

Consolidated Financial Statements
(For the fiscal year ended March 31, 2016)

Consolidated Balance Sheets

(Millions of yen)

	FY2015 As of March 31, 2015	FY2016 As of March 31, 2016
Assets		
Current assets:		
Cash and deposits	11,931	15,353
Notes receivable, accounts receivable from completed construction contracts and other	101,836	113,190
Securities	16,000	10,500
Real estate for sale	1,317	563
Costs on uncompleted construction contracts	4,961	4,706
Costs on real estate business	2,282	2,823
Work in process	383	479
Raw materials and supplies	110	43
Deferred tax assets	46	40
Other	9,676	10,207
Allowance for doubtful accounts	(1,583)	(1,665)
Total current assets	146,963	156,243
Non-current assets:		
Property, plant and equipment:		
Buildings and structures	19,556	19,259
Machinery, vehicles, tools, furniture and fixtures	4,832	4,965
Land	28,757	30,114
Leased assets	141	113
Construction in progress	54	1,163
Accumulated depreciation	(14,326)	(14,402)
Total property, plant and equipment	39,017	41,213
Intangible assets	272	263
Investments and other assets:		
Investment securities	71,715	66,250
Long-term loans receivable	205	180
Net defined benefit asset	1,710	2,156
Deferred tax assets	0	—
Other	2,962	2,565
Allowance for doubtful accounts	(2,545)	(2,192)
Total investments and other assets	74,048	68,960
Total non-current assets	113,338	110,437
Total assets	260,302	266,680

(Millions of yen)

	FY2015	FY2016
	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	53,860	54,033
Short-term loans payable	13,657	15,778
Lease obligations	31	21
Income taxes payable	515	565
Advances received on uncompleted construction contracts	6,916	6,718
Provision for warranties for completed construction	1,119	695
Provision for bonuses	2,484	3,101
Provision for directors' bonuses	32	42
Provision for loss on construction contracts	4,878	4,449
Asset retirement obligations	76	79
Other	15,653	19,352
Total current liabilities	99,226	104,840
Non-current liabilities:		
Long-term loans payable	5,181	5,168
Lease obligations	42	23
Deferred tax liabilities	15,064	13,243
Asset retirement obligations	70	67
Other	62	58
Total non-current liabilities	20,421	18,561
Total liabilities	119,647	123,401
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,327	25,329
Retained earnings	74,012	80,245
Treasury shares	(12,546)	(12,634)
Total shareholders' equity	106,632	112,779
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	31,868	28,329
Remeasurements of defined benefit plans	2,153	2,170
Total accumulated other comprehensive income	34,022	30,499
Total net assets	140,655	143,278
Total liabilities and net assets	260,302	266,680

Consolidated Statements of Income

(Millions of yen)

	FY2015 April 1, 2014 through March 31, 2015	FY2016 April 1, 2015 through March 31, 2016
Net sales:		
Net sales of completed construction contracts	194,752	195,178
Net sales of real estate business and other	10,515	10,113
Total net sales	205,268	205,291
Cost of sales:		
Cost of sales of completed construction contracts	181,032	176,505
Cost of sales on real estate business and other	6,714	6,135
Total cost of sales	187,746	182,641
Gross profit:		
Gross profit on completed construction contracts	13,720	18,672
Gross profit on real estate business and other	3,800	3,977
Total gross profit	17,521	22,649
Selling, general and administrative expenses	13,469	14,226
Operating income	4,052	8,423
Non-operating income:		
Interest income	155	89
Dividend income	900	1,024
Foreign exchange gains	418	—
Other	309	199
Total non-operating income	1,783	1,313
Non-operating expenses:		
Interest expenses	162	168
Foreign exchange losses	—	260
Other	56	35
Total non-operating expenses	219	464
Ordinary income	5,616	9,272
Extraordinary income:		
Gain on sales of investment securities	158	333
Other	0	1
Total extraordinary income	158	335
Extraordinary losses:		
Loss on retirement of non-current assets	379	270
Other	24	9
Total extraordinary losses	404	280
Profit before income taxes	5,370	9,327
Income taxes - current	628	798
Income taxes - deferred	(179)	(96)
Total income taxes	449	702
Profit	4,921	8,625
Profit attributable to owners of parent	4,921	8,625

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2015 April 1, 2014 through March 31, 2015	FY2016 April 1, 2015 through March 31, 2016
Profit	4,921	8,625
Other comprehensive income:		
Valuation difference on available-for-sale securities	9,115	(3,539)
Remeasurements of defined benefit plans, net of tax	984	16
Total other comprehensive income	10,099	(3,523)
Comprehensive income	15,021	5,102
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	15,021	5,102
Comprehensive income attributable to non-controlling interests	—	—

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2015	FY2016
	April 1, 2014 through March 31, 2015	April 1, 2015 through March 31, 2016
Cash flows from operating activities:		
Profit before income taxes	5,370	9,327
Depreciation	848	864
Loss on retirement of non-current assets	379	270
Increase (decrease) in allowance for doubtful accounts	(125)	60
Decrease (increase) in net defined benefit asset	(1,101)	(321)
Increase (decrease) in provision for warranties for completed construction	323	(423)
Increase (decrease) in provision for bonuses	366	617
Increase (decrease) in provision for directors' bonuses	18	9
Increase (decrease) in provision for loss on construction contracts	3,001	(428)
Interest and dividend income	(1,055)	(1,114)
Interest expenses	162	168
Loss (gain) on sales of short-term and long-term investment securities	(158)	(333)
Decrease (increase) in notes and accounts receivable - trade	(7,147)	(11,353)
Decrease (increase) in costs on uncompleted construction contracts	2,756	255
Decrease (increase) in other inventories	277	203
Increase (decrease) in notes and accounts payable - trade	(2,036)	1,137
Increase (decrease) in advances received on uncompleted construction contracts	(3,693)	(197)
Other, net	(278)	2,163
Subtotal	(2,091)	906
Interest and dividend income received	1,053	1,113
Interest expenses paid	(162)	(168)
Income taxes (paid) refund	(394)	(817)
Net cash provided by (used in) operating activities	(1,594)	1,033

(Millions of yen)

	FY2015	FY2016
	April 1, 2014 through March 31, 2015	April 1, 2015 through March 31, 2016
Cash flows from investing activities:		
Net decrease (increase) in time deposits	(150)	(278)
Purchase of short-term and long-term investment securities	(1,125)	(384)
Proceeds from sales and redemption of short-term and long-term investment securities	2,685	806
Purchase of property, plant and equipment and intangible assets	(2,586)	(2,886)
Proceeds from sales of property, plant and equipment and intangible assets	0	5
Payments of loans receivable	(1,402)	(18)
Collection of loans receivable	1,652	86
Other, net	(140)	(214)
Net cash provided by (used in) investing activities	(1,065)	(2,884)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	6,135	1,019
Proceeds from long-term loans payable	—	1,100
Repayments of long-term loans payable	(29)	(11)
Purchase of treasury shares	(163)	(91)
Proceeds from sales of treasury shares	8	4
Cash dividends paid	(1,798)	(2,392)
Other, net	(37)	(32)
Net cash provided by (used in) financing activities	4,115	(402)
Effect of exchange rate change on cash and cash equivalents	26	(95)
Net increase (decrease) in cash and cash equivalents	1,482	(2,348)
Cash and cash equivalents at beginning of period	26,245	27,727
Cash and cash equivalents at end of period	27,727	25,379

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			FY2015			FY2016			Change	% Change	
			April 1, 2014 through			April 1, 2015 through			Increase	Increase	
			March 31, 2015			March 31, 2016			(Decrease)	(Decrease)	
				%	%		%	%		%	
Construction orders awarded	Civil engineering	Domestic public sector	57,338	68.6	42.2	73,125	75.9	43.3	15,787	27.5	
		Domestic private sector	25,201	30.2		22,854	23.7		(2,347)	(9.3)	
		Overseas	1,034	1.2		390	0.4		(643)	(62.3)	
		Subtotal	83,574	100		96,370	100		12,795	15.3	
	Architectural construction	Domestic public sector	41,426	36.3	57.8	41,167	32.6	56.7	(259)	(0.6)	
		Domestic private sector	72,774	63.7		85,094	67.4		12,319	16.9	
		Overseas	53	0.0		2	0.0		(51)	(95.6)	
		Subtotal	114,254	100		126,263	100		12,008	10.5	
	Total	Domestic public sector	98,765	49.9	100	114,293	51.3	100	15,527	15.7	
		Domestic private sector	97,976	49.5		107,948	48.5		9,972	10.2	
		Overseas	1,087	0.6		392	0.2		(694)	(63.9)	
		Total	197,829	100		222,634	100		24,804	12.5	
Net sales	Projects completed	Civil engineering	Domestic public sector	62,781	76.1	[42.4]	60,832	75.8	[41.1]	(1,948)	(3.1)
			Domestic private sector	16,963	20.6	41.2	19,413	24.2	39.9	2,449	14.4
			Overseas	2,769	3.3		11	0.0		(2,757)	(99.6)
			Subtotal	82,514	100		80,257	100		(2,256)	(2.7)
	Architectural construction	Domestic public sector	47,382	42.2	[57.6]		35,369	30.8		[58.9]	(12,012)
		Domestic private sector	64,218	57.2	56.1	79,085	68.8	57.2	14,867	23.2	
		Overseas	638	0.6		465	0.4		(172)	(27.0)	
		Subtotal	112,238	100		114,920	100		2,682	2.4	
	Subtotal	Domestic public sector	110,163	56.6		[100]	96,202		49.3	[100]	(13,960)
		Domestic private sector	81,181	41.7	97.3	98,498	50.5	97.1	17,316	21.3	
		Overseas	3,407	1.7		477	0.2		(2,930)	(86.0)	
		Subtotal	194,752	100		195,178	100		425	0.2	
	Real estate business and other	5,425	2.7	5,928		2.9	503		9.3		
	Total			200,177	100		201,106	100		929	0.5
Period-end backlog	Civil engineering	Domestic public sector	84,212	80.2	46.7	96,505	79.7	48.0	12,292	14.6	
		Domestic private sector	20,760	19.8		24,201	20.0		3,440	16.6	
		Overseas	26	0.0		404	0.3		378	—	
		Subtotal	104,998	100		121,111	100		16,112	15.3	
	Architectural construction	Domestic public sector	58,944	49.2	53.3	64,742	49.4	52.0	5,797	9.8	
		Domestic private sector	60,203	50.3		66,212	50.5		6,008	10.0	
		Overseas	561	0.5		97	0.1		(463)	(82.6)	
		Subtotal	119,708	100		131,052	100		11,343	9.5	
	Total	Domestic public sector	143,156	63.7	100	161,247	63.9	100	18,090	12.6	
		Domestic private sector	80,963	36.0		90,413	35.9		9,449	11.7	
		Overseas	587	0.3		502	0.2		(84)	(14.4)	
		Total	224,707	100		252,163	100		27,455	12.2	