

Brief Report on the Financial Statements for the Period Ending March 2020

[Japanese Standard] (Consolidated)

May 14, 2020

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 26, 2020

Date scheduled to dividend payment commencement: June 29, 2020

Date scheduled to submit annual securities report: June 26, 2020

Creating supplements to the financial statement: Yes

Holding a briefing session on the financial statement: None

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

1. Consolidated business results for the period ending March 2020 (From April 1, 2019 to March 31, 2020)

(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 2020	169,229	8.8	9,063	18.3	9,282	15.2	6,399	17.1
Period ending March 2019	155,565	8.4	7,661	3.7	8,057	5.0	5,464	7.0

(Note) Comprehensive income Period ending March 2020 4,574 Million yen 37.2%
Period ending March 2019 3,334 Million yen (55.6%)

	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 2020	291.29	—	—	—	9.6	7.6	5.4
Period ending March 2019	245.16	—	—	—	8.4	6.4	4.9

(Reference) Investment income or loss on equity method Period ending March 2020 – Million yen
Period ending March 2019 – 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 2020	123,049	67,409	54.6	3,101.72
Period ending March 2019	120,728	66,390	54.8	2,970.59

(Reference) Equity capital Period ending March 2020 67,200 Million yen
Period ending March 2019 66,217 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 2020	12,742	(636)	(3,240)	21,616
Period ending March 2019	(13,541)	(232)	(1,317)	12,776

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 2019	—	28.00	—	48.00	76.00	1,694	31.0	2.6
Period ending March 2020	—	40.00	—	50.00	90.00	1,975	30.9	3.0
Period ending March 2021 (Forecast)	—	45.00	—	45.00	90.00		—	

(Note 1) Breakdown of dividend at the end of the period ending March 2019: ordinary dividend 28.00 yen and special dividend 20.00 yen
Breakdown of dividend at the end of the period ending March 2020: ordinary dividend 50.00 yen

(Note 2) The dividend payout ratio (consolidated) for the fiscal year ending March 31, 2021 (forecast) cannot be disclosed because the earnings forecast for net income per share has not yet been determined.

3. Estimate of consolidated performance for the period ending March 2021 (From April 1, 2020 to March 31, 2021)

(Percentage indications show increase or decrease from the previous period.)

The consolidated earnings forecast for the fiscal year ending March 31, 2021 has not been determined because it is impossible to reasonably estimate the impact of the coronavirus pandemic at this time. The Company will promptly disclose the estimate of performance when it becomes possible to do so. For details, please refer to the Section "1. Summary of Operating Results, (4) Future Foresight" on page 4.

* 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 2020	22,981,901 shares	Period ending March 2019	22,981,901 shares
Period ending March 2020	1,316,396 shares	Period ending March 2019	690,998 shares
Period ending March 2020	21,968,924 shares	Period ending March 2019	22,291,335 shares

(Note) The number of treasury shares at the end of the period includes shares of the Company held in the BIP Trust for Directors and

Corporate Auditors (150,000 shares for the fiscal year ended March 2020). In addition, the Company's shares (150,000 shares for the fiscal year ended March 2020) held in the BIP Trust for Directors and Corporate Auditors are also included in treasury stock, which is deducted in the calculation of the average number of shares outstanding during the fiscal year.

(Reference) Outline of individual performance

1. Individual business results for the period ending March 2020 (From April 1, 2019 to March 31, 2020)

(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 2020	167,245	8.7	8,969	18.0	9,188	14.9	6,341	16.9
Period ending March 2019	153,849	8.1	7,601	2.7	7,995	4.0	5,426	6.1

	Profit per share		Diluted Profit per share	
	Yen	Sen	Yen	Sen
Period ending March 2020	288,65	—	—	—
Period ending March 2019	243,42	—	—	—

(2) Individual financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen Sen
Period ending March 2020	123,085	67,565	54.9	3,118.56
Period ending March 2019	119,404	65,775	55.1	2,950.76

(Reference) Equity capital
 Period ending March 2020 67,565 Million yen
 Period ending March 2019 65,775 Million yen

2. Estimate of individual performance for the period ending March 2021 (From April 1, 2020 to March 31, 2021)

(Percentage indications show increase or decrease from the previous period.)

The estimate of individual performance for the period ending March 31, 2021 has not been determined because it is impossible to reasonably estimate the impact of the coronavirus pandemic at this time. The Company will promptly disclose the estimate of performance when it becomes possible to do so. For details, please refer to the Section "1. Summary of Operating Results, (4) Future Foresight" on page 3.

* 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. 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 11,587 million yen or 7.3% from the previous consolidated accounting year, resulting in 170,121 million yen.

Net sales of completed construction contracts increased by 13,664 million yen or 8.8% from the previous consolidated accounting year, resulting in 169,229 million yen.

Gross profit on completed construction contracts increased by 1,944 million yen or 10.2% from the previous consolidated accounting year, resulting in 21,056 million yen.

Operating profit increased by 1,401 million yen or 18.3% from the previous consolidated accounting year, resulting in 9,063 million yen, due to the increase in the gross profit on completed construction contracts.

Ordinary profit increased by 1,224 million yen or 15.2% from the previous consolidated accounting year, resulting in 9,282 million yen, due to the increases in the operating profit despite an increase in non-operating expenses due to the recording of foreign exchange losses.

Profit attributable to owners of parent increased by 934 million yen or 17.1% from the previous consolidated accounting year, resulting in 6,399 million yen, after posting the gain on sales of investment securities of 123 million yen as an extraordinary income, the loss on valuation of investment securities of 124 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 increased by 5,200 million yen or 5.8% from the end of the previous consolidated accounting year, resulting in 94,114 million yen. The main factor for this is the increase of 8,840 million yen or 69.0% in cash and deposits, which exceeded a decrease of 3,997 million yen or 27.0% in electronically recorded monetary claims. Non-current assets decreased by 2,880 million yen or 9.1% from the end of the previous consolidated accounting year, resulting in 28,934 million yen. The main factor for this is the decrease of 1,686 million yen or 10.5% in investment securities and the decrease of 1,043 million yen or 12.0% in retirement benefit asset.

As a result, total assets increased by 2,320 million yen or 1.9% from the end of the previous consolidated accounting year, resulting in 123,049 million yen.

(Liabilities)

Current liabilities at the end of the current consolidated accounting year increased by 2,050 million yen or 4.1% from the end of the previous consolidated accounting year, resulting in 51,629 million yen. The main factors for this are the increase of 924 million yen or 9.4% in electronically recorded obligations - operating and the increase of 970 million yen or 84.4% in income taxes payable. Non-current liabilities decreased by 749 million yen or 15.7% from the end of the previous consolidated accounting year, resulting in 4,010 million yen. The main factor for this is the decrease of 1,151 million yen or 60.5% in deferred tax liabilities. As a result, total liabilities increased by 1,300 million yen or 2.4% from the end of the previous consolidated accounting year, resulting in 55,639 million yen.

(Net Assets)

Total net assets at the end of the current consolidated accounting year increased by 1,019 million yen or 1.5% from the end of the previous consolidated accounting year, resulting in 67,409 million yen. The main factor for this is the increase of 4,444 million yen or 8.6% in retained earnings.

As a result, the equity capital ratio resulted in 54.6% (54.8% 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 "fund") in the current consolidated accounting year increased by 8,840 million yen or 69.2% from the end of the previous consolidated accounting year, resulting in 21,616 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 increased fund resulted in 12,742 million yen (decrease by 13,541 million yen of the fund in the previous consolidated accounting year). The main factor for this are the posting of profit before income taxes and the decrease in notes and accounts receivable.

(Cash flows from investing activities)

As a result of the investing activities, the decreased fund resulted in 636 million yen (decrease by 232 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 3,240 million yen (decrease by 1,317 million yen of the fund in the previous consolidated accounting year). The main factor for this are the purchase of treasury shares and the cash dividends paid.

(Reference) Transition of cash flow-related indexes

	Period ending March 2016	Period ending March 2017	Period ending March 2018	Period ending March 2019	Period ending March 2020
Equity capital ratio	45.0%	49.3%	49.4%	54.8%	54.6%
Equity capital ratio at market value	27.4%	40.3%	40.2%	47.5%	51.2%
Cash flow to interest-bearing liability ratio	9.7 years	1.1 years	1.6 years	—	0.4 years
Interest coverage ratio	4.2 times	40.5 times	22.5 times	—	101.5 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.

* 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

In response to the coronavirus pandemic, the Group has taken temporary closure measures at its construction sites. Sales are expected to decline as a result of the delay in the progress of construction. In addition, the construction industry is expected to face a tougher environment for orders as capital investment is curtailed in response to a cooldown of personal consumption associated with self-restraint in economic activity. It is possible that these conditions may have a material effect on the Group's operating results. In particular, the decline in net sales is expected to have an impact on profits at each stage. However, since it is impossible to reasonably calculate the amount of impact at this point in time because there are no prospects for when this will be resolved, the Company has not yet determined its estimate of consolidated or individual performance for the next fiscal year.

Estimates of performance will be announced as soon as it becomes possible to do so.

2. Fundamental Philosophy for Selection of Accounting Standard

In consideration of the comparability between periods of the consolidated financial statements and intercompany comparability, the Group has applied Japanese GAAP.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous Consolidated Accounting Year (As of March 31, 2019)	Current Consolidated Accounting Year (As of March 31, 2020)
Assets		
Current assets		
Cash and deposits	12,803	21,643
Notes receivable, accounts receivable from completed construction contracts	58,088	59,071
Electronically recorded monetary claims - operating	14,814	10,817
Costs on construction contracts in progress	509	455
Other	2,705	2,134
Allowance for doubtful accounts	(8)	(8)
Total current assets	88,913	94,114
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,327	7,061
Accumulated depreciation	(3,368)	(3,485)
Buildings and structures, net	2,959	3,575
Machinery, equipment and vehicles	185	192
Accumulated depreciation	(121)	(136)
Machinery, equipment and vehicles, net	63	56
Tools, furniture and fixtures	775	843
Accumulated depreciation	(576)	(620)
Tools, furniture and fixtures, net	199	222
Land	1,268	1,268
Construction in progress	708	13
Total property, plant and equipment	5,198	5,136
Intangible assets	457	335
Investments and other assets		
Investment securities	16,129	14,443
Retirement benefit asset	8,675	7,632
Other	1,536	1,558
Allowance for doubtful accounts	(183)	(170)
Total investments and other assets	26,159	23,462
Total non-current assets	31,815	28,934
Total assets	120,728	123,049

(Millions of yen)

	Previous Consolidated Accounting Year (As of March 31, 2019)	Current Consolidated Accounting Year (As of March 31, 2020)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	20,763	20,668
Electronically recorded obligations - operating	9,796	10,721
Short-term borrowings	3,826	3,735
Income taxes payable	1,149	2,119
Advances received on construction contracts in progress	1,574	1,027
Provision for share-based remuneration	—	35
Provision for warranties for completed construction	85	85
Provision for loss on construction contracts	138	644
Other	12,244	12,591
Total current liabilities	49,578	51,629
Non-current liabilities		
Long-term borrowings	1,543	1,947
Deferred tax liabilities	1,903	752
Retirement benefit liability	1,299	1,291
Provision for foreign investment loss	5	7
Long-term accounts payable - other	6	5
Other	0	5
Total non-current liabilities	4,759	4,010
Total liabilities	54,338	55,639
Net assets		
Shareholders' equity		
Share capital	4,479	4,479
Capital surplus	4,809	4,837
Retained earnings	51,412	55,857
Treasury shares	(690)	(2,336)
Total shareholders' equity	60,011	62,837
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,172	5,134
Foreign currency translation adjustment	22	33
Remeasurements of defined benefit plans	10	(804)
Total accumulated other comprehensive income	6,205	4,362
Non-controlling interests	172	209
Total net assets	66,390	67,409
Total liabilities and net assets	120,728	123,049

(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, 2018 to March 31, 2019)	Current Consolidated Accounting Year (From April 1, 2019 to March 31, 2020)
Net sales of completed construction contracts	155,565	169,229
Cost of sales of completed construction contracts	136,453	148,172
Gross profit on completed construction contracts	19,111	21,056
Selling, general and administrative expenses	11,450	11,993
Operating profit	7,661	9,063
Non-operating income		
Interest income	11	9
Dividend income	349	359
Rental income from real estate	34	34
Insurance fee income	107	90
Foreign exchange gains	19	—
Other	13	3
Total non-operating income	535	497
Non-operating expenses		
Interest expenses	121	124
Guarantee commission	5	6
Foreign exchange losses	—	128
Other	12	19
Total non-operating expenses	139	278
Ordinary profit	8,057	9,282
Extraordinary income		
Gain on sales of investment securities	—	123
Gain on liquidation of subsidiaries and associates	—	70
Total extraordinary income	—	194
Extraordinary losses		
Loss on retirement of non-current assets	—	78
Loss on sales of investment securities	—	51
Loss on valuation of investment securities	111	124
Total extraordinary losses	111	255
Profit before income taxes	7,945	9,222
Income taxes - current	2,407	3,148
Income taxes - deferred	69	(333)
Total income taxes	2,476	2,815
Profit	5,468	6,406
Profit (loss) attributable to non-controlling interests	3	6
Profit attributable to owners of parent	5,464	6,399

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2018 to March 31, 2019)	Current Consolidated Accounting Year (From April 1, 2019 to March 31, 2020)
Profit	5,468	6,406
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,626)	(1,038)
Foreign currency translation adjustment	(3)	21
Remeasurements of defined benefit plans, net of tax	(504)	(815)
Total other comprehensive income	(2,134)	(1,832)
Comprehensive income	3,334	4,574
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,332	4,556
Comprehensive income attributable to non-controlling interests	1	17

(3) Consolidated Statements of Changes in Equity

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

(Millions of yen)

	Shareholders' equity				
	Share capital	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 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 in items other than shareholders' equity					
Total changes 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 during period						
Dividends of surplus						(1,359)
Profit attributable to owners of parent						5,464
Purchase of treasury shares						(1)
Net changes in items other than shareholders' equity	(1,626)	(1)	(504)	(2,132)	1	(2,130)
Total changes 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

Current Consolidated Accounting Year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,479	4,809	51,412	(690)	60,011
Changes during period					
Dividends of surplus			(1,954)		(1,954)
Profit attributable to owners of parent			6,399		6,399
Purchase of treasury shares				(1,861)	(1,861)
Disposal of treasury shares		87		216	303
Capital increase of consolidated subsidiaries		(60)			(60)
Net changes in items other than shareholders' equity					
Total changes during period	—	27	4,444	(1,645)	2,826
Balance at end of current period	4,479	4,837	55,857	(2,336)	62,837

	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	6,172	22	10	6,205	172	66,390
Changes during period						
Dividends of surplus						(1,954)
Profit attributable to owners of parent						6,399
Purchase of treasury shares						(1,861)
Disposal of treasury shares						303
Capital increase of consolidated subsidiaries						(60)
Net changes in items other than shareholders' equity	(1,038)	10	(815)	(1,843)	36	(1,806)
Total changes during period	(1,038)	10	(815)	(1,843)	36	1,019
Balance at end of current period	5,134	33	(804)	4,362	209	67,409

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2018 to March 31, 2019)	Current Consolidated Accounting Year (From April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Profit before income taxes	7,945	9,222
Depreciation	452	459
Increase (decrease) in allowance for doubtful accounts	(7)	(12)
Increase (decrease) in retirement benefit liability	33	20
Interest and dividend income	(361)	(368)
Interest expenses	121	124
Increase (decrease) in allowance for foreign investment loss	(0)	1
Loss (gain) on valuation of investment securities	111	124
Loss (gain) on sales of investment securities	—	(71)
Loss (gain) on liquidation of subsidiaries and associates	—	(70)
Loss on retirement of non-current assets	—	78
Decrease (increase) in trade receivables	(8,945)	3,014
Decrease (increase) in costs on construction contracts in progress	(8)	54
Decrease (increase) in other current assets	704	611
Decrease (increase) in other non-current assets	0	12
Decrease (increase) in retirement benefit asset	(514)	(161)
Increase (decrease) in trade payables	(11,298)	829
Increase (decrease) in advances received on construction contracts in progress	(158)	(546)
Increase (decrease) in other current liabilities	1,554	1,371
Increase (decrease) in other non-current liabilities	(290)	4
Subtotal	(10,660)	14,697
Interest and dividends received	361	368
Interest paid	(121)	(125)
Income taxes (paid) refund	(3,120)	(2,198)
Net cash provided by (used in) operating activities	(13,541)	12,742

(Millions of yen)

	Previous Consolidated Accounting Year (From April 1, 2018 to March 31, 2019)	Current Consolidated Accounting Year (From April 1, 2019 to March 31, 2020)
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	(287)	(744)
Proceeds from sales of property, plant and equipment	2	1
Payments for retirement of property, plant and equipment	—	(29)
Purchase of investment securities	(4)	(125)
Proceeds from sales and redemption of investment securities	23	344
Loan advances	(1)	(0)
Collection of loans receivable	45	1
Payment for establishment of subsidiary	—	(100)
Proceeds from liquidation of subsidiaries and associates	—	88
Other payments	(112)	(100)
Other proceeds	102	27
Net cash provided by (used in) investing activities	(232)	(636)
Cash flows from financing activities		
Proceeds from short-term borrowings	34,660	36,860
Repayments of short-term borrowings	(34,860)	(36,960)
Proceeds from long-term borrowings	2,357	2,525
Repayments of long-term borrowings	(2,113)	(2,111)
Purchase of treasury shares	(1)	(1,861)
Proceeds from sales of treasury shares	—	303
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(66)
Proceeds from share issuance to non-controlling shareholders	—	25
Dividends paid	(1,359)	(1,954)
Net cash provided by (used in) financing activities	(1,317)	(3,240)
Effect of exchange rate change on cash and cash equivalents	9	(24)
Net increase (decrease) in cash and cash equivalents	(15,081)	8,840
Cash and cash equivalents at beginning of period	27,858	12,776
Cash and cash equivalents at end of period	12,776	21,616

- (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, 2018 to March 31, 2019)	Current Consolidated Accounting Year (From April 1, 2019 to March 31, 2020)
Net assets per share	2,970.59 yen	3,101.72 yen
Profit per share	245.16 yen	291.29 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, 2018 to March 31, 2019)	Current Consolidated Accounting Year (From April 1, 2019 to March 31, 2020)
Profit attributable to owners of parent (millions of yen)	5,464	6,399
Amount not belonging to common stock (millions of yen)	—	—
Profit attributable to owners of parent related to common stock (millions of yen)	5,464	6,399
Average number of common stock shares during the period (thousand shares)	22,291	21,968

(Note) 3. For the purpose of calculating "net assets per share," the Company's shares held in the "BIP Trust for Directors and Corporate Auditors" are included in treasury stock, of which the number is deducted from the total number of shares outstanding at the end of the fiscal year (150,000 shares for the current fiscal year).

In addition, for the purpose of calculating "net income per share," they are included in treasury stock, of which the number is deducted in the calculation of the average number of shares outstanding during the period (150,000 shares for the current fiscal 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, 2019)	Current Fiscal Year (As of March 31, 2020)
Assets		
Current assets		
Cash and deposits	11,987	20,731
Notes receivable - trade	1,211	1,569
Electronically recorded monetary claims - operating	14,814	10,817
Accounts receivable from completed construction contracts	56,348	57,172
Costs on construction contracts in progress	507	480
Prepaid expenses	10	11
Advances paid	1,507	1,150
Other	1,168	926
Allowance for doubtful accounts	(7)	(7)
Total current assets	87,549	92,853
Non-current assets		
Property, plant and equipment		
Buildings	6,157	6,881
Accumulated depreciation	(3,234)	(3,356)
Buildings, net	2,922	3,524
Structures	167	177
Accumulated depreciation	(132)	(127)
Structures, net	35	50
Machinery and equipment	15	15
Accumulated depreciation	(13)	(14)
Machinery and equipment, net	2	1
Vehicles	146	148
Accumulated depreciation	(85)	(98)
Vehicles, net	61	50
Tools, furniture and fixtures	752	817
Accumulated depreciation	(557)	(599)
Tools, furniture and fixtures, net	195	218
Land	1,268	1,268
Construction in progress	708	13
Total property, plant and equipment	5,193	5,127
Intangible assets		
Software	409	294
Other	44	38
Total intangible assets	453	332

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2019)	Current Fiscal Year (As of March 31, 2020)
Investments and other assets		
Investment securities	16,064	14,295
Shares of subsidiaries and associates	289	450
Long-term loans receivable from employees	2	1
Guarantee deposits	691	690
Long-term Insurance funds	58	58
Distressed receivables	25	23
Prepaid pension cost	8,582	8,743
Golf club membership	596	586
Other	79	90
Allowance for doubtful accounts	(181)	(169)
Total investments and other assets	26,208	24,772
Total non-current assets	31,855	30,231
Total assets	119,404	123,085
Liabilities		
Current liabilities		
Notes payable - trade	1,307	1,062
Electronically recorded obligations - operating	9,796	10,721
Accounts payable for construction contracts	18,937	19,275
Short-term borrowings	2,000	1,900
Current portion of long-term borrowings	1,826	1,835
Accounts payable - other	1,370	617
Accrued expenses	3,844	4,556
Income taxes payable	1,136	2,099
Accrued consumption taxes	1,073	500
Advances received on construction contracts in progress	1,534	1,020
Deposits received	5,116	6,041
Deposits received from employees	781	815
Provision for share-based remuneration	—	35
Provision for warranties for completed construction	85	84
Provision for loss on construction contracts	138	644
Other	2	2
Total current liabilities	48,951	51,211
Non-current liabilities		
Long-term borrowings	1,543	1,947
Deferred tax liabilities	1,903	1,112
Provision for retirement benefits	1,218	1,229
Provision for foreign investment loss	5	7
Long-term accounts payable - other	6	5
Other	0	5
Total non-current liabilities	4,678	4,308
Total liabilities	53,629	55,520

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2019)	Current Fiscal Year (As of March 31, 2020)
Net assets		
Shareholders' equity		
Share capital	4,479	4,479
Capital surplus		
Legal capital surplus	4,716	4,716
Other capital surplus	93	181
Total capital surpluses	4,809	4,897
Retained earnings		
Legal retained earnings	1,119	1,119
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	44	41
General reserve	29,720	29,720
Retained earnings brought forward	20,119	24,509
Total retained earnings	51,003	55,390
Treasury shares	(690)	(2,336)
Total shareholders' equity	59,602	62,431
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,172	5,134
Total valuation and translation adjustments	6,172	5,134
Total net assets	65,775	67,565
Total liabilities and net assets	119,404	123,085

(2) Statements of Income

(Millions of yen)

	Previous Fiscal Year (From April 1, 2018 to March 31, 2019)	Current Fiscal Year (From April 1, 2019 to March 31, 2020)
Net sales of completed construction contracts	153,849	167,245
Cost of sales of completed construction contracts	134,948	146,484
Gross profit on completed construction contracts	18,900	20,761
Selling, general and administrative expenses	11,298	11,792
Operating profit	7,601	8,969
Non-operating income		
Interest income	9	7
Dividend income	349	359
Rental income from real estate	34	34
Insurance fee income	107	90
Foreign exchange gains	18	—
Other	13	3
Total non-operating income	533	494
Non-operating expenses		
Interest expenses	121	124
Guarantee commission	5	6
Foreign exchange losses	—	125
Other	12	19
Total non-operating expenses	139	275
Ordinary profit	7,995	9,188
Extraordinary income		
Gain on sales of investment securities	—	123
Gain on liquidation of subsidiaries and associates	—	70
Total extraordinary income	—	194
Extraordinary losses		
Loss on retirement of non-current assets	—	78
Loss on sales of investment securities	—	51
Loss on valuation of investment securities	111	124
Total extraordinary losses	111	255
Profit before income taxes	7,883	9,127
Income taxes - current	2,388	3,119
Income taxes - deferred	69	(332)
Total income taxes	2,457	2,786
Profit	5,426	6,341

(3) Statements of Changes in Equity

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

(Millions of yen)

	Shareholders' equity								
	Share capital	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 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 in items other than shareholders' equity									
Total changes 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 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 in items other than shareholders' equity			(1,626)	(1,626)	(1,626)
Total changes 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

Current Fiscal Year (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity								
	Share capital	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	44	29,720	20,119	51,003
Changes during period									
Reversal of reserve						(3)	—	3	—
Dividends of surplus								(1,954)	(1,954)
Profit								6,341	6,341
Purchase of treasury shares									
Disposal of treasury shares			87	87					
Net changes in items other than shareholders' equity									
Total changes during period	—	—	87	87	—	(3)	—	4,390	4,386
Balance at end of current period	4,479	4,716	181	4,897	1,119	41	29,720	24,509	55,390

	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	(690)	59,602	6,172	6,172	65,775
Changes during period					
Reversal of reserve		—			—
Dividends of surplus		(1,954)			(1,954)
Profit		6,341			6,341
Purchase of treasury shares	(1,861)	(1,861)			(1,861)
Disposal of treasury shares	216	303			303
Net changes in items other than shareholders' equity			(1,038)	(1,038)	(1,038)
Total changes during period	(1,645)	2,828	(1,038)	(1,038)	1,790
Balance at end of current period	(2,336)	62,431	5,134	5,134	67,565

- (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, Executive Corporate Officer, General Manager of East Japan Division, and General Manager of Tokyo Head Office

Yasuhiro Yamanaka (present Executive Corporate Officer, General Manager of East Japan Division, and General Manager of Tokyo Head Office)

Director, Executive Corporate Officer and Head of Engineering Division

Hisao Sasaki (present Executive Corporate Officer and Head of Engineering Division)

- Nominee as new corporate auditor

Corporate Auditor (part-time)

Tomoya Tsubota (present Advisor to General Administration Division)

Corporate Auditor (substitute)

Takeshi Isokawa (present Attorney at Law)

(Note) Mr. Takeshi Isokawa is nominated as a corporate auditor substituting as an outside corporate auditor.

- Corporate Auditor scheduled to retire

Current Corporate Auditor (part-time)

Yoshimitsu Nishiuchi

3) Scheduled Date of Appointment

June 26, 2020

(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, 2018 to March 31, 2019)		Current Consolidated Accounting Year (From April 1, 2019 to March 31, 2020)		Increase (decrease)	
		Amount	Component ratio %	Amount	Component ratio %	Amount	Ratio %
Net sales of construction contract orders received	Electrical installations	25,690	16.2	30,885	18.1	5,195	20.2
	Air conditioning installations	93,289	58.8	102,515	60.3	9,225	9.9
	Plumbing installations	39,553	25.0	36,720	21.6	(2,832)	(7.2)
	Total	158,533	100.0	170,121	100.0	11,587	7.3
	(Industrial facilities)	53,206	33.6	55,694	32.7	2,488	4.7
	(Renovations)	82,109	51.8	85,001	50.0	2,892	3.5
	(Overseas operations)	10,208	6.4	10,258	6.0	50	0.5
Net sales of completed construction contracts	Electrical installations	24,393	15.7	26,840	15.9	2,447	10.0
	Air conditioning installations	92,939	59.7	102,432	60.5	9,492	10.2
	Plumbing installations	38,232	24.6	39,956	23.6	1,724	4.5
	Total	155,565	100.0	169,229	100.0	13,664	8.8
	(Industrial facilities)	49,234	31.6	51,828	30.6	2,594	5.3
	(Renovations)	73,197	47.1	84,270	49.8	11,072	15.1
	(Overseas operations)	7,295	4.7	6,709	4.0	(586)	(8.0)
Net sales of uncompleted construction contracts	Electrical installations	15,468	12.6	19,513	15.7	4,045	26.2
	Air conditioning installations	77,502	62.8	77,585	62.5	82	0.1
	Plumbing installations	30,365	24.6	27,129	21.8	(3,235)	(10.7)
	Total	123,336	100.0	124,228	100.0	892	0.7
	(Industrial facilities)	37,067	30.1	40,934	33.0	3,866	10.4
	(Renovations)	32,204	26.1	32,965	26.5	761	2.4
	(Overseas operations)	5,002	4.1	8,551	6.9	3,548	70.9

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, 2018 to March 31, 2019)		Current Fiscal Year (From April 1, 2019 to March 31, 2020)		Increase (decrease)	
		Amount	Component ratio %	Amount	Component ratio %	Amount	Ratio %
Net sales of construction contract orders received	Electrical installations	25,116	16.0	30,403	18.1	5,287	21.0
	Air conditioning installations	92,420	59.0	101,571	60.3	9,150	9.9
	Plumbing installations	39,137	25.0	36,430	21.6	(2,707)	(6.9)
	Total	156,675	100.0	168,405	100.0	11,729	7.5
	(Industrial facilities)	53,206	34.0	54,311	32.3	1,105	2.1
	(Renovations)	80,227	51.2	83,261	49.4	3,033	3.8
	(Overseas operations)	8,979	5.7	9,390	5.6	411	4.6
Net sales of completed construction contracts	Electrical installations	23,917	15.5	26,290	15.7	2,373	9.9
	Air conditioning installations	92,123	59.9	101,417	60.6	9,294	10.1
	Plumbing installations	37,808	24.6	39,537	23.7	1,729	4.6
	Total	153,849	100.0	167,245	100.0	13,396	8.7
	(Industrial facilities)	49,234	32.0	50,672	30.3	1,438	2.9
	(Renovations)	71,458	46.4	82,262	49.2	10,804	15.1
	(Overseas operations)	6,296	4.1	5,575	3.3	(721)	(11.5)
Net sales of uncompleted construction contracts	Electrical installations	15,306	12.5	19,419	15.7	4,113	26.9
	Air conditioning installations	77,200	62.9	77,353	62.4	153	0.2
	Plumbing installations	30,185	24.6	27,078	21.9	(3,106)	(10.3)
	Total	122,691	100.0	123,851	100.0	1,159	0.9
	(Industrial facilities)	37,067	30.2	40,706	32.9	3,638	9.8
	(Renovations)	31,565	25.7	32,564	26.3	998	3.2
	(Overseas operations)	4,508	3.7	8,324	6.7	3,815	84.6