

Brief Report on the Financial Statements for the Period Ending March 2019

[Japanese Standard] (Consolidated)

May 9, 2019

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

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

Representative of Company: Ichiro Fujisawa, Representative Director, President

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Stock Exchange Listing:

Tokyo Stock Exchange 1st section

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Date scheduled to ordinary shareholders general meeting convention: June 25, 2019

Date scheduled to dividend payment commencement: June 26, 2019

Date scheduled to submit annual securities report: June 25, 2019

Creating supplements to the financial statement: Yes

Holding a briefing session on the financial statement: Yes (for instituted investors and analysts)

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

1. Consolidated business results for the period ending March 2019 (From April 1, 2018 to March 31, 2019)

(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 2019	155,565	8.4	7,661	3.7	8,057	5.0	5,464	7.0
Period ending March 2018	143,448	14.5	7,385	9.4	7,674	10.6	5,109	10.1

(Note) Comprehensive income Period ending March 2019 3,334 Million yen (55.6%)
Period ending March 2018 7,514 Million yen 72.3%

	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 2019	245.16	—	—	—	8.4	6.4	4.9
Period ending March 2018	229.19	—	—	—	8.4	6.1	5.1

(Reference) Investment income or loss on equity method Period ending March 2019 – Million yen
Period ending March 2018 – Million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen Sen
Period ending March 2019	120,728	66,390	54.8	2,970.59
Period ending March 2018	130,006	64,417	49.4	2,882.07

(Reference) Equity capital Period ending March 2019 66,217 Million yen
Period ending March 2018 64,245 Million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Period ending March 2019	(13,541)	(232)	(1,317)	12,776
Period ending March 2018	3,320	(315)	(1,711)	27,858

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 2018	—	11.50	—	33.00	—	1,248	24.4	2.0
Period ending March 2019	—	28.00	—	48.00	76.00	1,694	31.0	2.6
Period ending March 2020 (Forecast)	—	40.00	—	40.00	80.00		31.3	

(Note 1) Breakdown of dividend at the end of the period ending March 2018: ordinary dividend 23.00 yen and special dividend 10.00 yen
Breakdown of dividend at the end of the period ending March 2019: ordinary dividend 28.00 yen and special dividend 20.00 yen

(Note 2) We executed a share consolidation of two common shares to one common share as of October 1, 2017. The dividend for the second quarter of the period ending March 2018 indicates the actual dividend amount before the share consolidation.

3. Estimate of consolidated performance for the period ending March 2020 (From April 1, 2019 to March 31, 2020)

(Percentage indications show increase or decrease from the previous 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
Total period	161,000	3.5	8,000	4.4	8,200	1.8	5,700	4.3	255.71	

(Reference) Estimated net sales of construction contract orders 161,000 Million yen

(Note) An estimate of consolidated performance for the second quarter consolidated cumulative period is not presented.

* 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)

② Number of treasury shares at the end of period

③ Average number of shares in the period

Period ending March 2019	22,981,901 shares	Period ending March 2018	22,981,901 shares
Period ending March 2019	690,998 shares	Period ending March 2018	690,284 shares
Period ending March 2019	22,291,335 shares	Period ending March 2018	22,293,010 shares

(Note) As we executed a share consolidation of two common shares to one common share as of October 1, 2017, "Average numbers of shares in the period" is calculated assuming that the share consolidation was executed at the beginning of the previous consolidated accounting year.

(Reference) Outline of individual performance

1. Individual business results for the period ending March 2019 (From April 1, 2018 to March 31, 2019)

(1) Individual 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 2019	153,849	8.1	7,601	2.7	7,995	4.0	5,426	6.1
Period ending March 2018	142,376	14.9	7,402	9.8	7,686	10.9	5,116	10.5

	Profit per share		Diluted Profit per share	
	Yen	Sen	Yen	Sen
Period ending March 2019	243.42	—	—	—
Period ending March 2018	229.49	—	—	—

(2) Individual financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen Sen
Period ending March 2019	119,404	65,775	55.1	2,950.76
Period ending March 2018	128,226	63,336	49.4	2,841.29

(Reference) Equity capital
 Period ending March 2019 65,775 Million yen
 Period ending March 2018 63,336 Million yen

2. Estimate of individual performance for the period ending March 2020 (From April 1, 2019 to March 31, 2020)

(Percentage indications show increase or decrease from the previous 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
Total period	160,000	4.0	8,000	5.2	8,200	2.6	5,700	5.0	255.71

(Reference) Estimated net sales of construction contract orders 160,000 Million yen

(Note) An estimate of individual performance for the second quarter cumulative period is not presented.

* 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 4.

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1. Qualitative Information on the Business Settlement

(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 11,198 million yen or 7.6% from the previous consolidated accounting year, resulting in 158,533 million yen.

Net sales of completed construction contracts increased by 12,116 million yen or 8.4% from the previous consolidated accounting year, resulting in 155,565 million yen.

Gross profit on completed construction contracts increased by 325 million yen or 1.7% from the previous consolidated accounting year, resulting in 19,111 million yen, due to the increase in the net sales of completed construction contracts.

Operating profit increased by 275 million yen or 3.7% from the previous consolidated accounting year, resulting in 7,661 million yen, due to the increase in the gross profit on completed construction contracts.

Ordinary profit increased by 383 million yen or 5.0% from the previous consolidated accounting year, resulting in 8,057 million yen, due to the increases in the operating profit, etc.

Profit attributable to owners of parent increased by 355 million yen or 7.0% from the previous consolidated accounting year, resulting in 5,464 million yen, after posting the loss on valuation of investment securities of 111 million yen as an extraordinary loss, as well as deducting the income tax - current, income taxes - deferred, and the profit 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 decreased by 6,845 million yen or 7.1% from the end of the previous consolidated accounting year, resulting in 88,913 million yen. The main factor for this is the decrease of 15,081 million yen or 54.1% in cash and deposits because of the effect of the shortening of payment maturities for notes payable and electronically recorded obligations - operating since payments on December 2018. Non-current assets decreased by 2,432 million yen or 7.1% from the end of the previous consolidated accounting year, resulting in 31,815 million yen. The main factor for this is the decrease of 2,472 million yen or 13.3% in investment securities.

As a result, total assets decreased by 9,278 million yen or 7.1% from the end of the previous consolidated accounting year, resulting in 120,728 million yen.

(Liabilities)

Current liabilities at the end of the current consolidated accounting year decreased by 10,310 million yen or 17.2% from the end of the previous consolidated accounting year, resulting in 49,578 million yen. The main factor for this is the decrease of 10,065 million yen or 50.7% in electronically recorded obligations - operating because of the shortening of payment maturities for this as described in the main factor in decreases in current assets. Non-current liabilities decreased by 940 million yen or 16.5% from the end of the previous consolidated accounting year, resulting in 4,759 million yen. The main factor for this is the decrease of 870 million yen or 31.4% in deferred tax liabilities.

As a result, total liabilities decreased by 11,251 million yen or 17.2% from the end of the previous consolidated accounting year, resulting in 54,338 million yen.

(Net Assets)

Total net assets at the end of the current consolidated accounting year increased by 1,973 million yen or 3.1% from the end of the previous consolidated accounting year, resulting in 66,390 million yen. The main factor for this is the increase of 4,105 million yen or 8.7% in retained earnings.

As a result, the equity capital ratio resulted in 54.8% (49.4% 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 "fund") in the current consolidated accounting year decreased by 15,081 million yen from the end of the previous consolidated accounting year, resulting in 12,776 million yen. The situation of cash flows and their factors during the current consolidated accounting year are as follows.

(Cash flows from operating activities)

As a result of the operating activities, the decreased fund resulted in 13,541 million yen (increase by 3,320 million yen of the fund in the previous consolidated accounting year). The main factor for this is that the factors causing the fund to decrease such as the decrease in notes and accounts payable – trade because of the shortening of payment maturities as described in “(2) Summary of Financial Conditions on the Current Accounting Year” surpassed the increase factors of the fund such as the increase in profit before income taxes.

(Cash flows from investing activities)

As a result of the investing activities, the decreased fund resulted in 232 million yen (decrease by 315 million yen of the fund in the previous consolidated accounting year). The main factor for this is that the purchase of property, plant and equipment.

(Cash flows from financing activities)

As a result of the financing activities, the decreased fund resulted in 1,317 million yen (decrease by 1,711 million yen of the fund in the previous consolidated accounting year). The 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 2015	Period ending March 2016	Period ending March 2017	Period ending March 2018	Period ending March 2019
Equity capital ratio	47.5%	45.0%	49.3%	49.4%	54.8%
Equity capital ratio at market value	32.6%	27.4%	40.3%	40.2%	47.5%
Cash flow to interest-bearing liability ratio	2.5 years	9.7 years	1.1 years	1.6 years	—
Interest coverage ratio	15.7 times	4.2 times	40.5 times	22.5 times	—

Equity capital ratio: $\text{Equity capital} / \text{Total assets}$

Equity capital ratio at market value: $\text{Aggregate market value of shares} / \text{Total assets}$

Cash flow to interest-bearing liability ratio: $\text{Interest-bearing liabilities} / \text{Operating cash flow}$

Interest coverage ratio: $\text{Operating cash flow} / \text{Interest payment}$

* 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.

* Cash flow to interest-bearing liability ratio and interest coverage ratio for the period ending March 2019 are not stated because the operating cash flow is negative.

(4) Future Foresight

We forecast that consolidated operating results of the next period will achieve net sales of construction contract orders received of 161,000 million yen, net sales of completed construction contracts of 161,000 million yen, Operating profit of 8,000 million yen, Ordinary profit of 8,200 million yen, and Profit attributable to owners of parent of 5,700 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, 2018)	Current Consolidated Accounting Year (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	27,885	12,803
Notes receivable, accounts receivable from completed construction contracts	52,638	58,088
Electronically recorded monetary claims - operating	11,319	14,814
Costs on uncompleted construction contracts	500	509
Raw materials and supplies	0	—
Other	3,422	2,705
Allowance for doubtful accounts	(7)	(8)
Total current assets	95,759	88,913
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,270	6,327
Accumulated depreciation	(3,190)	(3,368)
Buildings and structures, net	3,080	2,959
Machinery, equipment and vehicles	176	185
Accumulated depreciation	(99)	(121)
Machinery, equipment and vehicles, net	77	63
Tools, furniture and fixtures	800	775
Accumulated depreciation	(561)	(576)
Tools, furniture and fixtures, net	238	199
Land	1,268	1,268
Construction in progress	39	708
Total property, plant and equipment	4,704	5,198
Intangible assets	557	457
Investments and other assets		
Investment securities	18,602	16,129
Retirement benefit asset	8,944	8,675
Other	1,629	1,536
Allowance for doubtful accounts	(191)	(183)
Total investments and other assets	28,985	26,159
Total non-current assets	34,247	31,815
Total assets	130,006	120,728

(Millions of yen)

	Previous Consolidated Accounting Year (As of March 31, 2018)	Current Consolidated Accounting Year (As of March 31, 2019)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	21,996	20,763
Electronically recorded obligations - operating	19,862	9,796
Short-term loans payable	4,026	3,826
Income taxes payable	1,880	1,149
Advances received on uncompleted construction contracts	1,733	1,574
Provision for warranties for completed construction	69	85
Provision for loss on construction contracts	358	138
Other	9,961	12,244
Total current liabilities	59,889	49,578
Non-current liabilities		
Long-term loans payable	1,299	1,543
Deferred tax liabilities	2,774	1,903
Retirement benefit liability	1,323	1,299
Provision for foreign investment loss	6	5
Long-term accounts payable - other	296	6
Other	0	0
Total non-current liabilities	5,700	4,759
Total liabilities	65,589	54,338
Net assets		
Shareholders' equity		
Capital stock	4,479	4,479
Capital surplus	4,809	4,809
Retained earnings	47,307	51,412
Treasury shares	(688)	(690)
Total shareholders' equity	55,908	60,011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,798	6,172
Foreign currency translation adjustment	24	22
Remeasurements of defined benefit plans	514	10
Total accumulated other comprehensive income	8,337	6,205
Non-controlling interests	171	172
Total net assets	64,417	66,390
Total liabilities and net assets	130,006	120,728

(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, 2017 to March 31, 2018)	Current Consolidated Accounting Year (From April 1, 2018 to March 31, 2019)
Net sales of completed construction contracts	143,448	155,565
Cost of sales of completed construction contracts	124,662	136,453
Gross profit on completed construction contracts	18,786	19,111
Selling, general and administrative expenses	11,400	11,450
Operating profit	7,385	7,661
Non-operating income		
Interest income	10	11
Dividend income	296	349
Real estate rent	34	34
Insurance fee	93	107
Foreign exchange gains	14	19
Other	4	13
Total non-operating income	453	535
Non-operating expenses		
Interest expenses	147	121
Guarantee commission	9	5
Other	8	12
Total non-operating expenses	165	139
Ordinary profit	7,674	8,057
Extraordinary income		
Gain on sales of non-current assets	57	—
Gain on sales of investment securities	9	—
Total extraordinary income	67	—
Extraordinary losses		
Loss on retirement of non-current assets	39	—
Loss on valuation of investment securities	—	111
Loss on valuation of golf club membership	4	—
Total extraordinary losses	44	111
Profit before income taxes	7,697	7,945
Income taxes - current	2,754	2,407
Income taxes - deferred	(140)	69
Total income taxes	2,614	2,476
Profit	5,082	5,468
Profit (loss) attributable to non-controlling interests	(26)	3
Profit attributable to owners of parent	5,109	5,464

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)	Current Consolidated Accounting Year (From April 1, 2018 to March 31, 2019)
Profit	5,082	5,468
Other comprehensive income		
Valuation difference on available-for-sale securities	1,454	(1,626)
Foreign currency translation adjustment	21	(3)
Remeasurements of defined benefit plans	955	(504)
Total other comprehensive income	2,432	(2,134)
Comprehensive income	7,514	3,334
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,530	3,332
Comprehensive income attributable to non-controlling interests	(15)	1

(3) Consolidated Statements of Changes in Equity

Previous 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

Current Consolidated Accounting Year (From April 1, 2018 to March 31, 2019)

(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	47,307	(688)	55,908
Changes of items during period					
Dividends of surplus			(1,359)		(1,359)
Profit attributable to owners of parent			5,464		5,464
Purchase of treasury shares				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	4,105	(1)	4,103
Balance at end of current period	4,479	4,809	51,412	(690)	60,011

	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	7,798	24	514	8,337	171	64,417
Changes of items during period						
Dividends of surplus						(1,359)
Profit attributable to owners of parent						5,464
Purchase of treasury shares						(1)
Net changes of items other than shareholders' equity	(1,626)	(1)	(504)	(2,132)	1	(2,130)
Total changes of items during period	(1,626)	(1)	(504)	(2,132)	1	1,973
Balance at end of current period	6,172	22	10	6,205	172	66,390

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)	Current Consolidated Accounting Year (From April 1, 2018 to March 31, 2018)
Cash flows from operating activities		
Profit before income taxes	7,697	7,945
Depreciation	470	452
Increase (decrease) in allowance for doubtful accounts	3	(7)
Increase (decrease) in retirement benefit liability	19	33
Interest and dividend income	(306)	(361)
Interest expenses	147	121
Increase (decrease) in allowance for foreign investment loss	(0)	(0)
Loss (gain) on valuation of investment securities	—	111
Loss (gain) on sales of investment securities	(9)	—
Loss (gain) on sales of non-current assets	(57)	—
Loss on retirement of non-current assets	39	—
Loss on valuation of golf club memberships	4	—
Decrease (increase) in notes and accounts receivable - trade	(6,541)	(8,945)
Decrease (increase) in costs on uncompleted construction contracts	(21)	(8)
Decrease (increase) in other current assets	(1,565)	704
Decrease (increase) in other non-current assets	(2)	0
Decrease (increase) in retirement benefit asset	(42)	(514)
Increase (decrease) in notes and accounts payable - trade	5,423	(11,298)
Increase (decrease) in advances received on uncompleted construction contracts	(1,295)	(158)
Increase (decrease) in other current liabilities	1,174	1,554
Increase (decrease) in other non-current liabilities	—	(290)
Subtotal	5,135	(10,660)
Interest and dividend income received	306	361
Interest expenses paid	(145)	(121)
Income taxes (paid) refund	(1,976)	(3,120)
Net cash provided by (used in) operating activities	3,320	(13,541)

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2017 to March 31, 2018)	Current Consolidated Accounting Year (From April 1, 2018 to March 31, 2019)
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	(361)	(287)
Proceeds from sales of property, plant and equipment	64	2
Payments for retirement of property, plant and equipment	(21)	—
Purchase of investment securities	(4)	(4)
Proceeds from sales and redemption of investment securities	81	23
Payments of loans receivable	(0)	(1)
Collection of loans receivable	1	45
Other payments	(110)	(112)
Other proceeds	35	102
Net cash provided by (used in) investing activities	(315)	(232)
Cash flows from financing activities		
Increase in short-term loans payable	37,960	34,660
Decrease in short-term loans payable	(37,660)	(34,860)
Proceeds from long-term loans payable	1,250	2,357
Repayments of long-term loans payable	(2,159)	(2,113)
Purchase of treasury shares	(10)	(1)
Proceeds from sales of treasury shares	0	—
Cash dividends paid	(1,092)	(1,359)
Net cash provided by (used in) financing activities	(1,711)	(1,317)
Effect of exchange rate change on cash and cash equivalents	15	9
Net increase (decrease) in cash and cash equivalents	1,308	(15,081)
Cash and cash equivalents at beginning of period	26,549	27,858
Cash and cash equivalents at end of period	27,858	12,776

- (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, 2017 to March 31, 2018)	Current Consolidated Accounting Year (From April 1, 2018 to March 31, 2019)
Net assets per share	2,882.07 yen	2,970.59 yen
Profit per share	229.19 yen	245.16 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, 2017 to March 31, 2018)	Current Consolidated Accounting Year (From April 1, 2018 to March 31, 2019)
Profit attributable to owners of parent (millions of yen)	5,109	5,464
Amount not belonging to common stock (millions of yen)	—	—
Profit attributable to owners of parent related to common stock (millions of yen)	5,109	5,464
Average number of common stock shares during the period (thousand shares)	22,293	22,291

(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, 2018)	Current Fiscal Year (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	27,166	11,987
Notes receivable - trade	2,758	1,211
Electronically recorded monetary claims - operating	11,319	14,814
Accounts receivable from completed construction contracts	49,627	56,348
Costs on uncompleted construction contracts	436	507
Raw materials and supplies	0	—
Prepaid expenses	10	10
Advances paid	1,342	1,507
Other	2,058	1,168
Allowance for doubtful accounts	(6)	(7)
Total current assets	94,712	87,549
Non-current assets		
Property, plant and equipment		
Buildings	6,100	6,157
Accumulated depreciation	(3,062)	(3,234)
Buildings, net	3,038	2,922
Structures	167	167
Accumulated depreciation	(126)	(132)
Structures, net	41	35
Machinery and equipment	15	15
Accumulated depreciation	(12)	(13)
Machinery and equipment, net	2	2
Vehicles	137	146
Accumulated depreciation	(63)	(85)
Vehicles, net	73	61
Tools, furniture and fixtures	778	752
Accumulated depreciation	(542)	(557)
Tools, furniture and fixtures, net	235	195
Land	1,268	1,268
Construction in progress	39	708
Total property, plant and equipment	4,699	5,193
Intangible assets		
Software	516	409
Other	38	44
Total intangible assets	554	453

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2018)	Current Fiscal Year (As of March 31, 2019)
Investments and other assets		
Investment securities	18,536	16,064
Shares of subsidiaries and associates	289	289
Long-term loans receivable from employees	2	2
Long-term loans receivable from subsidiaries and associates	44	—
Guarantee deposits	656	691
Long-term Insurance funds	144	58
Claims provable in bankruptcy, claims provable in rehabilitation and other	29	25
Prepaid pension cost	8,067	8,582
Golf club membership	596	596
Other	81	79
Allowance for doubtful accounts	(190)	(181)
Total investments and other assets	28,258	26,208
Total non-current assets	33,513	31,855
Total assets	128,226	119,404
Liabilities		
Current liabilities		
Notes payable - trade	2,956	1,307
Electronically recorded obligations - operating	19,862	9,796
Accounts payable for construction contracts	18,824	18,937
Short-term loans payable	2,200	2,000
Current portion of long-term loans payable	1,826	1,826
Accounts payable - other	688	1,370
Accrued expenses	3,683	3,844
Income taxes payable	1,870	1,136
Accrued consumption taxes	—	1,073
Advances received on uncompleted construction contracts	1,666	1,534
Deposits received	4,778	5,116
Deposits received from employees	739	781
Provision for warranties for completed construction	69	85
Provision for loss on construction contracts	358	138
Other	24	2
Total current liabilities	59,550	48,951
Non-current liabilities		
Long-term loans payable	1,299	1,543
Deferred tax liabilities	2,551	1,903
Provision for retirement benefits	1,185	1,218
Provision for foreign investment loss	6	5
Long-term accounts payable - other	296	6
Other	0	0
Total non-current liabilities	5,339	4,678
Total liabilities	64,889	53,629

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2018)	Current Fiscal Year (As of March 31, 2019)
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	48	44
General reserve	29,720	29,720
Retained earnings brought forward	16,049	20,119
Total retained earnings	46,937	51,003
Treasury shares	(688)	(690)
Total shareholders' equity	55,538	59,602
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,798	6,172
Total valuation and translation adjustments	7,798	6,172
Total net assets	63,336	65,775
Total liabilities and net assets	128,226	119,404

(2) Statements of Income

(Millions of yen)

	Previous Fiscal Year (From April 1, 2017 to March 31, 2018)	Current Fiscal Year (From April 1, 2018 to March 31, 2019)
Net sales of completed construction contracts	142,376	153,849
Cost of sales of completed construction contracts	123,721	134,948
Gross profit on completed construction contracts	18,654	18,900
Selling, general and administrative expenses	11,252	11,298
Operating profit	7,402	7,601
Non-operating income		
Interest income	8	9
Dividend income	296	349
Real estate rent	34	34
Insurance fee	93	107
Foreign exchange gains	14	18
Other	2	13
Total non-operating income	450	533
Non-operating expenses		
Interest expenses	147	121
Guarantee commission	9	5
Other	8	12
Total non-operating expenses	165	139
Ordinary profit	7,686	7,995
Extraordinary income		
Gain on sales of non-current assets	57	—
Gain on sales of investment securities	9	—
Total extraordinary income	67	—
Extraordinary losses		
Loss on retirement of non-current assets	39	—
Loss on valuation of investment securities	—	111
Loss on valuation of golf club membership	4	—
Total extraordinary losses	44	111
Profit before income taxes	7,709	7,883
Income taxes - current	2,733	2,388
Income taxes - deferred	(139)	69
Total income taxes	2,593	2,457
Profit	5,116	5,426

(3) Statements of Changes in Equity

Previous 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

Current Fiscal Year (From April 1, 2018 to March 31, 2019)

(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	48	29,720	16,049	46,937
Changes of items during period									
Reversal of reserve						(3)		3	—
Dividends of surplus								(1,359)	(1,359)
Profit								5,426	5,426
Purchase of treasury shares									
Net changes of items other than shareholders' equity									
Total changes of items during period	—	—	—	—	—	(3)	—	4,069	4,066
Balance at end of current period	4,479	4,716	93	4,809	1,119	44	29,720	20,119	51,003

	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	(688)	55,538	7,798	7,798	63,336
Changes of items during period					
Reversal of reserve		—			—
Dividends of surplus		(1,359)			(1,359)
Profit		5,426			5,426
Purchase of treasury shares	(1)	(1)			(1)
Net changes of items other than shareholders' equity			(1,626)	(1,626)	(1,626)
Total changes of items during period	(1)	4,064	(1,626)	(1,626)	2,438
Balance at end of current period	(690)	59,602	6,172	6,172	65,775

- (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

- Nominee as new director

Director

Koji Kono (present Corporate Auditor (part-time))

(Note) Mr. Koji Kono is nominated as an outside director.

- Director scheduled to retire

Current Director, Counsellor

Setsu Sugaya (scheduled to be appointed as Counsellor)

- Nominee as new corporate auditor

Corporate Auditor (part-time)

Ikumi Sato (present Attorney at Law)

(Note) Ms. Ikumi Sato is nominated as an outside corporate auditor.

- Corporate Auditor scheduled to retire

Current Corporate Auditor (part-time)

Koji Kono (scheduled to be appointed as Director)

(Note) Mr. Koji Kono is an outside corporate auditor.

3) Scheduled Date of Appointment

June 25, 2019

(2) 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, 2017 to March 31, 2018)		Current Consolidated Accounting Year (From April 1, 2018 to March 31, 2019)		Increase (decrease)	
		Amount	Component ratio %	Amount	Component ratio %	Amount	Ratio %
Net sales of construction contract orders received	Electrical installations	22,735	15.4	25,690	16.2	2,954	13.0
	Air conditioning installations	92,093	62.5	93,289	58.8	1,196	1.3
	Plumbing installations	32,506	22.1	39,553	25.0	7,047	21.7
	Total	147,335	100.0	158,533	100.0	11,198	7.6
	(Industrial facilities)	50,068	34.0	53,206	33.6	3,137	6.3
	(Renovations)	71,748	48.7	82,109	51.8	10,361	14.4
	(Overseas operations)	4,695	3.2	10,208	6.4	5,513	117.4
Net sales of completed construction contracts	Electrical installations	25,996	18.1	24,393	15.7	(1,603)	(6.2)
	Air conditioning installations	85,926	59.9	92,939	59.7	7,013	8.2
	Plumbing installations	31,525	22.0	38,232	24.6	6,706	21.3
	Total	143,448	100.0	155,565	100.0	12,116	8.4
	(Industrial facilities)	37,582	26.2	49,234	31.6	11,651	31.0
	(Renovations)	77,074	53.7	73,197	47.1	(3,876)	(5.0)
	(Overseas operations)	5,233	3.6	7,295	4.7	2,062	39.4
Net sales of uncompleted construction contracts	Electrical installations	14,171	11.8	15,468	12.6	1,297	9.2
	Air conditioning installations	77,152	64.1	77,502	62.8	350	0.5
	Plumbing installations	29,044	24.1	30,365	24.6	1,321	4.5
	Total	120,368	100.0	123,336	100.0	2,968	2.5
	(Industrial facilities)	33,095	27.5	37,067	30.1	3,972	12.0
	(Renovations)	23,293	19.4	32,204	26.1	8,911	38.3
	(Overseas operations)	2,090	1.7	5,002	4.1	2,912	139.4

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, 2017 to March 31, 2018)		Current Fiscal Year (From April 1, 2018 to March 31, 2019)		Increase (decrease)	
		Amount	Component ratio %	Amount	Component ratio %	Amount	Ratio %
Net sales of construction contract orders received	Electrical installations	22,505	15.4	25,116	16.0	2,611	11.6
	Air conditioning installations	91,217	62.5	92,420	59.0	1,203	1.3
	Plumbing installations	32,208	22.1	39,137	25.0	6,929	21.5
	Total	145,932	100.0	156,675	100.0	10,743	7.4
	(Industrial facilities)	50,068	34.3	53,206	34.0	3,137	6.3
	(Renovations)	70,333	48.2	80,227	51.2	9,894	14.1
	(Overseas operations)	4,065	2.8	8,979	5.7	4,914	120.9
Net sales of completed construction contracts	Electrical installations	25,801	18.1	23,917	15.5	(1,883)	(7.3)
	Air conditioning installations	85,188	59.8	92,123	59.9	6,934	8.1
	Plumbing installations	31,385	22.1	37,808	24.6	6,422	20.5
	Total	142,376	100.0	153,849	100.0	11,473	8.1
	(Industrial facilities)	37,582	26.4	49,234	32.0	11,651	31.0
	(Renovations)	75,990	53.4	71,458	46.4	(4,531)	(6.0)
	(Overseas operations)	4,802	3.4	6,296	4.1	1,494	31.1
Net sales of uncompleted construction contracts	Electrical installations	14,106	11.8	15,306	12.5	1,199	8.5
	Air conditioning installations	76,903	64.1	77,200	62.9	297	0.4
	Plumbing installations	28,856	24.1	30,185	24.6	1,329	4.6
	Total	119,865	100.0	122,691	100.0	2,826	2.4
	(Industrial facilities)	33,095	27.6	37,067	30.2	3,972	12.0
	(Renovations)	22,796	19.0	31,565	25.7	8,769	38.5
	(Overseas operations)	1,826	1.5	4,508	3.7	2,682	146.9