

**Consolidated Financial Statements**  
**(For the fiscal year ended March 31, 2018)**

**Consolidated Balance Sheets**

(Millions of yen)

	FY2017	FY2018
	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
<b>Current assets:</b>		
Cash and deposits	43,621	45,942
Notes receivable, accounts receivable from completed construction contracts and other	97,275	112,287
Securities	14,000	10,999
Real estate for sale	322	705
Costs on uncompleted construction contracts	6,519	5,547
Costs on real estate business	3,391	3,215
Work in process	469	865
Raw materials and supplies	60	41
Deferred tax assets	1,838	2,715
Other	11,129	11,652
Allowance for doubtful accounts	(949)	(786)
Total current assets	177,678	193,186
<b>Non-current assets:</b>		
Property, plant and equipment:		
Buildings and structures, net	10,694	13,070
Machinery, vehicles, tools, furniture and fixtures, net	832	962
Land	30,735	31,250
Leased assets, net	21	9
Construction in progress	366	21
Total property, plant and equipment	42,651	45,314
Intangible assets	262	280
Investments and other assets:		
Investment securities	66,192	74,759
Long-term loans receivable	178	175
Net defined benefit asset	2,114	2,409
Other	2,538	2,479
Allowance for doubtful accounts	(2,142)	(2,060)
Total investments and other assets	68,882	77,762
Total non-current assets	111,796	123,357
<b>Total assets</b>	289,474	316,544

(Millions of yen)

	FY2017	FY2018
	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Notes payable, accounts payable for construction contracts and other	58,230	58,985
Short-term loans payable	13,089	11,659
Lease obligations	13	7
Income taxes payable	1,348	2,707
Advances received on uncompleted construction contracts	14,900	16,013
Deposits received	11,564	17,226
Provision for warranties for completed construction	639	674
Provision for bonuses	4,374	4,217
Provision for directors' bonuses	34	48
Provision for loss on construction contracts	3,367	2,344
Asset retirement obligations	77	104
Other	14,569	15,868
<b>Total current liabilities</b>	<b>122,210</b>	<b>129,856</b>
<b>Non-current liabilities:</b>		
Long-term loans payable	1,156	3,141
Lease obligations	10	3
Deferred tax liabilities	13,011	15,708
Asset retirement obligations	72	64
Other	55	46
<b>Total non-current liabilities</b>	<b>14,305</b>	<b>18,963</b>
<b>Total liabilities</b>	<b>136,515</b>	<b>148,820</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Capital stock	19,838	19,838
Capital surplus	25,329	25,330
Retained earnings	89,675	98,265
Treasury shares	(12,654)	(12,688)
<b>Total shareholders' equity</b>	<b>122,189</b>	<b>130,746</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	28,746	34,838
Remeasurements of defined benefit plans	2,022	2,138
<b>Total accumulated other comprehensive income</b>	<b>30,768</b>	<b>36,977</b>
<b>Total net assets</b>	<b>152,958</b>	<b>167,723</b>
<b>Total liabilities and net assets</b>	<b>289,474</b>	<b>316,544</b>

# Consolidated Statements of Income

(Millions of yen)

	FY2017 April 1, 2016 through March 31, 2017	FY2018 April 1, 2017 through March 31, 2018
<b>Net sales:</b>		
Net sales of completed construction contracts	193,202	213,135
Net sales of real estate business and other	9,888	10,791
Total net sales	203,090	223,927
<b>Cost of sales:</b>		
Cost of sales of completed construction contracts	170,062	184,565
Cost of sales on real estate business and other	5,965	6,596
Total cost of sales	176,028	191,162
<b>Gross profit:</b>		
Gross profit on completed construction contracts	23,140	28,570
Gross profit on real estate business and other	3,922	4,194
Total gross profit	27,062	32,765
<b>Selling, general and administrative expenses</b>	15,384	16,911
<b>Operating profit</b>	11,678	15,853
<b>Non-operating income:</b>		
Interest income	65	66
Dividend income	1,032	1,139
Reversal of allowance for doubtful accounts	575	226
Other	295	186
Total non-operating income	1,969	1,619
<b>Non-operating expenses:</b>		
Interest expenses	155	135
Other	36	62
Total non-operating expenses	191	197
<b>Ordinary profit</b>	13,455	17,275
<b>Extraordinary income:</b>		
Gain on sales of non-current assets	131	157
Gain on sales of investment securities	36	180
Total extraordinary income	168	338
<b>Extraordinary losses:</b>		
Loss on retirement of non-current assets	281	18
Loss on sales of investment securities	56	—
Other	0	0
Total extraordinary losses	337	18
<b>Profit before income taxes</b>	13,286	17,595
<b>Income taxes - current</b>	1,432	3,239
<b>Income taxes - deferred</b>	(1,759)	(807)
<b>Total income taxes</b>	(327)	2,431
<b>Profit</b>	13,614	15,163
<b>Profit attributable to owners of parent</b>	13,614	15,163

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2017 April 1, 2016 through March 31, 2017	FY2018 April 1, 2017 through March 31, 2018
<b>Profit</b>	13,614	15,163
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	417	6,092
Remeasurements of defined benefit plans, net of tax	(148)	116
Total other comprehensive income	269	6,208
<b>Comprehensive income</b>	13,883	21,372
<b>Comprehensive income attributable to:</b>		
Comprehensive income attributable to owners of parent	13,883	21,372
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated Statements of Cash Flows

(Millions of yen)

	FY2017 April 1, 2016 through March 31, 2017	FY2018 April 1, 2017 through March 31, 2018
<b>Cash flows from operating activities:</b>		
Profit before income taxes	13,286	17,595
Depreciation	938	1,093
Loss on retirement of non-current assets	281	18
Increase (decrease) in allowance for doubtful accounts	(631)	(226)
Decrease (increase) in net defined benefit asset	(118)	(87)
Increase (decrease) in provision for warranties for completed construction	(56)	35
Increase (decrease) in provision for bonuses	1,273	(157)
Increase (decrease) in provision for directors' bonuses	(8)	14
Increase (decrease) in provision for loss on construction contracts	(1,082)	(1,022)
Interest and dividend income	(1,098)	(1,206)
Interest expenses	155	135
Loss (gain) on sales of non-current assets	(131)	(157)
Loss (gain) on sales of short-term and long-term investment securities	19	(180)
Decrease (increase) in notes and accounts receivable - trade	15,780	(15,011)
Decrease (increase) in costs on uncompleted construction contracts	(1,812)	971
Decrease (increase) in other inventories	(333)	(584)
Increase (decrease) in notes and accounts payable - trade	220	154
Increase (decrease) in advances received on uncompleted construction contracts	8,181	1,113
Increase (decrease) in deposits received	4,913	5,661
Other, net	5,261	1,000
Subtotal	45,037	9,157
Interest and dividend income received	1,096	1,205
Interest expenses paid	(155)	(135)
Income taxes (paid) refund	(870)	(1,792)
Net cash provided by (used in) operating activities	45,108	8,435

(Millions of yen)

	<b>FY2017</b>	<b>FY2018</b>
	April 1, 2016 through March 31, 2017	April 1, 2017 through March 31, 2018
<b>Cash flows from investing activities:</b>		
Net decrease (increase) in time deposits	(1,103)	(806)
Purchase of short-term and long-term investment securities	(312)	(169)
Proceeds from sales and redemption of short-term and long-term investment securities	499	399
Purchase of property, plant and equipment and intangible assets	(2,657)	(3,435)
Proceeds from sales of property, plant and equipment and intangible assets	142	166
Payments of loans receivable	(25)	(18)
Collection of loans receivable	33	24
Other, net	(248)	(11)
Net cash provided by (used in) investing activities	(3,672)	(3,851)
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term loans payable	(5,585)	2,571
Proceeds from long-term loans payable	—	2,000
Repayments of long-term loans payable	(1,115)	(4,016)
Purchase of treasury shares	(20)	(35)
Proceeds from sales of treasury shares	0	1
Cash dividends paid	(4,175)	(6,559)
Other, net	(21)	(13)
Net cash provided by (used in) financing activities	(10,918)	(6,052)
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>61</b>	<b>(3)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>30,579</b>	<b>(1,472)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>25,379</b>	<b>55,958</b>
<b>Cash and cash equivalents at end of period</b>	<b>55,958</b>	<b>54,486</b>

## Breakdown of Orders (Nonconsolidated)

(Millions of yen)

			FY2017 April 1, 2016 through March 31, 2017			FY2018 April 1, 2017 through March 31, 2018			Change Increase (Decrease)	% Change Increase (Decrease)	
				%			%		%		
Construction orders awarded	Civil engineering	Domestic public sector	93,209	77.8	49.3	52,306	63.4	40.8	(40,903)	(43.9)	
		Domestic private sector	22,139	18.5		25,429	30.8		3,289	14.9	
		Overseas	4,446	3.7		4,745	5.8		298	6.7	
		Subtotal	119,796	100		82,481	100		(37,314)	(31.1)	
	Architectural construction	Domestic public sector	15,662	12.7	50.7	15,258	12.8	59.2	(404)	(2.6)	
		Domestic private sector	107,471	87.3		104,384	87.2		(3,086)	(2.9)	
		Overseas	(47)	(0.0)		1	0.0		49	—	
		Subtotal	123,086	100		119,644	100		(3,441)	(2.8)	
	Total	Domestic public sector	108,872	44.8	100	67,565	33.4	100	(41,307)	(37.9)	
		Domestic private sector	129,610	53.4		129,814	64.2		203	0.2	
		Overseas	4,398	1.8		4,746	2.4		347	7.9	
		Total	242,882	100		202,126	100		(40,756)	(16.8)	
Net sales	Projects completed	Civil engineering	Domestic public sector	60,138	78.4	[39.7]	60,884	74.9	[38.1]	745	1.2
			Domestic private sector	16,457	21.4		19,892	24.5		3,435	20.9
			Overseas	131	0.2		452	0.6		321	244.2
			Subtotal	76,727	100	38.7	81,229	100	37.2	4,501	5.9
	Architectural construction	Domestic public sector	38,439	33.0	[60.3]	37,289	28.3	[61.9]	(1,150)	(3.0)	
		Domestic private sector	77,985	67.0		94,615	71.7		16,630	21.3	
		Overseas	50	0.0		1	0.0		(48)	(97.4)	
		Subtotal	116,475	100	58.7	131,906	100	60.3	15,431	13.2	
	Subtotal	Domestic public sector	98,578	51.0	[100]	98,173	46.1	[100]	(405)	(0.4)	
		Domestic private sector	94,442	48.9		114,507	53.7		20,065	21.2	
		Overseas	181	0.1		454	0.2		272	150.0	
		Subtotal	193,202	100	97.4	213,135	100	97.5	19,932	10.3	
	Real estate business and other			5,081	2.6		5,438	2.5		356	7.0
	Total			198,284	100		218,573	100		20,289	10.2
Period-end backlog	Civil engineering	Domestic public sector	129,576	78.9	54.4	120,998	73.1	56.9	(8,577)	(6.6)	
		Domestic private sector	29,883	18.2		35,421	21.4		5,537	18.5	
		Overseas	4,719	2.9		9,012	5.5		4,292	90.9	
		Subtotal	164,180	100		165,432	100		1,252	0.8	
	Architectural construction	Domestic public sector	41,964	30.5	45.6	19,933	15.9	43.1	(22,031)	(52.5)	
		Domestic private sector	95,698	69.5		105,467	84.1		9,769	10.2	
		Overseas	—	—		—	—		—	—	
		Subtotal	137,663	100		125,401	100		(12,261)	(8.9)	
	Total	Domestic public sector	171,541	56.8	100	140,932	48.5	100	(30,608)	(17.8)	
		Domestic private sector	125,582	41.6		140,888	48.4		15,306	12.2	
		Overseas	4,719	1.6		9,012	3.1		4,292	90.9	
		Total	301,843	100		290,833	100		(11,009)	(3.6)	