

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

(Thousands of Yen)

	FY2017 (As of March 31,2018)	FY2018 (As of March 31,2019)
<b>Assets</b>		
Current assets		
Cash and deposits	15,788,110	16,878,292
Notes receivable, accounts receivable from completed construction contracts and other	82,342,494	89,523,351
Costs on uncompleted construction contracts and other	3,425,492	3,235,460
Other	2,232,357	1,942,991
Allowance for doubtful accounts	△7,777	△9,493
<b>Total current assets</b>	<b>103,780,677</b>	<b>111,570,602</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,842,778	9,258,345
Machinery, vehicles, tools, furniture and fixtures	11,495,694	11,963,992
Land	1,627,341	1,756,477
Leased assets	10,452	5,436
Construction in progress	240,261	69,581
Accumulated depreciation	△14,745,968	△15,352,960
<b>Total property, plant and equipment</b>	<b>7,470,558</b>	<b>7,700,872</b>
Intangible assets	432,290	459,845
Investments and other assets		
Investment securities	14,198,373	14,575,781
Retirement benefit asset	560,201	481,358
Other	961,947	935,765
Allowance for doubtful accounts	△453,583	△432,822
<b>Total investments and other assets</b>	<b>15,266,939</b>	<b>15,560,082</b>
<b>Total non-current assets</b>	<b>23,169,788</b>	<b>23,720,801</b>
<b>Total assets</b>	<b>126,950,465</b>	<b>135,291,403</b>
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	32,205,607	33,366,749
Income taxes payable	1,440,360	2,480,801
Advances received on uncompleted construction contracts	605,441	803,660
Provision for warranties for completed construction	438,693	654,174
Provision for loss on construction contracts	119,725	140,952
Provision for bonuses	1,656,370	1,774,336
Other	9,984,473	10,104,252
<b>Total current liabilities</b>	<b>46,450,670</b>	<b>49,324,927</b>
Non-current liabilities		
Long-term accounts payable - other	42,730	7,600
Lease obligations	29,450	3,986
Long-term leasehold and guarantee deposits	345,507	341,000
Deferred tax liabilities	826,124	787,335
Provision for repairs	398,283	381,939
Retirement benefit liability	597,645	580,216
Asset retirement obligations	132,490	145,220
<b>Total non-current liabilities</b>	<b>2,372,231</b>	<b>2,247,299</b>
<b>Total liabilities</b>	<b>48,822,902</b>	<b>51,572,226</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,810,000	2,810,000
Capital surplus	2,351,082	2,351,082
Retained earnings	69,876,087	76,559,670
Treasury shares	△2,794,021	△3,894,323
<b>Total shareholders' equity</b>	<b>72,243,147</b>	<b>77,826,429</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,057,481	5,111,146
Remeasurements of defined benefit plans	△248,138	△404,357
<b>Total accumulated other comprehensive income</b>	<b>4,809,342</b>	<b>4,706,788</b>
Non-controlling interests	1,075,072	1,185,959
<b>Total net assets</b>	<b>78,127,562</b>	<b>83,719,176</b>
<b>Total liabilities and net assets</b>	<b>126,950,465</b>	<b>135,291,403</b>

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

(Thousands of Yen)

	FY2017 (As of March 31,2018)	FY2018 (As of March 31,2019)
Net sales		
Net sales of completed construction contracts	123,912,323	126,841,336
Net sales for incidental businesses	7,296,921	7,898,264
Total net sales	131,209,245	134,739,601
Cost of sales		
Cost of sales of completed construction contracts	105,767,166	108,724,732
Cost of sales on incidental businesses	5,656,790	6,327,698
Total cost of sales	111,423,957	115,052,431
Gross profit		
Gross profit on completed construction contracts	18,145,157	18,116,603
Gross profit on incidental businesses	1,640,130	1,570,566
Total gross profit	19,785,287	19,687,170
Selling, general and administrative expenses	6,783,162	7,470,216
Operating profit	13,002,125	12,216,954
Non-operating income		
Interest income	1,670	1,585
Dividend income	222,956	247,344
Share of profit of entities accounted for using equity method	50,447	178,768
Other	28,250	63,428
Total non-operating income	303,325	491,126
Non-operating expenses		
Commission expenses	3,260	3,535
Other	691	310
Total non-operating expenses	3,951	3,845
Ordinary profit	13,301,499	12,704,234
Extraordinary income		
Gain on sales of non-current assets	92,835	4,754
Gain on sales of investment securities	3	40,954
Gain on sales of golf memberships	1,370	—
Total extraordinary income	94,208	45,708
Extraordinary losses		
Loss on sales of non-current assets	—	621
Loss on retirement of non-current assets	45,565	107,127
Loss on valuation of golf club membership	13,412	3,330
Total extraordinary losses	58,977	111,078
Profit before income taxes	13,336,730	12,638,865
Income taxes - current	3,308,032	3,815,274
Income taxes - deferred	△11,419	△117,382
Total income taxes	3,296,613	3,697,892
Profit	10,040,116	8,940,973
Profit attributable to non-controlling interests	57,776	78,313
Profit attributable to owners of parent	9,982,340	8,862,660

## TOTETSU KOGYO CO.,LTD.

## Consolidated Financial statements

## · Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2017 (As of March 31,2018)	FY2018 (As of March 31,2019)
Cash flows from operating activities		
Profit before income taxes	13,336,730	12,638,865
Depreciation	1,062,245	1,217,950
Increase (decrease) in allowance for doubtful accounts	△1,389,809	△19,045
Increase (decrease) in long-term accounts payable - other	△9,050	△35,130
Increase (decrease) in provision for loss on construction contracts	△600,272	21,227
Increase (decrease) in provision for bonuses	134,664	117,966
Increase (decrease) in retirement benefit liability	94,977	△242,592
Increase (decrease) in provision for repairs	92,453	△16,343
Interest and dividend income	△224,627	△248,929
Share of loss (profit) of entities accounted for using equity method	△50,447	△178,768
Loss (gain) on sales and retirement of property, plant and equipment	△47,270	102,993
Loss (gain) on sales of investment securities	△3	△40,954
Decrease (increase) in notes and accounts receivable - trade	△6,623,670	△7,180,857
Decrease (increase) in costs on uncompleted construction contracts and other	△121,176	190,031
Increase (decrease) in notes and accounts payable - trade	△885,473	1,220,863
Increase (decrease) in advances received on uncompleted construction contracts	△579,067	198,219
Increase (decrease) in accrued consumption taxes	27,120	△485,120
Other, net	2,241,595	1,340,025
Subtotal	6,458,917	8,600,401
Interest and dividend income received	228,463	252,974
Income taxes paid	△4,020,184	△2,765,314
Net cash provided by (used in) operating activities	2,667,197	6,088,061
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,629,614	△4,282,772
Proceeds from sales of property, plant and equipment	369,651	2,630,135
Purchase of intangible assets	△167,979	△114,708
Proceeds from sales of investment securities	3	75,433
Purchase of investment securities	△18,062	△2,883
Other, net	28,084	△25,029
Net cash provided by (used in) investing activities	△1,417,917	△1,719,824
Cash flows from financing activities		
Repayments of lease obligations	△5,943	△1,540
Purchase of treasury shares	△1,000,348	△1,100,301
Cash dividends paid	△1,810,802	△2,174,457
Dividends paid to non-controlling interests	△1,756	△1,756
Net cash provided by (used in) financing activities	△2,818,850	△3,278,055
Net increase (decrease) in cash and cash equivalents	△1,569,570	1,090,181
Cash and cash equivalents at beginning of period	17,357,680	15,788,110
Cash and cash equivalents at end of period	15,788,110	16,878,292

## TOTETSU KOGYO CO.,LTD.

## Consolidated Financial statements

## ·Consolidated Statements of Comprehensive Income

(Thousands of Yen)

	FY2017	FY2018
	(As of March 31,2018)	(As of March 31,2019)
Profit	10,040,116	8,940,973
Other comprehensive income		
Valuation difference on available-for-sale securities	489,802	117,472
Remeasurements of defined benefit plans, net of tax	68,112	△156,218
Share of other comprehensive income of entities accounted for using equity method	3,824	△29,478
Total other comprehensive income	561,739	△68,224
Comprehensive income	10,601,856	8,872,748
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,536,124	8,760,105
Comprehensive income attributable to non-controlling interests	65,731	112,642