

TOTETSU KOGYO CO.,LTD.
Consolidated Financial statements
•Consolidated Statements of Income

(Thousands of Yen)

	FY2014 (As of March 31,2015)	FY2015 (As of March 31,2016)
Net sales		
Net sales of completed construction contracts	108,968,709	120,867,620
Net sales for incidental businesses	7,137,408	5,940,217
Total net sales	116,106,118	126,807,837
Cost of sales		
Cost of sales of completed construction contracts	94,596,022	103,076,133
Cost of sales on incidental businesses	5,671,332	4,551,579
Total cost of sales	100,267,355	107,627,713
Gross profit		
Gross profit on completed construction contracts	14,372,686	17,791,486
Gross profit on incidental businesses	1,466,075	1,388,638
Total gross profit	15,838,762	19,180,124
Selling, general and administrative expenses	6,514,174	6,700,083
Operating income	9,324,588	12,480,040
Non-operating income		
Interest income	2,624	3,182
Dividend income	186,404	202,149
Share of profit of entities accounted for using equity method	69,694	49,489
Other	29,100	25,706
Total non-operating income	287,824	280,527
Non-operating expenses		
Interest expenses	1,040	
Commission fee	14,543	9,238
Other	15,444	1,642
Total non-operating expenses	31,028	10,880
Ordinary income	9,581,385	12,749,687
Extraordinary income		
Gain on sales of non-current assets	474,508	22,433
Reversal of provision for loss on guarantees	4,985	3,500
Total extraordinary income	479,493	25,933
Extraordinary losses		
Loss on sales of non-current assets	0	1,876
Loss on retirement of non-current assets	63,988	94,962
Other	13,373	
Total extraordinary losses	77,362	96,838
Profit before income taxes	9,983,516	12,678,782
Income taxes - current	3,207,343	4,355,784
Income taxes - deferred	169,939	△240,540
Total income taxes	3,377,282	4,115,244
Profit	6,606,233	8,563,537
Profit attributable to non-controlling interests	72,371	44,951
Profit attributable to owners of parent	6,533,862	8,518,586

TOTETSU KOGYO CO.,LTD.
Consolidated Financial statements
· Consolidated Balance Sheets

(Thousands of Yen)

	FY2014 (As of March 31,2015)	FY2015 (As of March 31,2016)
Assets		
Current assets		
Cash and deposits	18,706,564	17,830,238
Notes receivable, accounts receivable from completed construction contracts and other	56,427,213	69,771,959
Costs on uncompleted construction contracts and other	2,256,601	2,790,173
Deferred tax assets	914,602	1,053,673
Other	3,040,979	2,784,830
Allowance for doubtful accounts	△16,405	△6,706
Total current assets	81,329,554	94,224,169
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,487,135	8,340,597
Machinery, vehicles, tools, furniture and fixtures	10,090,163	10,045,497
Land	1,629,952	1,629,952
Leased assets	111,247	81,612
Accumulated depreciation	△13,800,110	△13,785,443
Total property, plant and equipment	6,518,388	6,312,216
Intangible assets	221,338	199,166
Investments and other assets		
Investment securities	13,482,103	13,008,232
Other	2,382,990	2,376,427
Allowance for doubtful accounts	△1,972,745	△1,963,445
Total investments and other assets	13,892,347	13,421,214
Total non-current assets	20,632,074	19,932,596
Total assets	101,961,629	114,156,766
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	30,871,626	32,540,117
Income taxes payable	1,655,788	2,942,878
Advances received on uncompleted construction contracts	503,677	1,354,998
Provision for warranties for completed construction	95,100	532,401
Provision for loss on construction contracts	101,719	112,811
Provision for bonuses	1,644,737	1,400,795
Provision for loss on guarantees		323,815
Other	6,189,745	8,671,139
Total current liabilities	41,062,395	47,878,956
Non-current liabilities		
Long-term accounts payable - other	53,390	47,930
Lease obligations	212,115	146,538
Long-term lease and guarantee deposited	366,256	350,053
Deferred tax liabilities	2,089,310	1,614,651
Provision for loss on guarantees	327,315	
Provision for repairs		267,253
Net defined benefit liability	601,256	759,063
Asset retirement obligations	111,985	131,773
Total non-current liabilities	3,761,629	
Total liabilities	44,824,025	51,196,220
Net assets		
Shareholders' equity		
Capital stock	2,810,000	2,810,000
Capital surplus	2,350,634	2,351,082
Retained earnings	46,827,222	53,714,687
Treasury shares	△353,538	△903,202
Total shareholders' equity	51,634,318	57,972,566
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,574,333	4,308,507
Remeasurements of defined benefit plans	2,375	△290,701
Total accumulated other comprehensive income	4,576,709	4,017,806
Non-controlling interests	926,577	970,172
Total net assets	57,137,604	62,960,546
Total liabilities and net assets	101,961,629	114,156,766

TOTETSU KOGYO CO.,LTD.
Consolidated Financial statements
·Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2014 (As of March 31,2015)	FY2015 (As of March 31,2016)
Cash flows from operating activities		
Profit before income taxes	9,983,516	12,678,782
Depreciation	914,718	878,392
Increase (decrease) in allowance for doubtful accounts	Δ16,789	Δ18,999
Increase (decrease) in long-term accounts payable - other	3,800	Δ5,460
Increase (decrease) in provision for loss on construction contracts	21,562	11,091
Increase (decrease) in provision for bonuses	Δ21,970	Δ243,942
Increase (decrease) in provision for loss on guarantees	Δ4,985	Δ3,500
Increase (decrease) in net defined benefit liability	Δ162,949	Δ264,615
Increase (decrease) in provision for repairs		267,253
Interest and dividend income	Δ189,029	Δ205,331
Interest expenses	1,040	
Share of (profit) loss of entities accounted for using equity method	Δ69,694	Δ49,489
Loss (gain) on sales and retirement of property, plant and equipment	Δ410,519	74,405
Decrease (increase) in notes and accounts receivable - trade	Δ6,644,542	Δ13,344,746
Decrease (increase) in costs on uncompleted construction contracts and other	111,201	Δ533,571
Increase (decrease) in notes and accounts payable - trade	2,450,512	1,729,292
Increase (decrease) in advances received on uncompleted construction contracts	Δ45,222	851,320
Increase (decrease) in accrued consumption taxes	Δ754,401	1,210,376
Other, net	1,966,718	2,031,877
Subtotal	7,132,966	5,063,135
Interest and dividend income received	195,108	211,319
Interest expenses paid	Δ1,040	
Income taxes paid	Δ3,857,020	Δ3,150,732
Net cash provided by (used in) operating activities	3,470,013	2,123,722
Cash flows from investing activities		
Purchase of property, plant and equipment	Δ2,209,754	Δ1,746,504
Proceeds from sales of property, plant and equipment	1,831,638	1,008,534
Purchase of intangible assets	Δ39,074	Δ30,154
Purchase of investment securities	Δ10,928	Δ3,589
Other, net	Δ16,423	Δ29,333
Net cash provided by (used in) investing activities	Δ444,540	Δ801,047
Cash flows from financing activities		
Repayments of lease obligations	Δ85,709	Δ18,216
Purchase of treasury shares	Δ198,509	Δ549,864
Proceeds from sales of treasury shares		1
Cash dividends paid	Δ855,100	Δ1,629,165
Dividends paid to non-controlling interests	Δ1,756	Δ1,756
Net cash provided by (used in) financing activities	Δ1,141,075	Δ2,199,000
Net increase (decrease) in cash and cash equivalents	1,884,397	Δ876,325
Cash and cash equivalents at beginning of period	16,822,166	18,706,564
Cash and cash equivalents at end of period	18,706,564	17,830,238

TOTETSU KOGYO CO.,LTD.
 Consolidated Financial statements
 •Consolidated Statements of Comprehensive Income

(Thousands of Yen)

	FY2014 (As of March 31,2015)	FY2015 (As of March 31,2016)
Profit	6,606,233	8,563,537
Other comprehensive income		
Valuation difference on available-for-sale securities	1,753,512	Δ261,730
Remeasurements of defined benefit plans, net of tax	411,912	Δ293,077
Share of other comprehensive income of entities accounted for using equity method	24,116	Δ3,694
Total other comprehensive income	2,189,540	Δ558,502
Comprehensive income	8,795,773	8,005,035
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,664,175	7,959,683
Comprehensive income attributable to non-controlling interests	131,598	45,351