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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 [Japanese GAAP]

May 14, 2018

Company name : Kumagai Gumi Co., Ltd.  
 Stock exchange listings : Tokyo Stock Exchange, 1st Section  
 Securities code : 1861 URL : <http://www.kumagaigumi.co.jp/>  
 Representative : Yasunori Sakurano, President  
 Contact : Chihiro Nosaka, General Manager, Accounting Department, Administration Division  
 Tel. 03-3235-8606  
 Date of general meeting of shareholders : June 28, 2018  
 Date of filing of securities report : June 28, 2018  
 Scheduled date of dividend payment : June 29, 2018  
 Supplemental materials for financial results : Yes  
 Presentation on financial results : Yes

(Rounded down to the nearest million yen)

### 1. Consolidated Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

#### (1) Consolidated Operating Results

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2017	374,019	8.5	23,041	(8.3)	22,682	(10.6)	15,783	(4.0)
FY2016	344,706	0.3	25,135	2.4	25,358	(1.6)	16,433	35.9

(Note) Comprehensive income FY2017 14,098 million yen (16.8)% FY2016 16,947 million yen 39.4%

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
FY2017	389.63	—	15.3	7.5	6.2
FY2016	439.94	—	22.6	9.6	7.3

(Reference) Investment profit (loss) on equity method FY2017 144 million yen FY2016 91 million yen

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2017	333,665	126,374	37.9	2,707.51
FY2016	271,908	80,288	29.5	2,150.33

(Reference) Owner's equity FY2017 126,374 million yen FY2016 80,288 million yen

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
	Million yen	Million yen	Million yen	Million yen
FY2017	17,641	(14,010)	30,856	108,532
FY2016	8,625	(3,090)	(4,024)	73,926

※ The company conducted a one-for-ten reverse stock split of common stock on October 1, 2017. Basic earnings per share and Net assets per share were calculated under the assumption that the reverse stock split of common stock was conducted on April 1, 2016.

### 2. Dividends

	Annual cash dividends per share					Total dividend paid	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2016	—	—	—	7.00	7.00	2,621	15.9	3.6
FY2017	—	—	—	90.00	90.00	4,210	23.1	3.7
FY2018 (forecast)	—	—	—	100.00	100.00		28.3	

※ Details of the dividends of FY2017: Ordinary dividend ¥70.00 120th anniversary commemorative dividend ¥20.00

※ The company conducted a one-for-ten reverse stock split of common stock on October 1, 2017. In consideration of the reverse stock split, the year-end cash dividend per share for FY2016 is ¥70.00.

### 3. Forecast of Consolidated Operating Results for FY2018 (April 1, 2018 – March 31, 2019)

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2018	400,000	6.9	24,000	4.2	24,000	5.8	16,500	4.5	353.50

※ Notes

(1) Changes in significant subsidiaries during the period  
(Changes in specified subsidiaries that resulted in a change in the scope of consolidation) : None

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

- ① Changes in accounting policies due to the revision of the accounting standards : None  
 ② Changes in accounting policies other than ① : None  
 ③ Changes in accounting estimates : None  
 ④ Retrospective restatements : None

(3) Number of shares issued (common stock)

- ① Number of shares issued at the end of the period (including treasury stocks)  
 ② Number of treasury stocks at the end of the period  
 ③ Average number of shares outstanding during the period

				(Shares)	
FY2017	46,805,660	FY2016	37,754,460		
FY2017	130,029	FY2016	416,584		
FY2017	40,509,792	FY2016	37,354,928		

※ The company conducted a one-for-ten reverse stock split of common stock on October 1, 2017. Number of shares issued at the end of the period, number of treasury stocks at the end of the period and average number of shares outstanding during the period were calculated under the assumption that the reverse stock split of common stock was conducted on April 1, 2016.

(Reference) Summary of Nonconsolidated Financial Results

1. Nonconsolidated Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(1) Nonconsolidated Operating Results

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2017	294,579	7.6	17,945	(14.9)	18,212	(16.7)	12,864	(8.0)
FY2016	273,717	2.3	21,084	5.8	21,862	(0.7)	13,986	34.6

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
FY2017	316.72	—	—	—
FY2016	373.37	—	—	—

(2) Nonconsolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	Net assets per share
	Million yen	Million yen	Million yen	Million yen	%	Yen
FY2017	280,092	100,439	100,439	35.9	35.9	2,146.90
FY2016	223,147	57,321	57,321	25.7	25.7	1,530.84

(Reference) Owner's equity FY2017 100,439 million yen FY2016 57,321 million yen

※ The company conducted a one-for-ten reverse stock split of common stock on October 1, 2017. Basic earnings per share and Net assets per share were calculated under the assumption that the reverse stock split of common stock was conducted on April 1, 2016.

2. Forecast of Nonconsolidated Operating Results for FY2018 (April 1, 2018 – March 31, 2019)

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Ordinary income		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
FY2018	320,000	8.6	20,700	13.7	14,300	11.2	305.67

※ "Kessan Tanshin" is not subject to an audit by a certified public accountant or an audit corporation.

※ Explanation regarding the appropriate use of forecasts of operating results, and other specific comments

- The financial forecast of operating results in this document are based on information available at present and logical assessments. Actual results may be materially different from expectations due to a variety of factors.
- The Company is to hold the presentation on financial results for analysts and institutional investors. The materials related to financial results which will be used on the presentation will be posted on the Company's website as soon as possible after the presentation.

# 1. Consolidated Financial Statements

## (1) Consolidated balance sheet

(millions of yen)

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	73,930	108,536
Notes receivable, accounts receivable from completed construction contracts and other	124,412	139,287
Costs on uncompleted construction contracts	7,115	6,905
Deferred tax assets	6,041	6,021
Accounts receivable – other	10,869	12,178
Other	6,595	7,309
Allowance for doubtful accounts	(135)	(151)
<b>Total current assets</b>	<b>228,829</b>	<b>280,088</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	15,654	17,094
Machinery, vehicles, tools, furniture and fixtures	15,498	16,374
Land	10,095	10,524
Leased assets	209	262
Construction in progress	501	618
Accumulated depreciation	(24,760)	(25,370)
<b>Total property, plant and equipment</b>	<b>17,199</b>	<b>19,504</b>
Intangible assets	441	441
<b>Investments and other assets</b>		
Investment securities	16,225	24,382
Long-term loans receivable	970	858
Long-term non-operating accounts receivable	283	235
Claims provable in bankruptcy, claims provable in rehabilitation and other	74	69
Deferred tax assets	5,515	5,406
Other	2,665	2,818
Allowance for doubtful accounts	(296)	(271)
<b>Total investments and other assets</b>	<b>25,437</b>	<b>33,499</b>
<b>Total non-current assets</b>	<b>43,078</b>	<b>53,444</b>
<b>Deferred assets</b>		
Share issuance cost	—	132
<b>Total deferred assets</b>	<b>—</b>	<b>132</b>
<b>Total assets</b>	<b>271,908</b>	<b>333,665</b>

(millions of yen)

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	69,707	76,043
Electronically recorded obligations – operating	27,283	29,297
Short-term loans payable	12,427	4,090
Income taxes payable	2,979	2,871
Advances received on uncompleted construction contracts	14,612	21,527
Deposits received	13,234	20,700
Provision for warranties for completed construction	606	433
Provision for loss on construction contracts	370	438
Provision for contingent loss	13,917	11,341
Provision for bonuses	3,621	3,911
Other	7,857	7,188
<b>Total current liabilities</b>	<b>166,618</b>	<b>177,845</b>
<b>Non-current liabilities</b>		
Long-term loans payable	2,994	10,389
Net defined benefit liability	21,824	16,677
Other	182	2,378
<b>Total non-current liabilities</b>	<b>25,001</b>	<b>29,444</b>
<b>Total liabilities</b>	<b>191,619</b>	<b>207,290</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	13,341	30,108
Capital surplus	7,880	25,157
Retained earnings	55,377	68,540
Treasury shares	(753)	(189)
<b>Total shareholders' equity</b>	<b>75,845</b>	<b>123,616</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,428	2,699
Foreign currency translation adjustment	388	516
Remeasurements of defined benefit plans	(374)	(457)
<b>Total accumulated other comprehensive income</b>	<b>4,443</b>	<b>2,758</b>
<b>Total net assets</b>	<b>80,288</b>	<b>126,374</b>
<b>Total liabilities and net assets</b>	<b>271,908</b>	<b>333,665</b>

(2) Consolidated statement of income and Consolidated statement of comprehensive income  
Consolidated statement of income

(millions of yen)

	FY2016 (Apr 1, 2016—Mar 31, 2017)	FY2017 (Apr 1, 2017—Mar 31, 2018)
Net sales of completed construction contracts	344,706	374,019
Cost of sales of completed construction contracts	303,625	333,789
Gross profit on completed construction contracts	41,080	40,230
Selling, general and administrative expenses	15,945	17,188
Operating profit	25,135	23,041
Non-operating income		
Interest income	40	38
Dividend income	104	106
Share of profit of entities accounted for using equity method	91	144
Compensation for damage income	124	85
Reversal of allowance for doubtful accounts	105	13
Other	114	135
Total non-operating income	581	524
Non-operating expenses		
Interest expenses	286	241
Foreign exchange losses	0	28
Commission for syndicate loan	8	223
Capital and business alliance expenses	—	236
Amortization of share issuance cost	—	16
Other	62	136
Total non-operating expenses	357	883
Ordinary profit	25,358	22,682
Extraordinary income		
Gain on sales of non-current assets	15	22
Gain on sales of memberships	27	39
Other	4	2
Total extraordinary income	47	64
Extraordinary losses		
Loss on sales of non-current assets	127	17
Loss on retirement of non-current assets	52	84
Loss on valuation of investment securities	111	—
Loss on litigation	24	49
Provision for contingent loss	1,792	481
Loss on abolishment of retirement benefit plan	472	—
Other	91	17
Total extraordinary losses	2,673	651
Profit before income taxes	22,733	22,095
Income taxes – current	6,131	5,386
Income taxes – deferred	167	925
Total income taxes	6,299	6,311
Profit	16,433	15,783
Profit attributable to owners of parent	16,433	15,783

## Consolidated statement of comprehensive income

(millions of yen)

	FY2016 (Apr 1, 2016—Mar 31, 2017)	FY2017 (Apr 1, 2017—Mar 31, 2018)
Profit	16,433	15,783
Other comprehensive income		
Valuation difference on available-for-sale securities	571	(1,722)
Foreign currency translation adjustment	(5)	127
Remeasurements of defined benefit plans, net of tax	(58)	(83)
Share of other comprehensive income of entities accounted for using equity method	6	(7)
Total other comprehensive income	514	(1,685)
Comprehensive income	16,947	14,098
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,947	14,098
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of changes in equity  
FY2016 (Apr 1, 2016—Mar 31, 2017)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,341	7,879	40,442	(659)	61,004
Changes of items during period					
Issuance of new shares					—
Dividends of surplus			(1,499)		(1,499)
Profit attributable to owners of parent			16,433		16,433
Purchase of treasury shares				(95)	(95)
Disposal of treasury shares		0		1	1
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	14,934	(94)	14,840
Balance at end of current period	13,341	7,880	55,377	(753)	75,845

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	3,850	394	(315)	3,929	64,933
Changes of items during period					
Issuance of new shares					—
Dividends of surplus					(1,499)
Profit attributable to owners of parent					16,433
Purchase of treasury shares					(95)
Disposal of treasury shares					1
Net changes of items other than shareholders' equity	577	(5)	(58)	514	514
Total changes of items during period	577	(5)	(58)	514	15,355
Balance at end of current period	4,428	388	(374)	4,443	80,288

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,341	7,880	55,377	(753)	75,845
Changes of items during period					
Issuance of new shares	16,767	16,767			33,534
Dividends of surplus			(2,621)		(2,621)
Profit attributable to owners of parent			15,783		15,783
Purchase of treasury shares				(77)	(77)
Disposal of treasury shares		509		641	1,151
Net changes of items other than shareholders' equity					
Total changes of items during period	16,767	17,276	13,162	564	47,771
Balance at end of current period	30,108	25,157	68,540	(189)	123,616

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	4,428	388	(374)	4,443	80,288
Changes of items during period					
Issuance of new shares					33,534
Dividends of surplus					(2,621)
Profit attributable to owners of parent					15,783
Purchase of treasury shares					(77)
Disposal of treasury shares					1,151
Net changes of items other than shareholders' equity	(1,729)	127	(83)	(1,685)	(1,685)
Total changes of items during period	(1,729)	127	(83)	(1,685)	46,086
Balance at end of current period	2,699	516	(457)	2,758	126,374



## (4) Consolidated statements of cash flows

(millions of yen)

	FY2016 (Apr 1, 2016—Mar 31, 2017)	FY2017 (Apr 1, 2017—Mar 31, 2018)
Cash flows from operating activities		
Profit before income taxes	22,733	22,095
Depreciation	1,367	1,735
Amortization of share issuance cost	—	16
Increase (decrease) in allowance for doubtful accounts	(1,038)	(13)
Increase (decrease) in provision for contingent loss	(1,214)	(2,575)
Increase (decrease) in net defined benefit liability	(75)	(1,746)
Interest and dividend income	(145)	(145)
Interest expenses	286	241
Foreign exchange losses (gains)	0	30
Share of loss (profit) of entities accounted for using equity method	(91)	(144)
Loss (gain) on valuation of investment securities	111	—
Loss (gain) on sales of non-current assets	112	(4)
Loss on retirement of non-current assets	52	84
Decrease (increase) in notes and accounts receivable – trade	(9,028)	(14,814)
Decrease (increase) in costs on uncompleted construction contracts	(3,147)	209
Increase (decrease) in notes and accounts payable – trade	4,636	8,048
Increase (decrease) in advances received on uncompleted construction contracts	729	6,910
Decrease (increase) in other assets and other	383	(668)
Other, net	1,282	3,879
Subtotal	16,955	23,138
Interest and dividend income received	149	147
Interest expenses paid	(277)	(242)
Income taxes paid	(8,201)	(5,402)
Net cash provided by (used in) operating activities	8,625	17,641
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,985)	(3,763)
Proceeds from sales of property, plant and equipment	217	130
Purchase of investment securities	(229)	(240)
Purchase of shares of subsidiaries and associates	(116)	(10,271)
Payments of loans receivable	(84)	(52)
Collection of loans receivable	201	186
Other, net	(93)	(0)
Net cash provided by (used in) investing activities	(3,090)	(14,010)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(515)	(420)
Proceeds from long-term loans payable	1,476	8,884
Repayments of long-term loans payable	(3,359)	(9,407)
Proceeds from issuance of common shares	—	33,385
Proceeds from disposal of treasury shares	1	1,151
Cash dividends paid	(1,499)	(2,621)
Other, net	(128)	(116)
Net cash provided by (used in) financing activities	(4,024)	30,856
Effect of exchange rate change on cash and cash equivalents	(6)	119
Net increase (decrease) in cash and cash equivalents	1,504	34,606
Cash and cash equivalents at beginning of period	72,422	73,926
Cash and cash equivalents at end of period	73,926	108,532

## 2. Nonconsolidated Financial Statements

### (1) Nonconsolidated balance sheet

(millions of yen)

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	56,175	91,364
Notes receivable – trade	4,260	2,549
Accounts receivable from completed construction contracts	99,259	110,246
Costs on uncompleted construction contracts	6,007	5,988
Deferred tax assets	5,399	5,393
Accounts receivable – other	11,093	14,007
Other	6,205	6,691
Allowance for doubtful accounts	(115)	(127)
<b>Total current assets</b>	<b>188,286</b>	<b>236,114</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	7,929	8,591
Accumulated depreciation	(6,093)	(6,326)
Buildings, net	1,835	2,265
Structures	1,070	1,097
Accumulated depreciation	(941)	(955)
Structures, net	128	142
Machinery and equipment	1,422	1,572
Accumulated depreciation	(1,355)	(1,374)
Machinery and equipment, net	66	198
Vehicles	53	55
Accumulated depreciation	(11)	(33)
Vehicles, net	42	22
Tools, furniture and fixtures	2,656	2,474
Accumulated depreciation	(2,460)	(2,267)
Tools, furniture and fixtures, net	195	206
Land	7,273	7,677
Leased assets	116	165
Accumulated depreciation	(90)	(105)
Leased assets, net	25	59
Construction in progress	0	565
<b>Total property, plant and equipment</b>	<b>9,567</b>	<b>11,136</b>
Intangible assets	242	266
<b>Investments and other assets</b>		
Investment securities	12,869	11,781
Shares of subsidiaries and associates	5,802	14,691
Long-term loans receivable from employees	472	378
Long-term loans receivable from subsidiaries and associates	932	824
Long-term non-operating accounts receivable	134	111
Claims provable in bankruptcy, claims provable in rehabilitation and other	41	33
Long-term prepaid expenses	27	82
Deferred tax assets	4,015	3,868
Other	840	751
Allowance for doubtful accounts	(86)	(80)
<b>Total investments and other assets</b>	<b>25,050</b>	<b>32,443</b>
<b>Total non-current assets</b>	<b>34,860</b>	<b>43,846</b>
<b>Deferred assets</b>		
Share issuance cost	–	132
<b>Total deferred assets</b>	<b>–</b>	<b>132</b>
<b>Total assets</b>	<b>223,147</b>	<b>280,092</b>

(millions of yen)

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
<b>Liabilities</b>		
Current liabilities		
Notes payable – trade	8,261	7,786
Electronically recorded obligations – operating	27,283	29,297
Accounts payable for construction contracts	45,081	50,396
Short-term loans payable	12,162	3,851
Lease obligations	13	19
Income taxes payable	2,765	2,513
Advances received on uncompleted construction contracts	13,346	20,051
Deposits received	11,683	19,136
Provision for warranties for completed construction	523	341
Provision for loss on construction contracts	174	293
Provision for contingent loss	13,706	11,324
Provision for bonuses	2,306	2,477
Deposits received from employees	2,060	2,178
Other	4,770	3,969
Total current liabilities	144,138	153,638
Non-current liabilities		
Long-term loans payable	2,895	10,328
Lease obligations	22	49
Provision for retirement benefits	18,711	13,397
Other	57	2,239
Total non-current liabilities	21,686	26,015
Total liabilities	165,825	179,653
<b>Net assets</b>		
Shareholders' equity		
Capital stock	13,341	30,108
Capital surplus		
Legal capital surplus	–	16,767
Other capital surplus	7,880	8,390
Total capital surpluses	7,880	25,157
Retained earnings		
Legal retained earnings	297	559
Other retained earnings		
Retained earnings brought forward	32,073	42,054
Total retained earnings	32,370	42,613
Treasury shares	(632)	(65)
Total shareholders' equity	52,960	97,813
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,361	2,625
Total valuation and translation adjustments	4,361	2,625
Total net assets	57,321	100,439
Total liabilities and net assets	223,147	280,092

## (2) Nonconsolidated statement of income

(millions of yen)

	FY2016 (Apr 1, 2016—Mar 31, 2017)	FY2017 (Apr 1, 2017—Mar 31, 2018)
Net sales of completed construction contracts	273,717	294,579
Cost of sales of completed construction contracts	241,179	264,028
Gross profit on completed construction contracts	32,538	30,550
Selling, general and administrative expenses		
Directors' compensations	191	190
Employees' salaries and allowances	4,306	4,672
Retirement benefit expenses	233	234
Legal welfare expenses	687	737
Welfare expenses	421	376
Repair and maintenance	87	68
Stationery expenses	272	305
Correspondence and transportation expenses	583	681
Power utilities expenses	59	61
Research study expenses	1,243	1,534
Advertising expenses	120	273
Provision of allowance for doubtful accounts	9	12
Entertainment expenses	267	307
Contribution	46	36
Rents	361	397
Depreciation	67	80
Taxes and dues	627	758
Insurance expenses	84	91
Miscellaneous expenses	1,783	1,783
Total selling, general and administrative expenses	11,453	12,605
Operating profit	21,084	17,945
Non-operating income		
Interest income	39	33
Dividend income	777	801
Compensation for damage income	124	85
Reversal of allowance for doubtful accounts	43	6
Other	143	166
Total non-operating income	1,127	1,093
Non-operating expenses		
Interest expenses	282	232
Foreign exchange losses	3	21
Commission for syndicate loan	8	223
Capital and business alliance expenses	—	236
Amortization of share issuance cost	—	16
Other	55	95
Total non-operating expenses	349	826
Ordinary profit	21,862	18,212
Extraordinary income		
Gain on sales of investment securities	4	0
Gain on sales of memberships	27	39
Other	0	2
Total extraordinary income	32	42
Extraordinary losses		
Loss on sales of non-current assets	127	17
Loss on valuation of investment securities	111	—
Provision for contingent loss	1,801	494
Loss on abolishment of retirement benefit plan	472	—
Other	65	27
Total extraordinary losses	2,578	539
Profit before income taxes	19,317	17,715
Income taxes – current	4,943	3,931
Income taxes – deferred	386	919
Total income taxes	5,330	4,850
Profit	13,986	12,864

(3) Nonconsolidated statements of changes in equity  
 FY2016 (Apr 1, 2016—Mar 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
					Retained earnings brought forward		
Balance at beginning of current period	13,341	—	7,879	7,879	147	19,735	19,882
Changes of items during period							
Issuance of new shares							
Provision of legal retained earnings					149	(149)	—
Dividends of surplus						(1,499)	(1,499)
Profit						13,986	13,986
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	149	12,338	12,487
Balance at end of current period	13,341	—	7,880	7,880	297	32,073	32,370

	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	(539)	40,564	3,765	3,765	44,329
Changes of items during period					
Issuance of new shares		—			—
Provision of legal retained earnings		—			—
Dividends of surplus		(1,499)			(1,499)
Profit		13,986			13,986
Purchase of treasury shares	(93)	(93)			(93)
Disposal of treasury shares	1	1			1
Net changes of items other than shareholders' equity			595	595	595
Total changes of items during period	(92)	12,396	595	595	12,992
Balance at end of current period	(632)	52,960	4,361	4,361	57,321

	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
		Retained earnings brought forward					
Balance at beginning of current period	13,341	—	7,880	7,880	297	32,073	32,370
Changes of items during period							
Issuance of new shares	16,767	16,767		16,767			
Provision of legal retained earnings					262	(262)	—
Dividends of surplus						(2,621)	(2,621)
Profit						12,864	12,864
Purchase of treasury shares							
Disposal of treasury shares			509	509			
Net changes of items other than shareholders' equity							
Total changes of items during period	16,767	16,767	509	17,276	262	9,980	10,243
Balance at end of current period	30,108	16,767	8,390	25,157	559	42,054	42,613

	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	(632)	52,960	4,361	4,361	57,321
Changes of items during period					
Issuance of new shares		33,534			33,534
Provision of legal retained earnings		—			—
Dividends of surplus		(2,621)			(2,621)
Profit		12,864			12,864
Purchase of treasury shares	(75)	(75)			(75)
Disposal of treasury shares	641	1,151			1,151
Net changes of items other than shareholders' equity			(1,736)	(1,736)	(1,736)
Total changes of items during period	566	44,853	(1,736)	(1,736)	43,117
Balance at end of current period	(65)	97,813	2,625	2,625	100,439

### 3. Supplementary Information

#### (1) Orders received, net sales and carried-forward (Nonconsolidated)

(millions of yen)

	FY2016 Apr 1, 2016—Mar 31, 2017		FY2017 Apr 1, 2017—Mar 31, 2018		Change	
	Amount	Composition ratio %	Amount	Composition ratio %	Amount	%
Public	46,421	16.3	66,417	17.4	19,995	43.1
Private	57,278	20.1	63,464	16.6	6,185	10.8
Domestic	103,699	36.4	129,881	34.0	26,181	25.2
Overseas	18	0.0	10	0.0	(8)	(45.2)
<b>Civil engineering</b>	<b>103,718</b>	<b>36.4</b>	<b>129,891</b>	<b>34.0</b>	<b>26,172</b>	<b>25.2</b>
Public	14,471	5.1	23,516	6.2	9,045	62.5
Private	165,885	58.3	227,528	59.6	61,642	37.2
Domestic	180,356	63.4	251,044	65.8	70,687	39.2
Overseas	635	0.2	848	0.2	212	33.4
<b>Building construction</b>	<b>180,992</b>	<b>63.6</b>	<b>251,892</b>	<b>66.0</b>	<b>70,900</b>	<b>39.2</b>
Public	60,892	21.4	89,933	23.6	29,040	47.7
Private	223,163	78.4	290,992	76.2	67,828	30.4
Domestic	284,056	99.8	380,925	99.8	96,869	34.1
Overseas	654	0.2	858	0.2	203	31.2
<b>Orders received—Total</b>	<b>284,711</b>	<b>100</b>	<b>381,784</b>	<b>100</b>	<b>97,073</b>	<b>34.1</b>
Public	52,430	19.2	60,329	20.5	7,898	15.1
Private	39,012	14.3	46,444	15.8	7,432	19.1
Domestic	91,443	33.5	106,774	36.3	15,330	16.8
Overseas	58	0.0	31	0.0	(27)	(46.5)
<b>Civil engineering</b>	<b>91,501</b>	<b>33.5</b>	<b>106,805</b>	<b>36.3</b>	<b>15,303</b>	<b>16.7</b>
Public	25,772	9.4	20,861	7.1	(4,911)	(19.1)
Private	155,254	56.7	165,965	56.3	10,710	6.9
Domestic	181,027	66.1	186,826	63.4	5,799	3.2
Overseas	1,188	0.4	947	0.3	(241)	(20.3)
<b>Building construction</b>	<b>182,215</b>	<b>66.5</b>	<b>187,773</b>	<b>63.7</b>	<b>5,557</b>	<b>3.1</b>
Public	78,203	28.6	81,190	27.6	2,987	3.8
Private	194,267	71.0	212,410	72.1	18,142	9.3
Domestic	272,470	99.6	293,601	99.7	21,130	7.8
Overseas	1,246	0.4	978	0.3	(268)	(21.5)
<b>Net sales—Total</b>	<b>273,717</b>	<b>100</b>	<b>294,579</b>	<b>100</b>	<b>20,861</b>	<b>7.6</b>
Public	85,020	25.3	91,107	21.5	6,087	7.2
Private	66,116	19.7	83,135	19.6	17,019	25.7
Domestic	151,136	45.0	174,243	41.1	23,107	15.3
Overseas	35	0.0	14	0.0	(21)	(60.0)
<b>Civil engineering</b>	<b>151,171</b>	<b>45.0</b>	<b>174,257</b>	<b>41.1</b>	<b>23,085</b>	<b>15.3</b>
Public	29,138	8.7	31,793	7.5	2,655	9.1
Private	155,484	46.2	217,047	51.3	61,562	39.6
Domestic	184,623	54.9	248,841	58.8	64,217	34.8
Overseas	481	0.1	370	0.1	(111)	(23.1)
<b>Building construction</b>	<b>185,105</b>	<b>55.0</b>	<b>249,211</b>	<b>58.9</b>	<b>64,106</b>	<b>34.6</b>
Public	114,159	34.0	122,901	29.0	8,742	7.7
Private	221,600	65.9	300,182	70.9	78,582	35.5
Domestic	335,759	99.9	423,084	99.9	87,324	26.0
Overseas	517	0.1	384	0.1	(132)	(25.6)
<b>Carried-forward—Total</b>	<b>336,276</b>	<b>100</b>	<b>423,469</b>	<b>100</b>	<b>87,192</b>	<b>25.9</b>

(Note) The carried-forward amount of overseas work has been translated at the closing rate.

FY2016 : Increased by 20 million yen      FY2017 : Decreased by 12 million yen

## (2) Financial Highlights

Consolidated

(100 millions of yen)

(Operating Results)

	A FY2016	B FY2017	B - A		C FY2018 (Forecasts)	C - B	
				%			%
Net sales	3,447	3,740	293	8.5	4,000	260	6.9
Gross profit	411	402	(9)	(2.1)	430	28	6.9
(Ratio)	11.9%	10.8%	(1.1%)		10.8%	0.0%	
SG&A expenses	159	172	12		190	18	
Operating profit	251	230	(21)	(8.3)	240	10	4.2
(Ratio)	7.3%	6.2%	(1.1%)		6.0%	(0.2%)	
Non-operating income - net	2	(4)	(6)		0	4	
Ordinary profit	254	227	(27)	(10.6)	240	13	5.8
Extraordinary income - net	(26)	(6)	20		0	6	
Profit before income taxes	227	221	(6)	(2.8)	240	19	8.6
Income taxes and others	63	63	0		75	12	
Profit attributable to owners of parent	164	158	(6)	(4.0)	165	7	4.5

Nonconsolidated

(Operating Results)

	A FY2016	B FY2017	B - A		C FY2018 (Forecasts)	C - B	
				%			%
Civil engineering	1,037	1,299	262		1,300	1	
Building construction	1,804	2,510	707		2,400	(110)	
Domestic	2,841	3,809	969		3,700	(109)	
Overseas	7	9	2		120	111	
Orders received	2,847	3,818	971	34.1	3,820	2	0.1
Civil engineering	914	1,068	153		1,100	32	
Building construction	1,810	1,868	58		2,050	182	
Domestic	2,725	2,936	211		3,150	214	
Overseas	12	10	(3)		50	40	
Net sales	2,737	2,946	209	7.6	3,200	254	8.6
Civil engineering	108	106	(3)		125	19	
(Ratio)	11.9%	9.9%	(2.0%)		11.4%	1.5%	
Building construction	215	199	(16)		220	21	
(Ratio)	11.9%	10.6%	(1.3%)		10.7%	0.1%	
Domestic	323	304	(19)		345	41	
(Ratio)	11.9%	10.4%	(1.5%)		11.0%	0.6%	
Overseas	2	1	(1)		5	4	
(Ratio)	15.8%	12.8%	(3.0%)		10.0%	(2.8%)	
Gross profit	325	306	(20)	(6.1)	350	44	14.6
(Ratio)	11.9%	10.4%	(1.5%)		10.9%	0.5%	
SG&A expenses	115	126	12		150	24	
Operating profit	211	179	(31)	(14.9)	200	21	11.4
(Ratio)	7.7%	6.1%	(1.6%)		6.3%	0.2%	
Non-operating income - net	8	3	(5)		7	4	
Ordinary profit	219	182	(37)	(16.7)	207	25	13.7
Extraordinary income - net	(25)	(5)	20		0	5	
Profit before income taxes	193	177	(16)	(8.3)	207	30	16.8
Income taxes and others	53	49	(5)		64	15	
Profit	140	129	(11)	(8.0)	143	14	11.2