

Financial Results FY2019 2nd Quarter

November 19,2019



Kumagai Gumi Co.,Ltd.



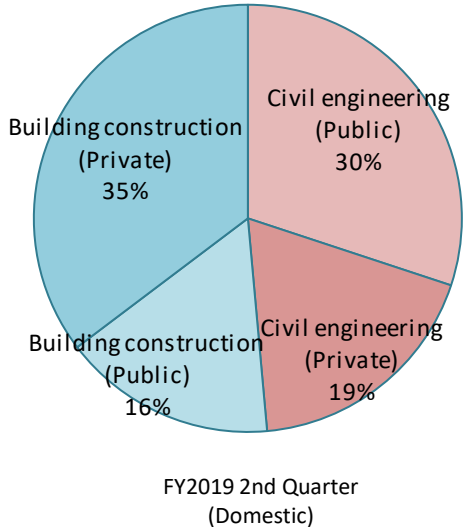
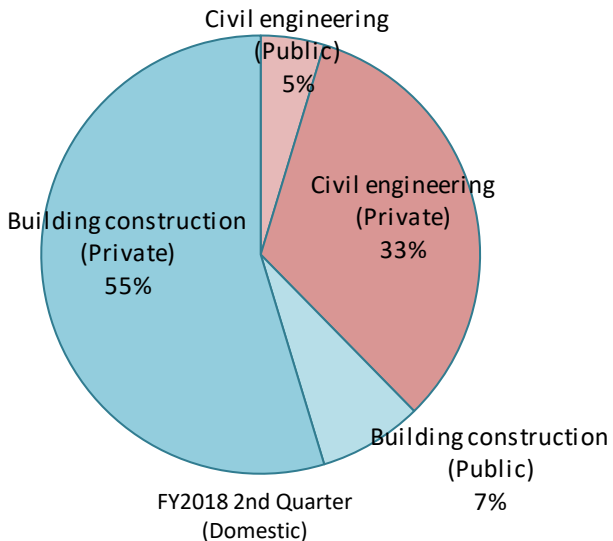
1.Orders Received-1(Non-Consolidated) Result and Forecasts

Non-consolidated

(100 millions of yen)

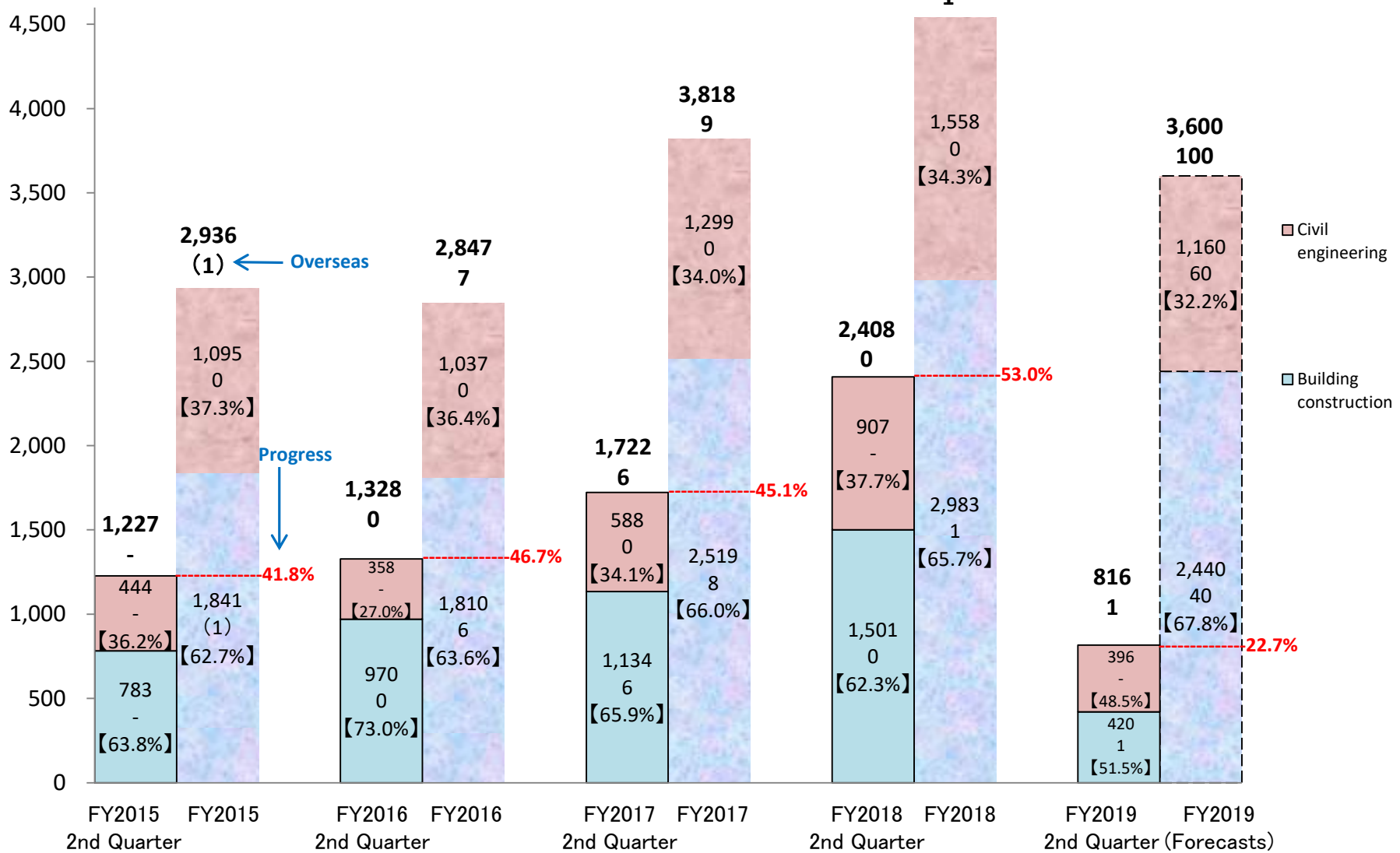
		A	B	B-A		
		FY2018	FY2019			
		2nd Quarter	2nd Quarter	%		
Orders received	Civil engineering	Public	113	245	133	117.9
		Private	794	151	(644)	(81.0)
	Civil engineering		907	396	(511)	(56.3)
	Building construction	Public	184	131	(53)	(28.7)
		Private	1,316	288	(1,029)	(78.1)
	Building construction		1,501	419	(1,081)	(72.1)
	Domestic		2,408	815	(1,592)	(66.1)
	Overseas		0	1	1	301.9
	Orders received		2,408	816	(1,591)	(66.1)

		C	D	D-C		
		FY2018	FY2019			
			(Forecasts)	%		
Orders received	Civil engineering	455	630	175	38.4	
		1,102	470	(632)	(57.4)	
	Civil engineering		1,558	1,100	(458)	(29.4)
	Building construction	312	300	(12)	(3.9)	
		2,669	2,100	(569)	(21.3)	
	Building construction		2,981	2,400	(581)	(19.5)
	Domestic		4,539	3,500	(1,039)	(22.9)
	Overseas		1	100	99	-
	Orders received		4,540	3,600	(940)	(20.7)



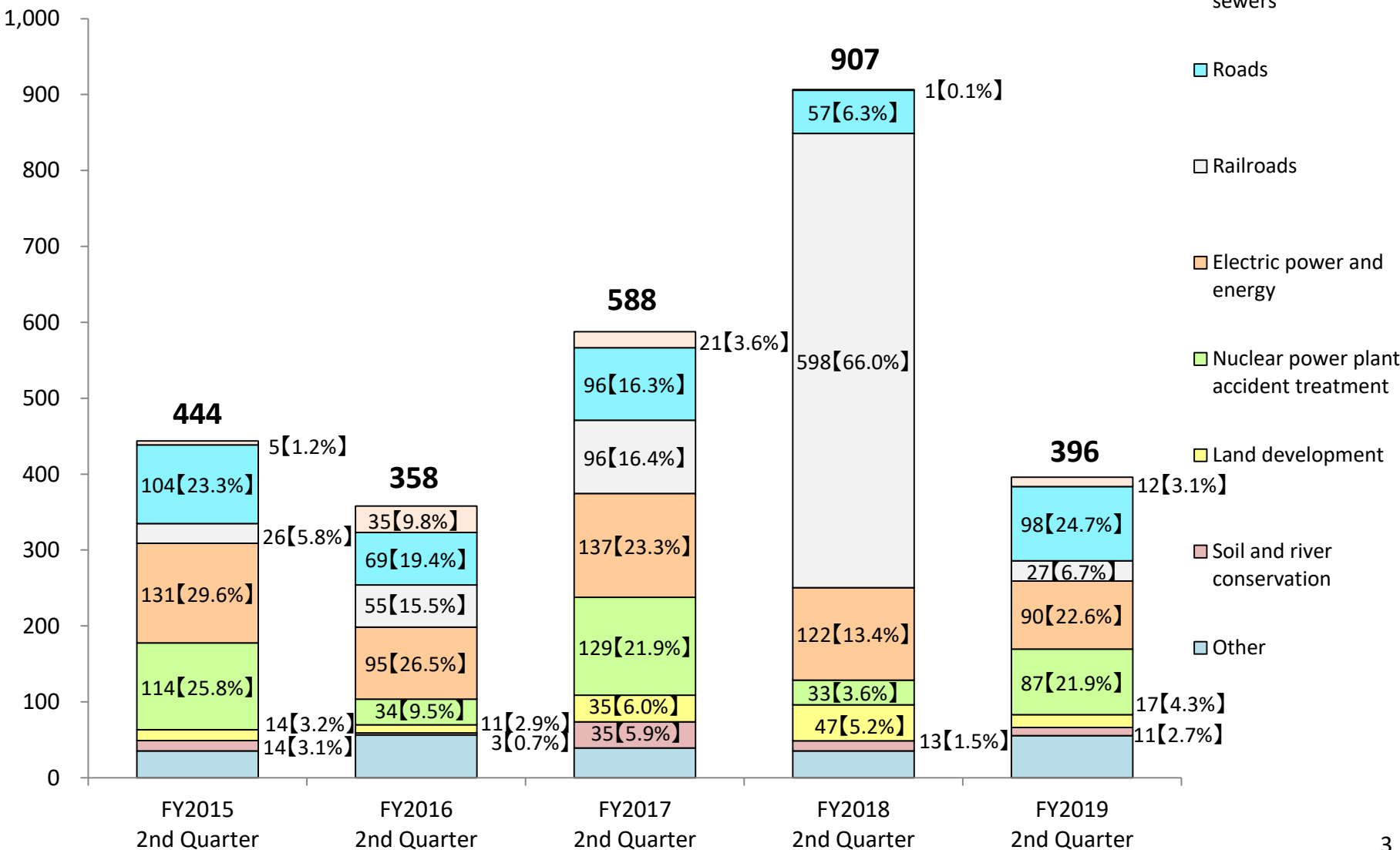
1.Orders Received-2(Non-Consolidated) Change

Orders received
(100 millions of yen)



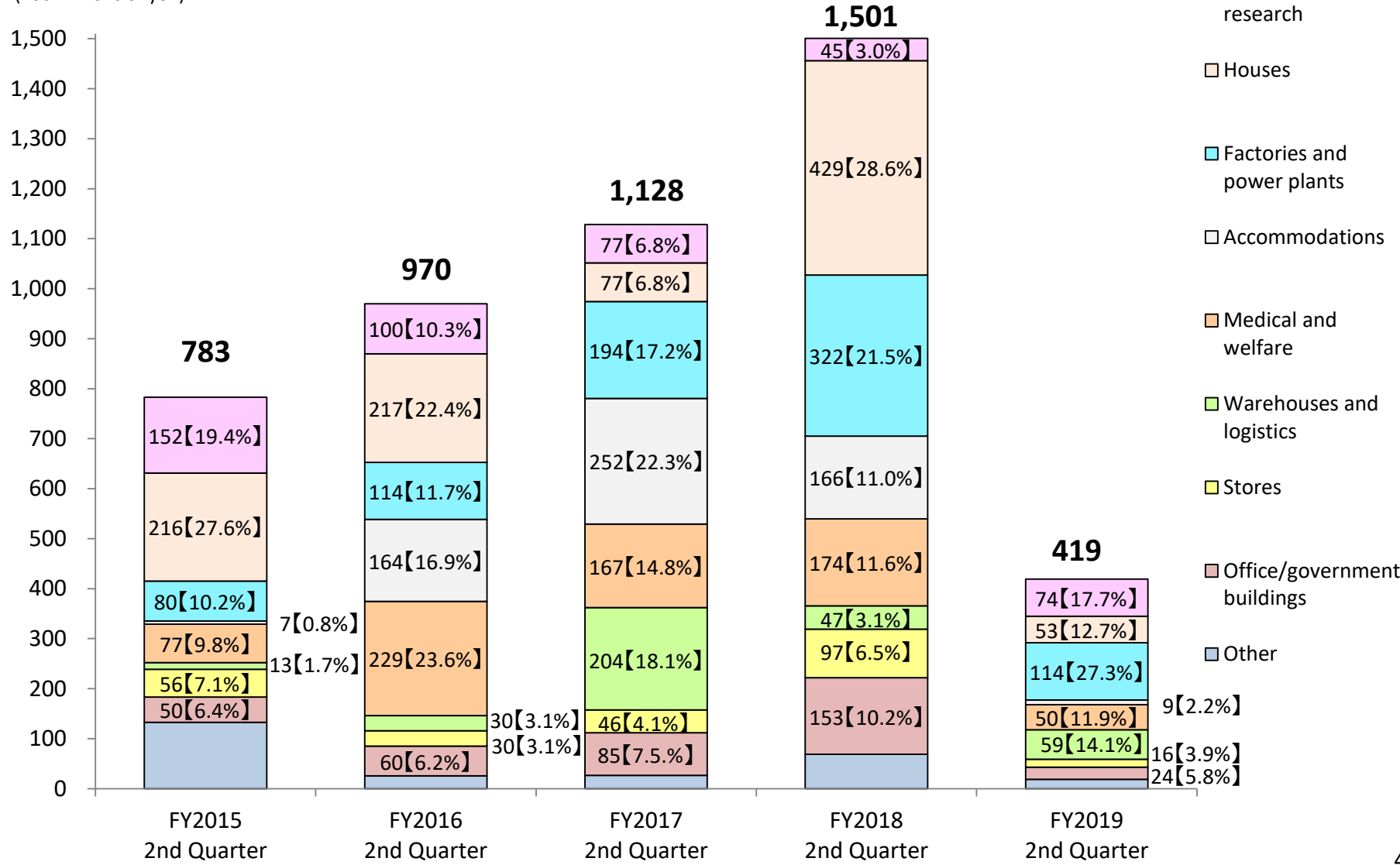
1.Orders Received-3(Non-Consolidated) Change(Domestic Civil Engineering)

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	
		FY2018 2nd Quarter		FY2019 2nd Quarter			
		Ratio	Ratio	%	Ratio		
	Civil engineering	489		568		80	16.3
	Building construction	868		1,036		169	19.4
	Domestic	1,357		1,605		248	18.3
	Overseas	4		1		(3)	(74.6)
Net sales		1,361		1,606		245	18.0
	Civil engineering	45	9.2%	55	9.7%	10	0.5%
	Building construction	91	10.5%	94	9.1%	4	(1.4)%
	Domestic	136	10.0%	150	9.3%	14	(0.7)%
	Overseas	0	11.3%	0	10.8%	(0)	(0.5)%
Gross profit		137	10.0%	150	9.3%	13	9.7 (0.7)%
SG&A expenses	Personnel	35		37		2	
	Nonpersonnel	35		35		1	
SG&A expenses		69		72		3	
Operating income		67	4.9%	78	4.8%	11	16.0 (0.1)%
Non-operating income		10		6		(3)	
Non-operating expenses		3		2		(2)	
Ordinary income		73	5.4%	82	5.1%	9	12.1 (0.3)%
Extraordinary income		0		-		(0)	
Extraordinary losses		14		1		(12)	
Profit before income taxes		60		81		21	35.5
Income taxes-current		15		13		(2)	
Income taxes-deferred		3		12		9	
Profit		42	3.1%	56	3.5%	13	31.7 0.4%

		C		D		D-C	
		FY2018		FY2019 (Forecasts)			
		Ratio	Ratio	%	Ratio		
		1,116		1,150		34	3.0
		1,950		2,260		310	15.9
		3,067		3,410		343	11.2
		4		10		6	140.7
Net sales		3,071		3,420		349	11.4
		140	12.5%	139	12.1%	(1)	(0.4)%
		213	10.9%	244	10.8%	31	(0.1)%
		353	11.5%	383	11.2%	30	(0.3)%
		1	20.4%	1	10.0%	0	(10.4)%
Gross profit		354	11.5%	384	11.2%	30	8.5 (0.3)%
		69		73		4	
		74		81		7	
SG&A expenses		143		154		11	
Operating income		211	6.9%	230	6.7%	19	9.1 (0.2)%
Non-operating income		12		8		(4)	
Non-operating expenses		5		4		(1)	
Ordinary income		218	7.1%	234	6.8%	16	7.4 (0.3)%
Extraordinary income		0		0		(0)	
Extraordinary losses		16		1		(15)	
Profit before income taxes		202		233		31	15.4
Income taxes-current		57		55		(2)	
Income taxes-deferred		3		18		15	
Profit		142	4.6%	160	4.7%	18	13.0 0.1%

2.Statement of Income-2(Consolidated)

Result and Forecasts

Consolidated

(100 millions of yen)

	A FY2018 2nd Quarter			B FY2019 2nd Quarter			B-A			
	Consolidated	Non-Consolidated	Subsidiaries	Consolidated	Non-Consolidated	Subsidiaries	Consolidated	Non-Consolidated	Subsidiaries	%
	Net sales	1,725	1,361	364	2,001	1,606	395	276	245	30
Gross profit	176	137	40	193	150	43	17	13	3	
(Ratio)	10.2%	10.0%	10.9%	9.6%	9.3%	10.9%	(0.6)%	(0.7)%	0.0%	
SG&A expenses	94	69	25	97	72	25	3	3	0	
Operating income	82	67	15	96	78	18	14	11	3	17.2
(Ratio)	4.8%	4.9%	4.1%	4.8%	4.8%	4.7%	0.0%	(0.1)%	0.6%	
Non-operating income	3	10	(7)	4	6	(2)	2	(3)	5	
Non-operating expenses	3	3	0	2	2	0	(2)	(2)	(0)	
Ordinary income	81	73	8	99	82	16	17	9	8	21.4
(Ratio)	4.7%	5.4%	2.2%	4.9%	5.1%	4.1%	0.2%	(0.3)%	1.9%	
Extraordinary income	0	0	0	13	-	13	13	(0)	13	
Extraordinary losses	14	14	0	1	1	0	(12)	(12)	(0)	
Profit before income taxes	68	60	8	110	81	29	43	21	22	63.1
Income taxes-current	19	15	4	19	13	6	0	(2)	2	
Income taxes-deferred	4	3	1	13	12	0	9	9	(1)	
Profit attributable to owners of parent	45	42	3	79	56	23	34	13	21	75.9
(Ratio)	2.6%	3.1%	0.7%	4.0%	3.5%	5.9%	1.4%	0.4%	5.2%	

	C FY2018			D FY2019 (Forecasts)			D-C			
	Consolidated	Non-Consolidated	Subsidiaries	Consolidated	Non-Consolidated	Subsidiaries	Consolidated	Non-Consolidated	Subsidiaries	%
	Net sales	3,891	3,071	820	4,260	3,420	840	369	349	20
Gross profit	455	354	101	484	384	100	29	30	(1)	
(Ratio)	11.7%	11.5%	12.4%	11.4%	11.2%	11.9%	(0.3)%	(0.3)%	(0.5)%	
SG&A expenses	191	143	47	204	154	50	13	11	3	
Operating income	265	211	54	280	230	50	15	19	(4)	5.8
(Ratio)	6.8%	6.9%	6.6%	6.6%	6.7%	6.0%	(0.2)%	(0.2)%	(0.6)%	
Non-operating income	6	12	(6)	5	8	(3)	(1)	(4)	3	
Non-operating expenses	5	5	0	5	4	1	(0)	(1)	1	
Ordinary income	266	218	48	280	234	46	14	16	(2)	5.4
(Ratio)	6.8%	7.1%	5.8%	6.6%	6.8%	5.5%	(0.2)%	(0.3)%	(0.3)%	
Extraordinary income	1	0	1	13	0	13	12	(0)	12	
Extraordinary losses	56	16	40	1	1	0	(55)	(15)	(40)	
Profit before income taxes	211	202	9	292	233	59	81	31	50	38.3
Income taxes-current	73	57	16	70	55	15	(3)	(2)	(1)	
Income taxes-deferred	5	3	1	19	18	1	14	15	(0)	
Profit attributable to owners of parent	133	142	(8)	203	160	43	70	18	51	52.5
(Ratio)	3.4%	4.6%	(1.0)%	4.8%	4.7%	5.1%	1.4%	0.1%	6.1%	

【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 2nd Quarter			B FY2019 2nd Quarter			B-A		
		Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
			Consolidated			Consolidated			Consolidated	
	Interest and dividend income	2.0	8.9	(6.9)	2.1	5.3	(3.1)	0.1	(3.6)	3.8
	Share of profit of entities accounted for using equity method	0.0	-	0.0	1.4	-	1.4	1.4	-	1.4
	Other	0.7	0.8	(0.1)	0.9	1.0	(0.1)	0.2	0.2	(0.0)
Non-operating income		2.7	9.7	(7.0)	4.4	6.3	(1.9)	1.7	(3.4)	5.1
	Interest expenses	1.2	1.1	0.1	1.0	1.0	0.0	(0.2)	(0.2)	(0.0)
	Commission for syndicate loan	1.7	1.7	-	0.2	0.2	-	(1.5)	(1.5)	-
	Amortization of share issuance cost	0.2	0.2	-	0.2	0.2	-	-	-	-
	Other	0.4	0.3	0.1	0.5	0.4	0.1	0.1	0.1	0.0
	Non-operating expenses	3.5	3.4	0.1	1.9	1.8	0.1	(1.6)	(1.6)	(0.0)

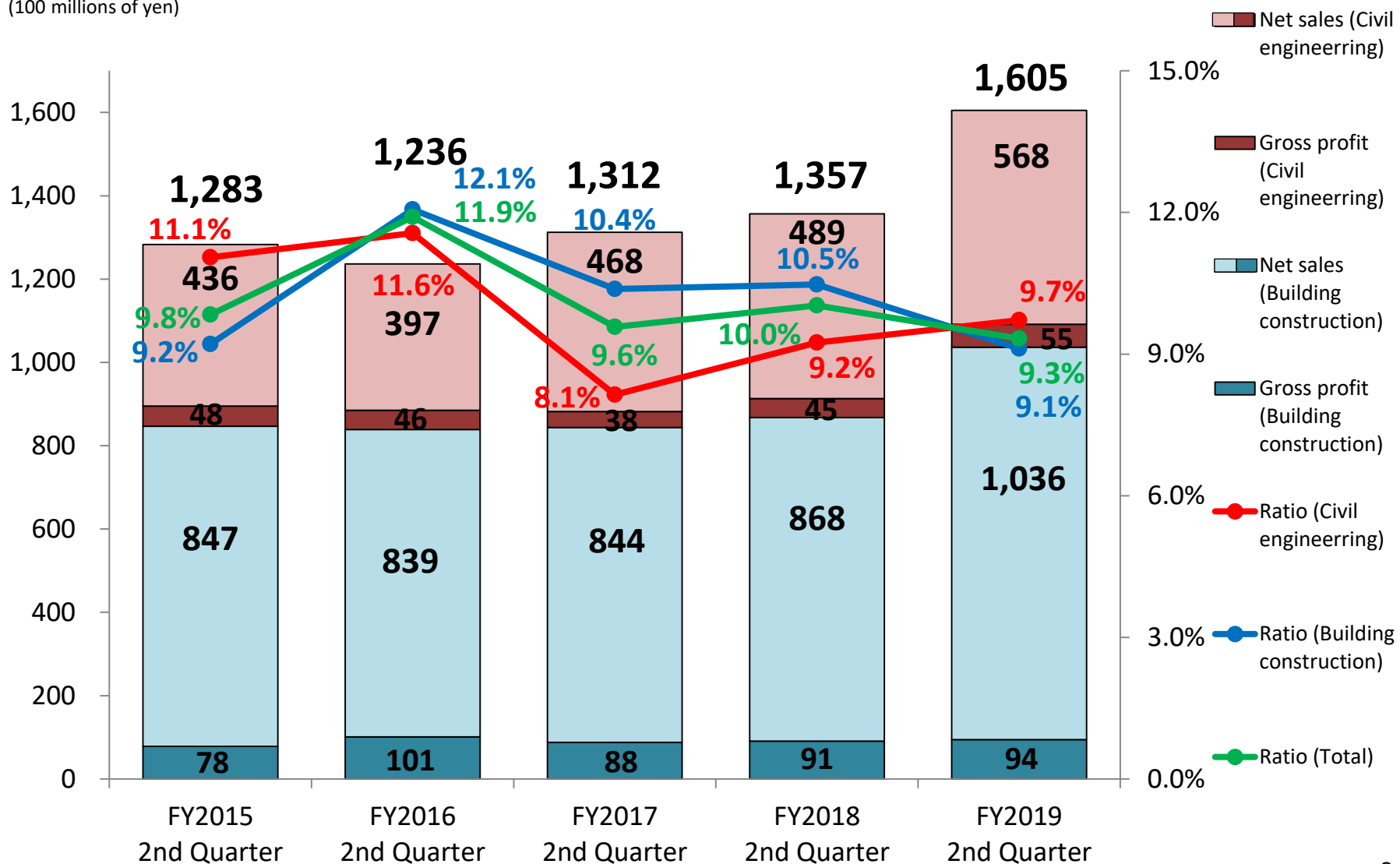
Extraordinary income(Consolidated)

(100 millions of yen)

		A FY2018 2nd Quarter			B FY2019 2nd Quarter			B-A		
		Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
			Consolidated			Consolidated			Consolidated	
	Gain on sales of non-current assets	0.1	-	0.1	0.0	-	0.0	(0.1)	-	(0.1)
	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		0.1	0.0	0.1	13.2	-	13.2	13.0	(0.0)	13.0
	Loss on retirement of non-current assets	0.1	0.0	0.1	0.1	0.0	0.1	(0.0)	(0.0)	(0.0)
	Compensation for damage	-	-	-	1.2	1.2	-	1.2	1.2	-
	Provision for contingent loss	13.5	13.5	-	-	-	-	(13.5)	(13.5)	-
	Other	0.1	0.1	(0.0)	0.1	0.1	0.0	(0.0)	(0.0)	0.0
	Extraordinary losses	13.7	13.6	0.1	1.4	1.3	0.1	(12.3)	(12.3)	(0.0)

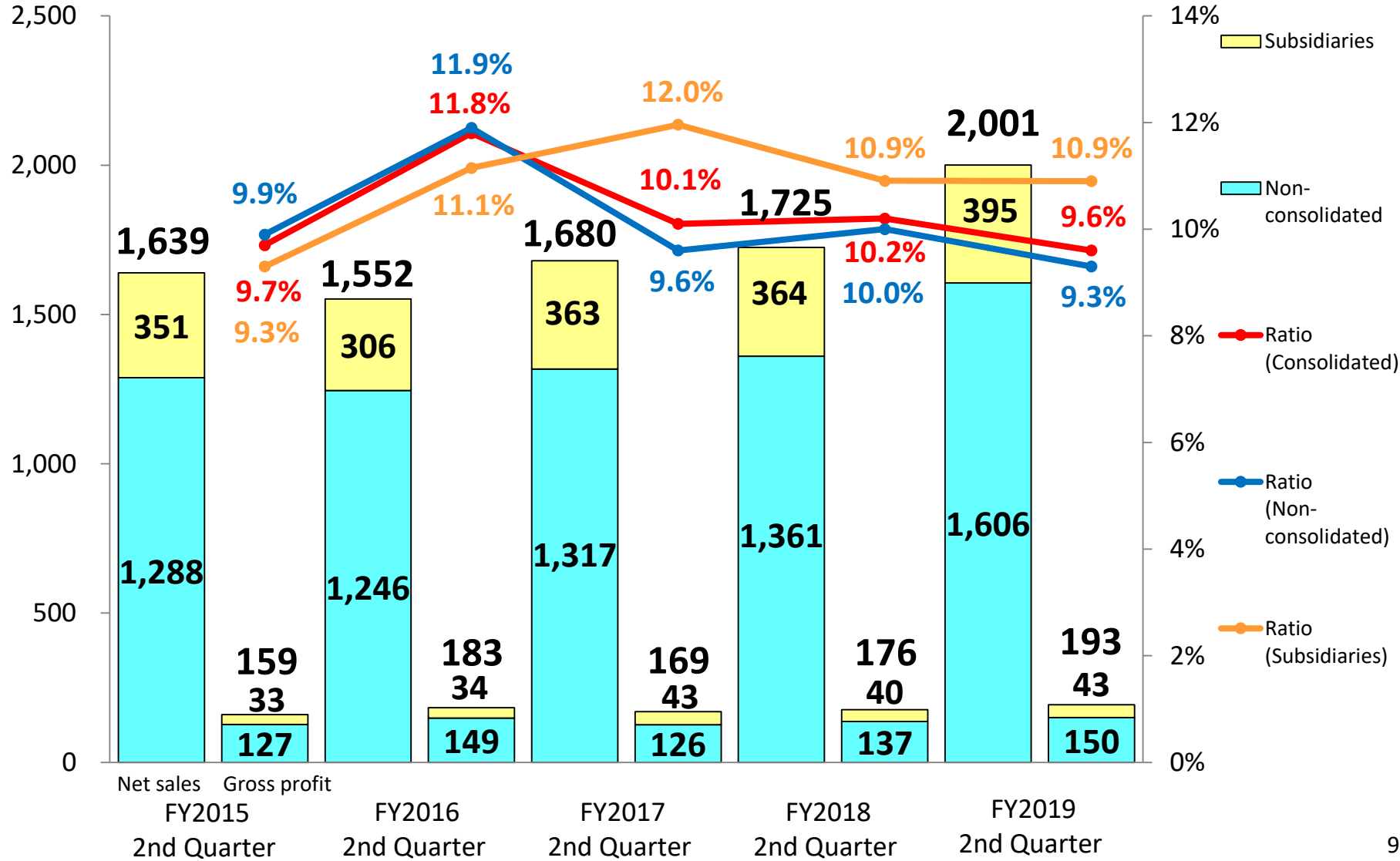
3.Net Sales and Gross Profit(Non-Consolidated) Change(Domestic)

Net sales
(100 millions of yen)



4. Net Sales and Gross Profit(Consolidated) Change

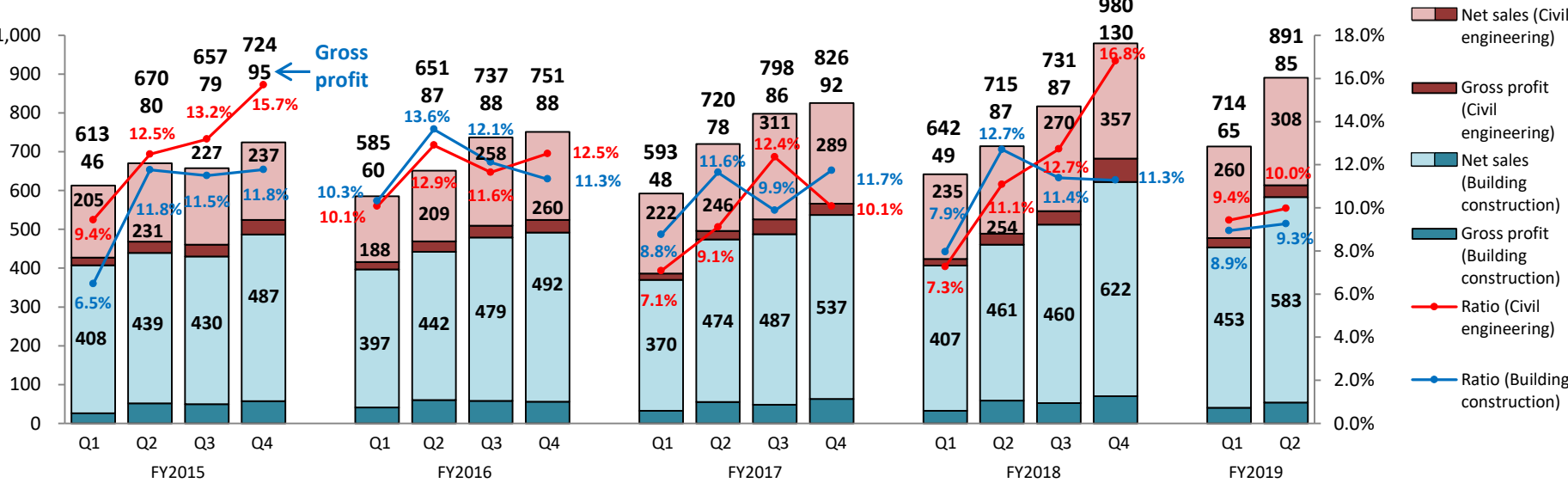
Net sales
(100 millions of yen)



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

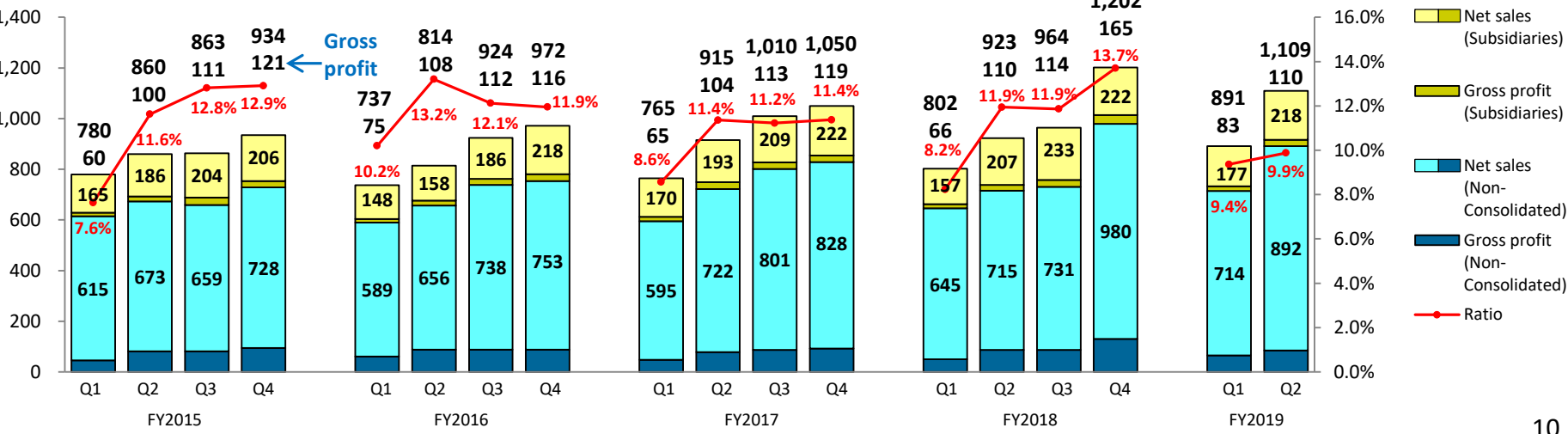
Net sales (100 millions of yen)

Non-consolidated(Domestic)

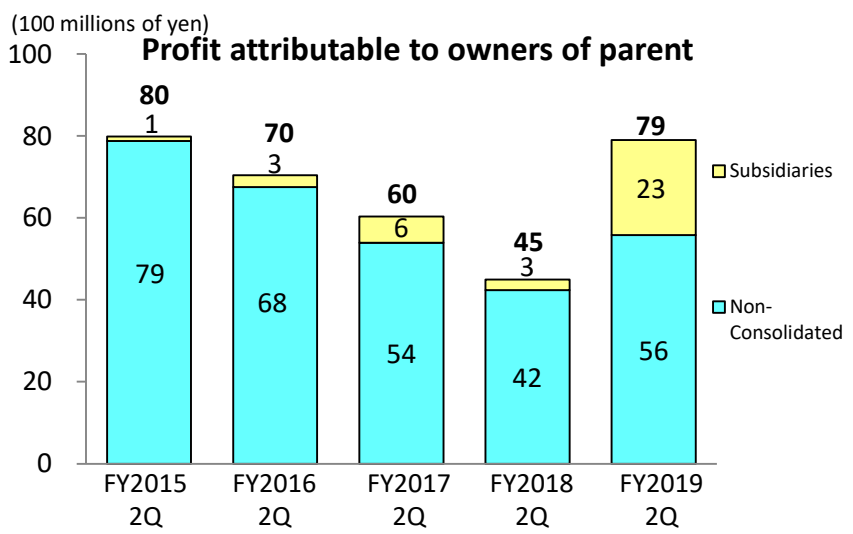
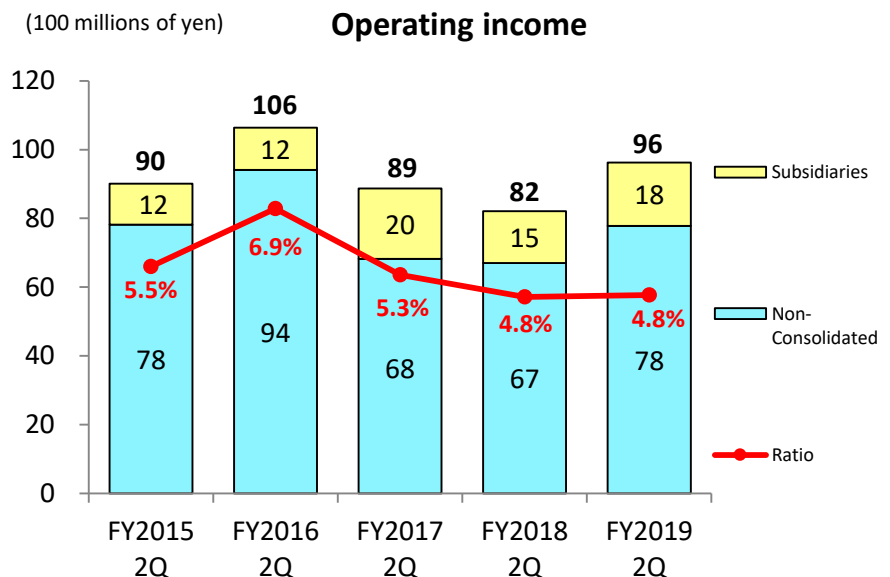
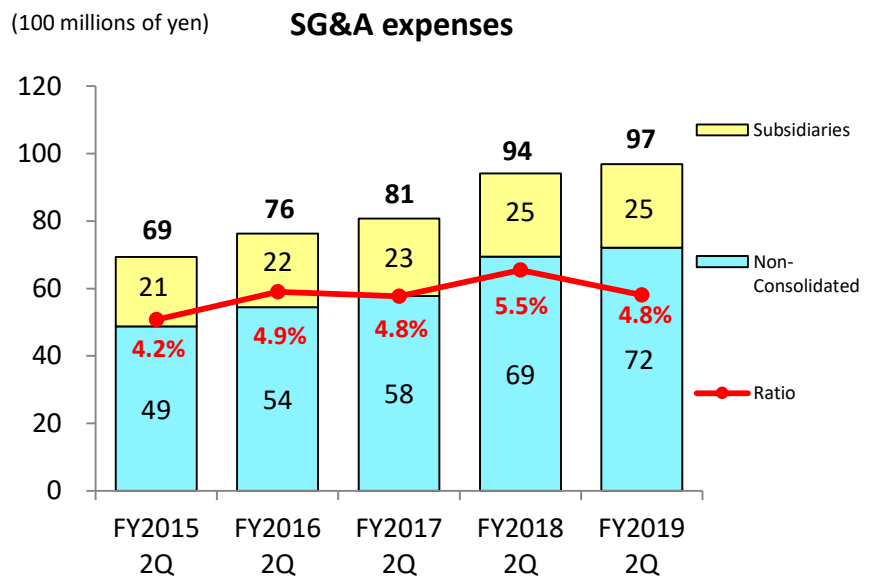


Net sales (100 millions of yen)

Consolidated



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 FY2018			B FY2019 2nd Quarter			B-A		
	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
		Consolidated			Consolidated			Consolidated	
Cash and deposits	824	630	194	887	682	205	62	52	10
Notes receivable,accounts receivable from completed construction contracts and other	1,757	1,491	266	1,491	1,262	229	(266)	(229)	(37)
Costs on uncompleted construction contracts	73	59	14	65	55	10	(8)	(5)	(3)
Accounts receivable	157	169	(12)	161	169	(8)	4	0	4
Other	70	63	7	84	76	9	14	13	2
Allowance for doubtful accounts	(2)	(2)	(0)	(2)	(1)	(0)	0	0	0
Total current assets	2,879	2,411	468	2,687	2,242	445	(193)	(169)	(24)
Buildings and structures, net	67	30	38	76	38	38	8	9	(0)
Land	146	117	29	148	118	30	2	2	0
Other	35	16	19	28	10	18	(7)	(7)	(0)
Total property,plant and equipment	248	163	86	251	166	85	3	3	(0)
Intangible assets	5	3	1	5	4	1	0	0	(0)
Investment securities and stocks of subsidiaries and affiliates	244	262	(18)	239	262	(23)	(6)	(0)	(5)
Other	161	110	51	147	97	50	(14)	(13)	(1)
Allowance for doubtful accounts	(2)	(0)	(2)	(2)	(0)	(2)	0	0	0
Total investments and other assets	404	372	32	384	359	25	(19)	(13)	(7)
Total non-current assets	657	538	119	641	528	112	(16)	(9)	(7)
Share issuance cost	1	1	-	1	1	-	(0)	(0)	-
Total deferred assets	1	1	-	1	1	-	(0)	(0)	-
Total assets	3,537	2,950	588	3,328	2,771	557	(209)	(179)	(31)

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-	Subsidiaries	Consolidated	Non-	Subsidiaries	Consolidated	Non-	Subsidiaries
Consolidated		Consolidated			Consolidated			Consolidated	
Notes payable, accounts payable for construction contracts and other	869	665	204	744	584	160	(125)	(81)	(43)
Electronically recorded obligations – operating	332	332	(0)	242	242	–	(90)	(90)	0
Short-term loans payable	30	28	2	32	30	2	2	2	(0)
Income taxes payable	48	45	3	22	19	3	(27)	(26)	(1)
Advances received on uncompleted construction contracts	147	135	13	164	145	18	16	11	6
Deposits received	194	178	16	274	253	20	79	75	4
Provision for contingent loss	107	107	0	91	90	0	(17)	(17)	–
Provision for loss on anti-monopoly act	39	–	39	26	–	26	(13)	–	(13)
Provision for bonuses	39	26	13	33	20	13	(6)	(6)	0
Other	105	92	13	66	58	8	(39)	(34)	(5)
Total current liabilities	1,911	1,608	304	1,693	1,442	251	(218)	(166)	(52)
Long-term loans payable	98	98	0	92	91	0	(7)	(7)	(0)
Retirement benefit liability / Provision for retirement benefits	165	132	33	164	132	32	(1)	0	(1)
Other	14	12	2	4	2	2	(10)	(10)	(0)
Total non-current liabilities	277	242	35	259	225	34	(18)	(17)	(1)
Total liabilities	2,188	1,850	339	1,952	1,667	285	(236)	(183)	(53)
Total shareholders' equity	1,325	1,075	250	1,357	1,084	273	32	9	23
Total accumulated other comprehensive income	24	24	(0)	18	19	(1)	(6)	(5)	(1)
Total net assets	1,349	1,100	249	1,375	1,104	272	27	4	23
Total liabilities and net assets	3,537	2,950	588	3,328	2,771	557	(209)	(179)	(31)

(Capital adequacy ratio)

38.1% 37.3% 42.4%

41.3% 39.8% 48.8%

+3.2% +2.5% +6.4%

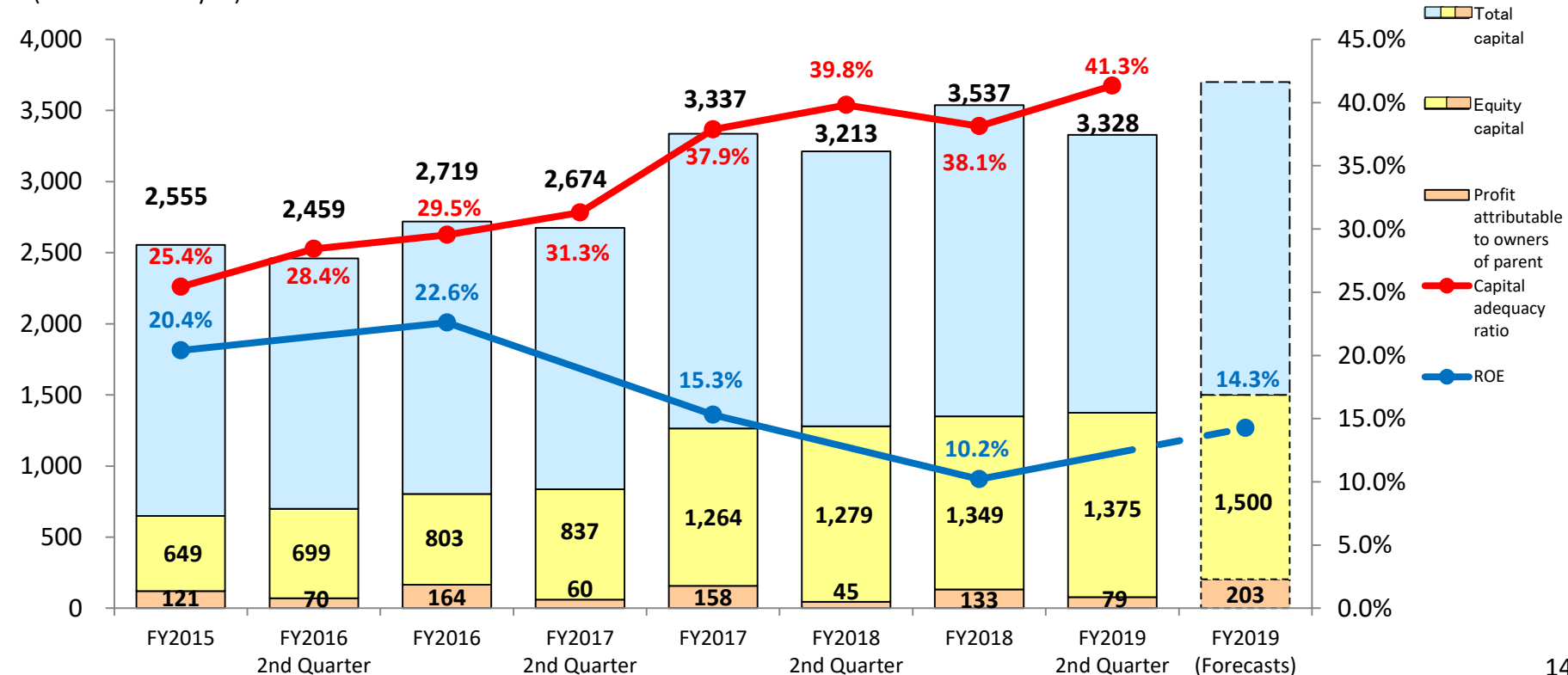
8.Equity Capital(Consolidated) Change

Equity capital(Consolidated)

(100 millions of yen)

	FY2015	FY2016 2Q	FY2016	FY2017 2Q	FY2017	FY2018 2Q	FY2018	FY2019 2Q	FY2019 (Forecasts)
Equity capital	649	699	803	837	1,264	1,279	1,349	1,375	1,500
Total capital	2,555	2,459	2,719	2,674	3,337	3,213	3,537	3,328	-
Capital adequacy ratio	25.4%	28.4%	29.5%	31.3%	37.9%	39.8%	38.1%	41.3%	-
Profit attributable to owners of parent	121	70	164	60	158	45	133	79	203
ROE	20.4%	-	22.6%	-	15.3%	-	10.2%	-	14.3%

(100 millions of yen)



9.Dividend(Consolidated) Change

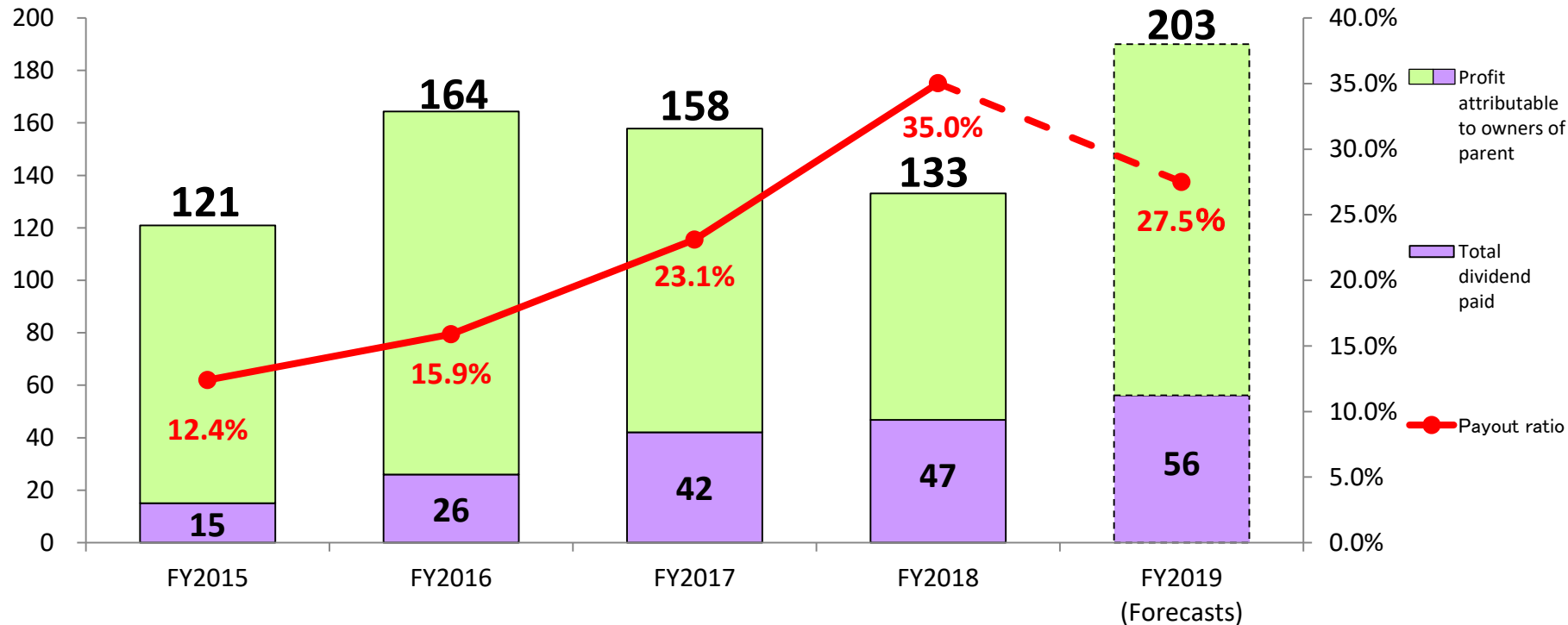
Dividend

(100 millions of yen)

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

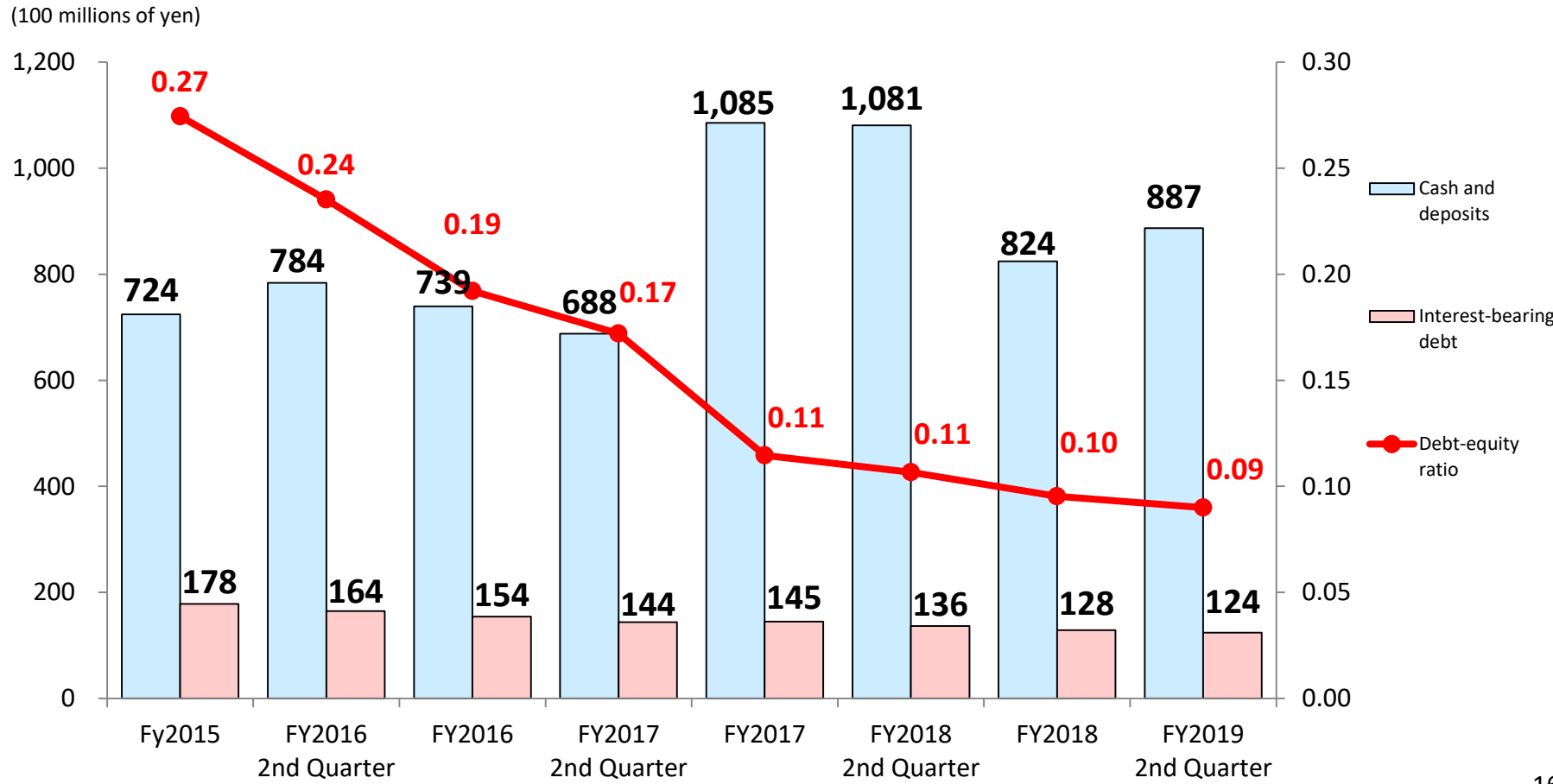
	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecasts)
Number of shares issued	377,544,607 shares	377,544,607 shares	46,805,660 shares	46,805,660 shares	46,805,660 shares
Number of treasury stocks	2,794,454 shares	3,097,013 shares	22,471 shares	36,826 shares	39,990 shares
Dividend per share	4.00 yen	7.00 yen	90.00 yen	100.00 yen	120.00 yen
Total dividend paid	15	26	42	47	56
Profit attributable to owners of parent	121	164	158	133	203
Basic earnings per share	32.36 yen	43.99 yen	389.63 yen	285.49 yen	435.63 yen
Payout ratio	12.4%	15.9%	23.1%	35.0%	27.5%

(100 millions of yen)



10. Interest-Bearing Debt (Consolidated) Change

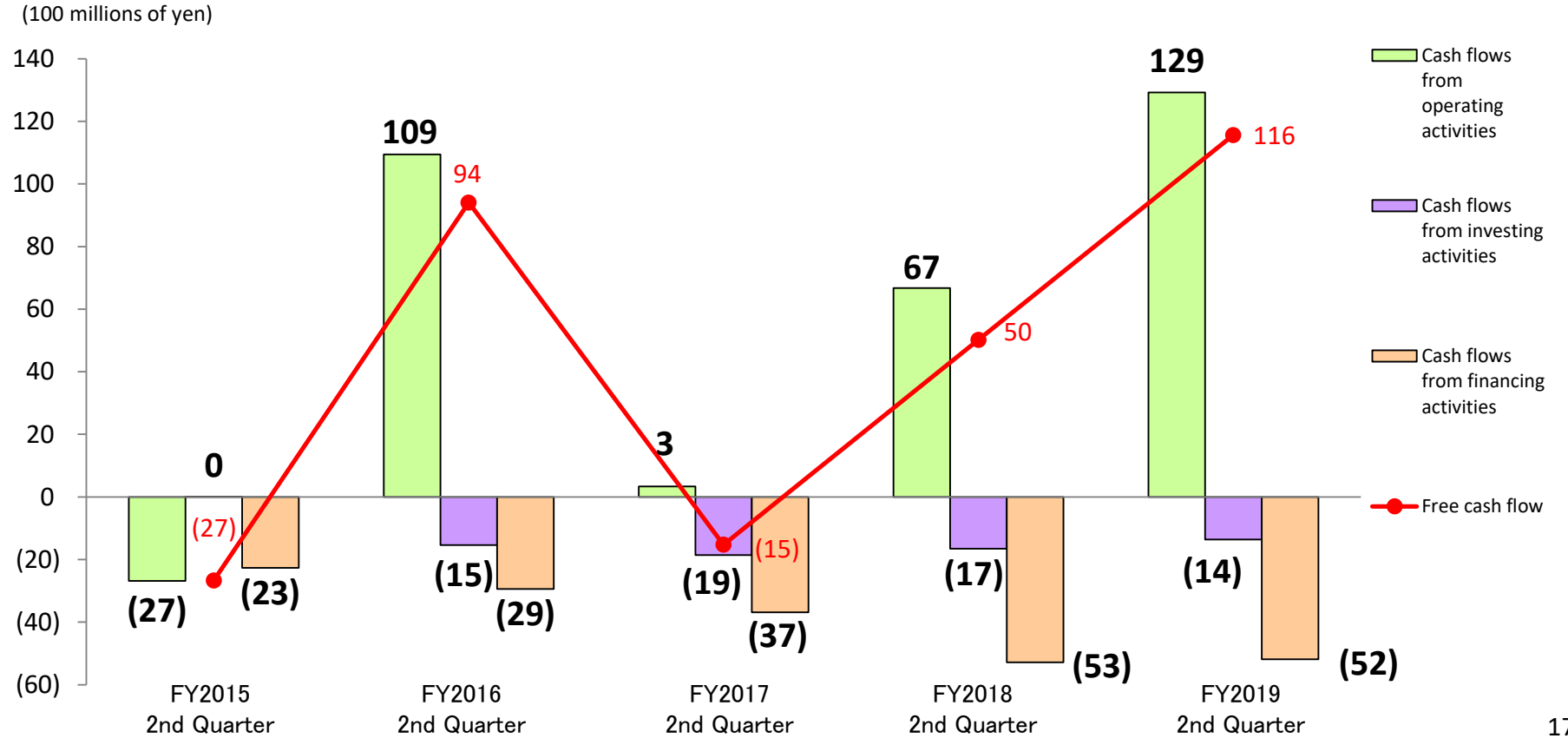
Interest-bearing debt		(100 millions of yen)						
	FY2015	FY2016 2Q	FY2016	FY2017 2Q	FY2017	FY2018 2Q	FY2018	FY2019 2Q
Interest-bearing debt	178	164	154	144	145	136	128	124
Debt-equity ratio	0.27	0.24	0.19	0.17	0.11	0.11	0.10	0.09



11. Cash Flows(Consolidated) Change

Cash Flows (100 millions of yen)

	FY2015 2Q	FY2016 2Q	FY2017 2Q	FY2018 2Q	FY2019 2Q
Cash flows from operating activities	(27)	109	3	67	129
Cash flows from investing activities	0	(15)	(19)	(17)	(14)
Cash flows from financing activities	(23)	(29)	(37)	(53)	(52)



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

Capital investment and other (100 millions of yen)

	FY2015	FY2016 2Q	FY2016	FY2017 2Q
Capital investment	22	16	32	19
Depreciation	13	6	13	7
Research and development expense	15	9	18	9

	FY2017	FY2018 2Q	FY2018	FY2019 2Q	FY2019 (Forecasts)
Capital investment	42	16	74	13	48
Depreciation	17	9	19	10	22
Research and development expense	20	11	23	11	28

