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Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 [Japanese GAAP]

May 13, 2019

Company name : Kumagai Gumi Co., Ltd.
 Stock exchange listings : Tokyo Stock Exchange, 1st Section
 Securities code : 1861 URL : <https://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 27, 2019
 Date of filing of securities report : June 27, 2019
 Scheduled date of dividend payment : June 28, 2019
 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, 2019 (April 1, 2018 – March 31, 2019)

(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	%
FY2018	389,058	4.0	26,464	14.9	26,553	17.1	13,312	(15.7)
FY2017	374,019	8.5	23,041	(8.3)	22,682	(10.6)	15,783	(4.0)

(Note) Comprehensive income FY2018 12,956 million yen (8.1)% FY2017 14,098 million yen (16.8)%

	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	%	%	%
FY2018	285.49	—	10.2	7.7	6.8
FY2017	389.63	—	15.3	7.5	6.2

(Reference) Investment profit (loss) on equity method FY2018 159 million yen FY2017 144 million yen

※ The company conducted a one-for-ten reverse stock split of common stock on October 1, 2017. Basic earnings per share for FY2017 were calculated under the assumption that the reverse stock split of common stock was conducted at the beginning of FY2017.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2018	353,718	134,883	38.1	2,894.41
FY2017	333,665	126,374	37.9	2,707.51

(Reference) Owner's equity FY2018 134,883 million yen FY2017 126,374 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
FY2018	(12,398)	(7,379)	(6,126)	82,446
FY2017	17,641	(14,010)	30,856	108,532

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			
FY2017	—	—	—	90.00	90.00	4,210	23.1	3.7
FY2018	—	—	—	100.00	100.00	4,676	35.0	3.6
FY2019 (forecast)	—	—	—	120.00	120.00		29.4	

3. Forecast of Consolidated Operating Results for FY2019 (April 1, 2019 – March 31, 2020)

(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
FY2019	426,000	9.5	28,000	5.8	28,000	5.4	19,000	42.7	407.71

※ 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)	
FY2018	46,805,660	FY2017	46,805,660		
FY2018	204,179	FY2017	130,029		
FY2018	46,631,937	FY2017	40,509,792		

※ The company conducted a one-for-ten reverse stock split of common stock on October 1, 2017. Average number of shares outstanding during the period for FY2017 were calculated under the assumption that the reverse stock split of common stock was conducted at the beginning of FY2017.

(Reference) Summary of Nonconsolidated Financial Results

1. Nonconsolidated Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(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	%
FY2018	307,090	4.2	21,075	17.4	21,782	19.6	14,156	10.0
FY2017	294,579	7.6	17,945	(14.9)	18,212	(16.7)	12,864	(8.0)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2018	302.88	—
FY2017	316.72	—

※ The company conducted a one-for-ten reverse stock split of common stock on October 1, 2017. Basic earnings per share for FY2017 were calculated under the assumption that the reverse stock split of common stock was conducted at the beginning of FY2017.

(2) Nonconsolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2018	294,950	109,973	37.3	2,354.40
FY2017	280,092	100,439	35.9	2,146.90

(Reference) Owner's equity FY2018 109,973 million yen FY2017 100,439 million yen

2. Forecast of Nonconsolidated Operating Results for FY2019 (April 1, 2019 – March 31, 2020)

(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
FY2019	342,000	11.4	23,400	7.4	16,000	13.0	342.54

※ "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)

	FY2017 (As of March 31, 2018)	FY2018 (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	108,536	82,449
Notes receivable, accounts receivable from completed construction contracts and other	139,287	175,696
Costs on uncompleted construction contracts	6,905	7,300
Accounts receivable – other	12,178	15,696
Other	7,309	6,998
Allowance for doubtful accounts	(151)	(191)
Total current assets	274,066	287,949
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,094	18,378
Machinery, vehicles, tools, furniture and fixtures	16,374	17,464
Land	10,524	14,587
Leased assets	262	398
Construction in progress	618	730
Accumulated depreciation	(25,370)	(26,723)
Total property, plant and equipment	19,504	24,836
Intangible assets	441	484
Investments and other assets		
Investment securities	24,382	24,438
Long-term loans receivable	858	858
Long-term non-operating accounts receivable	235	157
Claims provable in bankruptcy, claims provable in rehabilitation and other	69	40
Deferred tax assets	11,427	11,045
Other	2,818	4,014
Allowance for doubtful accounts	(271)	(189)
Total investments and other assets	39,520	40,365
Total non-current assets	59,466	65,686
Deferred assets		
Share issuance cost	132	82
Total deferred assets	132	82
Total assets	333,665	353,718

(millions of yen)

	FY2017 (As of March 31, 2018)	FY2018 (As of March 31, 2019)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	76,043	86,893
Electronically recorded obligations – operating	29,297	33,172
Short-term loans payable	4,090	3,030
Income taxes payable	2,871	4,821
Advances received on uncompleted construction contracts	21,527	14,739
Deposits received	20,700	19,411
Provision for warranties for completed construction	433	467
Provision for loss on construction contracts	438	626
Provision for contingent loss	11,341	10,736
Provision for loss on anti-monopoly act	—	3,933
Provision for bonuses	3,911	3,911
Other	7,188	9,397
Total current liabilities	177,845	191,141
Non-current liabilities		
Long-term loans payable	10,389	9,819
Provision for stock payments	—	42
Retirement benefit liability	16,677	16,499
Other	2,378	1,331
Total non-current liabilities	29,444	27,692
Total liabilities	207,290	218,834
Net assets		
Shareholders' equity		
Capital stock	30,108	30,108
Capital surplus	25,157	25,157
Retained earnings	68,540	77,642
Treasury shares	(189)	(426)
Total shareholders' equity	123,616	132,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,699	2,501
Foreign currency translation adjustment	516	349
Remeasurements of defined benefit plans	(457)	(449)
Total accumulated other comprehensive income	2,758	2,402
Total net assets	126,374	134,883
Total liabilities and net assets	333,665	353,718

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

(millions of yen)

	FY2017 (Apr 1, 2017—Mar 31, 2018)	FY2018 (Apr 1, 2018—Mar 31, 2019)
Net sales of completed construction contracts	374,019	389,058
Cost of sales of completed construction contracts	333,789	343,527
Gross profit on completed construction contracts	40,230	45,530
Selling, general and administrative expenses	17,188	19,065
Operating profit	23,041	26,464
Non-operating income		
Interest income	38	34
Dividend income	106	329
Share of profit of entities accounted for using equity method	144	159
Foreign exchange gains	—	3
Compensation for damage income	85	10
Other	148	91
Total non-operating income	524	629
Non-operating expenses		
Interest expenses	241	231
Foreign exchange losses	28	—
Commission for syndicate loan	223	183
Capital and business alliance expenses	236	—
Amortization of share issuance cost	16	49
Other	136	75
Total non-operating expenses	883	541
Ordinary profit	22,682	26,553
Extraordinary income		
Gain on sales of non-current assets	22	32
Gain on sales of investment securities	0	73
Gain on sales of memberships	39	0
Other	2	—
Total extraordinary income	64	106
Extraordinary losses		
Loss on sales of non-current assets	17	—
Loss on retirement of non-current assets	84	63
Compensation for damage	16	73
Loss on litigation	49	125
Provision for contingent loss	481	1,349
Provision for loss on anti-monopoly act	—	3,933
Other	1	7
Total extraordinary losses	651	5,553
Profit before income taxes	22,095	21,106
Income taxes – current	5,386	7,341
Income taxes – deferred	925	452
Total income taxes	6,311	7,793
Profit	15,783	13,312
Profit attributable to owners of parent	15,783	13,312

Consolidated statement of comprehensive income

(millions of yen)

	FY2017 (Apr 1, 2017—Mar 31, 2018)	FY2018 (Apr 1, 2018—Mar 31, 2019)
Profit	15,783	13,312
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,722)	(196)
Foreign currency translation adjustment	127	(167)
Remeasurements of defined benefit plans, net of tax	(83)	8
Share of other comprehensive income of entities accounted for using equity method	(7)	(1)
Total other comprehensive income	(1,685)	(356)
Comprehensive income	14,098	12,956
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,098	12,956
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statements of changes in equity
 FY2017 (Apr 1, 2017—Mar 31, 2018)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,341	7,880	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

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,108	25,157	68,540	(189)	123,616
Changes of items during period					
Dividends of surplus			(4,210)		(4,210)
Profit attributable to owners of parent			13,312		13,312
Purchase of treasury shares				(238)	(238)
Disposal of treasury shares		0		1	1
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	9,102	(237)	8,865
Balance at end of current period	30,108	25,157	77,642	(426)	132,481

	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	2,699	516	(457)	2,758	126,374
Changes of items during period					
Dividends of surplus					(4,210)
Profit attributable to owners of parent					13,312
Purchase of treasury shares					(238)
Disposal of treasury shares					1
Net changes of items other than shareholders' equity	(197)	(167)	8	(356)	(356)
Total changes of items during period	(197)	(167)	8	(356)	8,508
Balance at end of current period	2,501	349	(449)	2,402	134,883

(4) Consolidated statements of cash flows

(millions of yen)

	FY2017 (Apr 1, 2017—Mar 31, 2018)	FY2018 (Apr 1, 2018—Mar 31, 2019)
Cash flows from operating activities		
Profit before income taxes	22,095	21,106
Depreciation	1,735	1,934
Amortization of share issuance cost	16	49
Increase (decrease) in allowance for doubtful accounts	(13)	(38)
Increase (decrease) in provision for contingent loss	(2,575)	(605)
Increase (decrease) in provision for loss on anti-monopoly act	-	3,933
Increase (decrease) in net defined benefit liability	(1,746)	(165)
Interest and dividend income	(145)	(363)
Interest expenses	241	231
Foreign exchange losses (gains)	30	(6)
Share of loss (profit) of entities accounted for using equity method	(144)	(159)
Loss (gain) on valuation of investment securities	(0)	(73)
Loss (gain) on sales of non-current assets	(4)	(32)
Loss on retirement of non-current assets	84	63
Decrease (increase) in notes and accounts receivable – trade	(14,814)	(36,504)
Decrease (increase) in costs on uncompleted construction contracts	209	(394)
Increase (decrease) in notes and accounts payable – trade	8,048	13,263
Increase (decrease) in advances received on uncompleted construction contracts	6,910	(6,759)
Decrease (increase) in other assets and other	(668)	377
Other, net	3,879	(2,975)
Subtotal	23,138	(7,119)
Interest and dividend income received	147	371
Interest expenses paid	(242)	(227)
Income taxes paid	(5,402)	(5,423)
Net cash provided by (used in) operating activities	17,641	(12,398)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,763)	(7,245)
Proceeds from sales of property, plant and equipment	130	15
Purchase of investment securities	(240)	(226)
Proceeds from sales of investment securities	0	217
Purchase of shares of subsidiaries and associates	(10,271)	(92)
Payments of loans receivable	(52)	(107)
Collection of loans receivable	186	159
Other, net	(0)	(99)
Net cash provided by (used in) investing activities	(14,010)	(7,379)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(420)	(690)
Proceeds from long-term loans payable	8,884	550
Repayments of long-term loans payable	(9,407)	(1,490)
Proceeds from issuance of common shares	33,385	-
Proceeds from disposal of treasury shares	1,151	1
Purchase of treasury shares	(75)	(236)
Cash dividends paid	(2,621)	(4,210)
Other, net	(41)	(50)
Net cash provided by (used in) financing activities	30,856	(6,126)
Effect of exchange rate change on cash and cash equivalents	119	(181)
Net increase (decrease) in cash and cash equivalents	34,606	(26,085)
Cash and cash equivalents at beginning of period	73,926	108,532
Cash and cash equivalents at end of period	108,532	82,446

2. Nonconsolidated Financial Statements

(1) Nonconsolidated balance sheet

(millions of yen)

	FY2017 (As of March 31, 2018)	FY2018 (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	91,364	63,012
Notes receivable – trade	2,549	3,581
Accounts receivable from completed construction contracts	110,246	145,560
Costs on uncompleted construction contracts	5,988	5,943
Accounts receivable – other	14,007	16,873
Other	6,691	6,301
Allowance for doubtful accounts	(127)	(166)
Total current assets	230,720	241,106
Non-current assets		
Property, plant and equipment		
Buildings	8,591	9,346
Accumulated depreciation	(6,326)	(6,523)
Buildings, net	2,265	2,822
Structures	1,097	1,113
Accumulated depreciation	(955)	(972)
Structures, net	142	140
Machinery and equipment	1,572	2,037
Accumulated depreciation	(1,374)	(1,488)
Machinery and equipment, net	198	548
Vehicles	55	55
Accumulated depreciation	(33)	(44)
Vehicles, net	22	11
Tools, furniture and fixtures	2,474	2,638
Accumulated depreciation	(2,267)	(2,281)
Tools, furniture and fixtures, net	206	357
Land	7,677	11,654
Leased assets	165	191
Accumulated depreciation	(105)	(124)
Leased assets, net	59	66
Construction in progress	565	654
Total property, plant and equipment	11,136	16,256
Intangible assets	266	337
Investments and other assets		
Investment securities	11,781	12,308
Shares of subsidiaries and associates	14,691	13,905
Long-term loans receivable from employees	378	317
Long-term loans receivable from subsidiaries and associates	824	843
Long-term non-operating accounts receivable	111	64
Claims provable in bankruptcy, claims provable in rehabilitation and other	33	0
Long-term prepaid expenses	82	66
Deferred tax assets	9,262	9,025
Other	751	659
Allowance for doubtful accounts	(80)	(22)
Total investments and other assets	37,836	37,167
Total non-current assets	49,239	53,761
Deferred assets		
Share issuance cost	132	82
Total deferred assets	132	82
Total assets	280,092	294,950

(millions of yen)

	FY2017 (As of March 31, 2018)	FY2018 (As of March 31, 2019)
Liabilities		
Current liabilities		
Notes payable – trade	7,786	4,820
Electronically recorded obligations – operating	29,297	33,174
Accounts payable for construction contracts	50,396	61,686
Short-term loans payable	3,851	2,808
Lease obligations	19	20
Income taxes payable	2,513	4,475
Advances received on uncompleted construction contracts	20,051	13,487
Deposits received	19,136	17,803
Provision for warranties for completed construction	341	417
Provision for loss on construction contracts	293	450
Provision for contingent loss	11,324	10,719
Provision for bonuses	2,477	2,614
Deposits received from employees	2,178	2,352
Other	3,969	5,952
Total current liabilities	153,638	160,783
Non-current liabilities		
Long-term loans payable	10,328	9,780
Lease obligations	49	52
Provision for stock payments	–	42
Provision for retirement benefits	13,397	13,225
Other	2,239	1,092
Total non-current liabilities	26,015	24,193
Total liabilities	179,653	184,977
Net assets		
Shareholders' equity		
Capital stock	30,108	30,108
Capital surplus		
Legal capital surplus	16,767	16,767
Other capital surplus	8,390	8,390
Total capital surpluses	25,157	25,157
Retained earnings		
Legal retained earnings	559	559
Other retained earnings		
Retained earnings brought forward	42,054	52,000
Total retained earnings	42,613	52,559
Treasury shares	(65)	(300)
Total shareholders' equity	97,813	107,524
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,625	2,448
Total valuation and translation adjustments	2,625	2,448
Total net assets	100,439	109,973
Total liabilities and net assets	280,092	294,950

(2) Nonconsolidated statement of income

(millions of yen)

	FY2017 (Apr 1, 2017—Mar 31, 2018)	FY2018 (Apr 1, 2018—Mar 31, 2019)
Net sales of completed construction contracts	294,579	307,090
Cost of sales of completed construction contracts	264,028	271,691
Gross profit on completed construction contracts	30,550	35,398
Selling, general and administrative expenses		
Directors' compensations	190	228
Employees' salaries and allowances	4,672	5,521
Retirement benefit expenses	234	256
Legal welfare expenses	737	849
Welfare expenses	376	43
Repair and maintenance	68	85
Stationery expenses	305	382
Correspondence and transportation expenses	681	808
Power utilities expenses	61	69
Research study expenses	1,534	1,956
Advertising expenses	273	161
Provision of allowance for doubtful accounts	12	39
Entertainment expenses	307	371
Contribution	36	39
Rents	397	521
Depreciation	80	125
Taxes and dues	758	902
Insurance expenses	91	85
Miscellaneous expenses	1,783	1,874
Total selling, general and administrative expenses	12,605	14,323
Operating profit	17,945	21,075
Non-operating income		
Interest income	33	29
Dividend income	801	1,020
Compensation for damage income	85	10
Foreign exchange gains	—	6
Reversal of allowance for doubtful accounts	6	38
Other	166	109
Total non-operating income	1,093	1,214
Non-operating expenses		
Interest expenses	232	217
Foreign exchange losses	21	—
Commission for syndicate loan	223	183
Capital and business alliance expenses	236	—
Amortization of share issuance cost	16	49
Other	95	56
Total non-operating expenses	826	507
Ordinary profit	18,212	21,782
Extraordinary income		
Gain on sales of non-current assets	2	0
Gain on sales of memberships	39	0
Other	0	—
Total extraordinary income	42	1
Extraordinary losses		
Loss on sales of non-current assets	17	—
Loss on retirement of non-current assets	0	31
Compensation for damage	16	73
Loss on litigation	10	125
Provision for contingent loss	494	1,349
Other	—	9
Total extraordinary losses	539	1,589
Profit before income taxes	17,715	20,194
Income taxes – current	3,931	5,722
Income taxes – deferred	919	314
Total income taxes	4,850	6,037
Profit	12,864	14,156

(3) Nonconsolidated statements of changes in equity
 FY2017 (Apr 1, 2017—Mar 31, 2018)

(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	—	7,880	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

	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	30,108	16,767	8,390	25,157	559	42,054	42,613
Changes of items during period							
Dividends of surplus						(4,210)	(4,210)
Profit						14,156	14,156
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	—	9,946	9,946
Balance at end of current period	30,108	16,767	8,390	25,157	559	52,000	52,559

	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	(65)	97,813	2,625	2,625	100,439
Changes of items during period					
Dividends of surplus		(4,210)			(4,210)
Profit		14,156			14,156
Purchase of treasury shares	(236)	(236)			(236)
Disposal of treasury shares	1	1			1
Net changes of items other than shareholders' equity			(176)	(176)	(176)
Total changes of items during period	(235)	9,711	(176)	(176)	9,534
Balance at end of current period	(300)	107,524	2,448	2,448	109,973

3. Supplementary Information

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

(millions of yen)

	FY2017 Apr 1, 2017—Mar 31, 2018		FY2018 Apr 1, 2018—Mar 31, 2019		Change	
	Amount	Composition ratio %	Amount	Composition ratio %	Amount	%
Public	66,417	17.4	45,531	10.0	(20,886)	(31.4)
Private	63,464	16.6	110,220	24.3	46,756	73.7
Domestic	129,881	34.0	155,751	34.3	25,870	19.9
Overseas	10	0.0	—	—	(10)	(100.0)
Civil engineering	129,891	34.0	155,751	34.3	25,859	19.9
Public	23,516	6.2	31,216	6.9	7,700	32.7
Private	227,528	59.6	266,911	58.8	39,382	17.3
Domestic	251,044	65.8	298,128	65.7	47,083	18.8
Overseas	848	0.2	127	0.0	(720)	(85.0)
Building construction	251,892	66.0	298,255	65.7	46,363	18.4
Public	89,933	23.6	76,748	16.9	(13,185)	(14.7)
Private	290,992	76.2	377,131	83.1	86,139	29.6
Domestic	380,925	99.8	453,879	100.0	72,953	19.2
Overseas	858	0.2	127	0.0	(730)	(85.1)
Orders received—Total	381,784	100	454,007	100	72,222	18.9
Public	60,329	20.5	62,506	20.4	2,176	3.6
Private	46,444	15.8	49,137	16.0	2,692	5.8
Domestic	106,774	36.3	111,643	36.4	4,869	4.6
Overseas	31	0.0	14	0.0	(17)	(54.8)
Civil engineering	106,805	36.3	111,657	36.4	4,852	4.5
Public	20,861	7.1	24,209	7.9	3,348	16.1
Private	165,965	56.3	170,822	55.6	4,856	2.9
Domestic	186,826	63.4	195,031	63.5	8,204	4.4
Overseas	947	0.3	401	0.1	(545)	(57.6)
Building construction	187,773	63.7	195,432	63.6	7,659	4.1
Public	81,190	27.6	86,715	28.3	5,525	6.8
Private	212,410	72.1	219,959	71.6	7,549	3.6
Domestic	293,601	99.7	306,675	99.9	13,074	4.5
Overseas	978	0.3	415	0.1	(562)	(57.5)
Net sales—Total	294,579	100	307,090	100	12,511	4.2
Public	91,107	21.5	74,132	13.0	(16,975)	(18.6)
Private	83,135	19.6	144,218	25.3	61,082	73.5
Domestic	174,243	41.1	218,351	38.3	44,107	25.3
Overseas	14	0.0	—	—	(14)	(100.0)
Civil engineering	174,257	41.1	218,351	38.3	44,093	25.3
Public	31,793	7.5	38,801	6.8	7,007	22.0
Private	217,047	51.3	313,136	54.9	96,089	44.3
Domestic	248,841	58.8	351,937	61.7	103,096	41.4
Overseas	370	0.1	103	0.0	(266)	(71.9)
Building construction	249,211	58.9	352,041	61.7	102,830	41.3
Public	122,901	29.0	112,934	19.8	(9,967)	(8.1)
Private	300,182	70.9	457,354	80.2	157,172	52.4
Domestic	423,084	99.9	570,289	100.0	147,204	34.8
Overseas	384	0.1	103	0.0	(280)	(73.0)
Carried-forward—Total	423,469	100	570,393	100	146,923	34.7

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

FY2017 : Decreased by 12 million yen FY2018 : Increased by 7 million yen

(2) Financial Highlights

Consolidated

(100 millions of yen)

(Operating Results)

	A FY2017	B FY2018	B - A		C FY2019 (Forecasts)	C - B	
				%			%
Net sales	3,740	3,891	150	4.0	4,260	369	9.5
Gross profit	402	455	53	13.2	484	29	6.3
(Ratio)	10.8%	11.7%	0.9%		11.4%	(0.3%)	
SG&A expenses	172	191	19		204	13	
Operating profit	230	265	34	14.9	280	15	5.8
(Ratio)	6.2%	6.8%	0.6%		6.6%	(0.2%)	
Non-operating income - net	(4)	1	4		0	(1)	
Ordinary profit	227	266	39	17.1	280	14	5.4
Extraordinary income - net	(6)	(54)	(49)		0	54	
Profit before income taxes	221	211	(10)	(4.5)	280	69	32.7
Income taxes and others	63	78	15		90	12	
Profit attributable to owners of parent	158	133	(25)	(15.7)	190	57	42.7

Nonconsolidated

(Operating Results)

	A FY2017	B FY2018	B - A		C FY2019 (Forecasts)	C - B	
				%			%
Civil engineering	1,299	1,558	259		1,100	(458)	
Building construction	2,510	2,981	471		2,400	(581)	
Domestic	3,809	4,539	730		3,500	(1,039)	
Overseas	9	1	(7)		100	99	
Orders received	3,818	4,540	722	18.9	3,600	(940)	(20.7)
Civil engineering	1,068	1,116	49		1,150	34	
Building construction	1,868	1,950	82		2,260	310	
Domestic	2,936	3,067	131		3,410	343	
Overseas	10	4	(6)		10	6	
Net sales	2,946	3,071	125	4.2	3,420	349	11.4
Civil engineering	106	140	34		139	(1)	
(Ratio)	9.9%	12.5%	2.6%		12.1%	(0.4%)	
Building construction	199	213	15		244	31	
(Ratio)	10.6%	10.9%	0.3%		10.8%	(0.1%)	
Domestic	304	353	49		383	30	
(Ratio)	10.4%	11.5%	1.1%		11.2%	(0.3%)	
Overseas	1	1	(0)		1	0	
(Ratio)	12.8%	20.4%	7.6%		10.0%	(10.4%)	
Gross profit	306	354	48	15.9	384	30	8.5
(Ratio)	10.4%	11.5%	1.1%		11.2%	(0.3%)	
SG&A expenses	126	143	17		154	11	
Operating profit	179	211	31	17.4	230	19	9.1
(Ratio)	6.1%	6.9%	0.8%		6.7%	(0.2%)	
Non-operating income - net	3	7	4		4	(3)	
Ordinary profit	182	218	36	19.6	234	16	7.4
Extraordinary income - net	(5)	(16)	(11)		0	16	
Profit before income taxes	177	202	25	14.0	234	32	15.9
Income taxes and others	49	60	12		74	14	
Profit	129	142	13	10.0	160	18	13.0