

## Summary of Consolidated Financial Results For the Fiscal Year Ended March 31, 2016 [Japan GAAP]

Company: Takamatsu Construction Group Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange (First Section)

Stock code: 1762

URL: <http://www.takamatsu-cg.co.jp/>

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Regular general meeting of shareholders: June 23, 2016 (tentative)

Date of commencement of dividend payment: June 24, 2016 (tentative)

Date of filing of securities report: June 24, 2016 (tentative)

Supplementary explanatory documents: Yes (for analysts)

Earnings presentation: Yes (for analysts)

(Yen in millions, rounded down, figures in parentheses indicate negative amounts or percentages)

### 1. Consolidated results of operations for the year ended March 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated result of operations (Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net earnings attributable to controlling interest	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/16	208,883	10.4	10,410	45.5	10,468	45.1	5,799	(8.6)
FY3/15	189,212	6.5	7,155	9.9	7,212	7.9	6,343	3.1

Note: Comprehensive income: FY3/16: 6,666 million yen (16.5%)

FY3/15: 7,980 million yen 18.1%

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY3/16	161.01	-	6.5	6.4	5.0
FY3/15	176.13	-	7.6	4.6	3.8

(Reference) Share of profit (loss) of entities accounted for using equity method: FY3/16: - million yen

FY3/15: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/16	165,274	104,592	55.1	2,528.74
FY3/15	162,158	99,131	53.3	2,397.37

(Reference) Shareholders' equity: FY3/16: 91,082 million yen

FY3/15: 86,350 million yen

(3) Consolidated cash flow position

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY3/16	2,676	(658)	(1,338)	72,442
FY3/15	3,823	280	(1,185)	71,762

### 2. Dividends

	Dividend per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividend-to-equity ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY3/15	-	11.00	-	16.00	27.00	972	15.3	1.2
FY3/16	-	12.00	-	22.00	34.00	1,224	21.1	1.4
FY3/17 (Est.)	-	15.00	-	24.00	39.00		23.4	

Note: FY3/15 year-end dividend includes 4 yen of special dividend

### 3. Consolidated forecast for the fiscal year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net earnings attributable to controlling interests		Net earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	102,000	7.9	4,500	11.4	4,500	10.2	2,700	1.2	74.96
Full year	220,000	5.3	11,000	5.7	11,000	5.1	6,000	3.5	166.58

#### \* Notes

(1) Changes in significant subsidiaries (Changes of specific subsidiaries that accompanies scope change of consolidation): No

(2) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: Yes

(b) Changes other than (a): No

(c) Changes in accounting estimates: No

(d) Retrospective restatement: No

(3) Number of shares outstanding (ordinary shares)

(a) Shares outstanding (including treasury stock)

As of March 31, 2016: 38,880,000 As of March 31, 2015: 38,880,000

(b) Treasury shares

As of March 31, 2016: 2,861,003 As of March 31, 2015: 2,860,980

(c) Average number of shares

Period ended March 31, 2016: 36,018,997 Period ended March 31, 2015: 36,019,020

#### (Reference) Non-consolidated Financial Results

##### Financial results for the fiscal year ended March 2016 (April 1, 2015 – March 31, 2016)

(1) Result of operations (Non-consolidated)

(Percentage figures represent year on year changes)

	Net sales		Operating income		Ordinary income		Net earnings	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY3/16	2,093	(1.0)	1,061	(10.3)	1,116	(9.3)	1,150	(70.1)
FY3/15	2,115	27.1	1,183	39.1	1,230	37.2	3,854	336.9

	Net earnings per share	Net earnings per share (diluted)
	Yen	Yen
FY3/16	31.95	-
FY3/15	107.00	-

(2) Financial Position (Non-consolidated)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY3/16	34,034	32,886	96.6	913.04
FY3/15	34,872	33,103	94.9	919.06

(Reference) Shareholders' equity: FY3/16: 32,886 million yen FY3/15: 33,103 million yen

#### \* Description of audit status

The rule mandating auditing of financial statements (under the Financial Instruments and Exchange Act) does not apply to this Summary of Financial Results. The auditing procedure in accordance with Financial Instruments and Exchange Act has not been completed at the time of disclosure of this report.

#### \* Cautionary statement regarding forecasts and special notes

(Note on forward looking statements)

Forward-looking statements in these materials are based on the information available to management at the time this report was prepared. Actual results may differ significantly from these statements for number of reasons.

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## 1. Analysis of Results of Operations and Financial Condition

### (1) Analysis of results of operations

#### (a) Results of operations in year ended March 2016

During the fiscal year, although the Japanese economy showed mild recovery trend, stock prices declined in the second half of the fiscal year in response to concerns about the Chinese economy and other factors. Moreover, the number of industry sectors forecasting deteriorating trends increased. Thus, the overall economic momentum was not strong.

In the domestic construction industry, shortages of engineers and other skilled construction workers combined with a negative year-on-year trend in public-works investments continued. Conversely, the momentum of private sector investment was positive in the first half of the fiscal year, but it appeared to run out of steam thereafter. As the result, the incoming order amount of the industry ended up roughly in line with the previous fiscal year.

Takamatsu Construction Group owns companies that cover almost all of the areas related to the construction industry and thus possesses strong earnings power due to its own unique business development capabilities and technological strengths. Takamatsu Construction Group continued to strive to meet the challenges it faced by expanding share of business areas in which each Group companies possesses particular strengths, and by developing new areas of operations and growth.

More specifically, we are composed of two Groups of companies, Takamatsu Group and Asunaro Aoki Group. Each Group executed the following core business initiatives in the fiscal year.

#### Takamatsu Group

1. Continued expansion of the rental condominium building business (increased market share).
2. Strengthened comprehensive service capabilities including designing, construction, property management, renovation, and build stronger ties with our customers.
3. Started and expanded distinctive business activities within the Group.

#### Asunaro Aoki Group

1. Enhanced Group profile by participating in major projects such as the Tokyo Olympics, linear-motor trains, government projects to increase resilience of Japan to natural disasters and other projects.
2. Made a big improvement in profitability.
3. Accumulated technologies that can contribute to sustainable growth.

Due to these activities, orders received increased 5.4% to 237,762 million yen and sales increased 10.4% to 208,883 million yen, thereby surpassing the previous records for both orders and sales for the second consecutive year.

Earnings were higher, too. Operating income increased 45.5% to a new record high of 10,410 million yen and ordinary income increased 45.1% to 10,468 million yen. Net earnings attributable to controlling interests declined 8.6% year-on-year to 5,799 million yen due to extraordinary income of previous fiscal year of 2,199 million yen resulting from the booking of negative good will generated by conversion of Asunaro Aoki Construction class A shares into ordinary shares.

By-segment performance was as follows.

#### (Building construction)

Orders received increased 11.7% to 115,291 million yen, net sales increased 12.5% to 98,279 million yen and the segment operating profit increased 58.5% to 6,820 million yen.

#### (Civil engineering)

Orders received decreased 2.9% to 109,077 million yen, net sales of completed construction contracts increased 5.9% to 97,211 million yen and the segment operating profit increased 34.3% to 5,597 million yen.

#### (Real estate)

Sales from real estate transactions, leasing and other operations increased 33.1% to 13,392 million yen and the segment operating profit was up 19.5% to 1,035 million yen.

#### (b) Outlook for fiscal year ending in March 2017

In Japan, public-works investments will probably remain at the current level for a few years because of construction projects for the 2020 Tokyo Olympics, government investments to make Japan more resistant to natural disasters, and other projects. There are also expectations for private-sector orders to remain firm on the whole, with expectations of a slight increase for the incoming orders of our market in the next fiscal year. However, in terms of medium to long-term order trends thereafter, it would appear that the most optimistic forecast is to maintain current level of industry-wide incoming order amount.

However, for the market of rental condominium buildings where Takamatsu Construction Group has a strong presence, growth is anticipated due to the strong need of real estate owners to utilize property and create inheritance plans. This need is continuing due to the January 2015 revision of the Inheritance Tax Act, the upturn of real estate prices in Tokyo, Nagoya and Osaka areas, as well as consistently low interest rates. On the other hand, from a cost perspective there is a structural shortage of engineers and other skilled construction workers, which is feared to have major impact on costs over the medium to long-term, particularly in Tokyo Area, due to the concentration of investments towards the 2020 Tokyo Olympic Games.

Given this environment, in the fiscal year ending in March 2017, we forecast growth in sales and earnings as shown in the table below.

	(Million yen, %)	
	Consolidated forecast	YoY change vs. FY3/16
Net sales	220,000	5.3
Operating income	11,000	5.7
Ordinary income	11,000	5.1
Profit attributable to controlling interests	6,000	3.5

(2) Analysis of financial condition

(a) Assets, liabilities and net assets

(Assets)

Assets totaled 165,274 million yen at the end of the fiscal year, which is 3,115 million yen more than the end of the previous fiscal year. This is due mainly to increases of notes receivable, accounts receivable of 7,294 million yen, partially offset by decrease in accounts receivable of 4,007 million yen.

(Liabilities)

Liabilities decreased 2,345 million yen to 60,681 million yen. The primary reasons were decrease of 1,128 million yen in advances and a decrease of 811 million yen in accounts payable.

(Net assets)

Net assets increased 5,461 million yen to 104,592 million yen.

Shareholders' equity increased by 4,790 million yen primarily due to 5,799 million yen of net earnings, partially offset by dividend payment of 1,008 million yen. In addition, non-controlling interests increased by 729 million yen, due mainly to increase of Asunaro Aoki earnings increase.

As a result, shareholders' equity after deducting non-controlling interests was 91,082 million yen and the equity ratio was 55.1%, 1.8 percentage point higher than the end of the previous fiscal year.

(b) Cash flows

Consolidated cash and cash equivalents (hereinafter 'cash') at the end of the fiscal year totaled 72,442 million yen, 679 million yen more than the year before. Details are as follows.

(Operating cash flow)

Net cash provided by operating activities was 2,676 million yen compared to 3,823 million yen one year earlier. Major sources of inflow were profit before income taxes of 9,827 million yen, increase in provision for bonuses of 832 million yen, and 4,019 million yen decrease in accounts receivable. Main sources of outflow were 7,294 million yen increase in notes and accounts receivable, decrease/increase in consumption taxes receivable/payable of 2,518 million yen, and income taxes paid of 2,477 million yen.

(Investing cash flow)

Net cash used for investing activities was 658 million yen compared to cash inflow of 280 million yen in the previous fiscal year. There were proceeds from sales of property, plant and equipment of 886 million yen, 67 million yen of proceeds from sales of investment securities. On the other hand, there were purchase of property, plant and equipment of 1,514 million yen and 91 million yen for purchase of intangible assets.

(Financing cash flow)

Net cash used for financing activities was 1,338 million yen compared to 1,185 million yen in the previous fiscal year. The main use of cash was cash dividends paid of 1,007 million yen.

(Reference) Cash flow index trends

	FY3/12	FY3/13	FY3/14	FY3/15	FY3/16
Equity ratio (%)	53.2	53.2	51.7	53.3	55.1
Equity ratio based on market cap (%)	34.2	35.5	42.7	57.0	52.9
interest-bearing debt / Annual Cash flow	0.0	-	0.0	0.1	0.2
Interest coverage ratio	47.4	-	102.8	23.1	14.5

- Notes: 1. Equity ratio: Shareholders' equity / Total assets  
 2. Equity ratio based on market cap: Market capitalization / Total assets  
 3. Cash flow/interest-bearing debt: Interest-bearing debt / Annual operating cash flows  
 4. Interest coverage ratio: Operating cash flows / Interest expenses

- (1) All indicators are based on figures in the consolidated financial statements.  
 (2) Market capitalization is calculated by share price X number of shares outstanding (excluding treasury shares) as of the end of the fiscal year.  
 (3) Interest-bearing debt is the sum of all liabilities on the consolidated balance sheet on which the Company is obligated to pay interest.  
 (4) Cash flow / interest-bearing debt and the interest coverage ratio are not shown for the FY3/13 because the operating cash flow was negative.

(3) Basic Policy for Earnings Distributions and Dividends for the Current and the Next Fiscal Year

Distributing earnings to shareholders is one of our highest priorities. Our basic policy is to maintain stable and consistent dividend payments while distributing earnings in a manner that reflect results of operations. At the same time, we will retain earnings in order to strengthen our operations with the goals of increasing our ability to capture orders and building a sound framework for operations.

Retained earnings will be used effectively from a medium to long-term perspective with the primary objectives of strengthening and upgrading operations of the entire Group and building a sound base for future operations.

At the start of the fiscal year, we planned to 27 yen per share of dividend, the same amount with the previous fiscal year. However, based on the favorable results of the Group operations, we decided to pay 34 yen per share dividend for the fiscal year that ended in March 2016.

For the fiscal year ending in March 2017, we plan to pay 39 yen per share of dividend. We target to realize 25% of dividend payout ratio for the years beyond.

Dividend per share

(Yen)

	FY3/14	FY3/15	FY3/16 (Planned)	FY3/17 (Est.)
Dividends (Total of ordinary and special dividends)	25	27	34	39

## 2. Corporate Group

The primary business of Takamatsu Construction Group and the Group companies is building construction and civil engineering. The Group also conducts real estate and its related businesses.

This section explains major activities of Group companies and how they are related.

(Building construction)

Takamatsu Construction Co.,Ltd. (building construction), Kongo Gumi Co.,Ltd. and Nakamura Shaji Co.,Ltd. (shrine and temple construction), JP Home Co.,Ltd. (RC individual residence construction), Suminoe Kogei Co.,Ltd. (interior remodeling), Yamato Construction (Osaka) Co.,Ltd. and Yamato Construction (Tokyo) Co.,Ltd. (remodeling and maintenance), M's Co.,Ltd. (remodeling)

(Building construction and civil engineering)

Asunaro Aoki Construction Co.,Ltd. (civil engineering and building construction), Mirai Construction Co.,Ltd. (marine & harbor engineering, civil engineering, building construction)

(Mainly civil engineering)

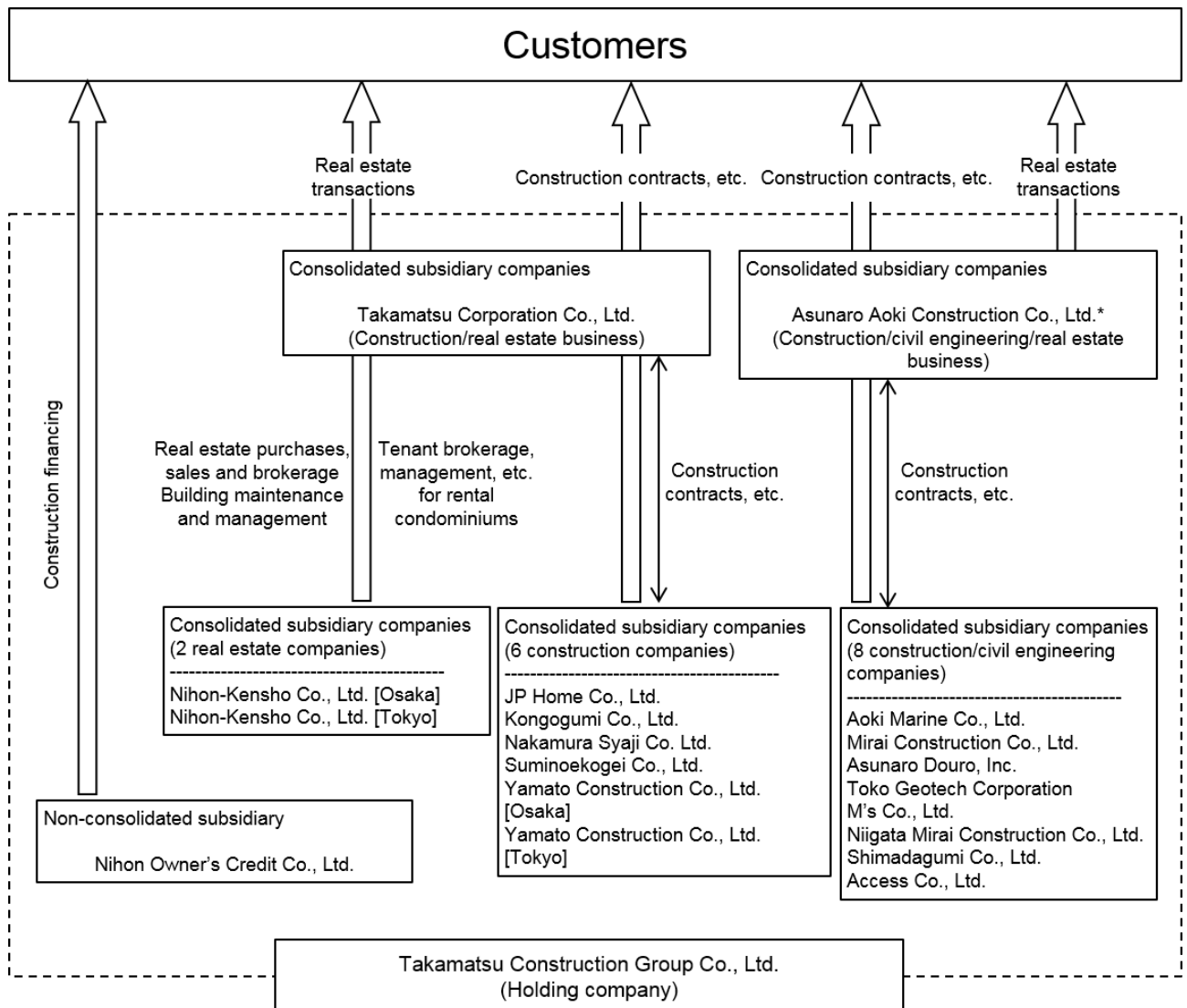
Aoki Marine Co.,Ltd. (marine engineering), Asunaro Douro Co.,Ltd. (paving), Toko Geotech Co.,Ltd. (slope protection, site preparation), Niigata Mirai Construction Co.,Ltd. (paving, civil engineering), Shimada Gumi Co.,Ltd. and Access Co.,Ltd. (archeological excavations and studies)

(Real estate)

Nihon Kensho (Osaka) Co.,Ltd. and Nihon Kensho (Tokyo) Co.,Ltd. (real estate consulting)

(Other)

Nihon Owners Credit Co.,Ltd. (financing for building construction)



\* Listed on the Tokyo Stock Exchange first section

### 3. Management Policies

#### (1) Basic policies

The philosophy of Takamatsu Construction Group is to conduct the construction business to function as mutually complementary activity vital to society. We are committed to conduct all Group activities to earn an excellent reputation among customers, business partners, shareholders, other stakeholders as well as the general public. We aim to link our activities to lead into growth of the total corporate value of our Group.

To accomplish this objective, we seek growth and profitability. However, our credo is to refuse to overly prioritize profitability. For example, we will never use improper or fraudulent methods nor seek quick profits.

#### (2) Target performance indicators

We believe that achieving growth of corporate value by increasing earnings and growing will lead into the best interest of our shareholders. Our goal is to increase sales and efficiency to continually achieve consolidated operating margin of 5%.

#### (3) Medium and long-term strategies and issues

In Japan, the total amount of construction investments will maintain the current level for a few years because of construction projects for the 2020 Tokyo Olympics, government investments to make Japan more resistant to natural disasters, and other projects. There are also expectations for growth in private-sector expenditures coming from improved earnings of the Japan based companies.

In the rental condominium building market where Takamatsu Construction Group has a strong presence, growth is anticipated to continue due to strong need of real estate owners to utilize property and to create inheritance plans. In addition, increased orders from Japan based companies are also expected to rise in this segment as well due to their improved earnings. As a result, we expect mild but continued increase for the incoming orders in our market for the next fiscal year.

However, in terms of medium to long-term order trends thereafter, it would appear that the most optimistic forecast is to maintain current level of industry-wide incoming order amount. However, for the market of rental condominium buildings where Takamatsu Construction Group has a strong presence, growth is anticipated due to the strong need of real estate owners to utilize property and create inheritance plans. This need is continuing due to the January 2015 revision of the Inheritance Tax Act, the upturn of real estate prices in Tokyo, Nagoya and Osaka areas, as well as consistently low interest rates. On the other hand however, from a cost perspective, there is a structural shortage of engineers and other skilled construction workers, which is feared to have major impact on costs over the medium to long-term, particularly in Tokyo Area, due to the concentration of investments towards the 2020 Tokyo Olympic Games. Under these environment, Takamatsu Construction Group will celebrate its 100th anniversary in 2017.

With operations that encompass almost every category of the construction business, the Group is a highly profitable organization that has distinctive strengths for sales activities to develop new business as well as for construction technologies. Our goal is to establish a stable and sustainable growth trajectory for sales and earnings that is backed by favorable conditions surrounding the construction industry.

Group companies will work even harder to capture market share in fields where we are competitive.

With 'TRY! NEXT CENTURY! TOWARDS THE NEXT 100 YEARS' as our keyword, Group companies will take the challenges of expanding our market share in where we are already strong, as well as to enter emerging growth markets.

To help us on our way, we conducted strategic steps such as to set up R&D structures, to secure necessary personnel and set up training programs, to set up IT and control infrastructures, with the three key phrases;

Polish up our specialties to make ourselves chosen first!

Sharpen our decision-making and on-site strengths so that we consistently overcome new challenges!

Aim to be a perfect quality company to respond to the trust the Society has on us!

#### (4) Other Important Issues

Although we anticipate relatively firm demand until around 2020, we need to expect a shrink in the market thereafter, due to the Japanese population and social trends. Moreover, it is inevitable that massive number of people engaged in the construction industry will face their retirement age in the near future. It is crucial to create a foundation for stable growth to deal with these issues while the market environment for the construction sector remains favorable. Thus, we believe the following measures will be crucially important:

(1) Secure and train staff/personnel to realize the generation change of the Group --- Improve and upgrade salaries, vacations and welfare programs; promote active roles for women; train our staffs to think independently; train our management.

(2) Enhance productivity... Rationalize production systems; implement pre-casting; enhance R&D; promote energy-saving programs; build stronger bonds with cooperating partners; integrate construction management/control; actively use information technology (ICT, BIM/CIM)

(3) Create greater value... Differentiate ourselves by concentrating in areas of our strength and technology. Create long term strategy so that will not be caught up in excessive price competition

(4) Develop business where we can enjoy long term growth and profit --- Secure strategic markets through M&A and other activities; develop strategic technologies and cooperative operational relationships with cutting-edge companies



#### **4. Selection of Accounting Principle**

Takamatsu Construction Group uses Japanese Accounting Principle to prepare consolidated financial statements. Using this standard allows comparing our financial data with the other Japanese companies as well as with our previous results.

We will take appropriate actions to study the possibility of adopting International Financial Reporting Standards (IFRS) by considering trends and events in Japan and the other countries, with the current view that the possibility to switch the standard is very limited.

## Consolidated Financial Statements

### (1) Consolidated balance sheet

(Million yen)

	Fiscal year ended March 2015 (As of March 31, 2015)	Fiscal year ended March 2016 (As of March 31, 2016)
<b>ASSETS</b>		
Current assets		
Cash and deposits	71,762	72,442
Notes receivable, accounts receivable from completed construction contracts and other	49,785	57,079
Real estate for sale	5,213	3,488
Costs on uncompleted construction contracts	496	641
Costs on real estate business	661	1,886
Accounts receivable	6,214	2,206
Deferred tax assets	1,034	1,611
Other	1,400	2,847
Allowance for doubtful accounts	(197)	(305)
Total current assets	136,370	141,898
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	2,889	2,387
Machinery, equipment and vehicles, and tools, furniture and fixtures, net	626	834
Vessels, net	1,120	751
Land	9,449	9,466
Lease assets, net	194	177
Construction in progress	-	139
Total property, plant and equipment	14,280	13,756
Intangible assets	327	295
Investments and other assets		
Investment securities	6,702	5,866
Deferred tax assets	1,150	855
Other	3,816	3,483
Allowance for doubtful accounts	(488)	(881)
Total investments and other assets	11,180	9,323
Total noncurrent assets	25,788	23,375
Total assets	162,158	165,274

(Million yen)

	Fiscal year ended March 2015 (As of March 31, 2015)	Fiscal year ended March 2016 (As of March 31, 2016)
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable for construction contracts	26,663	25,852
Income taxes payable	1,514	2,668
Advances received on uncompleted construction contracts	11,465	10,337
Provision for bonuses	1,971	2,803
Provision for warranties for completed construction	676	658
Provision for loss on construction contracts	113	-
Provision for loss on litigation	-	81
Other	7,649	5,809
<b>Total current liabilities</b>	<b>50,055</b>	<b>48,210</b>
Noncurrent liabilities		
Deferred tax liabilities for land revaluation	331	256
Deferred tax liabilities	525	303
Provision for special repairs of ships	99	75
Net defined benefit liability	10,445	10,276
Other	1,568	1,559
<b>Total noncurrent liabilities</b>	<b>12,971</b>	<b>12,470</b>
<b>Total liabilities</b>	<b>63,027</b>	<b>60,681</b>
<b>NET ASSETS</b>		
Shareholder's equity		
Capital stock	5,000	5,000
Capital surplus	272	271
Retained earnings	85,805	90,596
Treasury shares	(4,296)	(4,296)
<b>Total shareholder's equity</b>	<b>86,781</b>	<b>91,571</b>
Accumulated other comprehensive income		
Valuation differences on available-for-sales securities	1,520	1,022
Revaluation reserve for land	(1,272)	(1,266)
Re-measurements of defined benefit plans	(678)	(244)
<b>Total accumulated other comprehensive income</b>	<b>(430)</b>	<b>(489)</b>
Non-controlling interests	12,780	13,510
<b>Total net assets</b>	<b>99,131</b>	<b>104,592</b>
<b>Total liabilities and net assets</b>	<b>162,158</b>	<b>165,274</b>

(2) Consolidated statements of income and comprehensive income  
Consolidated statements of income

(Million yen)

	Fiscal year ended March 2015 (April 1, 2014 - March 31, 2015)	Fiscal year ended March 2016 (April 1, 2015 - March 31, 2016)
<b>Net sales</b>		
Net sales of completed construction contracts	179,153	195,490
Sales on real estate business	10,059	13,392
<b>Total net sales</b>	<b>189,212</b>	<b>208,883</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	158,572	169,655
Cost of sales on real estate business	8,961	12,104
<b>Total cost of sales</b>	<b>167,534</b>	<b>181,759</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	20,580	25,835
Gross profit-real estate business	1,097	1,288
<b>Total gross profit</b>	<b>21,677</b>	<b>27,123</b>
<b>Selling, general and administrative expenses</b>	<b>14,522</b>	<b>16,712</b>
<b>Operating income</b>	<b>7,155</b>	<b>10,410</b>
<b>Non-operating income</b>		
Interest income	19	2
Dividend income	100	129
Rent income	27	35
Gain on bad debts recovered	45	57
Delinquent charge earned	25	-
Other	41	39
<b>Total non-operating income</b>	<b>260</b>	<b>263</b>
<b>Non-operating expenses</b>		
Interest expense	165	184
Commission fee	25	-
Other	12	22
<b>Total non-operating expenses</b>	<b>203</b>	<b>206</b>
<b>Ordinary income</b>	<b>7,212</b>	<b>10,468</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	11	22
Gain on sales of investment securities	175	38
Reversal of loss on litigation	-	10
Gain on negative goodwill	2,199	-
Other	11	-
<b>Total extraordinary income</b>	<b>2,396</b>	<b>72</b>
<b>Extraordinary losses</b>		
Loss on change in equity	255	-
Loss on litigation	49	81
Impairment loss	55	628
Other	22	4
<b>Total extraordinary losses</b>	<b>381</b>	<b>713</b>
<b>Profit before income taxes</b>	<b>9,227</b>	<b>9,827</b>
<b>Income taxes-current</b>	<b>2,538</b>	<b>3,521</b>
<b>Income taxes-deferred</b>	<b>(342)</b>	<b>(388)</b>
<b>Total income taxes</b>	<b>2,196</b>	<b>3,133</b>
<b>Net earnings</b>	<b>7,030</b>	<b>6,694</b>
<b>Net earnings attributable to non-controlling interests</b>	<b>686</b>	<b>894</b>
<b>Net earnings attributable to controlling interests</b>	<b>6,343</b>	<b>5,799</b>

Consolidated statements of comprehensive income

(Million yen)

	Fiscal year ended March 2015 (April 1, 2014 - March 31, 2015)	Fiscal year ended March 2016 (April 1, 2015 - March 31, 2016)
Net earnings	7,030	6,694
Other comprehensive income		
Valuation difference on available-for-sale securities	947	(531)
Revaluation reserve for land	20	7
Re-measurements of defined benefit plans, net of tax	(18)	496
Total other comprehensive income	949	(27)
Comprehensive income	7,980	6,666
Comprehensive income attributable to controlling interests	7,223	5,740
Comprehensive income attributable to non-controlling interests	757	925

(3) Consolidated statement of changes in equity  
Previous fiscal year (April 1, 2014 –March 31, 2015)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	5,000	272	80,683	(4,296)	81,659
Cumulative effects of changes in accounting policies			47		47
Restated balance	5,000	272	80,730	(4,296)	81,706
Changes of items during the period					
Dividends			(504)		(504)
Dividends (interim)			(396)		(396)
Net earnings attributable to controlling interests			6,343		6,343
Purchase of treasury stock				(0)	(0)
Reversal of revaluation reserve for land			(368)		(368)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	5,074	(0)	5,074
Balance at the end of current period	5,000	272	85,805	(4,296)	86,781

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Premeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	651	(1,657)	(671)	(1,677)	14,166	94,148
Cumulative effects of changes in accounting policies						47
Restated balance	651	(1,657)	(671)	(1,677)	14,166	94,195
Changes of items during the period						
Dividends						(504)
Dividends (interim)						(396)
Net earnings attributable to controlling interests						6,343
Purchase of treasury shares						(0)
Reversal of revaluation reserve for land						(368)
Net changes of items other than shareholders' equity	868	384	(6)	1,247	(1,386)	(138)
Total changes of items during the period	868	384	(6)	1,247	(1,386)	4,936
Balance at the end of current period	1,520	(1,272)	(678)	(430)	12,780	99,131

Current fiscal year (April 1, 2015 –March 31, 2016)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	5,000	272	85,805	(4,296)	86,781
Changes of items during period					
Dividends			(576)		(576)
Dividends (interim)			(432)		(432)
Net earnings attributable to controlling interests			5,799		5,799
Purchase of treasury shares				(0)	(0)
Purchase of treasury shares of consolidated subsidiaries		(0)			(0)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(0)	4,790	(0)	4,790
Balance at the end of current period	5,000	271	90,596	(4,296)	91,571

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,520	(1,272)	(678)	(430)	12,780	99,131
Changes of items during period						
Dividends						(576)
Dividends (interim)						(432)
Net earnings attributable to controlling interests						5,799
Purchase of treasury shares						(0)
Purchase of treasury shares of consolidated subsidiaries						(0)
Net changes of items other than shareholders' equity	(497)	5	433	(58)	729	671
Total changes of items during the period	(497)	5	433	(58)	729	5,461
Balance at the end of current period	1,022	(1,266)	(244)	(489)	13,510	104,592

## (4) Consolidated statements of cash flow

(Million yen)

	Fiscal year ended March 2015 (April 1, 2014 - March 31, 2015)	Fiscal year ended March 2016 (April 1, 2015 - March 31, 2016)
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,227	9,827
Depreciation	755	834
Impairment loss	55	628
Gain on bargain purchase	(2,199)	-
Loss (gain) on change in equity	255	-
Increase (decrease) in allowance for doubtful accounts	(120)	500
Increase (decrease) in provision for bonuses	295	832
Increase (decrease) in provision for warranties for completed construction	(24)	(18)
Increase (decrease) in provision for loss on construction contracts	78	(113)
Increase (decrease) in net defined benefit liability	232	426
Increase (decrease) in provision for special repairs-ships	12	(24)
Increase (decrease) in provision for loss on litigation	-	81
Interest and dividend income	(119)	(131)
Interest expenses	165	184
Loss (gain) on sales of non-current assets	(8)	(22)
Loss (gain) on sales of investment securities	(175)	(38)
Decrease (increase) in notes and accounts receivable - trade	(794)	(7,294)
Decrease (increase) in bad debts	292	309
Decrease (increase) in inventories	(335)	353
Decrease (increase) in accounts receivable - other	(2,313)	4,019
Increase (decrease) in notes and accounts payable - trade	(225)	(811)
Increase (decrease) in advances received on uncompleted construction contracts	607	(1,128)
Decrease/increase in consumption taxes receivable/payable	1,715	(2,518)
Other, net	(655)	(687)
Subtotal	6,721	5,206
Interest and dividend income received	119	131
Interest expenses paid	(165)	(184)
Income taxes paid	(2,852)	(2,477)
Cash flows from operating activities	3,823	2,676
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(938)	(1,514)
Proceeds from sales of property, plant and equipment	342	886
Purchase of intangible assets	(158)	(91)
Purchase of investment securities	(10)	(9)
Proceeds from sales of investment securities	842	67
Other, net	202	2
Cash flows from investing activities	280	(658)
<b>Cash flows from financing activities</b>		
Repayments of lease obligations	(115)	(134)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(899)	(1,007)
Cash dividends paid to minority shareholders	(169)	(195)
Cash flows from financing activities	(1,185)	(1,338)
Net increase (decrease) in cash and cash equivalents	2,918	679
Cash and cash equivalents at beginning of period	68,843	71,762
Cash and cash equivalents at end of period	71,762	72,442



(5) Notes to consolidated financial statements

(Going concern assumptions)

None

(Basis of presenting consolidated financial statements)

Omitted because there have been no significant change from the latest securities report (filed on June 26, 2015.)

(Changes in accounting policies)

Beginning with the fiscal year ended on March 31, 2016, Takamatsu Construction Group is using Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Standard No. 22, September 13, 2013) and Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013). As a result, when ownership changes at a subsidiary where Takamatsu Construction Group retains control, this difference is included in the capital surplus. In addition, the recognition of expenses associated with acquisitions has been changed to the consolidated fiscal year in which the corresponding expense occurred. Furthermore, there is a revision in the allocation of acquisition expenses for business combinations occurring on or after the fiscal year ended on March 31, 2016. The revised method is reflected in the consolidated financial statements in which the business combination occurred any changes to the amount allocated to acquisition cost resulting from the confirmation of provisional accounting methods. There are also revisions to the presentation of net income and the other items and minority interests is now called non-controlling interests. To reflect these changes in the presentation of the financial statements, fiscal year consolidated financial statements for the previous fiscal year have been revised. For the application of these accounting standards, the transitional measures specified in Accounting Standard for Business Combinations No. 58-2 (4), Accounting Standard for Consolidated Financial Statements No. 44-5 (4) and Accounting Standard for Business Divestitures No. 57-4 (4) were used. These accounting standards will continue to be applied starting with the beginning of the fiscal year ended on March 31, 2016.

In relation to cash flows relating to or deriving from the acquisition or disposal of subsidiary companies unaccompanied by changes in the scope of consolidation in our consolidated cash flow statement for this consolidated fiscal year, these have been included in the 'Cash flows from financing activities' section. We have changed the method for itemizing the cash flows relating to costs deriving from the acquisition or with costs arising in relation to the disposal by sale of subsidiary companies unaccompanied by changes in the scope of consolidation to include them in the 'Cash flows from operating activities' section.

In this consolidated fiscal year, this factor has no effect either upon the consolidated financial statements or on the per share information provided.

The application of these accounting standards had no effect on the consolidated financial statements for the current fiscal year.

(Consolidated statement of changes in equity)

Previous fiscal year (April 1, 2014 –March 31, 2015)

1. Number and class of shares issued

Class	Shares on April 1, 2014	Increase during the fiscal year	Decrease during the fiscal year	Shares on March 31, 2015
Ordinary share	38,880,000	-	-	38,880,000

2. Number and class of treasury shares

Class	Shares on April 1, 2014	Increase during the fiscal year	Decrease during the fiscal year	Shares on March 31, 2015
Ordinary share	2,860,913	67	-	2,860,980

Note: The reason of increase of treasury shares: Purchase of shares less than one unit: 67

3. Subscription rights to shares

None

4. Dividends

(1) Dividends paid

(Resolution)	Class	Total amount of dividends paid (million yen)	Dividend per share (yen)	Record date	Effective date
Regular general meeting of shareholders (June 26, 2014)	Ordinary share	504	14.0	March 31, 2014	June 27, 2014
Board of directors meeting (November 12, 2014)	Ordinary share	396	11.0	September 30, 2014	December 5, 2014

(2) Dividend with a record date in the fiscal year but a payment date in the following fiscal year

(Resolution)	Class	Total amount of dividends paid (million yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Regular general meeting of shareholders (June 25, 2015)	Ordinary share	576	Retained earnings	16.0	March 31, 2015	June 26, 2015

Current fiscal year (April 1, 2015 –March 31, 2016)

1. Number and class of shares issued

Class	Shares on April 1, 2015	Increase during the fiscal year	Decrease during the fiscal year	Shares on March 31, 2016
Ordinary share	38,880,000	-	-	38,880,000

2. Number and class of treasury shares

Class	Shares on April 1, 2015	Increase during the fiscal year	Decrease during the fiscal year	Shares on March 31, 2016
Ordinary share	2,860,980	23	-	2,861,003

Note: The reason of increase of treasury shares: Purchase of shares less than one unit: 23

3. Subscription rights to shares

No

4. Dividends

(1) Dividends paid

(Resolution)	Class	Total amount of dividends paid (million yen)	Dividend per share (yen)	Record date	Effective date
Regular general meeting of shareholders (June 25, 2015)	Ordinary share	576	16.0	March 31, 2015	June 26, 2015
Board of directors meeting (November 11, 2015)	Ordinary share	432	12.0	September 30, 2015	December 4, 2015

(2) Dividend with a record date in the fiscal year but an effective date in the following fiscal year

(Resolution)	Class	Total amount of dividends paid (million yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Board of directors meeting (May 11, 2016)	Ordinary share	792	Retained earnings	22.0	March 31, 2016	June 24, 2016

(Segment information)

1. Overview of reportable segment information

Reportable business segments are the constituent business units of the Takamatsu Construction Group companies for which separate financial information is available and that the board of directors examines periodically to determine the allocation of resources and to evaluate performance.

Activities of the group are divided into the construction business and the real estate business. In the construction business, there are consolidated subsidiaries engaged solely in the building construction or civil engineering business and consolidated subsidiaries that engage in both of these businesses. For consolidated subsidiaries with both building construction and civil engineering operations, head offices are organized with separate sections for these two businesses.

For these reasons, there are three reportable segments: building construction, civil engineering and real estate.

2. Calculation methods for sales and income (loss) by reportable segments

The accounting methods used for the reportable segments are basically the same as the methods described in basis of presenting the consolidated financial statements.

Operating income is used for reportable segment earnings.

3. Information of sales and income (loss) by reportable segments

Previous fiscal year (April 1, 2014 - March 31, 2015)

	Reportable segments				Adjustment (Note1)	Amount on statements of income (Note 2)
	Building construction	Civil engineering	Real estate	Total		
Net sales (of which to outside customers)	87,331	91,821	10,059	189,212	-	189,212
(of which inter-segment or transfers)	27	15	292	336	(336)	-
Total	87,359	91,837	10,352	189,548	(336)	189,212
Segment income	4,304	4,169	866	9,340	(2,184)	7,155

Notes:

1. 2,184 million yen negative adjustment for segment income is the sum of 2,186 million yen of selling, general and administrative expenses that cannot be allocated to a reportable segment and one million yen of other adjustments.
2. Reportable segment income is adjusted to match with operating income on the consolidated statement of income.

Current fiscal year (April 1, 2015 - March 31, 2016)

	Reportable segments				Adjustment (Note1)	Amount on statements of income (Note 2)
	Building construction	Civil engineering	Real estate	Total		
Net sales (of which to outside customers)	98,279	97,211	13,392	208,883	-	208,883
(of which inter-segment or transfers)	71	10	353	435	(435)	-
Total	98,350	97,221	13,746	209,318	(435)	208,883
Segment income	6,820	5,597	1,035	13,454	(3,043)	10,410

Notes:

1. The 3,043 million yen negative adjustment for segment income is the sum of 3,045 million yen of selling, general and administrative expenses that cannot be allocated to a reportable segment and two million yen of other adjustments.
2. Reportable segment income is adjusted to match with operating income on the consolidated statement of income.

(Per share information)

(Yen)

	Previous fiscal year (April 1, 2014 – March 31, 2015)	Current fiscal year (April 1, 2015 – March 31, 2016)
Net assets per share	2,397.37	2,528.74
Earnings per share (basic)	176.13	161.01
Earnings per share (diluted)	Not presented since the company has no potential stock	Not presented since the company has no potential stock

Note 1. The bases for calculating net assets per share are as follows.

	Previous fiscal year (April 1, 2014 – March 31, 2015)	Current fiscal year (April 1, 2015 – March 31, 2016)
Total net assets (million yen)	99,131	104,592
Amount deducted from total net assets (million yen)	12,780	13,510
of which non-controlling interests (million yen)	12,780	13,510
Net assets attributable to ordinary shares (million yen)	86,350	91,082
Number of shares at the end of fiscal year (thousand shares)	36,019	36,018

Note 2. The bases for calculating earnings per share are as follows.

	Previous fiscal year (April 1, 2014 – March 31, 2015)	Current fiscal year (April 1, 2015 – March 31, 2016)
Net earnings attributable to controlling interests (million yen)	6,343	5,799
Amount not attributable to ordinary shareholders (million yen)	-	-
Net earnings attributable to controlling interests attributable to ordinary shares (million yen)	6,343	5,799
Average number of ordinary shares during the fiscal year (thousand shares)	36,019	36,018

(Subsequent events)

None

## 5. Non-consolidated Financial Statements

### (1) Balance sheet

(Million yen)

	Fiscal year ended March 2015 (As of March 31, 2015)	Fiscal year ended March 2016 (As of March 31, 2016)
<b>ASSETS</b>		
Current assets		
Cash and deposits	16,091	15,946
Real estate for sale	1,245	1,153
Other	285	323
Allowance for doubtful accounts	(0)	(0)
<b>Total current assets</b>	<b>17,622</b>	<b>17,424</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	3,510	3,533
Accumulated depreciation	(2,170)	(2,243)
Buildings, net	1,339	1,289
Structures	94	94
Accumulated depreciation	(67)	(71)
Structures, net	27	23
Machinery and equipment	140	140
Accumulated depreciation	(128)	(131)
Machinery and equipment, net	12	9
Tools, furniture and fixtures	83	82
Accumulated depreciation	(68)	(69)
Tools, furniture and fixtures, net	14	12
Land	4,817	4,817
<b>Total property, plant and equipment</b>	<b>6,211</b>	<b>6,153</b>
Intangible assets		
Software	0	0
Other	0	0
<b>Total intangible assets</b>	<b>1</b>	<b>0</b>
Investments and other assets		
Investment securities	2,502	1,926
Shares of subsidiaries and associates	8,385	8,385
Other	150	144
Allowance for doubtful accounts	(0)	(0)
<b>Total investments and other assets</b>	<b>11,037</b>	<b>10,456</b>
<b>Total noncurrent assets</b>	<b>17,250</b>	<b>16,610</b>
<b>Total assets</b>	<b>34,872</b>	<b>34,034</b>

(Million yen)

	Fiscal year ended March 2015 (As of March 31, 2015)	Fiscal year ended March 2016 (As of March 31, 2016)
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable - real estate	32	2
Accounts payable - other	517	16
Income taxes payable	-	9
Deposit received - real estate	7	5
Provision for bonuses	8	12
Other	44	171
<b>Total current liabilities</b>	<b>610</b>	<b>217</b>
Non-current liabilities		
Directors' retirement benefits payable	502	502
Provision for retirement benefits	24	28
Deferred tax liabilities	431	239
Deferred tax liabilities for land revaluation	43	40
Other	156	118
<b>Total non-current liabilities</b>	<b>1,158</b>	<b>930</b>
<b>Total liabilities</b>	<b>1,769</b>	<b>1,147</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	5,000	5,000
Capital surplus		
Legal capital surplus	272	272
<b>Total capital surplus</b>	<b>272</b>	<b>272</b>
Retained earnings		
Legal retained earnings	978	978
Other retained earnings		
General reserve	28,270	28,270
Retained earnings brought forward	3,222	3,365
<b>Total retained earnings</b>	<b>32,470</b>	<b>32,613</b>
Treasury shares	(4,296)	(4,296)
<b>Total shareholders' equity</b>	<b>33,446</b>	<b>33,588</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	962	601
Revaluation reserve for land	(1,305)	(1,303)
<b>Total valuation and translation adjustments</b>	<b>(342)</b>	<b>(701)</b>
<b>Total net assets</b>	<b>33,103</b>	<b>32,886</b>
<b>Total liabilities and net assets</b>	<b>34,872</b>	<b>34,034</b>

## (2) Statements of income

(Million yen)

	Fiscal year ended March 2015 (April 1, 2014 - March 31, 2015)	Fiscal year ended March 2016 (April 1, 2015 - March 31, 2016)
<b>Net sales</b>		
Sales on real estate business	366	381
Dividends from subsidiaries and associates	1,747	1,710
Commissions from subsidiaries and associates	1	1
<b>Total net sales</b>	<b>2,115</b>	<b>2,093</b>
<b>Cost of sales</b>		
Cost of sales on real estate business	270	359
<b>Total cost of sales</b>	<b>270</b>	<b>359</b>
<b>Gross profit</b>		
Gross profit - real estate business	96	21
Gross profit - other business	1,748	1,711
<b>Total gross profit</b>	<b>1,845</b>	<b>1,733</b>
<b>Selling, general and administrative expenses</b>	<b>661</b>	<b>671</b>
<b>Operating income</b>	<b>1,183</b>	<b>1,061</b>
<b>Non-operating income</b>		
Interest income	0	0
Dividend income	50	58
Other	1	2
<b>Total non-operating income</b>	<b>52</b>	<b>60</b>
<b>Non-operating expenses</b>		
Interest expenses	0	1
Taxes and dues	5	5
<b>Total non-operating expenses</b>	<b>5</b>	<b>6</b>
<b>Ordinary income</b>	<b>1,230</b>	<b>1,116</b>
<b>Extraordinary income</b>		
Gain on sales of investment securities	9	37
Gain on sales of shares of subsidiaries and associates	2,893	-
<b>Total extraordinary income</b>	<b>2,903</b>	<b>37</b>
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	0	0
Impairment loss	30	-
<b>Total extraordinary loss</b>	<b>30</b>	<b>0</b>
<b>Profit before income taxes</b>	<b>4,104</b>	<b>1,153</b>
Income taxes - current	250	2
<b>Total income taxes</b>	<b>250</b>	<b>2</b>
<b>Profit</b>	<b>3,854</b>	<b>1,150</b>

## (3) Statement of changes in equity

Previous fiscal year (April 1, 2014 –Mach. 31, 2015)

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at the beginning of current period	5,000	272	272	978	28,270	635	29,883
Cumulative effects of changes in accounting policies						2	2
Restated balance	5,000	272	272	978	28,270	638	29,886
Changes of items during the period							
Dividends from surplus						(504)	(504)
Dividends from surplus (interim)						(396)	(396)
Profit						3,854	3,854
Purchase of treasury shares							
Reversal of revaluation reserve for land						(369)	(369)
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-	-	-	-	2,584	2,584
Balance at the end of current period	5,000	272	272	978	28,270	3,222	32,470

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at the beginning of current period	(4,296)	30,859	322	(1,679)	(1,356)	29,502
Cumulative effects of changes in accounting policies		2				2
Restated balance	(4,296)	30,861	322	(1,679)	(1,356)	29,505
Changes of items during the period						
Dividends from surplus		(504)				(504)
Dividends from surplus (interim)		(396)				(396)
Profit		3,854				3,854
Purchase of treasury shares	(0)	(0)				(0)
Reversal of revaluation reserve for land		(369)				(369)
Net changes of items other than shareholders' equity			640	373	1,013	1,013
Total changes of items during the period	(0)	2,584	640	373	1,013	3,598
Balance at the end of current period	(4,296)	33,446	962	(1,305)	(342)	33,103



Current fiscal year (April 1, 2015 –March 31, 2016)

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		Other retained earnings		
					General reserve	Retained earnings brought forward	
Balance at the beginning of current period	5,000	272	272	978	28,270	3,222	32,470
Changes of items during the period							
Dividends from surplus						(576)	(576)
Dividends from surplus (interim)						(432)	(432)
Profit						1,150	1,150
Purchase of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during the period	-	-	-	-	-	142	142
Balance at the end of current period	5,000	272	272	978	28,270	3,365	32,613

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at the beginning of current period	(4,296)	33,446	962	(1,305)	(342)	33,103
Changes of items during the period						
Dividends from surplus		(576)				(576)
Dividends from surplus (interim)		(432)				(432)
Profit		1,150				1,150
Purchase of treasury shares	(0)	(0)				(0)
Net changes of items other than shareholders' equity			(361)	2	(358)	(358)
Total changes of items during the period	(0)	142	(361)	2	(358)	(216)
Balance at the end of current period	(4,296)	33,588	601	(1,303)	(701)	32,886

## 6. Orders received and net sales

(Consolidated)

(Million yen, %)

		Fiscal year ended March 2015 (April 1, 2014 - March 31, 2015)		Fiscal year ended March 2016 (April 1, 2015 - March 31, 2016)	
		Amount	Share	Amount	Share
Orders received	Building construction	103,214	45.7	115,291	48.5
	Civil engineering	112,393	49.8	109,077	45.9
	Total construction	215,607	95.5	224,369	94.4
	Real estate	10,059	4.5	13,392	5.6
Total		225,667	100.0	237,762	100.0
Net sales	Building construction	87,331	46.2	98,279	47.1
	Civil engineering	91,821	48.5	97,211	46.5
	Total construction	179,153	94.7	195,490	93.6
	Real estate	10,059	5.3	13,392	6.4
Total		189,212	100.0	208,883	100.0