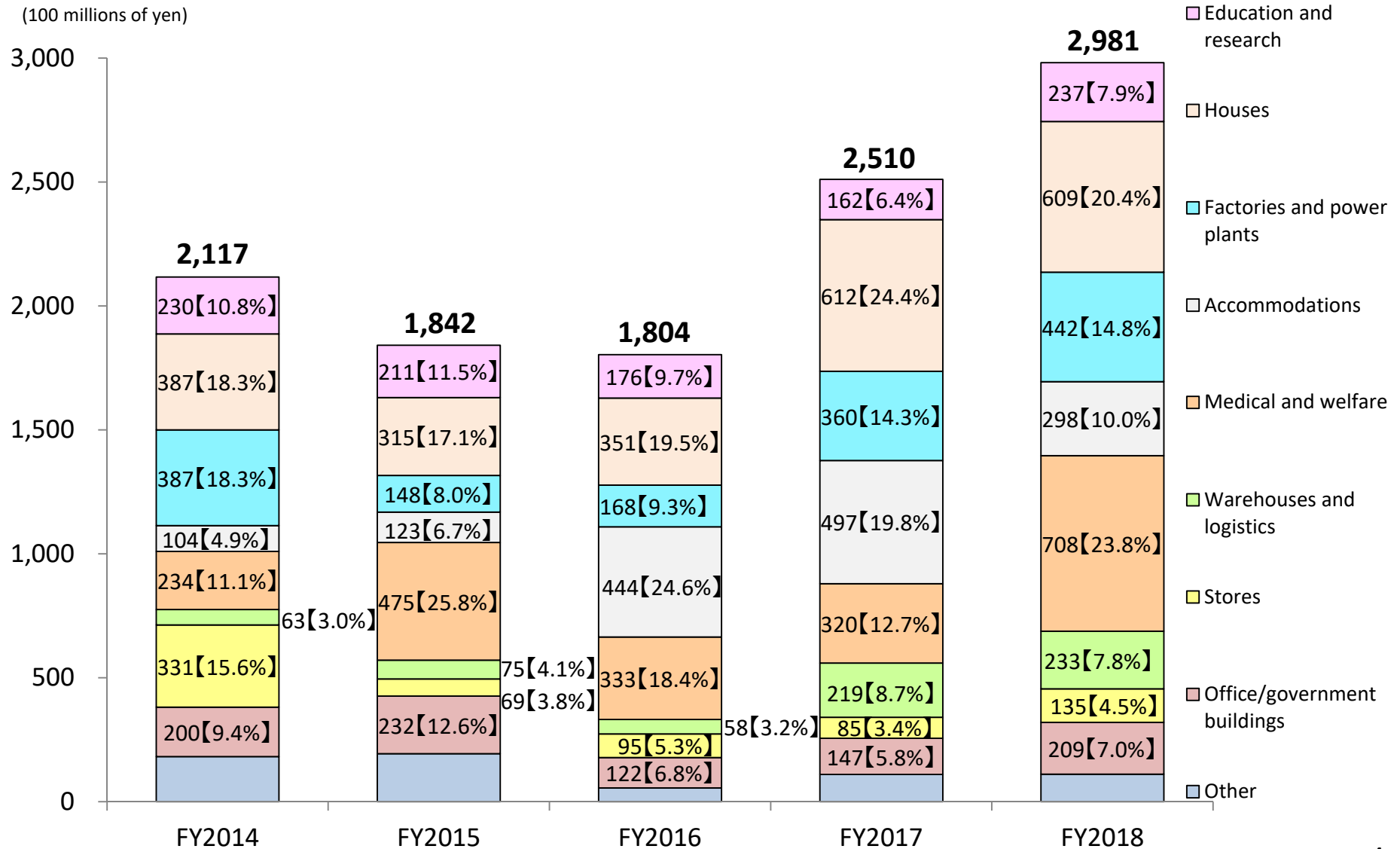
# 1.Orders Received-2(Non-Consolidated) Change



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



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



## 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		
		FY2017		FY2018 (Forecast at the beginning of FY2018)		FY2018								FY2019 (Forecasts)				
			Ratio		Ratio		Ratio		%	Ratio		%	Ratio		Ratio		%	Ratio
	Civil engineering	1,068		1,100		1,116		49	4.6		16	1.5		1,150		34	3.0	
	Building construction	1,868		2,050		1,950		82	4.4		(100)	(4.9)		2,260		310	15.9	
	Domestic	2,936		3,150		3,067		131	4.5		(83)	(2.6)		3,410		343	11.2	
	Overseas	10		50		4		(6)	(57.5)		(46)	(91.7)		10		6	140.7	
	Net sales	2,946		3,200		3,071		125	4.2		(129)	(4.0)		3,420		349	11.4	
	Civil engineering	106	9.9%	125	11.4%	140	12.5%	34		2.6%	15		1.1%	139	12.1%	(1)		(0.4%)
	Building construction	199	10.6%	220	10.7%	213	10.9%	15		0.3%	(7)		0.2%	244	10.8%	31		(0.1%)
	Domestic	304	10.4%	345	11.0%	353	11.5%	49		1.1%	8		0.5%	383	11.2%	30		(0.3%)
	Overseas	1	12.8%	5	10.0%	1	20.4%	(0)		7.6%	(4)		10.4%	1	10.0%	0		(10.4%)
	Gross profit	306	10.4%	350	10.9%	354	11.5%	48	15.9	1.1%	4	1.1	0.6%	384	11.2%	30	8.5	(0.3%)
SG&A expenses	Personnel	62		70		69		7			(1)			73		4		
	Nonpersonnel	64		80		74		10			(6)			81		7		
SG&A expenses	126		150		143		17			(7)			154		11			
Operating income	179	6.1%	200	6.3%	211	6.9%	31	17.4	0.8%	11	5.4	0.6%	230	6.7%	19	9.1	(0.2%)	
Non-operating income	11		12		12		1			0			8		(4)			
Non-operating expenses	8		5		5		(3)			0			4		(1)			
Ordinary income	182	6.2%	207	6.5%	218	7.1%	36	19.6	0.9%	11	5.2	0.6%	234	6.8%	16	7.4	(0.3%)	
Extraordinary income	0		0		0		(0)			0			0		(0)			
Extraordinary losses	5		0		16		10			16			0		(16)			
Income before income taxes	177		207		202		25	14.0		(5)	(2.4)		234		32	15.9		
Income taxes-current	39		51		57		18			6			56		(1)			
Income taxes-deferred	9		13		3		(6)			(10)			18		15			
Net income	129	4.4%	143	4.5%	142	4.6%	13	10.0	0.2%	(1)	(1.0)	0.1%	160	4.7%	18	13.0	0.1%	

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

Consolidated	(100 millions of yen)																								
	A FY2017			B FY2018 (Forecast at the beginning of FY2018)			C FY2018			C-A				C-B				D FY2019 (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	3,740	2,946	794	4,000	3,200	800	3,891	3,071	820	150	125	25	4.0	(109)	(129)	20	(2.7)	4,260	3,420	840	369	349	20	9.5	
Gross profit	402	306	97	430	350	80	455	354	101	53	48	5		25	4	21		484	384	100	29	30	(1)		
(Ratio)	10.8%	10.4%	12.2%	10.8%	10.9%	10.0%	11.7%	11.5%	12.4%	0.9%	1.1%	0.2%		0.9%	0.6%	2.4%		11.4%	11.2%	11.9%	(0.3%)	(0.3%)	(0.5%)		
SG&A expenses	172	126	46	190	150	40	191	143	47	19	17	2		1	(7)	7		204	154	50	13	11	3		
Operating income	230	179	51	240	200	40	265	211	54	34	31	3	14.9	25	11	14	10.3	280	230	50	15	19	(4)	5.8	
(Ratio)	6.2%	6.1%	6.4%	6.0%	6.3%	5.0%	6.8%	6.9%	6.6%	0.6%	0.8%	0.2%		0.8%	0.6%	1.6%		6.6%	6.7%	6.0%	(0.2%)	(0.2%)	(0.6%)		
Non-operating income	5	11	(6)	5	12	(7)	6	12	(6)	1	1	(0)		1	0	1		5	8	(3)	(1)	(4)	3		
Non-operating expenses	9	8	1	5	5	-	5	5	0	(3)	(3)	(0)		0	0	0		5	4	1	(0)	(1)	1		
Ordinary income	227	182	45	240	207	33	266	218	48	39	36	3	17.1	26	11	15	10.6	280	234	46	14	16	(2)	5.4	
(Ratio)	6.1%	6.2%	5.6%	6.0%	6.5%	4.1%	6.8%	7.1%	5.8%	0.7%	0.9%	0.2%		0.8%	0.6%	1.7%		6.6%	6.8%	5.5%	(0.2%)	(0.3%)	(0.3%)		
Extraordinary income	1	0	0	-	-	-	1	0	1	0	(0)	1		1	0	1		-	-	-	(1)	(0)	(1)		
Extraordinary losses	7	5	1	-	-	-	56	16	40	49	10	39		56	16	40		-	-	-	(56)	(16)	(40)		
Income before income taxes	221	177	44	240	207	33	211	202	9	(10)	25	(35)	(4.5)	(29)	(5)	(24)	(12.1)	280	234	46	69	32	37	32.7	
Income taxes-current	54	39	15	62	51	11	73	57	16	20	18	2		11	6	5		71	56	15	(2)	(1)	(1)		
Income taxes-deferred	9	9	0	13	13	-	5	3	1	(5)	(6)	1		(8)	(10)	1		19	18	1	14	15	(0)		
Net income attributable to owners of parent	158	129	29	165	143	22	133	142	(8)	(25)	13	(38)	(15.7)	(32)	(1)	(30)	(19.3)	190	160	30	57	18	38	42.7	
(Ratio)	4.2%	4.4%	3.7%	4.1%	4.5%	2.8%	3.4%	4.6%	(1.0%)	(0.8%)	0.2%	(4.7%)		(0.7%)	0.1%	(3.8%)		4.5%	4.7%	3.6%	1.1%	0.1%	4.6%		

### 【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 FY2017			B FY2018			B-A		
	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
		Consolidated			Consolidated			Consolidated	
Interest and dividends income	1.5	8.3	(6.9)	3.6	10.5	(6.9)	2.2	2.1	0.0
Compensation for damage income	0.9	0.9	-	0.1	0.1	-	(0.8)	(0.8)	-
Other	2.9	1.7	1.2	2.6	1.5	1.0	(0.4)	(0.2)	(0.2)
<b>Non-operating income</b>	<b>5.2</b>	<b>10.9</b>	<b>(5.7)</b>	<b>6.3</b>	<b>12.1</b>	<b>(5.8)</b>	<b>1.1</b>	<b>1.2</b>	<b>(0.2)</b>
Interest expenses	2.4	2.3	0.1	2.3	2.2	0.1	(0.1)	(0.2)	0.1
Commission for syndicate loan	2.2	2.2	-	1.8	1.8	-	(0.4)	(0.4)	-
Capital and business alliance expenses	2.5	2.5	-	0.5	0.5	-	(2.0)	(2.0)	-
Other	1.6	1.2	0.5	0.8	0.6	0.2	(0.9)	(0.6)	(0.3)
<b>Non-operating expenses</b>	<b>8.8</b>	<b>8.3</b>	<b>0.6</b>	<b>5.4</b>	<b>5.1</b>	<b>0.3</b>	<b>(3.4)</b>	<b>(3.2)</b>	<b>(0.2)</b>

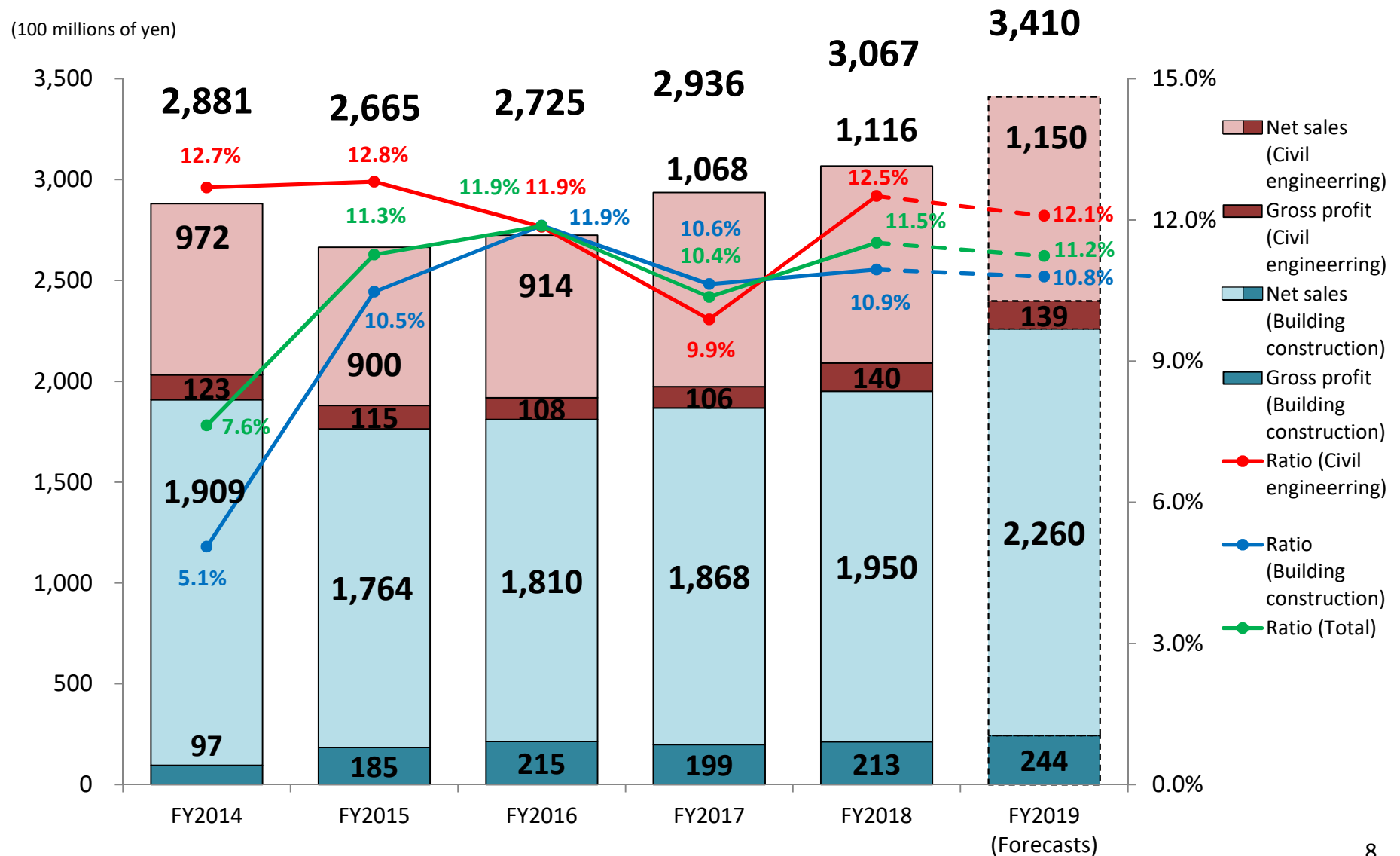
Extraordinary income(Consolidated)

(100 millions of yen)

	A FY2017			B FY2018			B-A		
	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
		Consolidated			Consolidated			Consolidated	
Gain on sales of memberships	0.4	0.4	-	0.0	0.0	-	(0.4)	(0.4)	-
Other	0.2	0.0	0.2	1.1	0.0	1.1	0.8	(0.0)	0.8
<b>Extraordinary income</b>	<b>0.6</b>	<b>0.4</b>	<b>0.2</b>	<b>1.1</b>	<b>0.0</b>	<b>1.1</b>	<b>0.4</b>	<b>(0.4)</b>	<b>0.8</b>
Provision for contingent loss	4.8	4.9	(0.1)	13.5	13.5	-	8.7	8.6	0.1
Provision for loss on anti-monopoly act	-	-	-	39.3	-	39.3	39.3	-	39.3
Loss on litigation	0.5	0.1	0.4	1.3	1.3	-	0.8	1.1	(0.4)
Compensation for damage	0.2	0.2	-	0.7	0.7	-	0.6	0.6	-
Other	1.0	0.2	0.8	0.7	0.4	0.3	(0.3)	0.2	(0.5)
<b>Extraordinary losses</b>	<b>6.5</b>	<b>5.4</b>	<b>1.1</b>	<b>55.5</b>	<b>15.9</b>	<b>39.6</b>	<b>49.0</b>	<b>10.5</b>	<b>38.5</b>

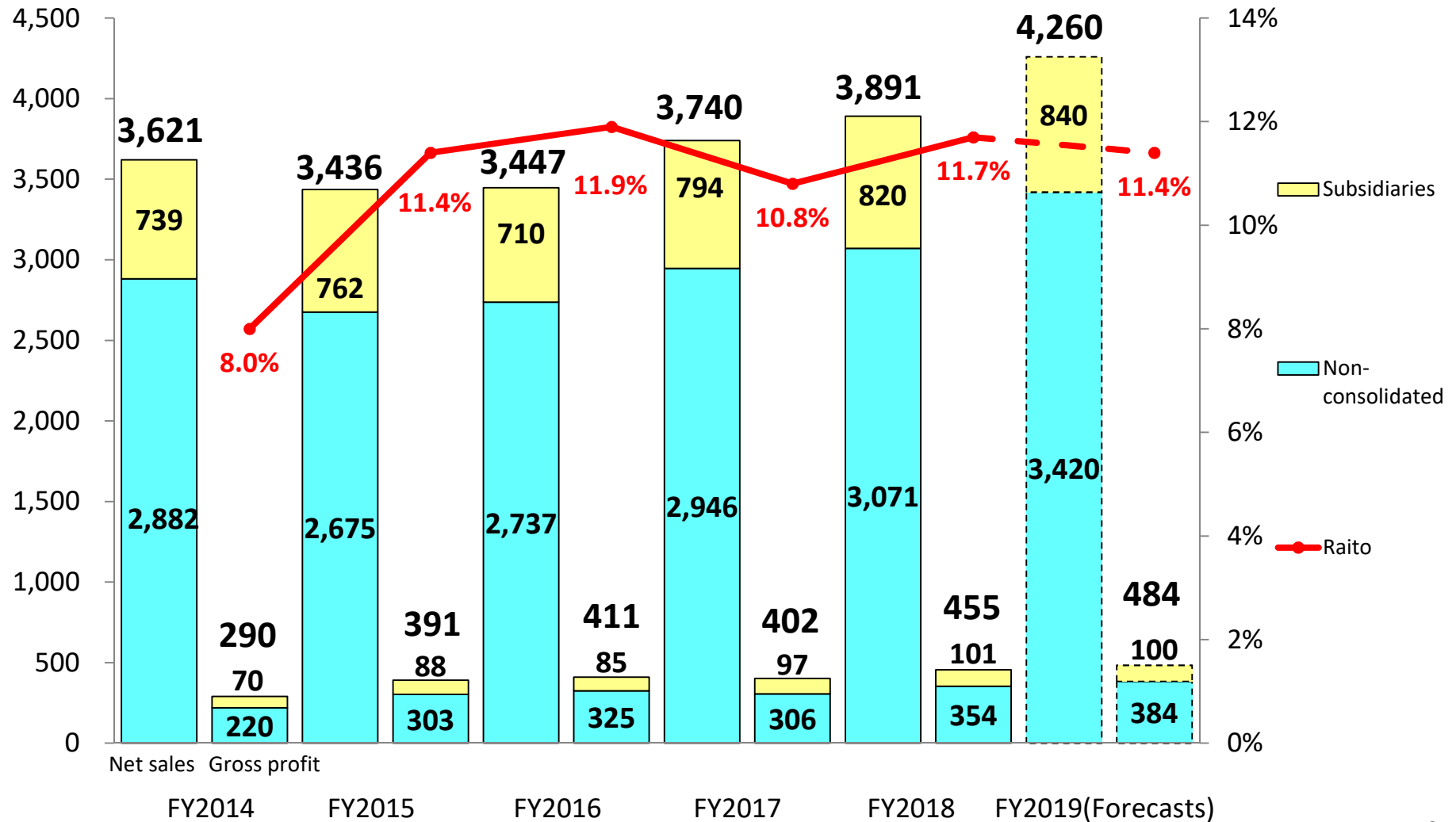


### 3.Net Sales and Gross Profit(Non-Consolidated) Change(Domestic)

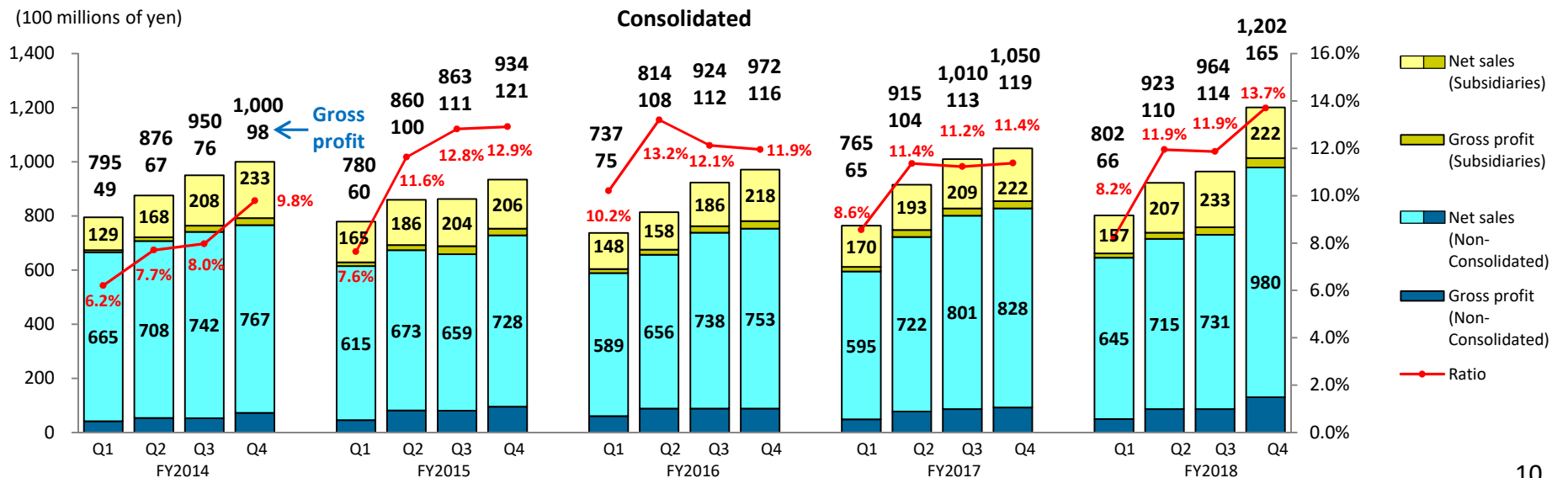
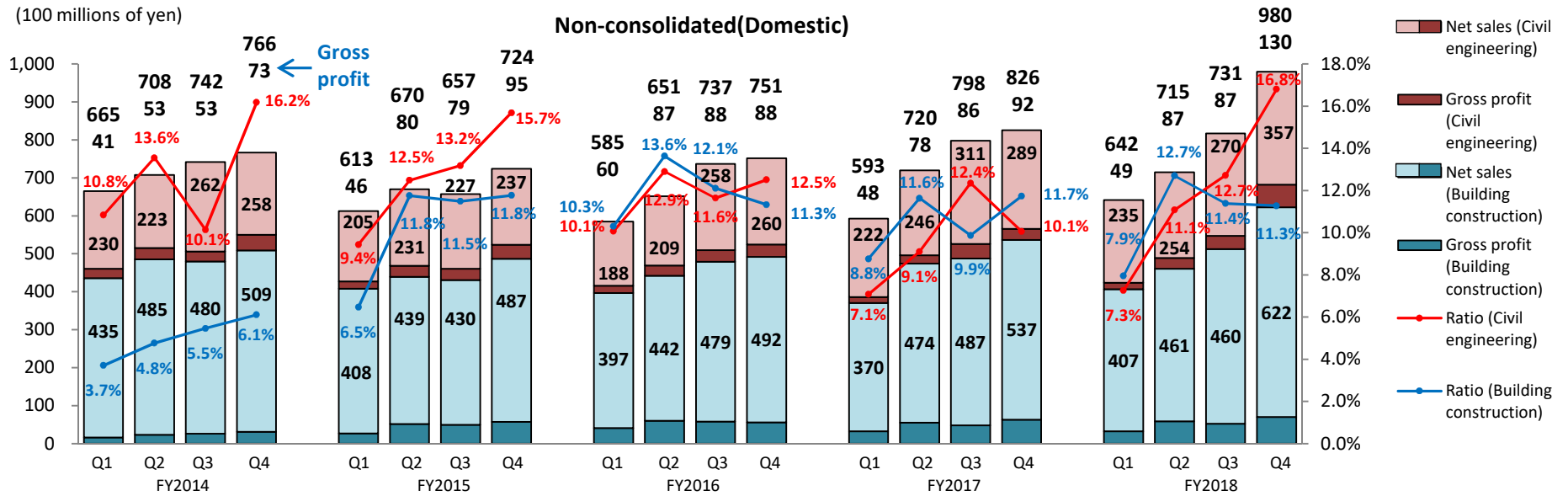


## 4. Net Sales and Gross Profit(Consolidated) Change

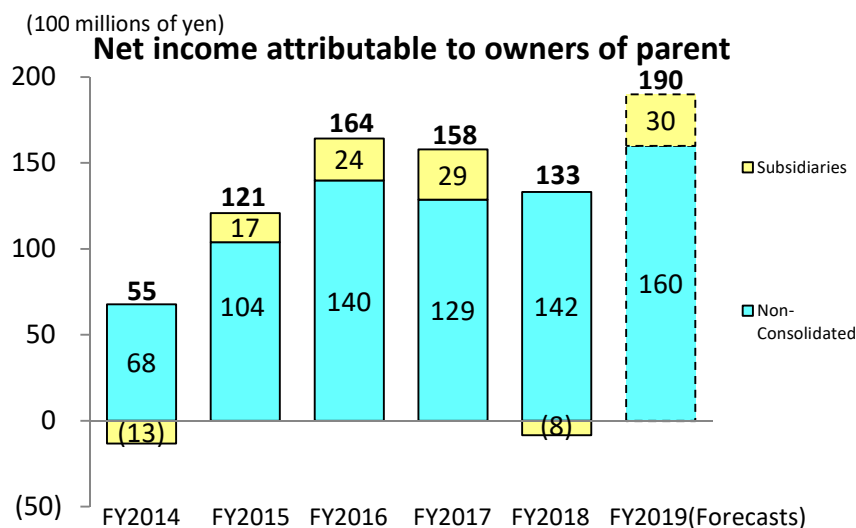
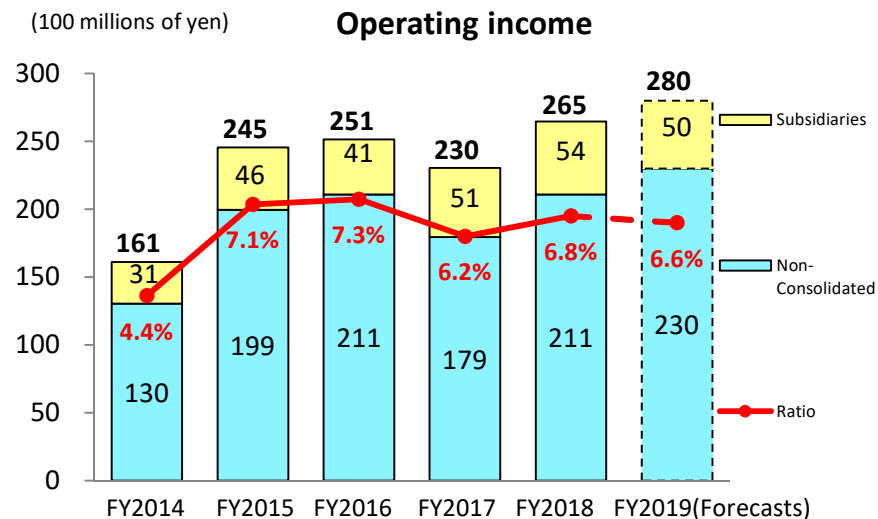
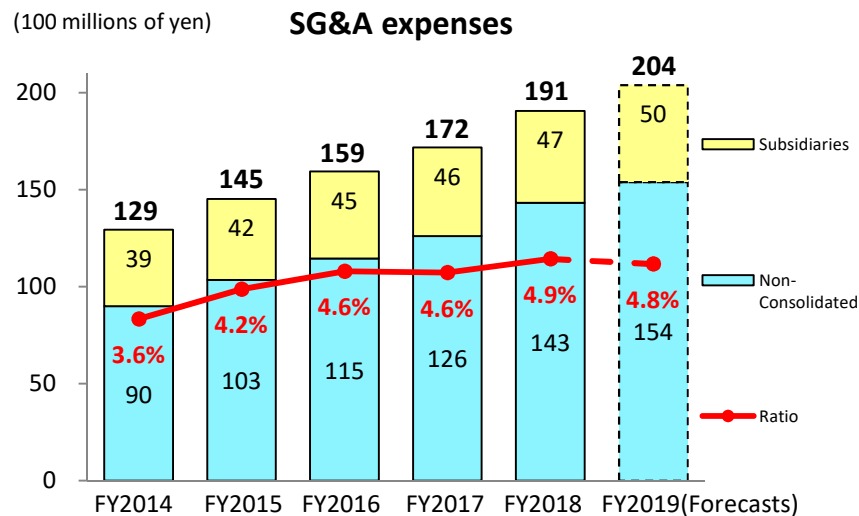
(100 millions of yen)



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



## 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 FY2017			B FY2018			B-A		
	Consolidated	Non- Consolidated	Subsidiaries	Consolidated	Non- Consolidated	Subsidiaries	Consolidated	Non- Consolidated	Subsidiaries
Cash and deposits	1,085	914	172	824	630	194	(261)	(284)	23
Notes receivable,accounts receivable from completed construction contracts and other	1,393	1,128	265	1,757	1,491	266	364	363	1
Costs on uncompleted construction contracts	69	60	9	73	59	14	4	(0)	4
Accounts receivable	122	140	(18)	157	169	(12)	35	29	7
Other	73	67	6	70	63	7	(3)	(4)	1
Allowance for doubtful accounts	(2)	(1)	(0)	(2)	(2)	(0)	(0)	(0)	(0)
<b>Total current assets</b>	<b>2,741</b>	<b>2,307</b>	<b>433</b>	<b>2,879</b>	<b>2,411</b>	<b>468</b>	<b>139</b>	<b>104</b>	<b>35</b>
Buildings and structures	59	24	35	67	30	38	8	6	3
Land	105	77	28	146	117	29	41	40	1
Other	31	11	20	35	16	19	4	6	(1)
<b>Total property,plant and equipment</b>	<b>195</b>	<b>111</b>	<b>84</b>	<b>248</b>	<b>163</b>	<b>86</b>	<b>53</b>	<b>51</b>	<b>2</b>
<b>Intangible assets</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>(0)</b>
Investment securities and stocks of subsidiaries and affiliates	244	265	(21)	244	262	(18)	1	(3)	3
Other	154	114	40	161	110	51	7	(5)	12
Allowance for doubtful accounts	(3)	(1)	(2)	(2)	(0)	(2)	1	1	0
<b>Total investments and other assets</b>	<b>395</b>	<b>378</b>	<b>17</b>	<b>404</b>	<b>372</b>	<b>32</b>	<b>8</b>	<b>(7)</b>	<b>15</b>
<b>Total non-current assets</b>	<b>595</b>	<b>492</b>	<b>102</b>	<b>657</b>	<b>538</b>	<b>119</b>	<b>62</b>	<b>45</b>	<b>17</b>
Share issuance cost	1	1	-	1	1	-	(0)	(0)	-
<b>Total deferred assets</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>	<b>-</b>
<b>Total assets</b>	<b>3,337</b>	<b>2,801</b>	<b>536</b>	<b>3,537</b>	<b>2,950</b>	<b>588</b>	<b>201</b>	<b>149</b>	<b>52</b>

## 7. Balance Sheet-2(Consolidated) Liabilities and Net Assets

### Liabilities and net assets(Consolidated)

(100 millions of yen)

	A FY2017			B FY2018			B-A		
	Consolidated	Non- Consolidated	Subsidiaries	Consolidated	Non- Consolidated	Subsidiaries	Consolidated	Non- Consolidated	Subsidiaries
Notes payable, accounts payable for construction contracts and other	760	582	179	869	665	204	109	83	25
Electronically recorded obligations – operating	293	293	–	332	332	(0)	39	39	(0)
Short-term loans payable	41	39	2	30	28	2	(11)	(10)	(0)
Income taxes payable	29	25	4	48	45	3	19	20	(0)
Advances received on uncompleted construction contracts	215	201	15	147	135	13	(68)	(66)	(2)
Deposits received	207	191	16	194	178	16	(13)	(13)	0
Provision for contingent loss	113	113	0	107	107	0	(6)	(6)	0
Provision for loss on anti-monopoly act	–	–	–	39	–	39	39	–	39
Provision for bonuses	39	25	14	39	26	13	(0)	1	(1)
Other	81	68	13	105	92	13	24	24	0
<b>Total current liabilities</b>	<b>1,778</b>	<b>1,536</b>	<b>242</b>	<b>1,911</b>	<b>1,608</b>	<b>304</b>	<b>133</b>	<b>71</b>	<b>62</b>
Long-term loans payable	104	103	1	98	98	0	(6)	(5)	(0)
Net defined benefit liability	167	134	33	165	132	33	(2)	(2)	(0)
Other	24	23	1	14	12	2	(10)	(11)	1
<b>Total non-current liabilities</b>	<b>294</b>	<b>260</b>	<b>34</b>	<b>277</b>	<b>242</b>	<b>35</b>	<b>(18)</b>	<b>(18)</b>	<b>1</b>
<b>Total liabilities</b>	<b>2,073</b>	<b>1,797</b>	<b>276</b>	<b>2,188</b>	<b>1,850</b>	<b>339</b>	<b>115</b>	<b>53</b>	<b>62</b>
Total shareholders' equity	1,236	978	258	1,325	1,075	250	89	97	(8)
Total accumulated other comprehensive income	28	26	1	24	24	(0)	(4)	(2)	(2)
<b>Total net assets</b>	<b>1,264</b>	<b>1,004</b>	<b>259</b>	<b>1,349</b>	<b>1,100</b>	<b>249</b>	<b>85</b>	<b>95</b>	<b>(10)</b>
<b>Total liabilities and net assets</b>	<b>3,337</b>	<b>2,801</b>	<b>536</b>	<b>3,537</b>	<b>2,950</b>	<b>588</b>	<b>201</b>	<b>149</b>	<b>52</b>
(Capital adequacy ratio)	37.9%	35.9%	48.4%	38.1%	37.3%	42.4%	+0.2%	+1.4%	(6.0%)

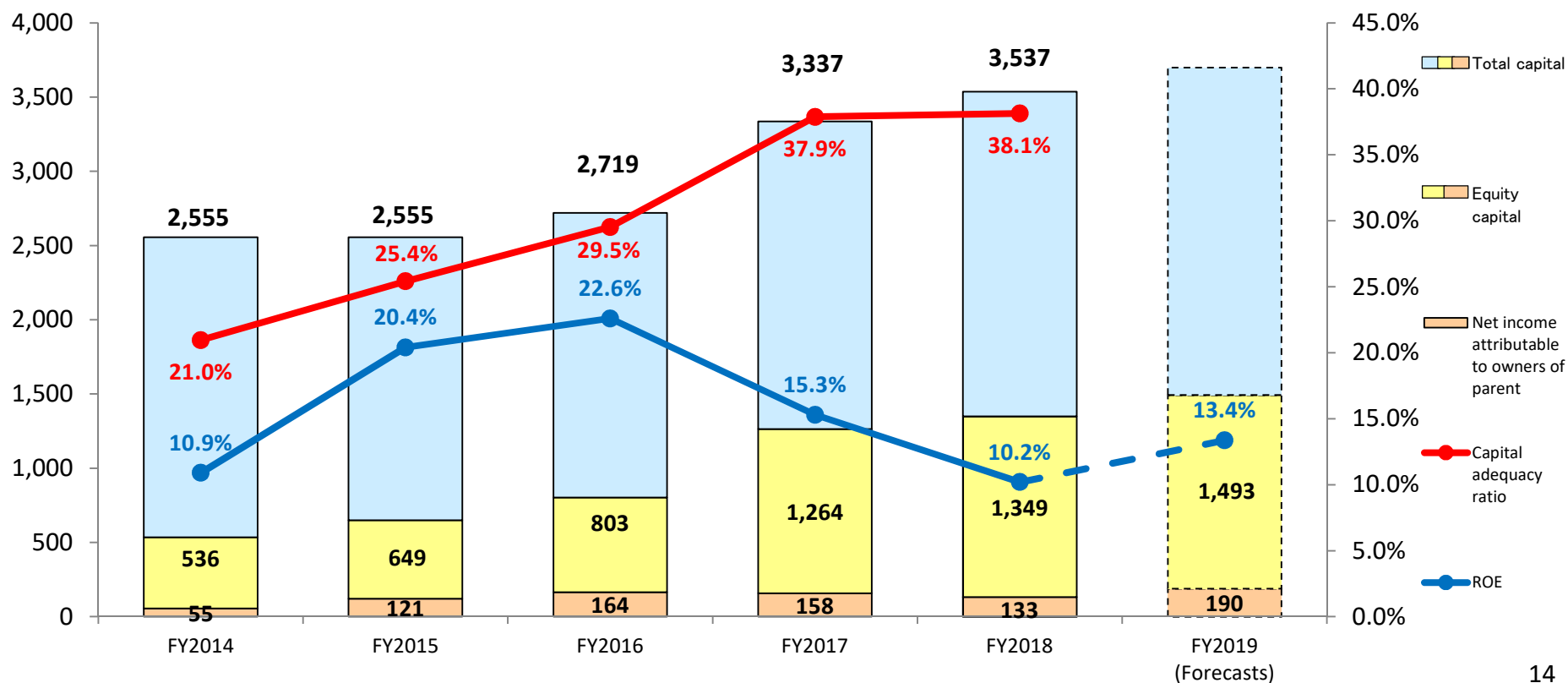
## 8. Equity Capital(Consolidated) Change

Equity capital(Consolidated)

(100 millions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecasts)
Equity capital	536	649	803	1,264	1,349	1,493
Total capital	2,555	2,555	2,719	3,337	3,537	-
Capital adequacy ratio	21.0%	25.4%	29.5%	37.9%	38.1%	-
Net income attributable to owners of parent	55	121	164	158	133	190
ROE	10.9%	20.4%	22.6%	15.3%	10.2%	13.4%

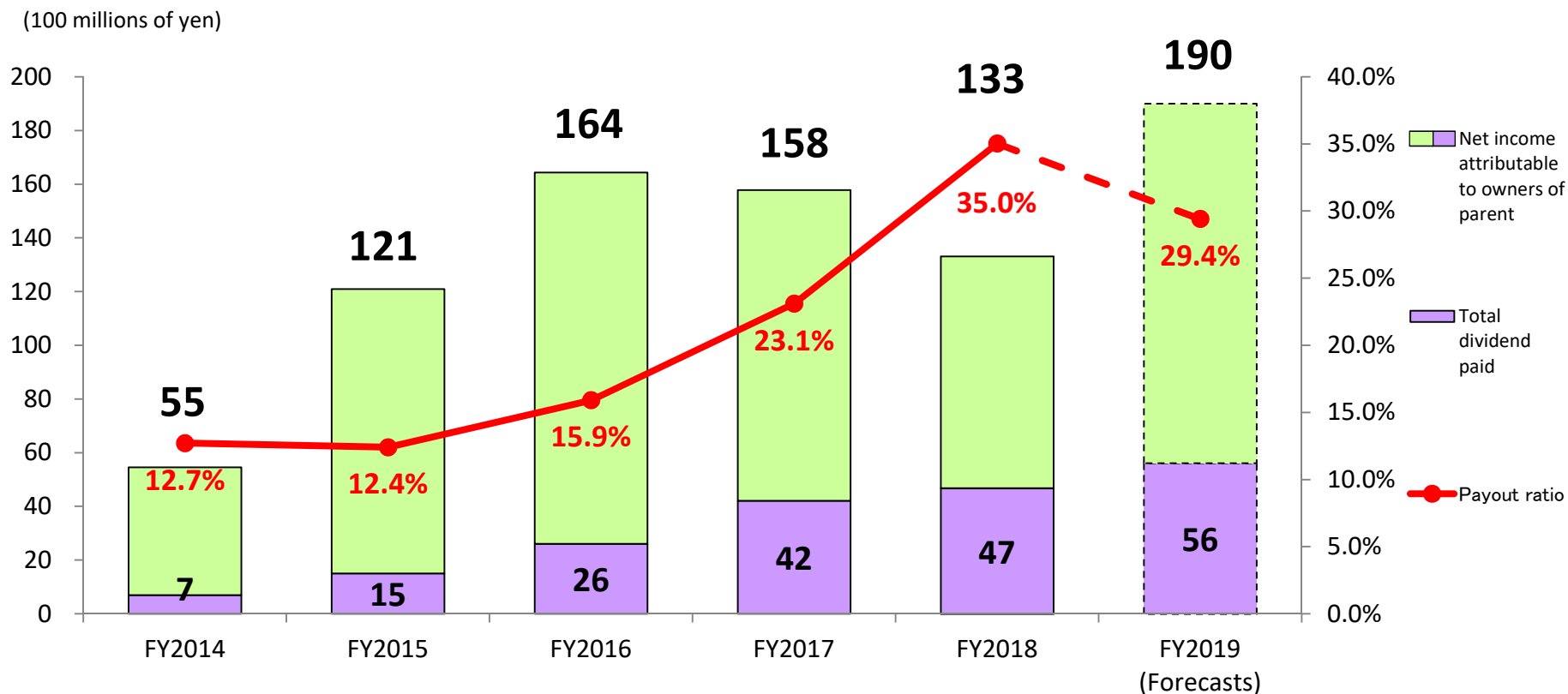
(100 millions of yen)



## 9.Dividend(Consolidated) Change

Dividend	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecasts)
	(100 millions of yen)					
Number of shares issued	377,544,607 shares	377,544,607 shares	377,544,607 shares	46,805,660 shares	46,805,660 shares	46,805,660 shares
Number of treasury stocks	2,727,273 shares	2,794,454 shares	3,097,013 shares	22,471 shares	36,826 shares	36,826 shares
Dividend per share	2.00 yen	4.00 yen	7.00 yen	90.00 yen	100.00 yen	120.00 yen
Total dividend paid	7	15	26	42	47	56
Net income attributable to owners of parent	55	121	164	158	133	190
Basic earnings per share	15.72 yen	32.36 yen	43.99 yen	389.63 yen	285.49 yen	407.71 yen
Payout ratio	12.7%	12.4%	15.9%	23.1%	35.0%	29.4%

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



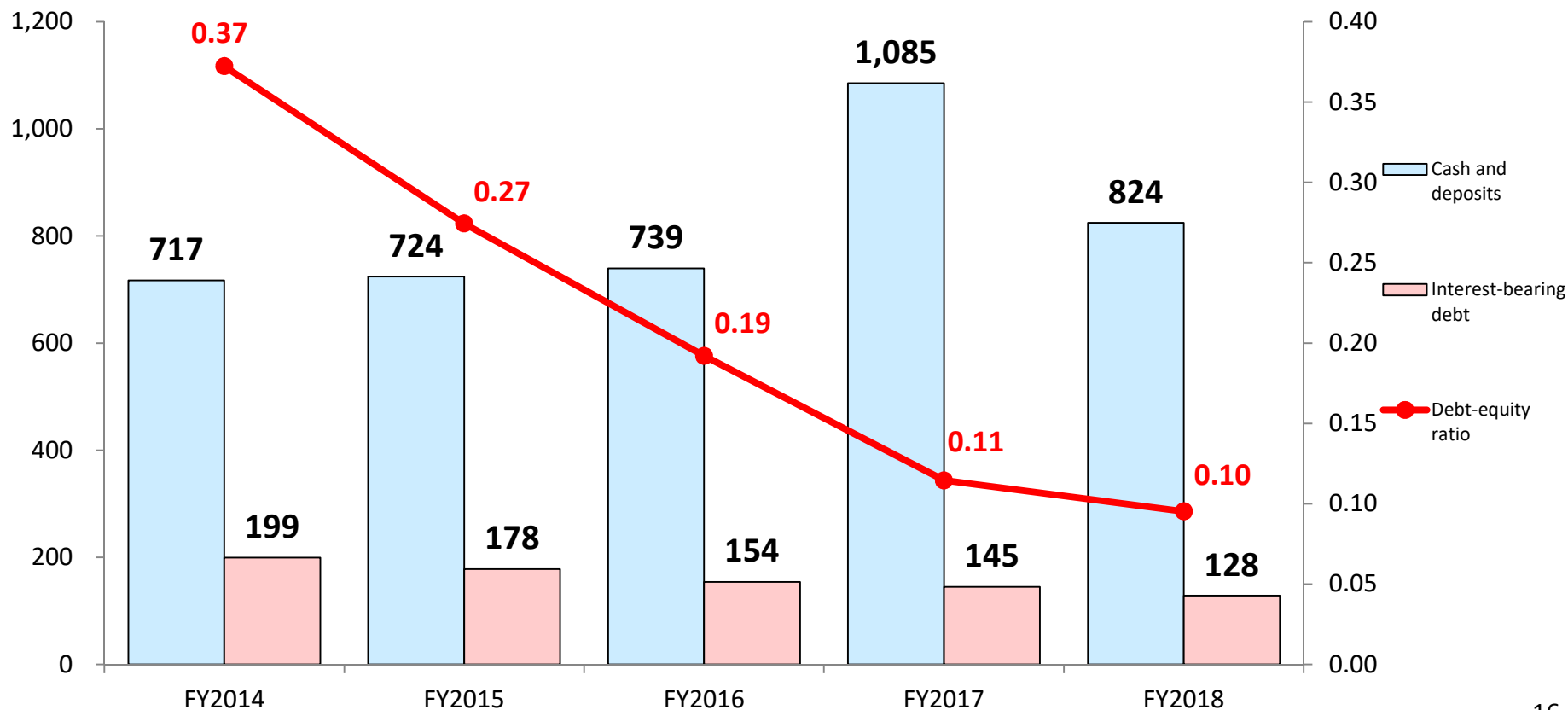


## 10. Interest-Bearing Debt (Consolidated) Change

Interest-bearing debt (100 millions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018
Interest-bearing debt	199	178	154	145	128
Debt-equity ratio	0.37	0.27	0.19	0.11	0.10

(100 millions of yen)



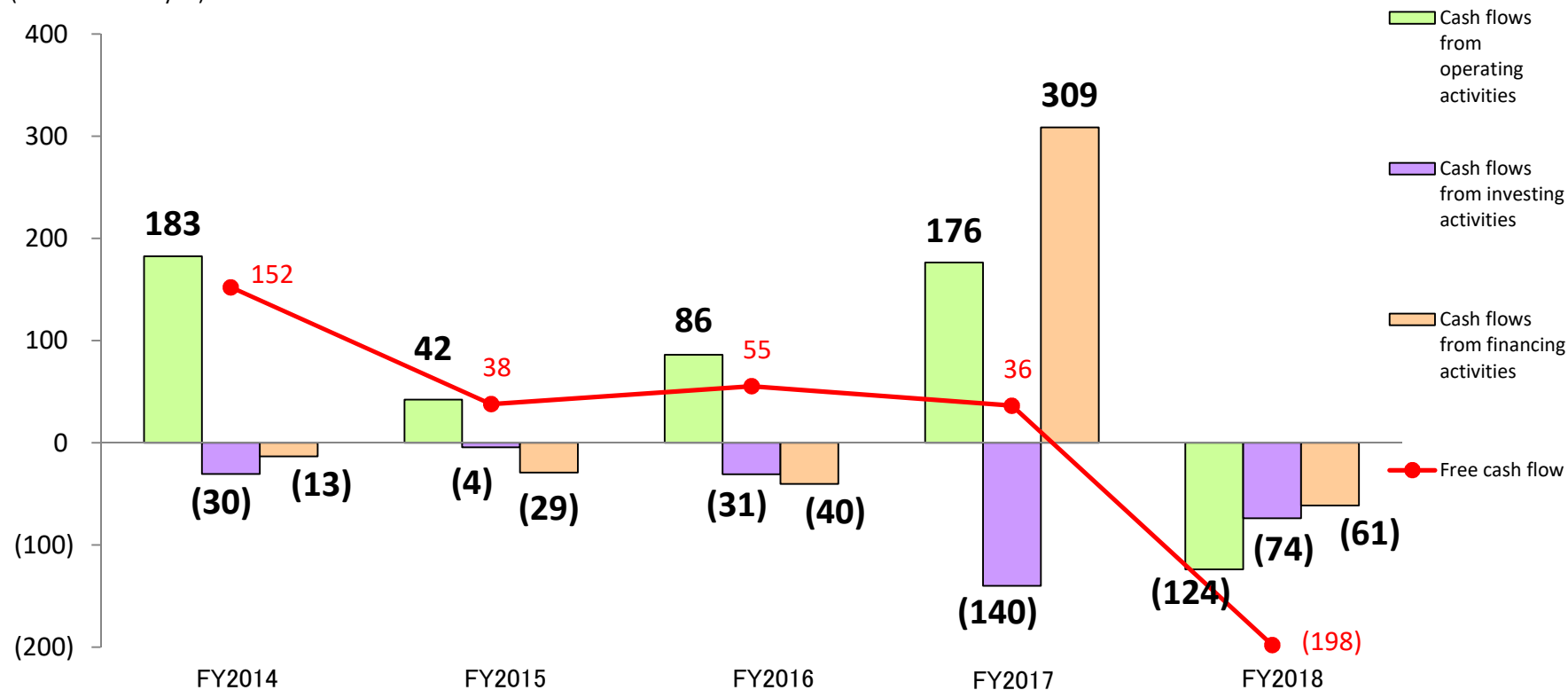
# 11.Cash Flows(Consolidated) Change

## Cash Flows

(100 millions of yen)

	FY2014	FY2015	FY2016	FY2017	FY2018
Cash flows from operating activities	183	42	86	176	(124)
Cash flows from investing activities	(30)	(4)	(31)	(140)	(74)
Cash flows from financing activities	(13)	(29)	(40)	309	(61)

(100 millions of yen)



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

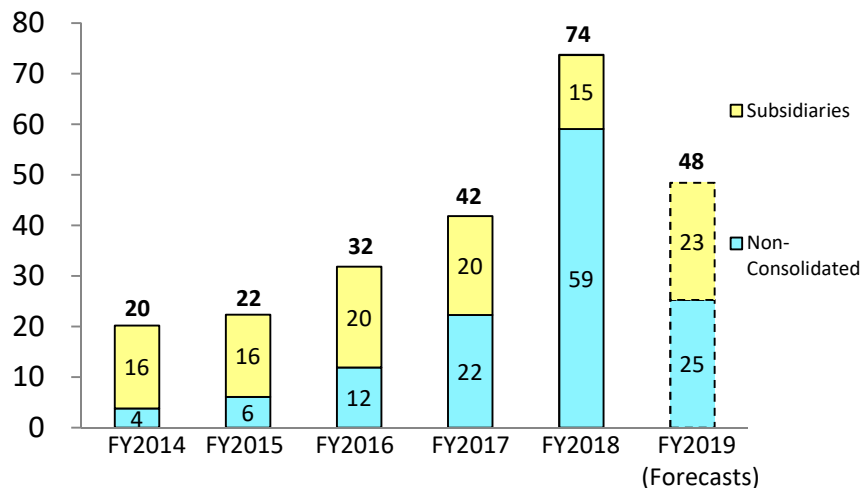
Capital investment and other (100 millions of yen)

	FY2014	FY2015	FY2016
Capital investment	20	22	32
Depreciation	10	13	13
Research and development expense	13	15	18

	FY2017	FY2018	FY2019 (Forecasts)
Capital investment	42	74	48
Depreciation	17	19	22
Research and development expense	20	23	28

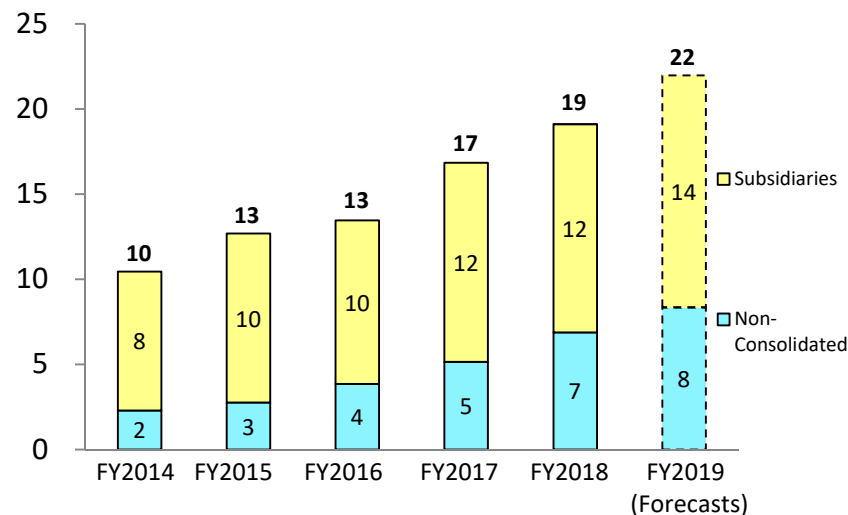
(100 millions of yen)

Capital investment



(100 millions of yen)

Depreciation



(100 millions of yen)

Research and development expense

