



Brief Report on the Financial Statements for the Period Ending March, 2018 [Japanese Standard] (Consolidated)

May 10, 2018

Name of listed company: DAI-DAN Co., Ltd.

Stock Exchange Listing:
Tokyo Stock Exchange 1st section

Code No.: 1980 URL: <http://www.daidan.co.jp/>

Representative of Company: Ichiro Fujisawa, Representative Director, President

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Date scheduled for ordinary shareholders general meeting convention: June 28, 2018

Date scheduled for dividend payment commencement: June 29, 2018

Date scheduled for asset securities report submission: June 28, 2018

Creating supplements to the financial statement: None

Holding a briefing sessions on the financial statement: Yes

(Amounts are indicated with figures less than 1 million yen discarded.)

1. Consolidated business results for the period ending March, 2018 (From April 1, 2017 to March 31, 2018)

(1) Consolidated management performance (Percentage indications show increase or decrease from the previous period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Period ending March 2018	143,448	14.5	7,385	9.4	7,674	10.6	5,109	10.1
Period ending March 2017	125,253	(9.5)	6,750	3.3	6,939	2.5	4,638	9.2

(Note) Comprehensive income Period ending March 2018 7,514 Million yen 72.3%
Period ending March 2017 4,362 Million yen 121.0%

	Profit per share		Diluted profit per share		Equity capital vs. profit ratio	Total asset vs. Ordinary profit ratio	Net sales vs. Operating profit ratio
	Yen	Sen	Yen	Sen	%	%	%
Period ending March 2018	229.19		—		8.4	6.1	5.1
Period ending March 2017	208.04		—		8.3	5.8	5.4

(Reference) Investment income or loss on equity method Period ending March 2018 – Million yen
Period ending March 2017 – Million yen

(Note) Because we had a stock merger of two common shares to one common share as of October 1, 2017, "Profit per share" is calculated assuming that the stock merger was executed at the beginning of the previous consolidated accounting year.

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share	
	Million yen	Million yen	%	Yen	Sen
Period ending March 2018	131,326	64,417	48.9	2,882.07	
Period ending March 2017	118,454	58,004	48.8	2,593.28	

(Reference) Equity capital Period ending March 2018 64,245 Million yen
Period ending March 2017 57,817 Million yen

(Note) Because we had a stock merger of two common shares to one common share as of October 1, 2017, "Net assets per share" is calculated assuming that the stock merger was executed at the beginning of the previous consolidated accounting year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Period ending March 2018	3,320	(315)	(1,711)	27,858
Period ending March 2017	5,395	(1,442)	(925)	26,549

2. Dividends

	Annual dividends per share						Total dividend (through year)	Dividend trend (consolidated)	Net asset vs. dividend ratio (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Period end	Through year				
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Million yen	%	%	
Period ending March 2017	—	10.00	—	13.00	23.00	1,025	22.1	1.8	
Period ending March 2018	—	11.50	—	33.00	—	1,248	24.4	2.0	
Period ending March 2019 (Forecast)	—	28.00	—	28.00	56.00		25.0		

(Note 1) Breakdown of dividend at the end of the current period ending March 2017: ordinary dividend 10.00 yen and special dividend 3.00 yen

Breakdown of dividend at the end of the current period ending March 2018: ordinary dividend 23.00 yen and special dividend 10.00 yen

(Note 2) We had a stock merger of two common shares to one common share as of October 1, 2017. The dividends for the second quarter of the period ending March 2018 and earlier periods indicate the actual dividend amount before the stock merger.

3. Estimate of consolidated performance for the period ending March 2019 (From April 1, 2018 to March 31, 2019)

(Percentage indications show increase or decrease from the previous period for total period and from the same quarter of the previous year for the second quarter consolidated cumulative period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share	
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	Yen Sen	
Second quarter consolidated cumulative period	67,500	(0.9)	3,000	(6.3)	3,000	(13.5)	2,000	(12.9)	89.71	
Total period	151,000	5.3	7,500	1.5	7,500	(2.3)	5,000	(2.1)	224.29	

(Reference) 1. Estimated net sales of construction contract orders (the second quarter consolidated cumulative period) 76,500 Million yen

2. Estimated net sales of construction contract orders (Total period) 148,000 Million yen

* Annotations

(1) Changes in key subsidiaries in the period (changes in specific subsidiaries requiring changes of consolidation scope): None

(2) Changes in accounting policies, changes in accounting estimates, restatement

① Changes in accounting policies due to revision of accounting standards, etc.: None

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Restatement: None

(3) Number of issued shares (common stock)

① Number of issued shares at the end of period (including treasury shares)	Period ending March 2018	22,981,901 shares	Period ending March 2017	22,981,901 shares
② Number of treasury shares at the end of period	Period ending March 2018	690,284 shares	Period ending March 2017	686,636 shares
③ Average number of shares during the period	Period ending March 2018	22,293,010 shares	Period ending March 2017	22,296,703 shares

(Note) Because we had a stock merger of two common shares to one common share as of October 1, 2017, "Number of issued shares at the end of period," "Number of treasury shares at the end of period" and "Average numbers of shares in the period" are calculated assuming that the stock merger was executed at the beginning of the previous consolidated accounting year.

(Reference) Outline of individual performance

1. Individual business results the period ending March 2018 (From April 1, 2017 to March 31, 2018)

(1) Individual management performance

(percentage indications show increase or decrease from the previous period)

	Net sales		Operating profit		Ordinary profit		Profit	
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%
Period ending March 2018	142,376	14.9	7,402	9.8	7,686	10.9	5,116	10.5
Period ending March 2017	123,878	(9.6)	6,743	3.9	6,929	3.1	4,630	9.8

	Profit per share		Diluted profit per share	
	Yen	Sen	Yen	Sen
Period ending March 2018	229.49		—	
Period ending March 2017	207.67		—	

(Note) Because we had a stock merger of two common shares to one common share as of October 1, 2017, "Profit per share" is calculated assuming that the stock merger was executed at the beginning of the previous fiscal year.

(2) Individual financial condition

	Total assets	Net assets	Equity capital ratio	Net assets per share	
	Million yen	Million yen	%	Yen	Sen
Period ending March 2018	129,542	63,336	48.9	2,841.29	
Period ending March 2017	118,127	57,868	49.0	2,595.57	

(Reference) Equity capital Period ending March 2018 63,336 million yen

Period ending March 2017 57,868 million yen

(Note) Because we had a stock merger of two common shares to one common share as of October 1, 2017, "Net assets per share" is calculated assuming that the stock merger was executed at the beginning of the previous fiscal year.

2. Estimate of individual performance for the period ending March 2019 (From April 1, 2018 to March 31, 2019)

(Percentage indications show increase or decrease from the previous period for total period and from the same quarter of the previous year for the second quarter cumulative period.)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share	
	Mil. yen	%	Mil. yen	%	Mil. yen	%	Mil. yen	%	Yen	Sen
Second quarter cumulative period	67,000	(1.1)	3,000	(6.7)	3,000	(13.8)	2,000	(13.1)	89.71	
Total period	150,000	5.4	7,500	1.3	7,500	(2.4)	5,000	(2.3)	224.29	

(Reference) 1. Estimated net sales of construction contract orders (the second quarter consolidated cumulative period) 76,000 million yen

2. Estimated net sales of construction contract orders (Total period) 147,000 million yen

* Brief report on the financial statements is beyond the object of audit by CPA or an audit corporation.

* Explanation about adequate use of achievement forecasts and other noteworthy matters

The above forecasts are based on the information available at the time of preparation of this document and the assumption considered as reasonable.

Consequently, actual results differ materially from forecasts above due to changes in business results. For precautions for use of the assumptions for the above forecasts and forecasts of business results, please refer to the section "1. Summary of Operating Results (4) Future Foresight" on page 3.

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1. Summary of Operating Results

(1) Summary of Operating Results on the Current Accounting Year

Net sales of construction contract orders received in the current consolidated accounting year increased by 3,328 million yen or 2.3% from the previous consolidated accounting year, resulting in 147,335 million yen.

Net sales of completed construction contracts increased by 18,194 million yen or 14.5% from the previous consolidated accounting year, resulting in 143,448 million yen.

Gross profit on completed construction contracts increased by 997 million yen or 5.6% from the previous consolidated accounting year, resulting in 18,786 million yen, due to the increase in the net sales of completed construction contracts.

Operating profit increased by 635 million yen or 9.4% from the previous consolidated accounting year, resulting in 7,385 million yen, due to the increase in the gross profit on completed construction contracts.

Ordinary profit increased by 734 million yen or 10.6% from the previous consolidated accounting year, resulting in 7,674 million yen. This was because foreign exchange losses of 81 million yen that occurred in the previous consolidated accounting year turned to foreign exchange gains of 14 million yen in the current consolidated accounting year.

Profit attributable to owners of parent increased by 470 million yen or 10.1% from the previous consolidated accounting year, resulting in 5,109 million yen, after posting the gain on sales of non-current assets of 57 million yen as an extraordinary income and the loss on retirement of non-current assets of 39 million yen as an extraordinary loss, as well as deducting the income taxes - current, income taxes - deferred, and the loss attributable to non-controlling interests.

(2) Summary of Financial Conditions on the Current Accounting Year

(Assets)

Current assets at the end of the current consolidated accounting year increased by 9,561 million yen or 10.9% from the end of the previous consolidated accounting year, resulting in 97,078 million yen. The main factors for this are the increase of 3,439 million yen or 7.0% in notes receivable, accounts receivable from completed construction contracts, the increase of 3,102 million yen or 37.8% in electronically recorded monetary claims - operating, etc. Non-current assets increased by 3,309 million yen or 10.7% from the end of the previous consolidated accounting year, resulting in 34,248 million yen. The main factors for this are the increase of 2,028 million yen or 12.2% in investment securities, etc.

As a result, total assets increased by 12,871 million yen or 10.9% from the end of the previous consolidated accounting year, resulting in 131,326 million yen.

(Liabilities)

Current liabilities at the end of the current consolidated accounting year increased by 6,183 million yen or 11.5% from the end of the previous consolidated accounting year, resulting in 59,889 million yen. The main factors for this are the increase of 3,478 million yen or 21.2% in electronically recorded obligations - operating, etc., surpassed the decrease of 1,295 million yen or 42.8% in advances received on uncompleted construction contracts, etc. Non-current liabilities increased by 275 million yen or 4.1% from the end of the previous consolidated accounting year, resulting in 7,020 million yen. The main factors for this are the increase of 1,048 million yen or 34.4% in deferred tax liabilities, etc.

As a result, total liabilities increased by 6,459 million yen or 10.7% from the end of the previous consolidated accounting year, resulting in 66,909 million yen.

(Net Assets)

Total net assets at the end of the current consolidated accounting year increased by 6,412 million yen or 11.1% from the end of the previous consolidated accounting year, resulting in 64,417 million yen. The main factors for this are the increase of 4,017 million yen or 9.3% in retained earnings, etc.

As a result, the equity capital ratio resulted in 48.9% (48.8% at the end of the previous consolidated accounting year).

(3) Summary of Cash Flows on the Current Accounting Year

Cash and cash equivalents (hereinafter referred to as the "fund") in the current consolidated accounting year increased by 1,308 million yen from the end of the previous consolidated accounting year, resulting in 27,858 million yen. The situations of each cash flows and their factors in the current consolidated accounting year are as follows.

(Cash Flows from Operating Activities)

As a result of operating activities, the increased fund resulted in 3,320 million yen (increase of the fund by 5,395 million yen in the previous consolidated accounting year).

The main factors for this is that the increase factors of the fund such as the posting of profit before income taxes and the increase in notes and accounts payable – trade surpassed the decrease factors of the funds such as the increase in notes and accounts receivable – trade, etc.

(Cash Flows from Investing Activities)

As a result of investing activities, the decreased fund resulted in 315 million yen (decrease of the fund by 1,442 million yen in the previous consolidated accounting year).

Main factor for this is the purchase of property, plant and equipment.

(Cash Flows from Financing Activities)

As a result of financing activities, the decreased fund resulted in 1,711 million yen (decrease of the fund by 925 million yen in the previous consolidated accounting year).

Main factor for this is that the repayment of short- and long-term loans payable and dividends paid surpassed proceeds from short- and long-term loans payable.

(Reference) Transition of cash flow-related indexes

	Period ending March 2014	Period ending March 2015	Period ending March 2016	Period ending March 2017	Period ending March 2018
Equity capital ratio	41.7%	46.9%	44.5%	48.8%	48.9%
Equity capital ratio at market value	21.8%	32.2%	27.1%	39.9%	39.8%
Cash flow to interest-bearing liability ratio	2.4 years	2.5 years	9.7 years	1.1 years	1.6 years
Interest coverage ratio	20.7 times	15.7 times	4.2 times	40.5 times	22.5 times

Equity capital ratio: Equity capital/Total assets

Equity capital ratio at market value: Aggregate market value of shares/Total assets

Cash flow to interest-bearing liability ratio: Interest-bearing liabilities/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payment

* Indexes are all calculated by financial values on a consolidated basis.

* Aggregate market value of shares is calculated on the basis of the number of issued shares excluding treasury shares.

* Operating cash flow uses cash flows from operating activities given in the Consolidated Statements of Cash Flows.

* Interest-bearing liabilities cover all interest-paying liabilities of the liabilities given in the Consolidated Balance Sheets.

Interest payment uses interest expenses paid given in the Consolidated Statements of Cash Flows.

(4) Future Foresight

In expectation of an increase in private capital investment due to improved corporate earnings, we forecast that consolidated operating results of the next period will achieve net sales of construction contract orders received of 148,000 million yen, net sales of completed construction contracts of 151,000 million yen, Operating profit of 7,500 million yen, Ordinary profit of 7,500 million yen, and Profit attributable to owners of parent of 5,000 million yen.

2. Fundamental Philosophy for Selection of Accounting Standard

The Company Group adopts Japanese accounting standards because of small business overseas and less financing needs from overseas. Adoption of Japanese accounting standards secures comparability with other companies in the same business in Japan.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Consolidated Accounting Year (As of March 31, 2017)	Current Consolidated Accounting Year (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	26,576	27,885
Notes receivable, accounts receivable from completed construction contracts	49,198	52,638
Electronically recorded monetary claims - operating	8,216	11,319
Costs on uncompleted construction contracts	478	500
Raw materials and supplies	0	0
Deferred tax assets	1,194	1,318
Other	1,857	3,422
Allowance for doubtful accounts	(6)	(7)
Total current assets	87,516	97,078
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,229	6,270
Accumulated depreciation	(3,057)	(3,190)
Buildings and structures, net	3,172	3,080
Machinery, equipment and vehicles	170	176
Accumulated depreciation	(136)	(99)
Machinery, equipment and vehicles, net	33	77
Tools, furniture and fixtures	775	800
Accumulated depreciation	(476)	(561)
Tools, furniture and fixtures, net	298	238
Land	1,137	1,268
Construction in progress	51	39
Total property, plant and equipment	4,694	4,704
Intangible assets	682	557
Investments and other assets		
Investment securities	16,574	18,602
Deferred tax assets	0	0
Net defined benefit asset	7,560	8,944
Other	1,615	1,629
Allowance for doubtful accounts	(188)	(191)
Total investments and other assets	25,562	28,986
Total non-current assets	30,938	34,248
Total assets	118,454	131,326

(Millions of yen)

	Previous Consolidated Accounting Year (As of March 31, 2017)	Current Consolidated Accounting Year (As of March 31, 2018)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	20,051	21,996
Electronically recorded obligations - operating	16,384	19,862
Short-term loans payable	3,880	4,026
Income taxes payable	1,143	1,880
Advances received on uncompleted construction contracts	3,028	1,733
Provision for warranties for completed construction	76	69
Provision for loss on construction contracts	254	358
Other	8,887	9,961
Total current liabilities	53,705	59,889
Non-current liabilities		
Long-term loans payable	2,054	1,299
Deferred tax liabilities	3,046	4,094
Net defined benefit liability	1,339	1,323
Provision for foreign investment loss	7	6
Long-term accounts payable - other	296	296
Other	0	0
Total non-current liabilities	6,744	7,020
Total liabilities	60,450	66,909
Net assets		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,809	4,809
Retained earnings	43,290	47,307
Treasury shares	(678)	(688)
Total shareholders' equity	51,901	55,908
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,344	7,798
Foreign currency translation adjustment	13	24
Remeasurements of defined benefit plans	(441)	514
Total accumulated other comprehensive income	5,916	8,337
Non-controlling interests	186	171
Total net assets	58,004	64,417
Total liabilities and net assets	118,454	131,326

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)	Current Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)
Net sales of completed construction contracts	125,253	143,448
Cost of sales of completed construction contracts	107,465	124,662
Gross profit on completed construction contracts	17,788	18,786
Selling, general and administrative expenses	11,038	11,400
Operating profit	6,750	7,385
Non-operating income		
Interest income	7	10
Dividend income	278	296
Real estate rent	34	34
Insurance fee	109	93
Foreign exchange gains	—	14
Other	4	4
Total non-operating income	434	453
Non-operating expenses		
Interest expenses	133	147
Guarantee commission	6	9
Foreign exchange losses	81	—
Other	24	8
Total non-operating expenses	245	165
Ordinary profit	6,939	7,674
Extraordinary income		
Gain on sales of non-current assets	52	57
Gain on sales of investment securities	—	9
Total extraordinary income	52	67
Extraordinary losses		
Loss on retirement of non-current assets	4	39
Loss on valuation of golf club membership	—	4
Loss on disaster	76	—
Total extraordinary losses	80	44
Profit before income taxes	6,911	7,697
Income taxes - current	2,134	2,754
Income taxes - deferred	147	(140)
Total income taxes	2,282	2,614
Profit	4,628	5,082
Loss attributable to non-controlling interests	(10)	(26)
Profit attributable to owners of parent	4,638	5,109

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)	Current Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)
Profit	4,628	5,082
Other comprehensive income		
Valuation difference on available-for-sale securities	17	1,454
Foreign currency translation adjustment	(12)	21
Remeasurements of defined benefit plans	(271)	955
Total other comprehensive income	(266)	2,432
Comprehensive income	4,362	7,514
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,378	7,530
Comprehensive income attributable to non-controlling interests	(16)	(15)

(3) Consolidated Statements of Changes in Equity

Previous Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,479	4,809	39,588	(674)	48,203
Changes of items during period					
Dividends of surplus			(936)		(936)
Profit attributable to owners of parent			4,638		4,638
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		—		—	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	3,702	(4)	3,697
Balance at end of current period	4,479	4,809	43,290	(678)	51,901

	Accumulated other comprehensive income				Non-controlling interests	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	6,326	20	(169)	6,176	203	54,583
Changes of items during period						
Dividends of surplus						(936)
Profit attributable to owners of parent						4,638
Purchase of treasury shares						(4)
Disposal of treasury shares						—
Net changes of items other than shareholders' equity	17	(6)	(271)	(259)	(16)	(276)
Total changes of items during period	17	(6)	(271)	(259)	(16)	3,421
Balance at end of current period	6,344	13	(441)	5,916	186	58,004

Current Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,479	4,809	43,290	(678)	51,901
Changes of items during period					
Dividends of surplus			(1,092)		(1,092)
Profit attributable to owners of parent			5,109		5,109
Purchase of treasury shares				(10)	(10)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	4,017	(10)	4,006
Balance at end of current period	4,479	4,809	47,307	(688)	55,908

	Accumulated other comprehensive income				Non-controlling interests	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	6,344	13	(441)	5,916	186	58,004
Changes of items during period						
Dividends of surplus						(1,092)
Profit attributable to owners of parent						5,109
Purchase of treasury shares						(10)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	1,454	10	955	2,421	(15)	2,405
Total changes of items during period	1,454	10	955	2,421	(15)	6,412
Balance at end of current period	7,798	24	514	8,337	171	64,417

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)	Current Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Profit before income taxes	6,911	7,697
Depreciation	428	470
Increase (decrease) in allowance for doubtful accounts	(0)	3
Increase (decrease) in net defined benefit liability	(15)	19
Increase (decrease) in provision for environmental measures	(2)	—
Interest and dividend income	(286)	(306)
Interest expenses	133	147
Increase (decrease) in allowance for foreign investment loss	1	(0)
Loss (gain) on sales of investment securities	—	(9)
Loss (gain) on sales of non-current assets	(52)	(57)
Loss on retirement of non-current assets	4	39
Loss on valuation of golf club memberships	—	4
Decrease (increase) in notes and accounts receivable - trade	6,836	(6,541)
Decrease (increase) in costs on uncompleted construction contracts	(93)	(21)
Decrease (increase) in other current assets	257	(1,565)
Decrease (increase) in other non-current assets	10	(2)
Decrease (increase) in net defined benefit asset	(106)	(42)
Increase (decrease) in notes and accounts payable - trade	(5,631)	5,423
Increase (decrease) in advances received on uncompleted construction contracts	233	(1,295)
Increase (decrease) in other current liabilities	(577)	1,174
Increase (decrease) in other non-current liabilities	(6)	—
Subtotal	8,043	5,135
Interest and dividend income received	286	306
Interest expenses paid	(130)	(145)
Income taxes (paid) refund	(2,804)	(1,976)
Net cash provided by (used in) operating activities	5,395	3,320

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)	Current Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	27	27
Payments into time deposits	(27)	(27)
Purchase of property, plant and equipment	(1,027)	(361)
Proceeds from sales of property, plant and equipment	26	64
Payments for retirement of property, plant and equipment	—	(21)
Purchase of investment securities	(4)	(4)
Proceeds from sales and redemption of investment securities	0	81
Payments of loans receivable	—	(0)
Collection of loans receivable	1	1
Purchase of other non-current assets	(506)	(110)
Proceeds from sales of other non-current assets	67	35
Net cash provided by (used in) investing activities	(1,442)	(315)
Cash flows from financing activities		
Increase in short-term loans payable	35,060	37,960
Decrease in short-term loans payable	(35,860)	(37,660)
Proceeds from long-term loans payable	3,000	1,250
Repayments of long-term loans payable	(2,184)	(2,159)
Purchase of treasury shares	(4)	(10)
Proceeds from sales of treasury shares	—	0
Cash dividends paid	(936)	(1,092)
Net cash provided by (used in) financing activities	(925)	(1,711)
Effect of exchange rate change on cash and cash equivalents	(14)	15
Net increase (decrease) in cash and cash equivalents	3,012	1,308
Cash and cash equivalents at beginning of period	23,536	26,549
Cash and cash equivalents at end of period	26,549	27,858

(5) Notes to Consolidated Financial Statements

(Notes to Going Concern Assumption)

None

(Segment Information)

Descriptions are omitted since the Company Group is a single segment of equipment work business.

(Per-share Information)

Items	Previous Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)	Current Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)
Net assets per share	2,593.28 yen	2,882.07 yen
Profit per share	208.04 yen	229.19 yen

(Note) 1. Diluted profit per share is not stated as there are no potential shares.

2. The basis for calculating profit per share is as follows:

	Previous Consolidated Accounting Year (From April 1, 2016 to March 31, 2017)	Current Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)
Profit attributable to owners of parent (millions of yen)	4,638	5,109
Amount not belonging to common stock (million yen)	—	—
Profit attributable to owners of parent related to common stock (millions of yen)	4,638	5,109
Average number of common stock shares during the period (thousand shares)	22,296	22,293

(Note) 3. Because we had a stock merger of two common shares to one common share as of October 1, 2017, "Net assets per share" and "Profit per share" are calculated assuming that the stock merger was executed at the beginning of the previous consolidated accounting year.

(Important Events Subsequent to Balance Sheet Date)

None

4. Individual Financial Statements and Major Notes

(1) Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2017)	Current Fiscal Year (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	25,786	27,166
Notes receivable - trade	1,733	2,758
Electronically recorded monetary claims - operating	8,216	11,319
Accounts receivable from completed construction contracts	47,313	49,627
Costs on uncompleted construction contracts	484	436
Raw materials and supplies	0	0
Prepaid expenses	12	10
Advances paid	897	1,342
Deferred tax assets	1,192	1,315
Other	934	2,058
Allowance for doubtful accounts	(6)	(6)
Total current assets	86,565	96,028
Non-current assets		
Property, plant and equipment		
Buildings	6,061	6,100
Accumulated depreciation	(2,935)	(3,062)
Buildings, net	3,125	3,038
Structures	165	167
Accumulated depreciation	(120)	(126)
Structures, net	44	41
Machinery and equipment	15	15
Accumulated depreciation	(11)	(12)
Machinery and equipment, net	3	2
Vehicles	133	137
Accumulated depreciation	(103)	(63)
Vehicles, net	29	73
Tools, furniture and fixtures	751	778
Accumulated depreciation	(455)	(542)
Tools, furniture and fixtures, net	295	235
Land	1,137	1,268
Construction in progress	51	39
Total property, plant and equipment	4,689	4,699
Intangible assets		
Software	613	516
Other	65	38
Total intangible assets	679	554

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2017)	Current Fiscal Year (As of March 31, 2018)
Investments and other assets		
Investment securities	16,508	18,536
Shares of subsidiaries and associates	289	289
Long-term loans receivable from employees	3	2
Long-term loans receivable from subsidiaries and associates	44	44
Guarantee deposits	649	656
Long-term insurance premiums	144	144
Claims provable in bankruptcy, claims provable in rehabilitation and other	27	29
Prepaid pension cost	8,025	8,067
Golf club membership	595	596
Other	93	81
Allowance for doubtful accounts	(187)	(190)
Total investments and other assets	26,193	28,258
Total non-current assets	31,561	33,513
Total assets	118,127	129,542
Liabilities		
Current liabilities		
Notes payable - trade	2,718	2,956
Electronically recorded obligations - operating	16,384	19,862
Accounts payable for construction contracts	17,174	18,824
Short-term loans payable	1,900	2,200
Current portion of long-term loans payable	1,980	1,826
Accounts payable - other	629	688
Accrued expenses	3,323	3,683
Income taxes payable	1,142	1,870
Accrued consumption taxes	841	—
Advances received on uncompleted construction contracts	3,019	1,666
Deposits received	3,323	4,778
Deposits received from employees	714	739
Provision for warranties for completed construction	75	69
Provision for loss on construction contracts	254	358
Other	10	24
Total current liabilities	53,492	59,550
Non-current liabilities		
Long-term loans payable	2,054	1,299
Deferred tax liabilities	3,240	3,867
Provision for retirement benefits	1,166	1,185
Provision for foreign investment loss	7	6
Long-term accounts payable - other	296	296
Other	0	0
Total non-current liabilities	6,765	6,655
Total liabilities	60,258	66,205

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2017)	Current Fiscal Year (As of March 31, 2018)
Net assets		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus		
Legal capital surplus	4,716	4,716
Other capital surplus	93	93
Total capital surpluses	4,809	4,809
Retained earnings		
Legal retained earnings	1,119	1,119
Other retained earnings		
Reserve for advanced depreciation of non-current assets	51	48
General reserve	29,720	29,720
Retained earnings brought forward	12,022	16,049
Total retained earnings	42,913	46,937
Treasury shares	(678)	(688)
Total shareholders' equity	51,524	55,538
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,344	7,798
Total valuation and translation adjustments	6,344	7,798
Total net assets	57,868	63,336
Total liabilities and net assets	118,127	129,542

(2) Statements of Income

(Millions of yen)

	Previous Fiscal Year (From April 1, 2016 to March 31, 2017)	Current Fiscal Year (From April 1, 2017 to March 31, 2018)
Net sales of completed construction contracts	123,878	142,376
Cost of sales of completed construction contracts	106,237	123,721
Gross profit on completed construction contracts	17,641	18,654
Selling, general and administrative expenses	10,898	11,252
Operating profit	6,743	7,402
Non-operating income		
Interest income	5	8
Dividend income	278	296
Real estate rent	34	34
Insurance fee	109	93
Foreign exchange gains	—	14
Other	3	2
Total non-operating income	432	450
Non-operating expenses		
Interest expenses	132	147
Guarantee commission	6	9
Foreign exchange losses	82	—
Other	24	8
Total non-operating expenses	246	165
Ordinary profit	6,929	7,686
Extraordinary income		
Gain on sales of non-current assets	52	57
Gain on sales of investment securities	—	9
Total extraordinary income	52	67
Extraordinary losses		
Loss on retirement of non-current assets	4	39
Loss on valuation of golf club membership	—	4
Loss on disaster	76	—
Total extraordinary losses	80	44
Profit before income taxes	6,900	7,709
Income taxes - current	2,125	2,733
Income taxes - deferred	145	(139)
Total income taxes	2,270	2,593
Profit	4,630	5,116

(3) Statements of Changes in Equity

Previous Fiscal Year (From April 1, 2016 to March 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
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of current period	4,479	4,716	93	4,809	1,119	55	29,720	8,324	39,220
Changes of items during period									
Reversal of reserve						(3)		3	—
Dividends of surplus								(936)	(936)
Profit								4,630	4,630
Purchase of treasury shares									
Disposal of treasury shares			—	—					
Net changes of items other than shareholders' equity									
Total changes of items during period	—	—	—	—	—	(3)	—	3,697	3,693
Balance at end of current period	4,479	4,716	93	4,809	1,119	51	29,720	12,022	42,913

	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	(674)	47,835	6,326	6,326	54,161
Changes of items during period					
Reversal of reserve		—			—
Dividends of surplus		(936)			(936)
Profit		4,630			4,630
Purchase of treasury shares	(4)	(4)			(4)
Disposal of treasury shares	—	—			—
Net changes of items other than shareholders' equity			17	17	17
Total changes of items during period	(4)	3,689	17	17	3,707
Balance at end of current period	(678)	51,524	6,344	6,344	57,868

Current Fiscal Year (From April 1, 2017 to March 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
						Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of current period	4,479	4,716	93	4,809	1,119	51	29,720	12,022	42,913
Changes of items during period									
Reversal of reserve						(3)		3	—
Dividends of surplus								(1,092)	(1,092)
Profit								5,116	5,116
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	—	(3)	—	4,027	4,023
Balance at end of current period	4,479	4,716	93	4,809	1,119	48	29,720	16,049	46,937

	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	(678)	51,524	6,344	6,344	57,868
Changes of items during period					
Reversal of reserve		—			—
Dividends of surplus		(1,092)			(1,092)
Profit		5,116			5,116
Purchase of treasury shares	(10)	(10)			(10)
Disposal of treasury shares	0	0			0
Net changes of items other than shareholders' equity			1,454	1,454	1,454
Total changes of items during period	(10)	4,013	1,454	1,454	5,467
Balance at end of current period	(688)	55,538	7,798	7,798	63,336

(4) Notes to Individual Financial Statements
(Notes to Going Concern Assumption)
None

5. Others

(1) Board Member Changes

1) Changes in Representative Directors
None

2) Change in Other Board Members

- Nominees as new director

Director, Executive Corporate Officer, Head of General Administration, and Overseas General Manager
Yasuo Kamei (present Executive Corporate Officer, Head of General Administration, and Overseas
General Manager)

3) Scheduled Date of Appointment

June 28, 2018

(2) Others

Divisional net sales of construction contract orders received, completed construction contracts, and uncompleted construction contracts (consolidated)

(Millions of yen)

		Previous Consolidated Accounting year (From April 1, 2016 to March 31, 2017)		Current Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)		Increase (Decrease)	
		Amount	Component ratio %	Amount	Component ratio %	Amount	Ratio %
Net sales of construction contract orders received	Electrical equipment installations	28,933	20.1	22,735	15.4	(6,197)	(21.4)
	Air-conditioning installations	84,106	58.4	92,093	62.5	7,986	9.5
	Plumbing	30,967	21.5	32,506	22.1	1,538	5.0
	Total	144,007	100.0	147,335	100.0	3,328	2.3
	(Renovations)	74,313	51.6	71,748	48.7	(2,565)	(3.5)
	(Overseas operations)	4,246	3.0	4,695	3.2	448	10.6
Net sales of completed construction contracts	Electrical equipment installations	25,926	20.7	25,996	18.1	69	0.3
	Air-conditioning installations	72,501	57.9	85,926	59.9	13,425	18.5
	Plumbing	26,825	21.4	31,525	22.0	4,699	17.5
	Total	125,253	100.0	143,448	100.0	18,194	14.5
	(Renovations)	71,355	57.0	77,074	53.7	5,718	8.0
	(Overseas operations)	4,560	3.6	5,233	3.6	672	14.8
Net sales of uncompleted construction contracts	Electrical equipment installations	17,432	15.0	14,171	11.8	(3,260)	(18.7)
	Air-conditioning installations	70,985	60.9	77,152	64.1	6,167	8.7
	Plumbing	28,063	24.1	29,044	24.1	980	3.5
	Total	116,480	100.0	120,368	100.0	3,887	3.3
	(Renovations)	28,618	24.6	23,293	19.4	(5,325)	(18.6)
	(Overseas operations)	2,628	2.3	2,090	1.7	(538)	(20.5)

Divisional net sales of construction contract orders received, completed construction contracts, and uncompleted construction contracts (individual)

(Millions of yen)

		Previous Fiscal Year (From April 1, 2016 to March 31, 2017)		Current Fiscal Year (From April 1, 2017 to March 31, 2018)		Increase (Decrease)	
		Amount	Component ratio %	Amount	Component ratio %	Amount	Ratio %
Net sales of construction contract orders received	Electrical equipment installations	28,700	20.1	22,505	15.4	(6,194)	(21.6)
	Air-conditioning installations	83,486	58.5	91,217	62.5	7,731	9.3
	Plumbing	30,614	21.4	32,208	22.1	1,594	5.2
	Total	142,801	100.0	145,932	100.0	3,130	2.2
	(Renovations)	73,100	51.2	70,333	48.2	(2,767)	(3.8)
	(Overseas operations)	3,747	2.6	4,065	2.8	317	8.5
Net sales of completed construction contracts	Electrical equipment installations	25,630	20.7	25,801	18.1	170	0.7
	Air-conditioning installations	71,860	58.0	85,188	59.8	13,328	18.5
	Plumbing	26,387	21.3	31,385	22.1	4,998	18.9
	Total	123,878	100.0	142,376	100.0	18,497	14.9
	(Renovations)	69,965	56.5	75,990	53.4	6,024	8.6
	(Overseas operations)	3,963	3.2	4,802	3.4	838	21.2
Net sales of uncompleted construction contracts	Electrical equipment installations	17,401	15.0	14,106	11.8	(3,295)	(18.9)
	Air-conditioning installations	70,874	60.9	76,903	64.1	6,028	8.5
	Plumbing	28,033	24.1	28,856	24.1	822	2.9
	Total	116,309	100.0	119,865	100.0	3,556	3.1
	(Renovations)	28,453	24.5	22,796	19.0	(5,656)	(19.9)
	(Overseas operations)	2,563	2.2	1,826	1.5	(737)	(28.8)