

Financial statements
1.Consolidated financial statements
(1)Consolidated Balance Sheet

(Millions of Yen)

	As of March 31,2017	As of March 31,2018
Assets		
Current assets		
Cash and deposits	39,720	39,913
Notes receivable, accounts receivable from completed construction contracts and other	42,561	42,509
Costs on uncompleted construction contracts	2,609	924
Other inventories	127	48
Deferred tax assets	1,747	896
Accounts receivable - other	2,259	3,481
Other	445	411
Allowance for doubtful accounts	△59	△38
Total current assets	89,411	88,147
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,878	6,130
Accumulated depreciation	△3,565	△3,703
Buildings and structures, net	2,313	2,426
Land	1,831	1,830
Other	1,689	1,668
Accumulated depreciation	△1,118	△1,137
Other, net	571	530
Total property, plant and equipment	4,715	4,788
Intangible assets	397	471
Investments and other assets		
Investment securities	8,635	9,167
Long-term loans receivable	128	120
Deferred tax assets	342	1
Other	1,434	1,399
Allowance for doubtful accounts	△669	△681
Total investments and other assets	9,871	10,008
Total non-current assets	14,984	15,268
Total assets	104,395	103,415
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	31,885	30,146
Short-term loans payable	8,717	5,452
Accounts payable - other	8,805	3,015
Income taxes payable	755	1,150
Advances received on uncompleted construction contracts	7,593	8,465
Provision for warranties for completed construction	450	532
Provision for loss on construction contracts	253	56
Other	5,152	6,851
Total current liabilities	63,613	55,670
Non-current liabilities		
Long-term loans payable	6,124	7,954
Deferred tax liabilities	16	53
Net defined benefit liability	4,376	4,319
Other	193	193
Total non-current liabilities	10,710	12,521
Total liabilities	74,324	68,191
Net assets		
Shareholders' equity		
Capital stock	9,614	9,614
Capital surplus	2,165	2,166
Retained earnings	16,393	20,777
Treasury shares	△142	△145
Total shareholders' equity	28,032	32,413
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,714	3,070
Remeasurements of defined benefit plans	△784	△376
Total accumulated other comprehensive income	1,930	2,694
Non-controlling interests	108	115
Total net assets	30,071	35,223
Total liabilities and net assets	104,395	103,415

(2)Consolidated Statement of Income

(Millions of Yen)

	Previous fiscal year (From April 1,2016 to March 31,2017)	Curent fiscal year (From April 1,2017 to March 31,2018)
Net sales		
Net sales of completed construction contracts	131,618	142,181
Sales on other business	1,080	1,253
Total net sales	<u>132,699</u>	<u>143,434</u>
Cost of sales		
Cost of sales of completed construction contracts	118,503	127,334
Cost of sales on other business	848	941
Total cost of sales	<u>119,351</u>	<u>128,275</u>
Gross profit		
Gross profit on completed construction contracts	13,115	14,847
Gross profit - other business	232	311
Total gross profit	<u>13,348</u>	<u>15,158</u>
Selling, general and administrative expenses		
Selling expenses	2	0
General and administrative expenses	6,680	7,204
Total selling, general and administrative expenses	<u>6,682</u>	<u>7,205</u>
Operating profit	<u>6,665</u>	<u>7,953</u>
Non-operating income		
Interest income	114	106
Dividend income	113	124
Share of profit of entities accounted for using equity method	11	12
Other	27	32
Total non-operating income	<u>267</u>	<u>275</u>
Non-operating expenses		
Interest expenses	337	235
Guarantee commission	44	38
Commission fee	94	279
Foreign exchange losses	46	57
Other	23	8
Total non-operating expenses	<u>546</u>	<u>619</u>
Ordinary profit	<u>6,385</u>	<u>7,609</u>
Extraordinary income		
Gain on sales of non-current assets	31	0
Gain on withdrawal of membership	3	0
Other	0	0
Total extraordinary income	<u>35</u>	<u>1</u>
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	3	0
Loss on valuation of membership and admission charge	0	—
Impairment loss	8	23
Total extraordinary losses	<u>12</u>	<u>24</u>
Profit before income taxes	<u>6,408</u>	<u>7,586</u>
Income taxes - current	880	1,461
Income taxes - deferred	△1,778	895
Total income taxes	<u>△897</u>	<u>2,357</u>
Profit	<u>7,306</u>	<u>5,229</u>
Profit attributable to non-controlling interests	11	7
Profit attributable to owners of parent	<u>7,294</u>	<u>5,221</u>

(3) Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Previous fiscal year (From April 1,2016 to March 31,2017)	Curent fiscal year (From April 1,2017 to March 31,2018)
Profit	7,306	5,229
Other comprehensive income		
Valuation difference on available-for-sale securities	197	355
Remeasurements of defined benefit plans, net of tax	651	408
Total other comprehensive income	848	764
Comprehensive income	8,154	5,993
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,143	5,985
Comprehensive income attributable to non-controlling interests	11	7

(4) Consolidated Statements of Changes in Net Assets
 Previous fiscal year (From April 1, 2016 to March 31, 2017)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,419	970	9,479	△140	18,728
Changes of items during period					
Issuance of new shares	1,195	1,195			2,391
Profit attributable to owners of parent			7,294		7,294
Dividends of surplus			△380		△380
Purchase of treasury shares				△2	△2
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	1,195	1,195	6,914	△1	9,303
Balance at end of current period	9,614	2,165	16,393	△142	28,032

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,516	△1,435	1,081	114	19,925
Changes of items during period					
Issuance of new shares					2,391
Profit attributable to owners of parent					7,294
Dividends of surplus					△380
Purchase of treasury shares					△2
Disposal of treasury shares					0
Net changes of items other than shareholders' equity	197	651	848	△6	842
Total changes of items during period	197	651	848	△6	10,145
Balance at end of current period	2,714	△784	1,930	108	30,071

(4) Consolidated Statement of Changes in Net Assets
 Current fiscal year (From April 1, 2017 to March 31, 2018)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,614	2,165	16,393	△142	28,032
Changes of items during period					
Issuance of new shares					—
Profit attributable to owners of parent			5,221		5,221
Dividends of surplus			△837		△837
Purchase of treasury shares				△3	△3
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	4,383	△2	4,381
Balance at end of current period	9,614	2,166	20,777	△145	32,413

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,714	△784	1,930	108	30,071
Changes of items during period					
Issuance of new shares					—
Profit attributable to owners of parent					5,221
Dividends of surplus					△837
Purchase of treasury shares					△3
Disposal of treasury shares					0
Net changes of items other than shareholders' equity	355	408	764	7	771
Total changes of items during period	355	408	764	7	5,152
Balance at end of current period	3,070	△376	2,694	115	35,223

(5) Consolidated Statement of Cash Flows

(Millions of Yen)

	Previous fiscal year (From April 1,2016 to March 31,2017)	Curent fiscal year (From April 1,2017 to March 31,2018)
Cash flows from operating activities		
Profit before income taxes	6,408	7,586
Depreciation	379	405
Impairment loss	8	23
Increase (decrease) in allowance for doubtful accounts	△143	△8
Increase (decrease) in provision for loss on construction contracts	△150	△197
Increase (decrease) in net defined benefit liability	415	529
Interest and dividend income	△228	△230
Interest expenses	337	235
Foreign exchange losses (gains)	46	57
Loss (gain) on sales of non-current assets	△31	0
Loss on valuation of membership	0	—
Loss on valuation of inventories	59	—
Decrease (increase) in notes and accounts receivable - trade	5,910	51
Decrease (increase) in costs on uncompleted construction contracts	4,061	1,685
Decrease (increase) in inventories	7	78
Decrease (increase) in accounts receivable - other	302	△1,246
Increase (decrease) in notes and accounts payable - trade	876	△1,738
Increase (decrease) in accounts payable - other	1,313	△5,711
Increase (decrease) in advances received on uncompleted construction contracts	△535	871
Other, net	△3,737	1,681
Subtotal	15,299	4,072
Interest and dividend income received	225	227
Interest expenses paid	△343	△246
Income taxes paid	△950	△914
Net cash provided by (used in) operating activities	14,231	3,140
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	150	—
Purchase of property, plant and equipment	△220	△533
Proceeds from sales of property, plant and equipment	696	0
Purchase of intangible assets	△108	△193
Purchase of investment securities	△8	△8
Collection of loans receivable	10	10
Payments for guarantee deposits	△19	△15
Proceeds from collection of guarantee deposits	13	40
Other, net	34	1
Net cash provided by (used in) investing activities	547	△698
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	△8,000	△3,840
Proceeds from long-term loans payable	—	5,962
Repayments of long-term loans payable	△1,050	△3,557
Proceeds from issuance of common shares	2,391	—
Net decrease (increase) in treasury shares	△1	△2
Cash dividends paid	△340	△754
Dividends paid to non-controlling interests	△24	—
Other, net	6	—
Net cash provided by (used in) financing activities	△7,019	△2,191
Effect of exchange rate change on cash and cash equivalents	△46	△57
Net increase (decrease) in cash and cash equivalents	7,712	193
Cash and cash equivalents at beginning of period	32,007	39,720
Cash and cash equivalents at end of period	39,720	39,913

2.Non-consolidated financial statements
(1)Non-consolidated Balance Sheet

(Millions of Yen)

	As of March 31,2017	As of March 31,2018
Assets		
Current assets		
Cash and deposits	38,918	37,999
Notes receivable - trade	877	2,357
Electronically recorded monetary claims - operating	1,115	142
Accounts receivable from completed construction contracts	35,257	35,572
Real estate for sale	85	34
Costs on uncompleted construction contracts	2,566	924
Raw materials and supplies	42	14
Prepaid expenses	27	28
Accounts receivable - other	2,224	3,421
Deferred tax assets	1,747	895
Other	434	403
Allowance for doubtful accounts	△59	△38
Total current assets	83,237	81,754
Non-current assets		
Property, plant and equipment		
Buildings	5,587	5,825
Accumulated depreciation	△3,364	△3,495
Buildings, net	2,222	2,330
Structures	291	304
Accumulated depreciation	△201	△208
Structures, net	90	95
Machinery and equipment	302	328
Accumulated depreciation	△276	△302
Machinery and equipment, net	25	26
Vehicles	58	58
Accumulated depreciation	△41	△47
Vehicles, net	16	10
Tools, furniture and fixtures	1,047	1,200
Accumulated depreciation	△799	△786
Tools, furniture and fixtures, net	248	413
Land	1,831	1,830
Leased assets	3	3
Accumulated depreciation	△0	△1
Leased assets, net	3	2
Construction in progress	276	77
Total property, plant and equipment	4,715	4,788
Intangible assets		
Patent right	15	12
Leasehold right	43	43
Software	283	261
Software in progress	1	100
Other	52	52
Total intangible assets	397	471
Investments and other assets		
Investment securities	8,501	9,019
Shares of subsidiaries and associates	124	124
Long-term loans receivable	5	5
Long-term non-operating accounts receivable	679	684
Long-term loans receivable from subsidiaries and associates	444	334
Long-term prepaid expenses	0	0
Membership and admission charge	196	196
Other	502	474
Allowance for doubtful accounts	△669	△681
Total investments and other assets	9,784	10,158
Total non-current assets	14,897	15,418
Total assets	98,134	97,173

(1)Non-consolidated Balance Sheet

(Millions of Yen)

	As of March 31,2017	As of March 31,2018
Liabilities		
Current liabilities		
Notes payable - trade	5,802	4,088
Accounts payable for construction contracts	25,980	25,296
Short-term loans payable	7,668	4,328
Accounts payable - other	8,803	3,014
Accrued expenses	1,021	999
Income taxes payable	740	1,137
Accrued consumption taxes	138	1,539
Advances received on uncompleted construction contracts	7,593	8,461
Deposits received	698	1,187
Suspense receipt of consumption taxes	3,099	2,946
Provision for warranties for completed construction	450	532
Provision for loss on construction contracts	253	56
Total current liabilities	<u>62,250</u>	<u>53,589</u>
Non-current liabilities		
Long-term loans payable	2,012	4,300
Deferred tax liabilities	9	211
Provision for retirement benefits	3,249	3,779
Long-term accounts payable - other	97	97
Other	96	95
Total non-current liabilities	<u>5,464</u>	<u>8,483</u>
Total liabilities	<u>67,715</u>	<u>62,072</u>
Net assets		
Shareholders' equity		
Capital stock	9,614	9,614
Capital surplus		
Legal capital surplus	2,165	2,165
Other capital surplus	0	0
Total capital surpluses	<u>2,165</u>	<u>2,166</u>
Retained earnings		
Legal retained earnings	53	137
Other retained earnings		
Reserve for advanced depreciation of non-current assets	414	406
Retained earnings brought forward	15,604	19,857
Total retained earnings	<u>16,072</u>	<u>20,401</u>
Treasury shares	<u>Δ142</u>	<u>Δ145</u>
Total shareholders' equity	<u>27,710</u>	<u>32,037</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,709	3,063
Total valuation and translation adjustments	<u>2,709</u>	<u>3,063</u>
Total net assets	<u>30,419</u>	<u>35,100</u>
Total liabilities and net assets	<u>98,134</u>	<u>97,173</u>

(2)Non-consolidated Statement of Income

(Millions of Yen)

	Previous fiscal year (From April 1,2016 to March 31,2017)	Curent fiscal year (From April 1,2017 to March 31,2018)
Net sales		
Net sales of completed construction contracts	131,618	142,181
Sales on other business	513	516
Total net sales	<u>132,132</u>	<u>142,698</u>
Cost of sales		
Cost of sales of completed construction contracts	118,503	127,334
Cost of sales on other business	421	380
Total cost of sales	<u>118,925</u>	<u>127,714</u>
Gross profit		
Gross profit on completed construction contracts	13,115	14,847
Gross profit - other business	92	136
Total gross profit	<u>13,207</u>	<u>14,983</u>
Selling, general and administrative expenses		
Directors' compensations	145	170
Employees' salaries and allowances	2,909	3,181
Retirement benefit expenses	292	346
Legal welfare expenses	462	500
Welfare expenses	130	87
Repair and maintenance	190	139
Stationery expenses	329	228
Correspondence and transportation expenses	229	254
Power utilities expenses	43	43
Research study expenses	76	85
Advertising expenses	18	24
Provision of allowance for doubtful accounts	△143	6
Bad debts expenses	1	—
Entertainment expenses	127	153
Contribution	10	15
Rent expenses	691	796
Depreciation	160	173
Taxes and dues	299	329
Insurance expenses	11	13
Miscellaneous expenses	637	604
Total selling, general and administrative expenses	<u>6,624</u>	<u>7,154</u>
Operating profit	<u>6,582</u>	<u>7,828</u>
Non-operating income		
Interest income	26	34
Interest on securities	0	0
Dividend income	161	153
Other	49	52
Total non-operating income	<u>237</u>	<u>241</u>
Non-operating expenses		
Interest expenses	250	163
Guarantee commission	44	38
Commission fee	94	279
Foreign exchange losses	46	57
Other	23	7
Total non-operating expenses	<u>458</u>	<u>546</u>
Ordinary profit	<u>6,361</u>	<u>7,523</u>

(2)Non-consolidated Statement of Income

(Millions of Yen)

	Previous fiscal year (From April 1,2016 to March 31,2017)	Curent fiscal year (From April 1,2017 to March 31,2018)
Extraordinary income		
Gain on sales of non-current assets	31	0
Gain on withdrawal of membership	3	0
Other	0	0
Total extraordinary income	35	1
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	3	0
Loss on valuation of membership and admission charge	0	—
Impairment loss	8	23
Total extraordinary losses	12	24
Profit before income taxes	6,383	7,500
Income taxes - current	853	1,436
Income taxes - deferred	△1,777	898
Total income taxes	△924	2,334
Profit	7,308	5,166

(3)Non-consolidated Statement of Changes in Net Assets
 Previous fiscal year (From April 1,2016 to March 31,2017)

(Millions of Yen)

	Shareholders' equity							
	Capital stock	Capital surplus			retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						Reserve for advanced depreciation of non-current assets	Retained earnings brought forward	
Balance at beginning of current period	8,419	970	0	970	15	423	8,704	9,143
Changes of items during period								
Issuance of new shares	1,195	1,195		1,195				
Reversal of reserve for advanced depreciation of non-current assets						△8	8	—
Provision of legal retained earnings					38		△38	—
Dividends of surplus							△380	△380
Profit							7,308	7,308
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Net changes of items other than shareholders' equity								
Total changes of items during period	1,195	1,195	0	1,195	38	△8	6,899	6,928
Balance at end of current period	9,614	2,165	0	2,165	53	414	15,604	16,072

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	△140	18,392	2,513	2,513	20,905
Changes of items during period					
Issuance of new shares		2,391			2,391
Reversal of reserve for advanced depreciation of non-current assets		—			—
Provision of legal retained earnings		—			—
Dividends of surplus		△380			△380
Profit		7,308			7,308
Purchase of treasury shares	△2	△2			△2
Disposal of treasury shares	0	0			0
Net changes of items other than shareholders' equity			195	195	195
Total changes of items during period	△1	9,317	195	195	9,513
Balance at end of current period	△142	27,710	2,709	2,709	30,419

(3)Non-consolidated Statement of Changes in Net Assets
 Current fiscal year (From April 1,2017 to March 31,2018)

(Millions of Yen)

	Shareholders' equity							
	Capital stock	Capital surplus			retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						Reserve for advanced depreciation of non-current assets	Retained earnings brought forward	
Balance at beginning of current period	9,614	2,165	0	2,165	53	414	15,604	16,072
Changes of items during period								
Issuance of new shares								
Reversal of reserve for advanced depreciation of non-current assets						△8	8	—
Provision of legal retained earnings					83		△83	—
Dividends of surplus							△837	△837
Profit							5,166	5,166
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	0	0	83	△8	4,253	4,328
Balance at end of current period	9,614	2,165	0	2,166	137	406	19,857	20,401

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	△142	27,710	2,709	2,709	30,419
Changes of items during period					
Issuance of new shares		—			—
Reversal of reserve for advanced depreciation of non-current assets		—			—
Provision of legal retained earnings		—			—
Dividends of surplus		△837			△837
Profit		5,166			5,166
Purchase of treasury shares	△3	△3			△3
Disposal of treasury shares	0	0			0
Net changes of items other than shareholders' equity			354	354	354
Total changes of items during period	△2	4,326	354	354	4,680
Balance at end of current period	△145	32,037	3,063	3,063	35,100