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Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 [Japanese GAAP]

May 12, 2017

Company name : Kumagai Gumi Co., Ltd.
 Stock exchange listings : Tokyo Stock Exchange, 1st Section
 Securities code : 1861 URL : <http://www.kumagaigumi.co.jp/>
 Representative : Yasushi Higuchi, President
 Contact : Chihiro Nosaka, General Manager, Accounting Department, Administration Division
 Tel. 03-3235-8606
 Date of general meeting of shareholders : June 29, 2017
 Date of filing of securities report : June 29, 2017
 Scheduled date of dividend payment : June 30, 2017
 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, 2017 (April 1, 2016 – March 31, 2017)

(1) Consolidated Operating Results (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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2016	344,706	0.3	25,135	2.4	25,358	(1.6)	16,433	35.9
FY2015	343,647	(5.1)	24,540	52.4	25,772	64.6	12,092	121.5

(Note) Comprehensive income FY2016 16,947 million yen 39.4% FY2015 12,157 million yen 81.9%

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales ratio
	Yen	Yen	%	%	%
FY2016	43.99	—	22.6	9.6	7.3
FY2015	32.36	—	20.4	10.1	7.1

(Reference) Investment profit (loss) on equity method FY2016 91 million yen FY2015 56 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2016	271,908	80,288	29.5	215.03
FY2015	255,525	64,933	25.4	173.76

(Reference) Owner's equity FY2016 80,288 million yen FY2015 64,933 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
FY2016	8,625	(3,090)	(4,024)	73,926
FY2015	4,234	(448)	(2,926)	72,422

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			
FY2015	—	—	—	4.00	4.00	1,499	12.4	2.5
FY2016	—	—	—	7.00	7.00	2,621	15.9	3.6
FY2017 (forecast)	—	—	—	70.00	70.00		17.9	

(Note) The company plans to conduct a one-for-ten reverse stock split of common stock, effective on October 1, 2017. Accordingly, the impact of the reverse stock split has been factored into the year-end dividend per share for FY2017 (forecast). Without taking into account the reverse stock split, the year-end cash dividend per share for FY2017 (forecast) is ¥7.00.

3. Forecast of Consolidated Operating Results for FY2017 (April 1, 2017 – March 31, 2018)

(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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2017	359,300	4.2	21,000	(16.5)	20,800	(18.0)	14,600	(11.2)

※ 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) Application of specific accounting for consolidated financial statements : None
- (3) 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

(4) 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)			
FY2016	377,544,607	FY2015	377,544,607
FY2016	4,165,841	FY2015	3,856,532
FY2016	373,549,283	FY2015	373,723,921

(Reference) Summary of Nonconsolidated Financial Results

1. Nonconsolidated Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(1) Nonconsolidated Operating Results

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

	Net sales of completed construction contracts		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2016	273,717	2.3	21,084	5.8	21,862	(0.7)	13,986	34.6
FY2015	267,497	(7.2)	19,938	53.1	22,020	41.8	10,392	53.3

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
FY2016	37.34	—	—	—
FY2015	27.73	—	—	—

(2) Nonconsolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2016	223,147	57,321	25.7	153.08
FY2015	210,628	44,329	21.0	118.29

(Reference) Owner's equity FY2016 57,321 million yen FY2015 44,329 million yen

2. Forecast of Nonconsolidated Operating Results for FY2017 (April 1, 2017 – March 31, 2018)

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

	Net sales of completed construction contracts		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%
FY2017	281,000	2.7	17,500	(20.0)	12,500	(10.6)

※ "Kessan Tanshin" is not subject to an audit.

※ 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.
- At the Board of Directors meeting held on May 12, 2017, the Company resolved to submit a proposal to shareholders at the 80th ordinary general meeting of shareholders scheduled for June 29, 2017, relating to a one-for-ten reverse stock split of common stock, effective on October 1, 2017.
- 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)

	FY2015 (As of March 31, 2016)	FY2016 (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	72,422	73,930
Notes receivable, accounts receivable from completed construction contracts and other	115,388	124,412
Costs on uncompleted construction contracts	3,967	7,115
Deferred tax assets	6,320	6,041
Accounts receivable – other	11,126	10,869
Other	5,982	6,595
Allowance for doubtful accounts	(186)	(135)
Total current assets	215,021	228,829
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,384	15,654
Machinery, vehicles, tools, furniture and fixtures	15,277	15,498
Land	10,089	10,095
Leased assets	209	209
Construction in progress	110	501
Accumulated depreciation	(25,326)	(24,760)
Total property, plant and equipment	15,745	17,199
Intangible assets	430	441
Investments and other assets		
Investment securities	15,075	16,225
Long-term loans receivable	1,066	970
Long-term non-operating accounts receivable	1,119	283
Claims provable in bankruptcy, claims provable in rehabilitation and other	258	74
Deferred tax assets	5,630	5,515
Other	2,461	2,665
Allowance for doubtful accounts	(1,284)	(296)
Total investments and other assets	24,328	25,437
Total non-current assets	40,503	43,078
Total assets	255,525	271,908

(millions of yen)

	FY2015 (As of March 31, 2016)	FY2016 (As of March 31, 2017)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	69,581	69,707
Electronically recorded obligations – operating	22,530	27,283
Short-term loans payable	6,849	12,427
Income taxes payable	4,691	2,979
Advances received on uncompleted construction contracts	13,883	14,612
Deposits received	15,562	13,234
Provision for warranties for completed construction	559	606
Provision for loss on construction contracts	180	370
Provision for contingent loss	15,132	13,917
Provision for bonuses	3,267	3,621
Other	5,389	7,857
Total current liabilities	157,627	166,618
Non-current liabilities		
Long-term loans payable	10,971	2,994
Net defined benefit liability	21,815	21,824
Other	177	182
Total non-current liabilities	32,964	25,001
Total liabilities	190,591	191,619
Net assets		
Shareholders' equity		
Capital stock	13,341	13,341
Capital surplus	7,879	7,880
Retained earnings	40,442	55,377
Treasury shares	(659)	(753)
Total shareholders' equity	61,004	75,845
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,850	4,428
Foreign currency translation adjustment	394	388
Remeasurements of defined benefit plans	(315)	(374)
Total accumulated other comprehensive income	3,929	4,443
Total net assets	64,933	80,288
Total liabilities and net assets	255,525	271,908

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

(millions of yen)

	FY2015 (Apr 1, 2015—Mar 31, 2016)	FY2016 (Apr 1, 2016—Mar 31, 2017)
Net sales of completed construction contracts	343,647	344,706
Cost of sales of completed construction contracts	304,579	303,625
Gross profit on completed construction contracts	39,068	41,080
Selling, general and administrative expenses	14,528	15,945
Operating profit	24,540	25,135
Non-operating income		
Interest income	47	40
Dividend income	87	104
Share of profit of entities accounted for using equity method	56	91
Compensation for damage income	—	124
Reversal of allowance for doubtful accounts	1,438	105
Other	66	114
Total non-operating income	1,697	581
Non-operating expenses		
Interest expenses	350	286
Foreign exchange losses	45	0
Other	69	70
Total non-operating expenses	465	357
Ordinary profit	25,772	25,358
Extraordinary income		
Gain on sales of non-current assets	67	15
Gain on sales of investment securities	871	4
Gain on sales of memberships	22	27
Other	36	0
Total extraordinary income	997	47
Extraordinary losses		
Loss on sales of non-current assets	—	127
Loss on valuation of investment securities	17	111
Provision for contingent loss	9,368	1,792
Loss on abolishment of retirement benefit plan	—	472
Other	314	168
Total extraordinary losses	9,700	2,673
Profit before income taxes	17,069	22,733
Income taxes – current	6,789	6,131
Income taxes – deferred	(1,812)	167
Total income taxes	4,977	6,299
Profit	12,092	16,433
Profit attributable to owners of parent	12,092	16,433

Consolidated statement of comprehensive income

(millions of yen)

	FY2015 (Apr 1, 2015—Mar 31, 2016)	FY2016 (Apr 1, 2016—Mar 31, 2017)
Profit	12,092	16,433
Other comprehensive income		
Valuation difference on available-for-sale securities	(243)	571
Foreign currency translation adjustment	(77)	(5)
Remeasurements of defined benefit plans, net of tax	389	(58)
Share of other comprehensive income of entities accounted for using equity method	(2)	6
Total other comprehensive income	65	514
Comprehensive income	12,157	16,947
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,157	16,947
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of changes in equity
 FY2015 (Apr 1, 2015—Mar 31, 2016)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,341	7,878	29,100	(631)	49,688
Changes of items during period					
Dividends of surplus			(749)		(749)
Profit attributable to owners of parent			12,092		12,092
Purchase of treasury shares				(28)	(28)
Disposal of treasury shares		1		1	3
Net changes of items other than shareholders' equity					
Total changes of items during period	—	1	11,342	(27)	11,316
Balance at end of current period	13,341	7,879	40,442	(659)	61,004

	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	4,097	471	(705)	3,863	53,551
Changes of items during period					
Dividends of surplus					(749)
Profit attributable to owners of parent					12,092
Purchase of treasury shares					(28)
Disposal of treasury shares					3
Net changes of items other than shareholders' equity	(246)	(77)	389	65	65
Total changes of items during period	(246)	(77)	389	65	11,381
Balance at end of current period	3,850	394	(315)	3,929	64,933

	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					
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					
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

(4) Consolidated statements of cash flows

(millions of yen)

	FY2015 (Apr 1, 2015—Mar 31, 2016)	FY2016 (Apr 1, 2016—Mar 31, 2017)
Cash flows from operating activities		
Profit before income taxes	17,069	22,733
Depreciation	1,339	1,367
Increase (decrease) in allowance for doubtful accounts	(2,221)	(1,038)
Increase (decrease) in provision for contingent loss	7,835	(1,214)
Increase (decrease) in net defined benefit liability	(586)	(75)
Interest and dividend income	(134)	(145)
Interest expenses	350	286
Foreign exchange losses (gains)	52	0
Share of (profit) loss of entities accounted for using equity method	(56)	(91)
Loss (gain) on valuation of investment securities	17	111
Loss (gain) on sales of investment securities	(871)	(4)
Loss (gain) on sales of non-current assets	(67)	112
Decrease (increase) in notes and accounts receivable – trade	456	(9,028)
Decrease (increase) in costs on uncompleted construction contracts	676	(3,147)
Increase (decrease) in notes and accounts payable – trade	(15,184)	4,636
Increase (decrease) in advances received on uncompleted construction contracts	(825)	729
Decrease (increase) in other assets and other	676	383
Other, net	2,904	1,339
Subtotal	11,429	16,955
Interest and dividend income received	137	149
Interest expenses paid	(342)	(277)
Income taxes paid	(6,990)	(8,201)
Net cash provided by (used in) operating activities	4,234	8,625
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,129)	(2,985)
Proceeds from sales of property, plant and equipment	91	217
Purchase of investment securities	(564)	(346)
Proceeds from sales of investment securities	2,245	4
Payments of loans receivable	(68)	(84)
Collection of loans receivable	232	201
Other, net	(255)	(98)
Net cash provided by (used in) investing activities	(448)	(3,090)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(883)	(515)
Proceeds from long-term loans payable	1,338	1,476
Repayments of long-term loans payable	(2,572)	(3,359)
Cash dividends paid	(749)	(1,499)
Other, net	(59)	(126)
Net cash provided by (used in) financing activities	(2,926)	(4,024)
Effect of exchange rate change on cash and cash equivalents	(140)	(6)
Net increase (decrease) in cash and cash equivalents	719	1,504
Cash and cash equivalents at beginning of period	71,702	72,422
Cash and cash equivalents at end of period	72,422	73,926

2. Nonconsolidated Financial Statements

(1) Nonconsolidated balance sheet

(millions of yen)

	FY2015 (As of March 31, 2016)	FY2016 (As of March 31, 2017)
Assets		
Current assets		
Cash and deposits	56,452	56,175
Notes receivable – trade	3,858	4,260
Accounts receivable from completed construction contracts	89,316	99,259
Costs on uncompleted construction contracts	3,445	6,007
Deferred tax assets	5,813	5,399
Accounts receivable – other	12,336	11,093
Other	5,553	6,205
Allowance for doubtful accounts	(105)	(115)
Total current assets	176,670	188,286
Non-current assets		
Property, plant and equipment		
Buildings	8,488	7,929
Accumulated depreciation	(7,030)	(6,093)
Buildings, net	1,458	1,835
Structures	1,028	1,070
Accumulated depreciation	(950)	(941)
Structures, net	78	128
Machinery and equipment	1,438	1,422
Accumulated depreciation	(1,345)	(1,355)
Machinery and equipment, net	92	66
Vehicles	9	53
Accumulated depreciation	(9)	(11)
Vehicles, net	0	42
Tools, furniture and fixtures	2,579	2,656
Accumulated depreciation	(2,455)	(2,460)
Tools, furniture and fixtures, net	124	195
Land	7,317	7,273
Leased assets	110	116
Accumulated depreciation	(81)	(90)
Leased assets, net	28	25
Construction in progress	—	0
Total property, plant and equipment	9,099	9,567
Intangible assets	242	242
Investments and other assets		
Investment securities	12,108	12,869
Shares of subsidiaries and associates	5,685	5,802
Long-term loans receivable from employees	585	472
Long-term loans receivable from subsidiaries and associates	1,006	932
Long-term non-operating accounts receivable	955	134
Claims provable in bankruptcy, claims provable in rehabilitation and other	49	41
Long-term prepaid expenses	36	27
Deferred tax assets	4,251	4,015
Other	829	840
Allowance for doubtful accounts	(892)	(86)
Total investments and other assets	24,617	25,050
Total non-current assets	33,958	34,860
Total assets	210,628	223,147

(millions of yen)

	FY2015 (As of March 31, 2016)	FY2016 (As of March 31, 2017)
Liabilities		
Current liabilities		
Notes payable – trade	9,320	8,261
Electronically recorded obligations – operating	22,530	27,283
Accounts payable for construction contracts	45,477	45,081
Short-term loans payable	6,598	12,162
Lease obligations	12	13
Income taxes payable	4,249	2,765
Advances received on uncompleted construction contracts	12,884	13,346
Deposits received	14,074	11,683
Provision for warranties for completed construction	456	523
Provision for loss on construction contracts	172	174
Provision for contingent loss	14,741	13,706
Provision for bonuses	2,016	2,306
Deposits received from employees	1,970	2,060
Other	1,964	4,770
Total current liabilities	136,470	144,138
Non-current liabilities		
Long-term loans payable	10,906	2,895
Lease obligations	30	22
Provision for retirement benefits	18,833	18,711
Other	57	57
Total non-current liabilities	29,828	21,686
Total liabilities	166,299	165,825
Net assets		
Shareholders' equity		
Capital stock	13,341	13,341
Capital surplus		
Other capital surplus	7,879	7,880
Total capital surpluses	7,879	7,880
Retained earnings		
Legal retained earnings	147	297
Other retained earnings		
Retained earnings brought forward	19,735	32,073
Total retained earnings	19,882	32,370
Treasury shares	(539)	(632)
Total shareholders' equity	40,564	52,960
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,765	4,361
Total valuation and translation adjustments	3,765	4,361
Total net assets	44,329	57,321
Total liabilities and net assets	210,628	223,147

(2) Nonconsolidated statement of income

(millions of yen)

	FY2015 (Apr 1, 2015—Mar 31, 2016)	FY2016 (Apr 1, 2016—Mar 31, 2017)
Net sales of completed construction contracts	267,497	273,717
Cost of sales of completed construction contracts	237,210	241,179
Gross profit on completed construction contracts	30,287	32,538
Selling, general and administrative expenses		
Directors' compensations	209	191
Employees' salaries and allowances	4,170	4,306
Retirement benefit expenses	168	233
Legal welfare expenses	664	687
Welfare expenses	295	421
Repair and maintenance	119	87
Stationery expenses	224	272
Correspondence and transportation expenses	546	583
Power utilities expenses	56	59
Research study expenses	985	1,243
Advertising expenses	144	120
Provision of allowance for doubtful accounts	2	9
Entertainment expenses	232	267
Contribution	39	46
Rents	345	361
Depreciation	54	67
Taxes and dues	411	627
Insurance expenses	77	84
Miscellaneous expenses	1,600	1,783
Total selling, general and administrative expenses	10,349	11,453
Operating profit	19,938	21,084
Non-operating income		
Interest income	45	39
Dividend income	970	777
Compensation for damage income	—	124
Reversal of allowance for doubtful accounts	1,419	43
Other	93	143
Total non-operating income	2,528	1,127
Non-operating expenses		
Interest expenses	344	282
Foreign exchange losses	37	3
Other	64	63
Total non-operating expenses	445	349
Ordinary profit	22,020	21,862
Extraordinary income		
Gain on sales of investment securities	869	4
Gain on sales of memberships	22	27
Other	10	0
Total extraordinary income	902	32
Extraordinary losses		
Loss on sales of non-current assets	—	127
Loss on valuation of investment securities	17	111
Provision for contingent loss	8,977	1,801
Loss on abolishment of retirement benefit plan	—	472
Other	239	65
Total extraordinary losses	9,234	2,578
Profit before income taxes	13,688	19,317
Income taxes – current	5,193	4,943
Income taxes – deferred	(1,897)	386
Total income taxes	3,295	5,330
Profit	10,392	13,986

(3) Nonconsolidated statements of changes in equity
 FY2015 (Apr 1, 2015—Mar 31, 2016)

(millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		
		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	7,878	7,878	72	10,167	10,239
Changes of items during period						
Provision of legal retained earnings				74	(74)	—
Dividends of surplus					(749)	(749)
Profit					10,392	10,392
Purchase of treasury shares						
Disposal of treasury shares		1	1			
Net changes of items other than shareholders' equity						
Total changes of items during period	—	1	1	74	9,568	9,643
Balance at end of current period	13,341	7,879	7,879	147	19,735	19,882

	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	(514)	30,944	4,030	4,030	34,975
Changes of items during period					
Provision of legal retained earnings		—			—
Dividends of surplus		(749)			(749)
Profit		10,392			10,392
Purchase of treasury shares	(26)	(26)			(26)
Disposal of treasury shares	1	2			2
Net changes of items other than shareholders' equity			(265)	(265)	(265)
Total changes of items during period	(25)	9,619	(265)	(265)	9,353
Balance at end of current period	(539)	40,564	3,765	3,765	44,329

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		
		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						
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					
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

3. Supplementary Information

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

(millions of yen)

	FY2015 Apr 1, 2015—Mar 31, 2016		FY2016 Apr 1, 2016—Mar 31, 2017		Change	
	Amount	Composition ratio %	Amount	Composition ratio %	Amount	%
	Public	53,591	18.3	46,421	16.3	(7,170)
Private	55,849	19.0	57,278	20.1	1,428	2.6
Domestic	109,441	37.3	103,699	36.4	(5,741)	(5.2)
Overseas	21	0.0	18	0.0	(3)	(13.9)
Civil engineering	109,463	37.3	103,718	36.4	(5,744)	(5.2)
Public	40,444	13.7	14,471	5.1	(25,973)	(64.2)
Private	143,728	49.0	165,885	58.3	22,157	15.4
Domestic	184,172	62.7	180,356	63.4	(3,815)	(2.1)
Overseas	(77)	(0.0)	635	0.2	713	—
Building construction	184,094	62.7	180,992	63.6	(3,102)	(1.7)
Public	94,036	32.0	60,892	21.4	(33,143)	(35.2)
Private	199,578	68.0	223,163	78.4	23,585	11.8
Domestic	293,614	100.0	284,056	99.8	(9,557)	(3.3)
Overseas	(55)	(0.0)	654	0.2	710	—
Orders received—Total	293,558	100	284,711	100	(8,847)	(3.0)
Public	58,775	22.0	52,430	19.2	(6,344)	(10.8)
Private	31,268	11.7	39,012	14.3	7,744	24.8
Domestic	90,043	33.7	91,443	33.5	1,399	1.6
Overseas	62	0.0	58	0.0	(4)	(6.9)
Civil engineering	90,106	33.7	91,501	33.5	1,395	1.5
Public	45,235	16.9	25,772	9.4	(19,463)	(43.0)
Private	131,181	49.0	155,254	56.7	24,073	18.4
Domestic	176,416	65.9	181,027	66.1	4,610	2.6
Overseas	974	0.4	1,188	0.4	214	22.0
Building construction	177,391	66.3	182,215	66.5	4,824	2.7
Public	104,011	38.9	78,203	28.6	(25,807)	(24.8)
Private	162,449	60.7	194,267	71.0	31,818	19.6
Domestic	266,460	99.6	272,470	99.6	6,010	2.3
Overseas	1,036	0.4	1,246	0.4	209	20.2
Net sales—Total	267,497	100	273,717	100	6,220	2.3
Public	91,029	28.0	85,020	25.3	(6,009)	(6.6)
Private	47,850	14.7	66,116	19.7	18,265	38.2
Domestic	138,879	42.7	151,136	45.0	12,256	8.8
Overseas	78	0.0	35	0.0	(42)	(54.8)
Civil engineering	138,957	42.7	151,171	45.0	12,213	8.8
Public	40,440	12.4	29,138	8.7	(11,301)	(27.9)
Private	144,853	44.6	155,484	46.2	10,630	7.3
Domestic	185,294	57.0	184,623	54.9	(670)	(0.4)
Overseas	1,010	0.3	481	0.0	(528)	(52.3)
Building construction	186,304	57.3	185,105	55.0	(1,199)	(0.6)
Public	131,469	40.4	114,159	34.0	(17,310)	(13.2)
Private	192,704	59.3	221,600	65.9	28,896	15.0
Domestic	324,173	99.7	335,759	99.9	11,585	3.6
Overseas	1,088	0.3	517	0.1	(571)	(52.5)
Carried-forward—Total	325,262	100	336,276	100	11,014	3.4

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

FY2015 : Increased by 4 million yen FY2016 : Increased by 20 million yen

(2) Financial Highlights

Consolidated

(100 millions of yen)

(Operating Results)

	A FY2015	B FY2016	B - A		C FY2017 (Forecasts)	C - B	
				%			%
Net sales	3,436	3,447	11	0.3	3,593	146	4.2
Gross profit	391	411	20	5.2	379	(32)	(7.7)
(Ratio)	11.4%	11.9%	0.5%		10.5%	(1.4%)	
SG&A expenses	145	159	14		169	10	
Operating profit	245	251	6	2.4	210	(41)	(16.5)
(Ratio)	7.1%	7.3%	0.2%		5.8%	(1.5%)	
Non-operating income - net	12	2	(10)		(2)	(4)	
Ordinary profit	258	254	(4)	(1.6)	208	(46)	(18.0)
Extraordinary income - net	(87)	(26)	61		0	26	
Profit before income taxes	171	227	57	33.2	208	(19)	(8.5)
Income taxes and others	50	63	13		62	(1)	
Profit attributable to owners of parent	121	164	43	35.9	146	(18)	(11.2)

Nonconsolidated

(Operating Results)

	A FY2015	B FY2016	B - A		C FY2017 (Forecasts)	C - B	
				%			%
Civil engineering	1,094	1,037	(57)		1,000	(37)	
Building construction	1,842	1,804	(38)		2,200	396	
Domestic	2,936	2,841	(96)		3,200	359	
Overseas	(1)	7	7		15	8	
Orders received	2,936	2,847	(88)	(3.0)	3,215	368	12.9
Civil engineering	900	914	14		1,000	86	
Building construction	1,764	1,810	46		1,800	(10)	
Domestic	2,665	2,725	60		2,800	75	
Overseas	10	12	2		10	(2)	
Net sales	2,675	2,737	62	2.3	2,810	73	2.7
Civil engineering	115	108	(7)		111	3	
(Ratio)	12.8%	11.9%	(0.9%)		11.1%	(0.8%)	
Building construction	185	215	30		182	(33)	
(Ratio)	10.5%	11.9%	1.4%		10.1%	(1.8%)	
Domestic	300	323	23		293	(30)	
(Ratio)	11.3%	11.9%	0.6%		10.5%	(1.4%)	
Overseas	3	2	(1)		1	(1)	
(Ratio)	26.8%	15.8%	(11.0%)		10.0%	(5.8%)	
Gross profit	303	325	23	7.4	294	(31)	(9.6)
(Ratio)	11.3%	11.9%	0.6%		10.5%	(1.4%)	
SG&A expenses	103	115	11		123	8	
Operating profit	199	211	11	5.8	171	(40)	(18.9)
(Ratio)	7.5%	7.7%	0.2%		6.1%	(1.6%)	
Non-operating income - net	21	8	(13)		4	(4)	
Ordinary profit	220	219	(2)	(0.7)	175	(44)	(20.0)
Extraordinary income - net	(83)	(25)	58		0	25	
Profit before income taxes	137	193	56	41.1	175	(18)	(9.4)
Income taxes and others	33	53	20		50	(3)	
Profit	104	140	36	34.6	125	(15)	(10.6)