

Financial Report for the Fiscal Year ended March 31, 2018 (Consolidated)

May 15, 2018

The following statements are an English translation of the original Japanese document.

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan.)

Name of company... Taikisha Ltd.

Stock Exchange..... First Section of Tokyo Stock Exchange

Code..... 1979

Representative..... Toshiaki Shiba, President and Representative Director

Contact..... Masanori Nakagawa, Managing Corporate Officer, Administrative Management Headquarters
Chief Executive

TEL..... (03)5338 - 5052

URL..... <https://www.taikisha.co.jp/>

Scheduled date for annual general meeting of shareholders : June 28, 2018

Scheduled date to commence dividends payments : June 29, 2018

Scheduled date to submit securities report : June 28, 2018

Supplemental materials prepared for financial results : Yes

Briefing session of financial results : Yes (for institutional investors and analysts)

(Round down to one million yen)

1. Consolidated Operating Performance (April 1, 2017 through March 31, 2018)

(1) Consolidated operating results

(% indicates increase ratio over previous year)

| | Sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|----------------|-------------|-------|------------------|--------|-----------------|--------|---|--------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Year ended | | | | | | | | |
| March 31, 2018 | 231,898 | 15.6 | 12,180 | 43.8 | 13,082 | 32.9 | 7,254 | 15.1 |
| March 31, 2017 | 200,604 | (5.6) | 8,473 | (33.5) | 9,842 | (20.3) | 6,305 | (11.0) |

(Note) Comprehensive income Year ended March 31, 2018 14,098 million yen 72.5 %
Year ended March 31, 2017 8,174 million yen 669.0 %

| | Basic earnings per share | Diluted earning per share | Ratio of Profit to Shareholders' Equity | Ratio of Ordinary Income to Total Assets | Ratio of Operating Income to Net Sales |
|----------------|--------------------------|---------------------------|---|--|--|
| | yen | yen | % | % | % |
| Year ended | | | | | |
| March 31, 2018 | 212.40 | — | 7.2 | 6.3 | 5.3 |
| March 31, 2017 | 183.16 | — | 6.8 | 5.1 | 4.2 |

(Note) Equity in earnings of affiliates Year ended March 31, 2018 (11) million yen
Year ended March 31, 2017 31 million yen

(2) Consolidated financial position

| | Total assets | Net assets | Equity capital ratio | Net assets per share |
|----------------|--------------|-------------|----------------------|----------------------|
| | million yen | million yen | % | yen |
| As of | | | | |
| March 31, 2018 | 216,980 | 110,650 | 48.5 | 3,087.51 |
| March 31, 2017 | 199,024 | 100,184 | 48.1 | 2,799.30 |

(Note) Shareholders' Equity As of March 31, 2018 105,188 million yen
As of March 31, 2017 95,753 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 the end of period |
|----------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | million yen | million yen | million yen | million yen |
| Year ended | | | | |
| March 31, 2018 | 9,337 | 1,390 | (885) | 42,292 |
| March 31, 2017 | 6,679 | (6,505) | (5,286) | 31,672 |

2. Dividends

| | Dividends per share | | | | | Dividends Paid (Total) | Dividends Payout Ratio (Consolidated) | Ratio of Dividends to Net Assets (Consolidated) |
|---------------------------------------|---------------------|-------|-----|----------|------------------|------------------------|---------------------------------------|---|
| | 1Q | 2Q | 3Q | Year End | Total (annually) | | | |
| Year ended | yen | yen | yen | yen | yen | million yen | % | % |
| March 31, 2017 | — | 25.00 | — | 45.00 | 70.00 | 2,403 | 38.2 | 2.6 |
| March 31, 2018 | — | 25.00 | — | 50.00 | 75.00 | 2,558 | 35.3 | 2.5 |
| Year ending March 31, 2019 (Forecast) | — | 25.00 | — | 52.00 | 77.00 | | 35.1 | |

3. Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2019 (April 1, 2018 through March 31, 2019)

(% indicates increase ratio over previous year)

| | Sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-------------|-------|------------------|------|-----------------|-------|---|------|--------------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Half year | 96,000 | (5.0) | 4,100 | 28.3 | 4,600 | 28.6 | 2,800 | 22.4 | 81.98 |
| Full year | 220,000 | (5.1) | 12,300 | 1.0 | 13,000 | (0.6) | 7,500 | 3.4 | 219.59 |

4. Others

- (1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries accompanying changes in scope of consolidation) : None
- (2) Changes in accounting policies, changes in accounting estimates and restatements
 - (i) Changes in accounting policies due to revisions of accounting standards etc. : None
 - (ii) Changes in accounting policies other than (i) : None
 - (iii) Changes in accounting estimates : None
 - (iv) Restatements : None
- (3) Number of shares issued (common shares)
 - (i) Number of shares issued at end of period (including treasury shares)

| | |
|----------------------|-------------------|
| As of March 31, 2018 | 35,082,009 shares |
| As of March 31, 2017 | 36,782,009 shares |
 - (ii) Number of treasury shares at end of period

| | |
|----------------------|------------------|
| As of March 31, 2018 | 1,012,999 shares |
| As of March 31, 2017 | 2,575,841 shares |
 - (iii) Average number of shares during the period

| | |
|---------------------------|-------------------|
| Year ended March 31, 2018 | 34,154,899 shares |
| Year ended March 31, 2017 | 34,425,718 shares |

(Reference) Summary of Non-Consolidated Operating Performance

1. Non-Consolidated Operating Performance (April 1, 2017 through March 31, 2018)

(1) Non-Consolidated operating result

(% indicates increase ratio over previous year)

| | Sales | | Operating income | | Ordinary income | | Profit | |
|----------------|-------------|-------|------------------|------|-----------------|------|-------------|------|
| Year ended | million yen | % | million yen | % | million yen | % | million yen | % |
| March 31, 2018 | 123,584 | 17.3 | 9,168 | 36.9 | 12,315 | 23.2 | 7,899 | 8.9 |
| March 31, 2017 | 105,378 | (1.8) | 6,697 | 64.6 | 9,993 | 38.4 | 7,251 | 46.5 |

| | Basic earnings per share | Diluted earning per share |
|----------------|--------------------------|---------------------------|
| Year ended | yen | yen |
| March 31, 2018 | 231.27 | — |
| March 31, 2017 | 210.63 | — |

(2) Non-Consolidated financial position

| | Total assets | Net assets | Equity capital ratio | Net assets per share |
|----------------|--------------|-------------|----------------------|----------------------|
| As of | million yen | million yen | % | yen |
| March 31, 2018 | 146,899 | 87,377 | 59.5 | 2,564.71 |
| March 31, 2017 | 128,707 | 79,098 | 61.5 | 2,312.41 |

(Note) Shareholders' Equity
 As of March 31, 2018 87,377 million yen
 As of March 31, 2017 79,098 million yen

2. Non-Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2019 (April 1, 2018 through March 31, 2019)

(% indicates increase ratio over previous year)

| | Sales | | Ordinary income | | Profit | | Basic earnings per share |
|-----------|-------------|-------|-----------------|--------|-------------|--------|--------------------------|
| | million yen | % | million yen | % | million yen | % | yen |
| Half year | 55,000 | 6.0 | 4,200 | (11.9) | 2,900 | (13.2) | 84.91 |
| Full year | 120,000 | (2.9) | 9,300 | (24.5) | 6,200 | (21.5) | 181.53 |

※ This financial report is not subject to audit procedures.

※ Explanation about the proper use of consolidated forecasts and other notes

The data and forward-looking statements disclosed herein are based on current information as of today, and may change depending upon various factors. The data and assumptions do not mean guaranteeing accomplishment of goals and projections, and may be changed at any time without notice. Consequently, the Company asks you to use this information at your discretion based upon your own judgment and information you may obtain through other sources. The company will not be liable for any damages that result from the use of this information.

1 Consolidated Financial Statements

(1) Consolidated Balance Sheets

Millions of yen

| | As of March 31, 2017 | As of March 31, 2018 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 42,263 | 47,147 |
| Notes receivable, accounts receivable from completed construction contracts and other | 100,983 | 101,947 |
| Securities | 10 | — |
| Costs on uncompleted construction contracts | 1,951 | 2,120 |
| Raw materials and supplies | 265 | 348 |
| Deferred tax assets | 1,702 | 2,159 |
| Other | 6,191 | 7,990 |
| Allowance for doubtful accounts | (461) | (539) |
| Total current assets | 152,907 | 161,174 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 7,448 | 7,634 |
| Machinery, vehicles, tools, furniture and fixtures | 8,373 | 9,161 |
| Land | 2,073 | 2,101 |
| Other | 322 | 2,034 |
| Accumulated depreciation | (10,584) | (11,517) |
| Total property, plant and equipment | 7,633 | 9,414 |
| Intangible assets | | |
| Goodwill | 2,668 | 2,762 |
| Other | 2,434 | 3,364 |
| Total intangible assets | 5,103 | 6,126 |
| Investments and other assets | | |
| Investment securities | 25,629 | 30,724 |
| Deferred tax assets | 872 | 1,463 |
| Net defined benefit asset | 4,984 | 6,311 |
| Other | 1,906 | 1,780 |
| Allowance for doubtful accounts | (13) | (14) |
| Total investments and other assets | 33,380 | 40,265 |
| Total non-current assets | 46,116 | 55,806 |
| Total assets | 199,024 | 216,980 |

| | As of March 31, 2017 | As of March 31, 2018 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 55,287 | 60,590 |
| Short-term loans payable | 4,015 | 6,730 |
| Income taxes payable | 1,462 | 3,859 |
| Deferred tax liabilities | 17 | 2 |
| Advances received on uncompleted construction contracts | 15,543 | 11,870 |
| Provision for warranties for completed construction | 973 | 690 |
| Provision for loss on construction contracts | 790 | 469 |
| Provision for directors' bonuses | 101 | 122 |
| Other | 10,416 | 9,409 |
| Total current liabilities | 88,608 | 93,744 |
| Non-current liabilities | | |
| Long-term loans payable | 986 | 1,606 |
| Deferred tax liabilities | 7,285 | 9,028 |
| Provision for directors' retirement benefits | 50 | 64 |
| Net defined benefit liability | 1,492 | 1,563 |
| Other | 416 | 322 |
| Total non-current liabilities | 10,231 | 12,586 |
| Total liabilities | 98,839 | 106,330 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 6,455 | 6,455 |
| Capital surplus | 7,305 | 7,258 |
| Retained earnings | 77,945 | 78,698 |
| Treasury shares | (6,128) | (2,475) |
| Total shareholders' equity | 85,577 | 89,936 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 9,969 | 13,242 |
| Deferred gains or losses on hedges | (111) | 3 |
| Foreign currency translation adjustment | 349 | 1,141 |
| Accumulated remeasurements of defined benefit plans | (31) | 864 |
| Total accumulated other comprehensive income | 10,175 | 15,252 |
| Non-controlling interests | 4,431 | 5,461 |
| Total net assets | 100,184 | 110,650 |
| Total liabilities and net assets | 199,024 | 216,980 |

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

| | Millions of yen | |
|---|--|--|
| | Year ended March 31, 2017 Apr. 1, 2016 - Mar. 31, 2017 | Year ended March 31, 2018 Apr. 1, 2017 - Mar. 31, 2018 |
| Net sales of completed construction contracts | 200,604 | 231,898 |
| Cost of sales of completed construction contracts | 172,447 | 199,118 |
| Gross profit on completed construction contracts | 28,157 | 32,779 |
| Selling, general and administrative expenses | | |
| Directors' compensations | 806 | 853 |
| Employees' salaries and allowances | 7,824 | 7,966 |
| Provision for directors' bonuses | 101 | 122 |
| Retirement benefit expenses | 607 | 699 |
| Provision for directors' retirement benefits | 15 | 14 |
| Correspondence and transportation expenses | 1,159 | 1,230 |
| Provision of allowance for doubtful accounts | 162 | 112 |
| Rents | 1,388 | 1,479 |
| Depreciation | 1,070 | 1,186 |
| Amortization of goodwill | 174 | 365 |
| Other | 6,370 | 6,568 |
| Total selling, general and administrative expenses | 19,683 | 20,599 |
| Operating income | 8,473 | 12,180 |
| Non-operating income | | |
| Interest income | 552 | 389 |
| Dividend income | 466 | 516 |
| Dividend income of insurance | 133 | 176 |
| Real estate rent | 102 | 103 |
| Foreign exchange gains | 199 | — |
| Reversal of allowance for doubtful accounts | 2 | — |
| Share of profit of entities accounted for using equity method | 31 | — |
| Other | 261 | 405 |
| Total non-operating income | 1,750 | 1,591 |
| Non-operating expenses | | |
| Interest expenses | 175 | 221 |
| Sales discounts | 62 | 75 |
| Rent expenses on real estates | 20 | 20 |
| Foreign exchange losses | — | 247 |
| Provision of allowance for doubtful accounts | — | 0 |
| Share of loss of entities accounted for using equity method | — | 11 |
| Other | 123 | 113 |
| Total non-operating expenses | 381 | 689 |
| Ordinary income | 9,842 | 13,082 |

| | Millions of yen | |
|--|------------------------------|------------------------------|
| | Year ended | Year ended |
| | March 31, 2017 | March 31, 2018 |
| | Apr. 1, 2016 - Mar. 31, 2017 | Apr. 1, 2017 - Mar. 31, 2018 |
| Extraordinary income | | |
| Gain on disposal of non-current assets | 20 | 59 |
| Gain on sales of investment securities | 25 | — |
| Reversal of reserve for loss on dissolution of employees' pension fund | 9 | — |
| Surrender value of insurance | 3 | — |
| Total extraordinary income | 59 | 59 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 18 | 65 |
| Impairment loss | 2 | 26 |
| Loss on sales of investment securities | 141 | — |
| Loss on valuation of investment securities | 19 | — |
| Loss on insurance cancellation | 16 | — |
| Total extraordinary losses | 199 | 91 |
| Income before income taxes and non-controlling interests | 9,702 | 13,050 |
| Income taxes-current | 3,078 | 5,298 |
| Income taxes-deferred | (45) | (1,104) |
| Total income taxes | 3,032 | 4,193 |
| Profit | 6,669 | 8,856 |
| Profit attributable to non-controlling interests | 364 | 1,602 |
| Profit attributable to owners of parent | 6,305 | 7,254 |

Consolidated Statements of Comprehensive Income

| | Millions of yen | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2017 | Year ended March 31, 2018 |
| | Apr. 1, 2016 - Mar. 31, 2017 | Apr. 1, 2017 - Mar. 31, 2018 |
| Profit | 6,669 | 8,856 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,060 | 3,273 |
| Deferred gains or losses on hedges | (225) | 219 |
| Foreign currency translation adjustment | (1,289) | 840 |
| Remeasurements of defined benefit plans | 1,021 | 888 |
| Share of other comprehensive income of entities accounted for using equity method | (62) | 20 |
| Total other comprehensive income | 1,504 | 5,241 |
| Comprehensive income | 8,174 | 14,098 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 8,071 | 12,326 |
| Comprehensive income attributable to non-controlling interests | 102 | 1,772 |

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)

Millions of yen

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at the beginning of current period | 6,455 | 7,344 | 73,943 | (5,127) | 82,615 |
| Cumulative effects of changes in accounting policies | | | 11 | | 11 |
| Restated balance | 6,455 | 7,344 | 73,955 | (5,127) | 82,627 |
| Changes of items during the period | | | | | |
| Dividends of surplus | | | (2,315) | | (2,315) |
| Profit attributable to owners of parent | | | 6,305 | | 6,305 |
| Purchase of treasury shares | | | | (1,000) | (1,000) |
| Retirement of treasury shares | | | | | — |
| Purchase of shares of consolidated subsidiaries | | (39) | | | (39) |
| Sales of shares of consolidated subsidiaries | | (0) | | | (0) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during the period | — | (39) | 3,989 | (1,000) | 2,949 |
| Balance at the end of current period | 6,455 | 7,305 | 77,945 | (6,128) | 85,577 |

Millions of yen

| | Accumulated other comprehensive income | | | | | Non-controlling interests | Total net assets |
|--|---|------------------------------------|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at the beginning of current period | 7,908 | 7 | 1,528 | (1,036) | 8,409 | 4,896 | 95,921 |
| Cumulative effects of changes in accounting policies | | | | | | 0 | 12 |
| Restated balance | 7,908 | 7 | 1,528 | (1,036) | 8,409 | 4,897 | 95,934 |
| Changes of items during the period | | | | | | | |
| Dividends of surplus | | | | | | | (2,315) |
| Profit attributable to owners of parent | | | | | | | 6,305 |
| Purchase of treasury shares | | | | | | | (1,000) |
| Retirement of treasury shares | | | | | | | — |
| Purchase of shares of consolidated subsidiaries | | | | | | | (39) |
| Sales of shares of consolidated subsidiaries | | | | | | | (0) |
| Net changes of items other than shareholders' equity | 2,060 | (119) | (1,179) | 1,005 | 1,766 | (466) | 1,300 |
| Total changes of items during the period | 2,060 | (119) | (1,179) | 1,005 | 1,766 | (466) | 4,250 |
| Balance at the end of current period | 9,969 | (111) | 349 | (31) | 10,175 | 4,431 | 100,184 |

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

Millions of yen

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at the beginning of current period | 6,455 | 7,305 | 77,945 | (6,128) | 85,577 |
| Cumulative effects of changes in accounting policies | | | | | — |
| Restated balance | 6,455 | 7,305 | 77,945 | (6,128) | 85,577 |
| Changes of items during the period | | | | | |
| Dividends of surplus | | | (2,394) | | (2,394) |
| Profit attributable to owners of parent | | | 7,254 | | 7,254 |
| Purchase of treasury shares | | | | (501) | (501) |
| Retirement of treasury shares | | (47) | (4,106) | 4,154 | — |
| Purchase of shares of consolidated subsidiaries | | 3 | | | 3 |
| Sales of shares of consolidated subsidiaries | | (3) | | | (3) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during the period | — | (47) | 752 | 3,653 | 4,358 |
| Balance at the end of current period | 6,455 | 7,258 | 78,698 | (2,475) | 89,936 |

Millions of yen

| | Accumulated other comprehensive income | | | | | Non-controlling interests | Total net assets |
|--|---|------------------------------------|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at the beginning of current period | 9,969 | (111) | 349 | (31) | 10,175 | 4,431 | 100,184 |
| Cumulative effects of changes in accounting policies | | | | | | | — |
| Restated balance | 9,969 | (111) | 349 | (31) | 10,175 | 4,431 | 100,184 |
| Changes of items during the period | | | | | | | |
| Dividends of surplus | | | | | | | (2,394) |
| Profit attributable to owners of parent | | | | | | | 7,254 |
| Purchase of treasury shares | | | | | | | (501) |
| Retirement of treasury shares | | | | | | | — |
| Purchase of shares of consolidated subsidiaries | | | | | | | 3 |
| Sales of shares of consolidated subsidiaries | | | | | | | (3) |
| Net changes of items other than shareholders' equity | 3,273 | 114 | 792 | 896 | 5,076 | 1,030 | 6,106 |
| Total changes of items during the period | 3,273 | 114 | 792 | 896 | 5,076 | 1,030 | 10,465 |
| Balance at the end of current period | 13,242 | 3 | 1,141 | 864 | 15,252 | 5,461 | 110,650 |

(4) Consolidated Statements of Cash Flows

| | Millions of yen | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2017 | Year ended March 31, 2018 |
| | Apr. 1, 2016 - Mar. 31, 2017 | Apr. 1, 2017 - Mar. 31, 2018 |
| Cash flows from operating activities | | |
| Increase before income taxes and non-controlling interests | 9,702 | 13,050 |
| Depreciation and amortization | 1,290 | 1,398 |
| Amortization of goodwill | 174 | 365 |
| Increase (decrease) in allowance for doubtful accounts | 36 | 36 |
| Increase (decrease) in provision for warranties for completed construction | (311) | (287) |
| Increase (decrease) in provision for loss on construction contracts | 581 | (306) |
| Increase (decrease) in provision of reserve for loss on dissolution of employees' pension fund | (247) | — |
| Increase (decrease) in provision for directors' retirement benefits | (56) | 14 |
| Increase (decrease) in net defined benefit asset and liability | (450) | (36) |
| Interest and dividends income | (1,018) | (906) |
| Interest expenses | 175 | 221 |
| Share of (profit) loss of entities accounted for using equity method | (26) | 24 |
| Loss (gain) on disposal of non-current assets | (1) | 5 |
| Loss (gain) on sales of investment securities | 116 | — |
| Loss (gain) on valuation of investment securities | 19 | — |
| Decrease (increase) in notes and accounts receivable-trade | (9,727) | 394 |
| Decrease (increase) in inventories | (120) | (82) |
| Decrease (increase) in advances paid | 134 | 10 |
| Decrease (increase) in non-operating notes receivable | 4 | 0 |
| Decrease (increase) in accounts receivable-other | 11 | 74 |
| Increase (decrease) in notes and accounts payable-trade | 7,240 | 4,367 |
| Increase (decrease) in advances received on uncompleted construction contracts | 414 | (4,059) |
| Increase (decrease) in accrued consumption taxes | 1,203 | (2,367) |
| Increase (decrease) in deposits received | 66 | 17 |
| Increase (decrease) in accrued expenses | (186) | 545 |
| Other, net | 1,855 | (650) |
| Subtotal | 10,881 | 11,832 |
| Interest and dividends income received | 1,026 | 906 |
| Interest expenses paid | (176) | (221) |
| Income taxes paid | (5,051) | (3,179) |
| Net cash provided by (used in) operating activities | 6,679 | 9,337 |

| | Millions of yen | |
|---|------------------------------|------------------------------|
| | Year ended | Year ended |
| | March 31, 2017 | March 31, 2018 |
| | Apr. 1, 2016 - Mar. 31, 2017 | Apr. 1, 2017 - Mar. 31, 2018 |
| Cash flows from investing activities | | |
| Payments into time deposits | (13,616) | (5,544) |
| Proceeds from withdrawal of time deposits | 8,864 | 11,324 |
| Purchase of property, plant and equipment and intangible assets | (1,807) | (3,832) |
| Proceeds from sales of property, plant and equipment and intangible assets | 53 | 43 |
| Purchase of investment securities | (531) | (498) |
| Proceeds from sales of investment securities | 234 | 50 |
| Proceeds from redemption of investment securities | — | 2 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | — | (260) |
| Payments of long-term loans receivable | (54) | (40) |
| Collection of long-term loans receivable | 40 | 64 |
| Purchase of insurance funds | (0) | (0) |
| Proceeds from maturity of insurance funds | 327 | 1 |
| Purchase of long-term prepaid expenses | (34) | (12) |
| Other, net | 17 | 95 |
| Net cash provided by (used in) investing activities | <u>(6,505)</u> | <u>1,390</u> |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | (4) | 2,275 |
| Proceeds from long-term loans payable | 473 | 1,599 |
| Repayment of long-term loans payable | (1,779) | (881) |
| Repayments of lease obligations | (50) | (37) |
| Net decrease (increase) in treasury shares | (1,000) | (501) |
| Cash dividends paid | (2,317) | (2,393) |
| Cash dividends paid to non-controlling interests | (448) | (955) |
| Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | 0 | 7 |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (158) | — |
| Net cash provided by (used in) financing activities | <u>(5,286)</u> | <u>(885)</u> |
| Effect of exchange rate change on cash and cash equivalents | <u>(1,584)</u> | <u>776</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(6,697)</u> | <u>10,620</u> |
| Cash and cash equivalents at beginning of period | <u>38,369</u> | <u>31,672</u> |
| Cash and cash equivalents at end of period | <u>31,672</u> | <u>42,292</u> |

(Segment information)

1. Sales, profits or losses, assets, liabilities and other items by reportable segments

Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)

Millions of yen

| | Reportable segments | | | Eliminations/ Corporate | Consolidated |
|---|-------------------------------------|------------------------------------|---------|----------------------------|--------------|
| | Green Technology System Division | Paint Finishing System Division | Total | | |
| Sales | | | | | |
| Sales to customers | 124,561 | 76,043 | 200,604 | — | 200,604 |
| Intersegment | 3 | 42 | 45 | (45) | — |
| Total | 124,565 | 76,085 | 200,650 | (45) | 200,604 |
| Segment profit (loss) | 9,981 | (115) | 9,865 | (23) | 9,842 |
| Segment assets | 88,426 | 74,878 | 163,304 | 35,719 | 199,024 |
| Other items | | | | | |
| Depreciation expenses | 422 | 872 | 1,295 | (4) | 1,290 |
| Amortization of goodwill | — | 174 | 174 | — | 174 |
| Interest income | 150 | 406 | 556 | (4) | 552 |
| Interest expenses | 12 | 147 | 160 | 15 | 175 |
| Share of profit of entities accounted for using equity method | — | 31 | 31 | — | 31 |
| Investments in associates accounted for using the equity method | — | 691 | 691 | — | 691 |
| Increase in tangible and intangible assets | 149 | 809 | 959 | 1,353 | 2,312 |

(Note) 1. The amount of Eliminations/ Corporate is as follows:

(1) Eliminations/ Corporate of Segment profit (loss) of minus 23 million yen includes non-allocatable common profits (net amount of common profit and loss) of minus 22 million yen and other adjustment of minus 0 million yen.

Non-allocatable common costs are mainly general administrative expense, dividends income etc. those are not attributed to any reportable segments.

(2) Eliminations/ Corporate of Segment assets of 35,719 million yen are elimination of receivable and payable etc. of minus 2,457 million yen and non-allocatable common assets those are not allocated to any segments of 38,176 million yen.

Non-allocatable common assets are mainly cash and deposit, property, plant and equipment, investment securities and net defined benefit asset etc. those are not attributed to any reportable segments.

(3) Eliminations/ Corporate of increase in tangible and intangible assets of 1,353 million yen are building and structure, machinery, equipment, vehicles, tools, furniture and fixtures and software etc. those are not attributed to any reportable segments.

(4) The allocation method of assets for reportable segments is different from that of related sales and expenses.

2. Segment profit (loss) is adjusted in the ordinary income of the consolidated income statement.

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

Millions of yen

| | Reportable segments | | | Eliminations/ Corporate | Consolidated |
|---|-------------------------------------|------------------------------------|---------|----------------------------|--------------|
| | Green Technology System Division | Paint Finishing System Division | Total | | |
| Sales | | | | | |
| Sales to customers | 139,938 | 91,960 | 231,898 | — | 231,898 |
| Intersegment | 10 | 69 | 79 | (79) | — |
| Total | 139,948 | 92,029 | 231,977 | (79) | 231,898 |
| Segment profit | 11,885 | 1,160 | 13,045 | 36 | 13,082 |
| Segment assets | 103,966 | 70,890 | 174,856 | 42,124 | 216,980 |
| Other items | | | | | |
| Depreciation expenses | 411 | 989 | 1,400 | (2) | 1,398 |
| Amortization of goodwill | 161 | 204 | 365 | — | 365 |
| Interest income | 128 | 267 | 395 | (6) | 389 |
| Interest expenses | 18 | 192 | 211 | 10 | 221 |
| Share of loss of entities accounted for using equity method | — | (11) | (11) | — | (11) |
| Investments in associates accounted for using the equity method | — | 725 | 725 | — | 725 |
| Increase in tangible and intangible assets | 233 | 2,585 | 2,818 | 1,094 | 3,913 |

(Note) 1. The amount of Eliminations/ Corporate is as follows:

(1) Eliminations/ Corporate of Segment profit of 36 million yen includes non-allocatable common profits (net amount of common profit and loss) of 35 million yen and other adjustment of 1 million yen.

Non-allocatable common profits are mainly general administrative expense, dividends income etc. those are not attributed to any reportable segments.

(2) Eliminations/ Corporate of Segment assets of 42,124 million yen are elimination of receivable and payable etc. of minus 2,559 million yen and non-allocatable common assets those are not allocated to any segments of 44,684 million yen.

Non-allocatable common assets are mainly cash and deposit, property, plant and equipment, intangible assets and net defined benefit asset etc. those are not attributed to any reportable segments.

(3) Eliminations/ Corporate of increase in tangible and intangible assets of 1,094 million yen are building and structure, machinery, equipment, vehicles, tools, furniture and fixtures and software etc. those are not attributed to any reportable segments.

(4) The allocation method of assets for reportable segments is different from that of related sales and expenses.

2. Segment profit is adjusted in the ordinary income of the consolidated income statement.

2. Sales by regions

Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)

Millions of yen

| Japan | North America | South East Asia | | East Asia | | India | Other | Total |
|---------|------------------|-----------------|--------------------------|-----------|--------------------|-------|-------|---------|
| | | Thailand | Other South East Asia | China | Other East Asia | | | |
| 101,784 | 28,946 | 20,659 | 17,521 | 15,260 | 1,387 | 6,582 | 8,462 | 200,604 |

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

Millions of yen

| Japan | North America | South East Asia | | East Asia | | India | Other | Total |
|---------|------------------|-----------------|--------------------------|-----------|--------------------|-------|--------|---------|
| | | Thailand | Other South East Asia | China | Other East Asia | | | |
| 115,728 | 41,982 | 20,056 | 22,478 | 11,089 | 2,354 | 8,110 | 10,097 | 231,898 |

3. Property, plant and equipment

As of March 31, 2017

Millions of yen

| Japan | Thailand | Indonesia | China | India | Italy | Other | Total |
|-------|----------|-----------|-------|-------|-------|-------|-------|
| 2,997 | 367 | 273 | 873 | 2,020 | 853 | 246 | 7,633 |

As of March 31, 2018

Millions of yen

| Japan | Thailand | Indonesia | China | India | Italy | Other | Total |
|-------|----------|-----------|-------|-------|-------|-------|-------|
| 3,389 | 511 | 247 | 815 | 1,821 | 2,388 | 241 | 9,414 |

4. Impairment loss of the non-current assets by reportable segments

Year ended March 31, 2017 (April 1, 2016 through March 31, 2017)

Millions of yen

| | Reportable segments | | | Eliminations/ Corporate | Consolidated |
|-----------------|-------------------------------------|------------------------------------|-------|----------------------------|--------------|
| | Green Technology System Division | Paint Finishing System Division | Total | | |
| Impairment loss | 0 | — | 0 | 2 | 2 |

(Note) Eliminations/ Corporate is generated from impairment loss of expected to be removed assets and idle assets.

Year ended March 31, 2018 (April 1, 2017 through March 31, 2018)

Millions of yen

| | Reportable segments | | | Eliminations/ Corporate | Consolidated |
|-----------------|-------------------------------------|------------------------------------|-------|----------------------------|--------------|
| | Green Technology System Division | Paint Finishing System Division | Total | | |
| Impairment loss | — | — | — | 26 | 26 |

(Note) Eliminations/ Corporate is generated from impairment loss of expected to be removed assets and idle assets.

5. Amortization of goodwill and the unamortized balance by reportable segments

As of March 31, 2017

Millions of yen

| | Reportable segments | | | Eliminations/ Corporate | Consolidated |
|------------------------------|-------------------------------------|------------------------------------|-------|----------------------------|--------------|
| | Green Technology System Division | Paint Finishing System Division | Total | | |
| Balance as of March 31, 2017 | — | 2,668 | 2,668 | — | 2,668 |

(Note) Amortization of goodwill is omitted because this information is already disclosed in "Sales, profits or losses, assets, liabilities and other items by reportable segments".

As of March 31, 2018

Millions of yen

| | Reportable segments | | | Eliminations/ Corporate | Consolidated |
|------------------------------|-------------------------------------|------------------------------------|-------|----------------------------|--------------|
| | Green Technology System Division | Paint Finishing System Division | Total | | |
| Balance as of March 31, 2018 | — | 2,762 | 2,762 | — | 2,762 |

(Note) Amortization of goodwill is omitted because this information is already disclosed in "Sales, profits or losses, assets, liabilities and other items by reportable segments".

(Additional information)

In accordance with enactment of "The Tax Cuts and Jobs Act of 2017" in December 2017 in the U.S., federal corporate income tax rate in the U.S. was reduced from 35% to 21% from the fiscal year commencing on January 1, 2018.

As a result of the reduction of the tax rate, deferred tax assets (the amount after deducting deferred tax liabilities) has been decreased by 581 million yen, foreign currency translation adjustment has been decreased by 6 million yen and income taxes-deferred has been increased by 574 million yen.

2 Non-consolidated Financial Statements

(1) Balance Sheets (Non-consolidated)

Millions of yen

| | As of March 31, 2017 | As of March 31, 2018 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 13,076 | 16,010 |
| Notes receivable-trade | 814 | 414 |
| Electronically recorded monetary claims | 3,236 | 3,363 |
| Accounts receivable from completed construction contracts | 61,526 | 70,840 |
| Costs on uncompleted construction contracts | 364 | 342 |
| Raw materials and supplies | 122 | 148 |
| Prepaid expenses | 297 | 313 |
| Deferred tax assets | 1,179 | 1,504 |
| Accounts receivable-other | 1,389 | 1,420 |
| Other | 705 | 1,074 |
| Total current assets | 82,711 | 95,433 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 4,660 | 4,785 |
| Accumulated depreciation | (3,504) | (3,547) |
| Buildings, net | 1,155 | 1,238 |
| Structures | 160 | 149 |
| Accumulated depreciation | (147) | (137) |
| Structures, net | 13 | 11 |
| Machinery and equipment | 639 | 675 |
| Accumulated depreciation | (604) | (601) |
| Machinery and equipment, net | 35 | 74 |
| Vehicles | 0 | 0 |
| Accumulated depreciation | (0) | (0) |
| Vehicles, net | 0 | 0 |
| Tools, furniture and fixtures | 840 | 843 |
| Accumulated depreciation | (667) | (685) |
| Tools, furniture and fixtures, net | 173 | 157 |
| Land | 1,437 | 1,437 |
| Lease assets | 12 | 4 |
| Accumulated depreciation | (8) | (4) |
| Lease assets, net | 3 | 0 |
| Construction in progress | 41 | 299 |
| Total property, plant and equipment | 2,860 | 3,219 |
| Intangible assets | | |
| Leasehold right | 0 | 0 |
| Software | 2,110 | 2,836 |
| Other | 0 | 1 |
| Total intangible assets | 2,111 | 2,838 |

| | As of March 31, 2017 | As of March 31, 2018 |
|--|----------------------|----------------------|
| Investments and other assets | | |
| Investment securities | 24,900 | 29,988 |
| Shares of subsidiaries and associates | 9,928 | 9,228 |
| Investments in capital | 0 | 0 |
| Long-term loans receivable | 0 | 0 |
| Long-term loans receivable from employees | 3 | 6 |
| Lease and guarantee deposits | 1,263 | 1,244 |
| Long-term prepaid expenses | 141 | 84 |
| Prepaid pension cost | 4,787 | 4,857 |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 2 | 1 |
| Other | 3 | 3 |
| Allowance for doubtful accounts | (8) | (7) |
| Total investments and other assets | 41,023 | 45,407 |
| Total non-current assets | 45,995 | 51,465 |
| Total assets | 128,707 | 146,899 |
| Liabilities | | |
| Current liabilities | | |
| Notes payable-trade | 6,291 | 7,353 |
| Electronically recorded obligations - operating | 11,879 | 17,202 |
| Accounts payable for construction contracts | 13,489 | 15,158 |
| Short-term loans payable | 2,398 | 2,726 |
| Lease obligations | 2 | — |
| Accounts payable-other | 4,123 | 4,929 |
| Accrued expenses | 445 | 628 |
| Income taxes payable | 910 | 2,889 |
| Advances received on uncompleted construction contracts | 1,804 | 907 |
| Deposits received | 233 | 223 |
| Unearned revenue | 7 | 6 |
| Provision for warranties for completed construction | 395 | 183 |
| Provision for loss on construction contracts | 146 | 178 |
| Provision for directors' bonuses | 93 | 112 |
| Other | 1,672 | — |
| Total current liabilities | 43,892 | 52,500 |
| Non-current liabilities | | |
| Long-term loans payable | 96 | 140 |
| Deferred tax liabilities | 5,378 | 6,760 |
| Provision for retirement benefits | 130 | 107 |
| Other | 112 | 14 |
| Total non-current liabilities | 5,716 | 7,022 |
| Total liabilities | 49,609 | 59,522 |

Millions of yen

| | As of March 31, 2017 | As of March 31, 2018 |
|---|----------------------|----------------------|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 6,455 | 6,455 |
| Capital surplus | | |
| Legal capital surplus | 7,297 | 7,297 |
| Other capital surplus | 47 | — |
| Total capital surpluses | 7,344 | 7,297 |
| Retained earnings | | |
| Legal retained earnings | 1,613 | 1,613 |
| Other retained earnings | | |
| Reserve for reduction entry | 0 | 0 |
| Reserve for investment on information technology | 2,200 | 2,400 |
| General reserve | 35,720 | 35,720 |
| Retained earnings brought forward | 21,921 | 23,119 |
| Total retained earnings | 61,455 | 62,852 |
| Treasury shares | (6,128) | (2,475) |
| Total shareholders' equity | 69,126 | 74,129 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 9,969 | 13,242 |
| Deferred gains or losses on hedges | 3 | 4 |
| Total valuation and translation adjustments | 9,972 | 13,247 |
| Total net assets | 79,098 | 87,377 |
| Total liabilities and net assets | 128,707 | 146,899 |

(2) Income Statements (Non-consolidated)

| | Millions of yen | |
|--|--|--|
| | Year ended | Year ended |
| | March 31, 2017 Apr. 1, 2016 - Mar. 31, 2017 | March 31, 2018 Apr. 1, 2017 - Mar. 31, 2018 |
| Net sales of completed construction contracts | 105,378 | 123,584 |
| Cost of sales of completed construction contracts | 86,894 | 102,143 |
| Gross profit on completed construction contracts | <u>18,483</u> | <u>21,441</u> |
| Selling, general and administrative expenses | | |
| Directors' compensations | 396 | 392 |
| Employees' salaries and allowances | 5,379 | 5,666 |
| Provision for directors' bonuses | 93 | 112 |
| Retirement benefit expenses | 443 | 503 |
| Legal welfare expenses | 821 | 852 |
| Welfare expenses | 355 | 355 |
| Repair and maintenance | 182 | 177 |
| Stationery expenses | 493 | 406 |
| Correspondence and transportation expenses | 619 | 666 |
| Power utilities expenses | 56 | 57 |
| Research study expenses | 253 | 292 |
| Advertising expenses | 89 | 120 |
| Entertainment expenses | 109 | 101 |
| Contribution | 12 | 8 |
| Rents | 805 | 856 |
| Depreciation | 344 | 332 |
| Taxes and dues | 396 | 461 |
| Insurance expenses | 16 | 19 |
| Miscellaneous expenses | 917 | 889 |
| Total selling, general and administrative expenses | <u>11,786</u> | <u>12,273</u> |
| Operating income | <u>6,697</u> | <u>9,168</u> |
| Non-operating income | | |
| Interest income | 1 | 1 |
| Interest on securities | 0 | 0 |
| Dividends income | 1,769 | 1,637 |
| Dividends income of insurance | 133 | 176 |
| Real estate rent | 169 | 170 |
| Technical advisory fee | 1,540 | 1,345 |
| Reversal of allowance for doubtful accounts | 2 | 1 |
| Other | 43 | 29 |
| Total non-operating income | <u>3,661</u> | <u>3,362</u> |
| Non-operating expenses | | |
| Interest expenses | 21 | 17 |
| Sales discounts | 62 | 75 |
| Rent expenses on real estates | 48 | 47 |
| Foreign exchange losses | 208 | 38 |
| Other | 24 | 37 |
| Total non-operating expenses | <u>365</u> | <u>215</u> |
| Ordinary income | <u>9,993</u> | <u>12,315</u> |

| | Millions of yen | |
|--|------------------------------|------------------------------|
| | Year ended | Year ended |
| | March 31, 2017 | March 31, 2018 |
| | Apr. 1, 2016 - Mar. 31, 2017 | Apr. 1, 2017 - Mar. 31, 2018 |
| Extraordinary income | | |
| Gain on disposal of non-current assets | — | 7 |
| Gain on sales of investment securities | 19 | — |
| Gain on sales of shares of subsidiaries and associates | — | 6 |
| Reversal of reserve for loss on dissolution of employees' pension fund | 9 | — |
| Surrender value of insurance | 3 | — |
| Total extraordinary income | 32 | 13 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 8 | 40 |
| Impairment loss | 2 | 26 |
| Loss on sales of investment securities | 141 | — |
| Loss on valuation of investment securities | 19 | — |
| Loss on sales of shares of subsidiaries and associates | 0 | — |
| Loss on valuation of shares of subsidiaries and associates | — | 754 |
| Loss on insurance cancellation | 16 | — |
| Total extraordinary losses | 188 | 821 |
| Income before income taxes | 9,837 | 11,507 |
| Income taxes-current | 2,086 | 3,919 |
| Income taxes-deferred | 500 | (310) |
| Total income taxes | 2,586 | 3,608 |
| Profit | 7,251 | 7,899 |

(3) Statements of Changes in Net Assets (Non-consolidated)

Year ended March 31, 2017 (April 1, 2016 through 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 | | |
| | | | | | | Reserve for reduction entry | Reserve for investment on information technology | General reserve |
| Balance at the beginning of current period | 6,455 | 7,297 | 47 | 7,344 | 1,613 | 0 | 2,000 | 35,720 |
| Changes of items during the period | | | | | | | | |
| Reserve of reserve for investment on information technology | | | | | | | 200 | |
| Dividends of surplus | | | | | | | | |
| Profit | | | | | | | | |
| Purchase of treasury shares | | | | | | | | |
| Retirement of treasury shares | | | | — | | | | |
| Net changes of items other than shareholders' equity | | | | | | | | |
| Total changes of items during the period | — | — | — | — | — | — | 200 | — |
| Balance at the end of current period | 6,455 | 7,297 | 47 | 7,344 | 1,613 | 0 | 2,200 | 35,720 |

Millions of yen

| | Shareholders' equity | | | | Valuation and translation adjustments | | | Total Net assets |
|---|-----------------------------------|-------------------------|-----------------|----------------------------|---|------------------------------------|---|------------------|
| | Retained earnings | | Treasury shares | Total Shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Total valuation and translation adjustments | |
| | Other retained earnings | Total Retained earnings | | | | | | |
| | Retained earnings brought forward | | | | | | | |
| Balance at the beginning of current period | 17,186 | 56,519 | (5,127) | 65,191 | 7,908 | 1 | 7,910 | 73,102 |
| Changes of items during the period | | | | | | | | |
| Reserve of reserve for investment on information technology | (200) | — | | — | | | | — |
| Dividends of surplus | (2,315) | (2,315) | | (2,315) | | | | (2,315) |
| Profit | 7,251 | 7,251 | | 7,251 | | | | 7,251 |
| Purchase of treasury shares | | | (1,000) | (1,000) | | | | (1,000) |
| Retirement of treasury shares | | — | | — | | | | — |
| Net changes of items other than shareholders' equity | | | | | 2,060 | 1 | 2,061 | 2,061 |
| Total changes of items during the period | 4,735 | 4,935 | (1,000) | 3,934 | 2,060 | 1 | 2,061 | 5,996 |
| Balance at the end of current period | 21,921 | 61,455 | (6,128) | 69,126 | 9,969 | 3 | 9,972 | 79,098 |

Year ended March 31, 2018 (April 1, 2017 through 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 | | |
| | | | | | | Reserve for reduction entry | Reserve for investment on information technology | General reserve |
| Balance at the beginning of current period | 6,455 | 7,297 | 47 | 7,344 | 1,613 | 0 | 2,200 | 35,720 |
| Changes of items during the period | | | | | | | | |
| Reserve of reserve for investment on information technology | | | | | | | 200 | |
| Dividends of surplus | | | | | | | | |
| Profit | | | | | | | | |
| Purchase of treasury shares | | | | | | | | |
| Retirement of treasury shares | | | (47) | (47) | | | | |
| Net changes of items other than shareholders' equity | | | | | | | | |
| Total changes of items during the period | — | — | (47) | (47) | — | — | 200 | — |
| Balance at the end of current period | 6,455 | 7,297 | — | 7,297 | 1,613 | 0 | 2,400 | 35,720 |

Millions of yen

| | Shareholders' equity | | | | Valuation and translation adjustments | | | Total Net assets |
|---|-----------------------------------|-------------------------|-----------------|----------------------------|---|------------------------------------|---|------------------|
| | Retained earnings | | Treasury shares | Total Shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Total valuation and translation adjustments | |
| | Other retained earnings | Total Retained earnings | | | | | | |
| | Retained earnings brought forward | | | | | | | |
| Balance at the beginning of current period | 21,921 | 61,455 | (6,128) | 69,126 | 9,969 | 3 | 9,972 | 79,098 |
| Changes of items during the period | | | | | | | | |
| Reserve of reserve for investment on information technology | (200) | — | | — | | | | — |
| Dividends of surplus | (2,394) | (2,394) | | (2,394) | | | | (2,394) |
| Profit | 7,899 | 7,899 | | 7,899 | | | | 7,899 |
| Purchase of treasury shares | | | (501) | (501) | | | | (501) |
| Retirement of treasury shares | (4,106) | (4,106) | 4,154 | — | | | | — |
| Net changes of items other than shareholders' equity | | | | | 3,273 | 1 | 3,275 | 3,275 |
| Total changes of items during the period | 1,197 | 1,397 | 3,653 | 5,003 | 3,273 | 1 | 3,275 | 8,278 |
| Balance at the end of current period | 23,119 | 62,852 | (2,475) | 74,129 | 13,242 | 4 | 13,247 | 87,377 |

(Supplementary information)

1. Statement for orders-received, net sales of completed construction contracts, and construction carried forward by each division (consolidated)

Millions of yen

| | Year ended March 31, 2017 (Apr. 1, 2016 - Mar. 31, 2017) | | Year ended March 31, 2018 (Apr. 1, 2017 - Mar. 31, 2018) | | Increase (decrease) | |
|---|---|----------|---|----------|---------------------|------------|
| | Amounts | % | Amounts | % | Amounts | % |
| Orders-received | | | | | | |
| Green Technology System Division | | | | | | |
| HVAC for buildings | 48,739 | 22.3 | 43,612 | 19.8 | (5,127) | (10.5) |
| Industrial HVAC | 81,690 | 37.4 | 103,898 | 47.3 | 22,208 | 27.2 |
| Total | 130,430 | 59.7 | 147,511 | 67.1 | 17,081 | 13.1 |
| [Overseas] | [35,441] | [16.2] | [40,543] | [18.4] | [5,102] | [14.4] |
| Paint Finishing System Division | 87,893 | 40.3 | 72,333 | 32.9 | (15,560) | (17.7) |
| [Overseas] | [74,608] | [34.2] | [61,033] | [27.8] | [(13,575)] | [(18.2)] |
| Total | 218,323 | 100.0 | 219,844 | 100.0 | 1,521 | 0.7 |
| [Overseas] | [110,050] | [50.4] | [101,577] | [46.2] | [(8,473)] | [(7.7)] |
| Net sales of completed construction contracts | | | | | | |
| Green Technology System Division | | | | | | |
| HVAC for buildings | 43,857 | 21.9 | 45,845 | 19.7 | 1,988 | 4.5 |
| Industrial HVAC | 80,704 | 40.2 | 94,093 | 40.6 | 13,389 | 16.6 |
| Total | 124,561 | 62.1 | 139,938 | 60.3 | 15,377 | 12.3 |
| [Overseas] | [36,635] | [18.3] | [37,192] | [16.0] | [557] | [1.5] |
| Paint Finishing System Division | 76,043 | 37.9 | 91,960 | 39.7 | 15,917 | 20.9 |
| [Overseas] | [62,185] | [31.0] | [78,977] | [34.1] | [16,792] | [27.0] |
| Total | 200,604 | 100.0 | 231,898 | 100.0 | 31,294 | 15.6 |
| [Overseas] | [98,820] | [49.3] | [116,170] | [50.1] | [17,350] | [17.6] |
| Construction carried forward | | | | | | |
| Green Technology System Division | | | | | | |
| HVAC for buildings | 54,472 | 32.1 | 52,239 | 32.8 | (2,233) | (4.1) |
| Industrial HVAC | 40,103 | 23.7 | 50,720 | 31.9 | 10,617 | 26.5 |
| Total | 94,575 | 55.8 | 102,960 | 64.7 | 8,385 | 8.9 |
| [Overseas] | [18,890] | [11.1] | [23,053] | [14.5] | [4,163] | [22.0] |
| Paint Finishing System Division | 74,918 | 44.2 | 56,281 | 35.3 | (18,637) | (24.9) |
| [Overseas] | [68,304] | [40.3] | [51,351] | [32.2] | [(16,953)] | [(24.8)] |
| Total | 169,494 | 100.0 | 159,242 | 100.0 | (10,252) | (6.0) |
| [Overseas] | [87,195] | [51.4] | [74,404] | [46.7] | [(12,791)] | [(14.7)] |

(Note) 1. The amounts of orders received, net sales of completed construction contracts, and carried forward are the transacted amount with external customers.

2. In the previous consolidated fiscal year, there is 3 million yen difference between net sales of completed construction contracts of 124,561 million yen and total sales of 124,565 million yen in the segment information by the Green Technology System Division.

There is 42 million yen difference between net sales of completed construction contracts of 76,043 million yen and total sales of 76,085 yen in the segment information by Paint Finishing System Division.

Above differences are due to intersegment sales.

3. In the consolidated fiscal year, there is 10 million yen difference between net sales of completed construction contracts of 139,938 million yen and total sales of 139,948 million yen in the segment information by the Green Technology System Division.

There is 69 million yen difference between net sales of completed construction contracts of 91,960 million yen and total sales of 92,029 million yen in the segment information by Paint Finishing System Division.

Above differences are due to intersegment sales.

4.Regarding foreign exchange translation of contracts brought forward from previous year in foreign subsidiaries, fluctuation amount because of foreign exchange is adjusted in the beginning balance of construction contracts brought forward.

In this consolidated fiscal year, construction contracts of BTE Co., Ltd. is included in the beginning balance of construction contracts because this company is included in the scope of consolidation.

Beginning balance of construction contracts brought forward after adjustment in the fiscal year is as follows.

Green Technology System Division

| | | | |
|---------------------------------|---------------------|------------|---------------------|
| HVAC for buildings | 54,472 million yen | | |
| Industrial HVAC | 40,915 million yen | [overseas | 19,702 million yen] |
| Sub total | 95,387 million yen | [overseas | 19,702 million yen] |
| Paint Finishing System Division | 75,908 million yen | [overseas | 69,294 million yen] |
| Total | 171,296 million yen | [overseas | 88,997 million yen] |

2. Statement for orders-received, net sales of completed construction contracts, and construction carried forward by each division (Non-consolidated)

Millions of yen

| | Year ended March 31, 2017 (Apr. 1, 2016 - Mar. 31, 2017) | | Year ended March 31, 2018 (Apr. 1, 2017 - Mar. 31, 2018) | | Increase (decrease) | |
|---|---|---------|---|----------|---------------------|------------|
| | Amounts | % | Amounts | % | Amounts | % |
| Orders-received | | | | | | |
| Green Technology System Division | | | | | | |
| HVAC for buildings | 46,149 | 41.1 | 41,610 | 33.1 | (4,539) | (9.8) |
| Industrial HVAC | 46,676 | 41.6 | 63,306 | 50.4 | 16,630 | 35.6 |
| Total | 92,826 | 82.7 | 104,917 | 83.5 | 12,091 | 13.0 |
| [Overseas] | [496] | [0.5] | [300] | [0.2] | [(196)] | [(39.5)] |
| Paint Finishing System Division | 19,395 | 17.3 | 20,786 | 16.5 | 1,391 | 7.2 |
| [Overseas] | [7,666] | [6.8] | [12,078] | [9.6] | [4,412] | [57.6] |
| Total | 112,222 | 100.0 | 125,703 | 100.0 | 13,481 | 12.0 |
| [Overseas] | [8,163] | [7.3] | [12,378] | [9.8] | [4,215] | [51.6] |
| Net sales of completed construction contracts | | | | | | |
| Green Technology System Division | | | | | | |
| HVAC for buildings | 41,490 | 39.4 | 43,875 | 35.5 | 2,385 | 5.7 |
| Industrial HVAC | 44,447 | 42.2 | 56,901 | 46.0 | 12,454 | 28.0 |
| Total | 85,938 | 81.6 | 100,777 | 81.5 | 14,839 | 17.3 |
| [Overseas] | [477] | [0.4] | [321] | [0.3] | [(156)] | [(32.7)] |
| Paint Finishing System Division | 19,439 | 18.4 | 22,807 | 18.5 | 3,368 | 17.3 |
| [Overseas] | [7,432] | [7.1] | [12,006] | [9.7] | [4,574] | [61.5] |
| Total | 105,378 | 100.0 | 123,584 | 100.0 | 18,206 | 17.3 |
| [Overseas] | [7,909] | [7.5] | [12,327] | [10.0] | [4,418] | [55.9] |
| Construction carried forward | | | | | | |
| Green Technology System Division | | | | | | |
| HVAC for buildings | 54,002 | 62.6 | 51,737 | 58.5 | (2,265) | (4.2) |
| Industrial HVAC | 21,248 | 24.6 | 27,654 | 31.2 | 6,406 | 30.1 |
| Total | 75,251 | 87.2 | 79,391 | 89.7 | 4,140 | 5.5 |
| [Overseas] | [41] | [0.0] | [20] | [0.0] | [(21)] | [(51.2)] |
| Paint Finishing System Division | 11,094 | 12.8 | 9,072 | 10.3 | (2,022) | (18.2) |
| [Overseas] | [4,714] | [5.5] | [4,785] | [5.4] | [71] | [1.5] |
| Total | 86,345 | 100.0 | 88,464 | 100.0 | 2,119 | 2.5 |
| [Overseas] | [4,755] | [5.5] | [4,806] | [5.4] | [51] | [1.1] |