

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

(Thousands of Yen)

	FY2015 (As of March 31,2016)	FY2016 (As of March 31,2017)
Netsales		
Netsalesofcompletedconstructioncontracts	120,867,620	124,113,894
Netsalesforincidentalbusinesses	5,940,217	6,520,745
Totalnetsales	126,807,837	130,634,639
Costofsales		
Costofsalesofcompletedconstructioncontracts	103,076,133	105,581,052
Costofsalesonincidentalbusinesses	4,551,579	4,968,478
Totalcostofsales	107,627,713	110,549,530
Grossprofit		
Grossprofitoncompletedconstructioncontracts	17,791,486	18,532,841
Grossprofitonincidentalbusinesses	1,388,638	1,552,267
Totalgrossprofit	19,180,124	20,085,108
Selling,generalandadministrativeexpenses	6,700,083	6,713,258
Operatingincome	12,480,040	13,371,850
Non-operatingincome		
Interestincome	3,182	1,413
Dividendincome	202,149	213,401
Shareofprofitofentitiesaccountedforusingequitymethod	49,489	57,958
Other	25,706	31,921
Totalnon-operatingincome	280,527	304,694
Non-operatingexpenses		
Interestexpenses		
Commissionfee	9,238	6,834
Other	1,642	1,300
Totalnon-operatingexpenses	10,880	8,135
Ordinaryincome	12,749,687	13,668,410
Extraordinaryincome		
Gainonsalesofnon-currentassets	22,433	2,243
Reversalofprovisionforlossonguarantees	3,500	
Gainonsalesofgolfmemberships		2,621
Other		14
Totalextraordinaryincome	25,933	4,879
Extraordinarylosses		
Lossonsalesofnon-currentassets	1,876	133
Lossonretirementofnon-currentassets	94,962	49,130
Lossonvaluationofgolfclubmembership		18,714
Other		2,175
Totalextraordinarylosses	96,838	70,153
Profitbeforeincometaxes	12,678,782	13,603,136
Incometaxes-current	4,355,784	4,083,828
Incometaxes-deferred	△ 240,540	△ 114,587
Totalincometaxes	4,115,244	3,969,240
Profit	8,563,537	9,633,896
Profitattributabletonon-controllinginterests	44,951	50,871
Profitattributabletoownersofparent	8,518,586	9,583,025

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

(Thousands of Yen)

	FY2015 (As of March 31,2016)	FY2016 (As of March 31,2017)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	17,830,238	17,357,680
Notes receivable, accounts receivable from completed construction contracts and other	69,771,959	75,718,823
Costs on uncompleted construction contracts and other	2,790,173	3,304,316
Deferred tax assets	1,053,673	1,243,639
Other	2,784,830	3,496,361
Allowance for doubtful accounts	△6,706	△7,335
<b>Total current assets</b>	<b>94,224,169</b>	<b>101,113,486</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	8,340,597	8,387,130
Machinery, vehicles, tools, furniture and fixtures	10,045,497	10,748,998
Land	1,629,952	1,629,952
Leased assets	81,612	42,864
Construction in progress	—	259,692
Accumulated depreciation	△13,785,443	△14,117,728
<b>Total property, plant and equipment</b>	<b>6,312,216</b>	<b>6,950,909</b>
Intangible assets	199,166	321,592
<b>Investments and other assets</b>		
Investment securities	13,008,232	13,413,475
Net defined benefit asset	—	98,421
Other	2,376,427	2,266,648
Allowance for doubtful accounts	△1,963,445	△1,843,834
<b>Total investments and other assets</b>	<b>13,421,214</b>	<b>13,934,711</b>
<b>Total non-current assets</b>	<b>19,932,596</b>	<b>21,207,213</b>
<b>Total assets</b>	<b>114,156,766</b>	<b>122,320,699</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	32,540,117	32,971,664
Income taxes payable	2,942,878	2,149,687
Advances received on uncompleted construction contracts	1,354,998	1,184,508
Provision for warranties for completed construction	532,401	593,207
Provision for loss on construction contracts	112,811	719,997
Provision for bonuses	1,400,795	1,521,706
Provision for loss on guarantees	323,815	—
Other	8,671,139	9,539,130
<b>Total current liabilities</b>	<b>47,878,956</b>	<b>48,679,902</b>
<b>Non-current liabilities</b>		
Long-term accounts payable – other	47,930	51,780
Lease obligations	146,538	85,479
Long-term lease and guarantee deposited	350,053	355,054
Deferred tax liabilities	1,614,651	1,769,362
Provision for repairs	267,253	305,830
Net defined benefit liability	759,063	600,842
Asset retirement obligations	131,773	130,453
<b>Total non-current liabilities</b>	<b>3,317,263</b>	<b>3,298,802</b>
<b>Total liabilities</b>	<b>51,196,220</b>	<b>51,978,705</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,810,000	2,810,000
Capital surplus	2,351,082	2,351,082
Retained earnings	53,714,687	61,707,930
Treasury shares	△903,202	△1,793,673
<b>Total shareholders' equity</b>	<b>57,972,566</b>	<b>65,075,338</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,308,507	4,571,810
Remeasurements of defined benefit plans	△290,701	△316,251
<b>Total accumulated other comprehensive income</b>	<b>4,017,806</b>	<b>4,255,558</b>
<b>Non-controlling interests</b>	970,172	1,011,097
<b>Total net assets</b>	<b>62,960,546</b>	<b>70,341,994</b>
<b>Total liabilities and net assets</b>	<b>114,156,766</b>	<b>122,320,699</b>

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

	(Thousands of Yen)	
	FY2015 (As of March 31,2016)	FY2016 (As of March 31,2017)
Cash flows from operating activities		
Profit before income taxes	12,678,782	13,603,136
Depreciation	878,392	936,581
Increase (decrease) in allowance for doubtful accounts	△18,999	△118,982
Increase (decrease) in long-term accounts payable – other	△5,460	3,850
Increase (decrease) in provision for loss on construction contracts	11,091	607,186
Increase (decrease) in provision for bonuses	△243,942	120,911
Increase (decrease) in provision for loss on guarantees	△3,500	—
Increase (decrease) in net defined benefit liability	△264,615	△195,048
Increase (decrease) in provision for repairs	267,253	38,576
Interest and dividend income	△205,331	△214,814
Share of (profit) loss of entities accounted for using equity method	△49,489	△57,958
Loss (gain) on sales and retirement of property, plant and equipment	74,405	47,020
Decrease (increase) in notes and accounts receivable – trade	△13,344,746	△5,946,864
Decrease (increase) in costs on uncompleted construction contracts and other	△533,571	△514,142
Increase (decrease) in notes and accounts payable – trade	1,729,292	354,851
Increase (decrease) in advances received on uncompleted construction contracts	851,320	△170,489
Increase (decrease) in accrued consumption taxes	1,210,376	523,885
Other, net	2,031,877	△301,317
Subtotal	5,063,135	8,716,381
Interest and dividend income received	211,319	218,043
Income taxes paid	△3,150,732	△5,022,875
Payment for execution of a guarantee	—	△323,815
Net cash provided by (used in) operating activities	2,123,722	3,587,733
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,746,504	△4,120,780
Proceeds from sales of property, plant and equipment	1,008,534	2,743,431
Purchase of intangible assets	△30,154	△164,728
Purchase of investment securities	△3,589	△9,596
Other, net	△29,333	△13,900
Net cash provided by (used in) investing activities	△801,047	△1,565,575
Cash flows from financing activities		
Repayments of lease obligations	△18,216	△14,468
Purchase of treasury shares	△549,864	△890,471
Proceeds from sales of treasury shares	1	—
Cash dividends paid	△1,629,165	△1,588,020
Dividends paid to non-controlling interests	△1,756	△1,756
Net cash provided by (used in) financing activities	△2,199,000	△2,494,716
Net increase (decrease) in cash and cash equivalents	△876,325	△472,558
Cash and cash equivalents at beginning of period	18,706,564	17,830,238
Cash and cash equivalents at end of period	17,830,238	17,357,680

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

	(Thousands of Yen)	
	FY2015 (As of March 31,2016)	FY2016 (As of March 31,2017)
Profit	8,563,537	9,633,896
Other comprehensive income		
Valuation difference on available-for-sale securities	△261,730	256,928
Remeasurements of defined benefit plans, net of tax	△293,077	△25,550
Share of other comprehensive income of entities accounted for using equity method	△3,694	△1,816
Total other comprehensive income	△558,502	229,560
Comprehensive income	8,005,035	9,863,457
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,959,683	9,820,776
Comprehensive income attributable to non-controlling interests	45,351	42,680