

Consolidated Financial Statements
(For the fiscal year ended March 31, 2017)

Consolidated Balance Sheets

(Millions of yen)

	FY2016	FY2017
	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets :		
Cash and deposits	15,353	43,621
Notes receivable, accounts receivable from completed construction contracts and other	113,190	97,275
Securities	10,500	14,000
Real estate for sale	563	322
Costs on uncompleted construction contracts	4,706	6,519
Costs on real estate business	2,823	3,391
Work in process	479	469
Raw materials and supplies	43	60
Deferred tax assets	40	1,838
Other	10,207	11,129
Allowance for doubtful accounts	(1,665)	(949)
Total current assets	156,243	177,678
Non-current assets :		
Property, plant and equipment:		
Buildings and structures	19,259	20,827
Machinery, vehicles, tools, furniture and fixtures	4,965	4,999
Land	30,114	30,735
Leased assets	113	84
Construction in progress	1,163	366
Accumulated depreciation	(14,402)	(14,363)
Total property, plant and equipment	41,213	42,651
Intangible assets	263	262
Investments and other assets:		
Investment securities	66,250	66,192
Long-term loans receivable	180	178
Net defined benefit asset	2,156	2,114
Other	2,565	2,538
Allowance for doubtful accounts	(2,192)	(2,142)
Total investments and other assets	68,960	68,882
Total non-current assets	110,437	111,796
Total assets	266,680	289,474

(Millions of yen)

	FY2016	FY2017
	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	54,033	58,230
Short-term loans payable	15,778	13,089
Lease obligations	21	13
Income taxes payable	565	1,348
Advances received on uncompleted construction contracts	6,718	14,900
Provision for warranties for completed construction	695	639
Provision for bonuses	3,101	4,374
Provision for directors' bonuses	42	34
Provision for loss on construction contracts	4,449	3,367
Asset retirement obligations	79	77
Other	19,352	26,134
Total current liabilities	104,840	122,210
Non-current liabilities:		
Long-term loans payable	5,168	1,156
Lease obligations	23	10
Deferred tax liabilities	13,243	13,011
Asset retirement obligations	67	72
Other	58	55
Total non-current liabilities	18,561	14,305
Total liabilities	123,401	136,515
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,329	25,329
Retained earnings	80,245	89,675
Treasury shares	(12,634)	(12,654)
Total shareholders' equity	112,779	122,189
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	28,329	28,746
Remeasurements of defined benefit plans	2,170	2,022
Total accumulated other comprehensive income	30,499	30,768
Total net assets	143,278	152,958
Total liabilities and net assets	266,680	289,474

Consolidated Statements of Income

(Millions of yen)

	FY2016 April 1, 2015 through March 31, 2016	FY2017 April 1, 2016 through March 31, 2017
Net sales:		
Net sales of completed construction contracts	195,178	193,202
Net sales of real estate business and other	10,113	9,888
Total net sales	205,291	203,090
Cost of sales:		
Cost of sales of completed construction contracts	176,505	170,062
Cost of sales on real estate business and other	6,135	5,965
Total cost of sales	182,641	176,028
Gross profit:		
Gross profit on completed construction contracts	18,672	23,140
Gross profit on real estate business and other	3,977	3,922
Total gross profit	22,649	27,062
Selling, general and administrative expenses	14,226	15,384
Operating profit	8,423	11,678
Non-operating income:		
Interest income	89	65
Dividend income	1,024	1,032
Reversal of allowance for doubtful accounts	—	575
Other	199	295
Total non-operating income	1,313	1,969
Non-operating expenses:		
Interest expenses	168	155
Foreign exchange losses	260	—
Other	35	36
Total non-operating expenses	464	191
Ordinary profit	9,272	13,455
Extraordinary income:		
Gain on sales of non-current assets	1	131
Gain on sales of investment securities	333	36
Total extraordinary income	335	168
Extraordinary losses:		
Loss on retirement of non-current assets	270	281
Loss on sales of investment securities	—	56
Other	9	0
Total extraordinary losses	280	337
Profit before income taxes	9,327	13,286
Income taxes - current	798	1,432
Income taxes - deferred	(96)	(1,759)
Total income taxes	702	(327)
Profit	8,625	13,614
Profit attributable to owners of parent	8,625	13,614

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2016 April 1, 2015 through March 31, 2016	FY2017 April 1, 2016 through March 31, 2017
Profit	8,625	13,614
Other comprehensive income:		
Valuation difference on available-for-sale securities	(3,539)	417
Remeasurements of defined benefit plans, net of tax	16	(148)
Total other comprehensive income	(3,523)	269
Comprehensive income	5,102	13,883
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	5,102	13,883
Comprehensive income attributable to non-controlling interests	—	—

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2016 April 1, 2015 through March 31, 2016	FY2017 April 1, 2016 through March 31, 2017
Cash flows from operating activities:		
Profit before income taxes	9,327	13,286
Depreciation	864	938
Loss on retirement of non-current assets	270	281
Increase (decrease) in allowance for doubtful accounts	60	(631)
Decrease (increase) in net defined benefit asset	(321)	(118)
Increase (decrease) in provision for warranties for completed construction	(423)	(56)
Increase (decrease) in provision for bonuses	617	1,273
Increase (decrease) in provision for directors' bonuses	9	(8)
Increase (decrease) in provision for loss on construction contracts	(428)	(1,082)
Interest and dividend income	(1,114)	(1,098)
Interest expenses	168	155
Loss (gain) on sales of non-current assets	(1)	(131)
Loss (gain) on sales of short-term and long-term investment securities	(333)	19
Decrease (increase) in notes and accounts receivable - trade	(11,353)	15,780
Decrease (increase) in costs on uncompleted construction contracts	255	(1,812)
Decrease (increase) in other inventories	203	(333)
Increase (decrease) in notes and accounts payable - trade	1,137	220
Increase (decrease) in advances received on uncompleted construction contracts	(197)	8,181
Increase (decrease) in accrued consumption taxes	(25)	2,031
Decrease (increase) in consumption taxes refund receivable	(2,027)	2,945
Increase (decrease) in deposits received	(905)	4,913
Other, net	5,124	284
Subtotal	906	45,037
Interest and dividend income received	1,113	1,096
Interest expenses paid	(168)	(155)
Income taxes (paid) refund	(817)	(870)
Net cash provided by (used in) operating activities	1,033	45,108

(Millions of yen)

	FY2016	FY2017
	April 1, 2015 through March 31, 2016	April 1, 2016 through March 31, 2017
Cash flows from investing activities:		
Net decrease (increase) in time deposits	(278)	(1,103)
Purchase of short-term and long-term investment securities	(384)	(312)
Proceeds from sales and redemption of short-term and long-term investment securities	806	499
Purchase of property, plant and equipment and intangible assets	(2,886)	(2,657)
Proceeds from sales of property, plant and equipment and intangible assets	5	142
Payments of loans receivable	(18)	(25)
Collection of loans receivable	86	33
Other, net	(214)	(248)
Net cash provided by (used in) investing activities	(2,884)	(3,672)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	1,019	(5,585)
Proceeds from long-term loans payable	1,100	—
Repayments of long-term loans payable	(11)	(1,115)
Purchase of treasury shares	(91)	(20)
Proceeds from sales of treasury shares	4	0
Cash dividends paid	(2,392)	(4,175)
Other, net	(32)	(21)
Net cash provided by (used in) financing activities	(402)	(10,918)
Effect of exchange rate change on cash and cash equivalents	(95)	61
Net increase (decrease) in cash and cash equivalents	(2,348)	30,579
Cash and cash equivalents at beginning of period	27,727	25,379
Cash and cash equivalents at end of period	25,379	55,958

Breakdown of Orders (Nonconsolidated)

(Millions of yen)

			FY2016 April 1, 2015 through March 31, 2016			FY2017 April 1, 2016 through March 31, 2017			Change Increase (Decrease)	% Change Increase (Decrease)		
			%	%				%	%			
Construction orders awarded	Civil engineering	Domestic public sector	73,125	75.9	43.3	93,209	77.8	49.3	20,084	27.5		
		Domestic private sector	22,854	23.7		22,139	18.5		(714)	(3.1)		
		Overseas	390	0.4		4,446	3.7		4,056	—		
		Subtotal	96,370	100		119,796	100		23,425	24.3		
	Architectural construction	Domestic public sector	41,167	32.6	56.7	15,662	12.7	50.7	(25,504)	(62.0)		
		Domestic private sector	85,094	67.4		107,471	87.3		22,376	26.3		
		Overseas	2	0.0		(47)	(0.0)		(50)	—		
		Subtotal	126,263	100		123,086	100		(3,177)	(2.5)		
	Total	Domestic public sector	114,293	51.3	100	108,872	44.8	100	(5,420)	(4.7)		
		Domestic private sector	107,948	48.5		129,610	53.4		21,662	20.1		
		Overseas	392	0.2		4,398	1.8		4,005	—		
		Total	222,634	100		242,882	100		20,248	9.1		
Net sales	Projects completed	Civil engineering	Domestic public sector	60,832	75.8	[41.1]	60,138	78.4	[39.7]	(693)	(1.1)	
			Domestic private sector	19,413	24.2	39.9	16,457	21.4	38.7	(2,956)	(15.2)	
			Overseas	11	0.0		131	0.2		120	—	
			Subtotal	80,257	100		76,727	100		(3,529)	(4.4)	
		Architectural construction	Domestic public sector	35,369	30.8		[58.9]	38,439		33.0	[60.3]	3,070
			Domestic private sector	79,085	68.8	57.2	77,985	67.0	58.7	(1,100)	(1.4)	
			Overseas	465	0.4		50	0.0		(415)	(89.2)	
			Subtotal	114,920	100		116,475	100		1,554	1.4	
		Subtotal	Domestic public sector	96,202	49.3		[100]	98,578		51.0	[100]	2,376
			Domestic private sector	98,498	50.5	97.1	94,442	48.9	97.4	(4,056)	(4.1)	
			Overseas	477	0.2		181	0.1		(295)	(61.9)	
			Subtotal	195,178	100		193,202	100		(1,975)	(1.0)	
		Real estate business and other	5,928	2.9	5,081		2.6	(847)		(14.3)		
		Total			201,106	100		198,284	100		(2,822)	(1.4)
		Period-end backlog	Civil engineering	Domestic public sector	96,505	79.7	48.0	129,576	78.9	54.4	33,070	34.3
Domestic private sector	24,201			20.0	29,883	18.2		5,682	23.5			
Overseas	404			0.3	4,719	2.9		4,314	—			
Subtotal	121,111			100	164,180	100		43,068	35.6			
Architectural construction	Domestic public sector		64,742	49.4	52.0	41,964	30.5	45.6	(22,777)	(35.2)		
	Domestic private sector		66,212	50.5		95,698	69.5		29,485	44.5		
	Overseas		97	0.1		—	—		(97)	—		
	Subtotal		131,052	100		137,663	100		6,610	5.0		
Total	Domestic public sector		161,247	63.9	100	171,541	56.8	100	10,293	6.4		
	Domestic private sector		90,413	35.9		125,582	41.6		35,168	38.9		
	Overseas		502	0.2		4,719	1.6		4,217	838.6		
	Total		252,163	100		301,843	100		49,679	19.7		