

Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 [Japanese GAAP]



May 14, 2018

Company name: MAEDA ROAD CONSTRUCTION CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 1883

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Scheduled date of Annual General Meeting of Shareholders: June 28, 2018

Scheduled date of filing annual securities report: June 28, 2018

Scheduled date of commencing dividend payments: June 29, 2018

Availability of supplementary briefing material on annual financial results: Not available

Schedule of annual financial results briefing session: Scheduled (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2018	234,369	0.5	23,402	(12.2)	23,810	(12.0)	9,201	(48.7)
Fiscal year ended March 31, 2017	233,107	0.2	26,649	(7.5)	27,048	(7.7)	17,922	2.6

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥12,385 million [(51.5)%]

Fiscal year ended March 31, 2017: ¥25,521 million [114.9%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2018	106.62	-	4.7	8.7	10.0
Fiscal year ended March 31, 2017	207.67	-	9.8	10.7	11.4

(Reference) Equity in earnings (losses) of associates:

Fiscal year ended March 31, 2018: ¥- million

Fiscal year ended March 31, 2017: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	288,599	201,977	69.6	2,326.81
As of March 31, 2017	258,037	194,420	74.9	2,239.97

(Reference) Equity: As of March 31, 2018: ¥200,792 million

As of March 31, 2017: ¥193,314 million

(3) Consolidated Cash Flows

	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
Fiscal year ended March 31, 2018	28,746	(11,407)	(4,828)	63,584
Fiscal year ended March 31, 2017	28,569	(21,733)	(4,836)	51,021

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2017	-	-	-	55.00	55.00	4,753	26.5	2.6
Fiscal year ended March 31, 2018	-	-	-	55.00	55.00	4,753	51.6	2.4
Fiscal year ending March 31, 2019 (Forecast)	-	-	-	55.00	55.00		32.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	105,000	0.5	8,900	(1.8)	9,100	(2.6)	5,600	(10.9)	64.89
Full year	236,000	0.7	23,400	(0.0)	23,800	(0.0)	14,800	60.8	171.50

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2018: 94,159,453 shares
March 31, 2017: 94,159,453 shares
 - 2) Total number of treasury shares at the end of the period:
March 31, 2018: 7,864,307 shares
March 31, 2017: 7,857,343 shares
 - 3) Average number of shares during the period:
Fiscal Year ended March 31, 2018: 86,298,666 shares
Fiscal Year ended March 31, 2017: 86,305,895 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2018	222,165	0.5	22,682	(13.1)	23,041	(12.6)	8,818	(49.8)
Fiscal year ended March 31, 2017	221,034	(0.0)	26,103	(7.7)	26,355	(5.8)	17,578	8.2

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2018	102.03		-	
Fiscal year ended March 31, 2017	203.38		-	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of March 31, 2018	282,135		198,281		70.3		2,294.37	
As of March 31, 2017	248,581		190,554		76.7		2,204.77	

(Reference) Equity: As of March 31, 2018: ¥198,281 million
As of March 31, 2017: ¥190,554 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Profit		Basic earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Yen	
First half	99,000	0.5	9,100	(0.4)	5,600	(10.6)	64.80	
Full year	223,000	0.4	23,100	0.3	14,500	64.4	167.78	

* These consolidated financial results are outside of the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

- The earnings forecasts and other forward-looking statements herein are based on the information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to “(4) Future Outlook” on page 4 of the attached material for suppositions that form the assumptions for the forecasts and cautions concerning the use thereof.
- The Company is scheduled to hold an annual financial results briefing session for institutional investors and securities analysts on Wednesday, May 23, 2018. The information materials distributed at the session will promptly be posted on the Company’s website.

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1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year Under Review

In the Japanese economy during the fiscal year under review, there were concerns regarding the impact of trends overseas, including economic policies in countries in Europe and America and geopolitical risk in Asia, but a mild recovery trend continued, driven by improvements in the employment and income environment and corporate earnings.

In the road construction industry, public investment was firm, owing to the effect of supplementary budgets, and signs of a recovery trend were also visible in construction orders from the private sector, but prolonged labor shortages and rising raw material prices resulted in a difficult business environment.

Amid this environment, MAEDA ROAD CONSTRUCTION CO., LTD. (the “Company”) and its group companies (collectively, the “Group”), in the construction business, made efforts to secure construction orders from the private sector centered on urban areas, while in the manufacturing and sales business, strived to retain sales volume and maintain profitability.

As a result of the above, amount of orders received during the fiscal year under review was ¥240,444 million, up 3.5% year on year, and net sales amounted to ¥234,369 million, up 0.5% year on year.

Operating profit amounted to ¥23,402 million, down 12.2% year on year, ordinary profit came to ¥23,810 million, down 12.0% year on year, and profit attributable to owners of parent was ¥9,201 million, down 48.7% year on year.

The results by segment are as follows:

Construction business

In the construction business, the amount of received construction contracts for the fiscal year under review was ¥162,449 million, up 6.1% year on year, amount of completed construction contracts was ¥155,777 million, up 1.6% year on year, and operating profit was ¥13,228 million, down 1.9% year on year.

Major received construction contracts and completed construction contracts during the fiscal year under review are as follows.

Major received construction contracts

Client	Name of project	Location
USS Co., Ltd.	Exterior work of USS Sapporo	Hokkaido
Ministry of Land, Infrastructure, Transport and Tourism	Road pavement work in Osabe Section	Iwate
TDF Corporation	Repair work (second phase) of wastewater treatment system of Miyagi Plant, TDF Corporation (tentative name)	Miyagi
Tokyo Metropolitan Government	Road surface repair work (29-5-6)	Tokyo
Sumitomo Heavy Industries, Ltd.	Exterior work of Chiba Branch, SUMITOMO (S.H.I.) CONSTRUCTION MACHINERY SALES	Chiba
East Nippon Expressway Company Limited	Pavement repair work of Yokohama Yokosuka Road, Keihin-kannai	Kanagawa
Ministry of Land, Infrastructure, Transport and Tourism	Fiscal 2017 Pavement work of Amagi-Kita National Road in Kumogane Tsukigase Section	Shizuoka
Takaishi City	Maintenance work (second phase) of Nankai Chuo Line	Osaka
Daiseki Co., Ltd.	New construction of technology plant	Hyogo
Ministry of Land, Infrastructure, Transport and Tourism	Streetscape work with underground installation of public utility conduit for the national highway Route 2 in Myojin Section in the east of Fukuyama	Hiroshima

Major completed construction contracts

Client	Name of project	Location
Ministry of Land, Infrastructure, Transport and Tourism	Pavement work of Biman in the general national highway Route 274 in Shimizu-cho	Hokkaido
Ministry of Land, Infrastructure, Transport and Tourism	Pavement work of Oboroke	Yamagata
Hitachi Consumer Marketing, Inc.	Main construction work of new vehicle waiting area (parking lot)	Tochigi
Tokyo Metropolitan Government	Streetscape work of Gyoko Street (28-1-1)	Tokyo
Aichi Road Concession Co., Ltd.	Pavement repair work (No.29-1)	Aichi
Central Nippon Expressway Company Limited	Pavement repair work of Ise Expressway, Tsu-kannai (Fiscal 2017)	Mie
Ministry of Land, Infrastructure, Transport and Tourism	Pavement and other works of Eiheiji Ono Road, Taniguchi Section	Fukui
Ministry of Land, Infrastructure, Transport and Tourism	Pavement work of Asayama Oda Road, Asakura Section	Shimane
Costco Wholesale Japan, Ltd.	Widening and other works of entrance of Costco Kitakyushu associated with the opening of gas station on the premise	Fukuoka
Sakaide Driving School Co., Ltd.	Repair work of driving course of Sakaide Driving School	Kagawa

Manufacturing and sales business

In the manufacturing and sales business, net sales of asphalt mixture and other products for the fiscal year under review amounted to ¥77,995 million, down 1.6% year on year, while operating profit amounted to ¥14,293 million, down 17.5% year on year.

Others

Net sales of other businesses for the fiscal year under review amounted to ¥597 million, up 3.7% year on year, while operating profit amounted to ¥89 million, down 29.7% year on year.

(2) Overview of Financial Position for the Fiscal Year Under Review

A. Assets

Current assets increased by ¥17,218 million compared to the end of the previous fiscal year to ¥169,345 million, mainly due to an increase in cash and deposits, owing to the effect of certain payments being carried over to the following fiscal year as the end of the fiscal year fell on a non-business day for financial institutions.

Non-current assets increased by ¥13,343 million compared to the end of the previous fiscal year to ¥119,254 million, mainly due to an increase in investment securities on the back of a rise in market value and an increase in net defined benefit asset.

As a result, total assets increased by ¥30,562 million compared to the end of the previous fiscal year to ¥288,599 million.

B. Liabilities

Current liabilities increased by ¥9,967 million compared to the end of the previous fiscal year to ¥57,408 million, mainly due to an increase in notes payable, accounts payable for construction contracts and other, owing to the effect of the end of the fiscal year falling on a holiday, as with current assets.

Non-current liabilities increased by ¥13,037 million compared to the end of the previous fiscal year to ¥29,212 million, mainly due to an increase in provision for loss on Anti-Monopoly Act.

As a result, total liabilities increased by ¥23,005 million compared to the end of the previous fiscal year to ¥86,621 million.

C. Net assets

Total net assets increased by ¥7,557 million compared to the end of the previous fiscal year to ¥201,977 million, mainly due to an increase in retained earnings.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents at the end of the fiscal year under review increased by ¥12,562 million compared to the end of the previous fiscal year to ¥63,584 million.

A. Cash flows from operating activities

Cash provided by operating activities during the fiscal year under review increased by ¥177 million compared to the cash provided in the previous fiscal year to ¥28,746 million. This is mainly attributable to an increase in notes and accounts payable - trade.

B. Cash flows from investing activities

Cash used in investing activities during the fiscal year under review decreased by ¥10,326 million compared to the cash used in the previous fiscal year to ¥11,407 million. This is mainly attributable to a decrease in purchase of property, plant and equipment.

C. Cash flows from financing activities

Cash used in financing activities during the fiscal year under review decreased by ¥8 million compared to the cash used in the previous fiscal year to ¥4,828 million, with no significant changes.

(4) Future Outlook

As for the future outlook, the basic tone of mild economic recovery is expected to continue, but concerns remain around trends in exports and foreign exchange, and the future prospects are expected to remain uncertain.

In the road construction industry, signs of a mild increasing trend in corporate capital investment are visible, and firm public investment is expected, but the business environment is anticipated to remain difficult owing to

forecasts of rising personnel expenses on continued labor shortages and rising raw material prices.

In the construction business, the Group is focusing management resources on urban areas, which are the core of the business, and developing a sales structure centered on construction orders from the private sector. In the manufacturing and sales business, efforts to augment facilities and increase efficiency are progressing, mainly in urban areas, and the Group is implementing business activity that considers the environment while working toward making customer service more fulfilling and securing sales volume.

The business forecast for the fiscal year ending March 31, 2019 is ¥236,000 million in consolidated net sales, ¥23,400 million in consolidated operating profit, ¥23,800 million in consolidated ordinary profit, and ¥14,800 million in profit attributable to owners of parent.

2. Basic Policy Regarding Selection of Accounting Standards

To sustain comparability of consolidated financial statements between periods as well as between companies, the Group shall, for the time being, prepare consolidated financial statements under the Japanese GAAP.

We will appropriately respond to the application of the International Financial Reporting Standards (IFRS) considering various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes
(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	43,407	55,967
Notes receivable, accounts receivable from completed construction contracts and other	44,187	49,002
Securities	44,375	44,439
Costs on uncompleted construction contracts and other	7,296	7,338
Deferred tax assets	1,833	1,677
Other	11,122	10,989
Allowance for doubtful accounts	(97)	(69)
Total current assets	152,126	169,345
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,475	38,609
Machinery, equipment and vehicles	83,256	86,603
Land	49,510	52,279
Construction in progress	949	854
Other	5,084	5,210
Accumulated depreciation	(95,801)	(98,974)
Total property, plant and equipment	80,474	84,583
Intangible assets		
Leasehold right	209	209
Telephone subscription right	88	88
Other	765	666
Total intangible assets	1,063	964
Investments and other assets		
Investment securities	20,341	25,636
Net defined benefit asset	—	6,157
Deferred tax assets	1,867	183
Other	2,163	1,729
Allowance for doubtful accounts	(0)	—
Total investments and other assets	24,372	33,706
Total non-current assets	105,910	119,254
Total assets	258,037	288,599

(Million yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	26,655	37,209
Income taxes payable	5,627	4,962
Advances received on uncompleted construction contracts	3,929	3,948
Provision for bonuses	3,177	3,178
Provision for directors' bonuses	109	101
Provision for warranties for completed construction	91	89
Provision for loss on construction contracts	281	210
Other	7,569	7,708
Total current liabilities	47,441	57,408
Non-current liabilities		
Net defined benefit liability	14,289	4,338
Provision for loss on Anti-Monopoly Act	1,241	19,214
Deferred tax liabilities	221	5,330
Other	423	329
Total non-current liabilities	16,175	29,212
Total liabilities	63,616	86,621
Net assets		
Shareholders' equity		
Capital stock	19,350	19,350
Capital surplus	23,343	23,343
Retained earnings	151,380	155,828
Treasury shares	(4,782)	(4,799)
Total shareholders' equity	189,291	193,723
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,847	9,535
Foreign currency translation adjustment	(117)	(84)
Remeasurements of defined benefit plans	(1,706)	(2,381)
Total accumulated other comprehensive income	4,022	7,069
Non-controlling interests	1,105	1,185
Total net assets	194,420	201,977
Total liabilities and net assets	258,037	288,599

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

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	233,107	234,369
Cost of sales	196,462	201,108
Gross profit	36,644	33,261
Selling, general and administrative expenses	9,994	9,858
Operating profit	26,649	23,402
Non-operating income		
Interest income	5	5
Interest on securities	62	16
Dividend income	316	380
Other	188	195
Total non-operating income	572	598
Non-operating expenses		
Foreign exchange losses	6	64
Other	167	125
Total non-operating expenses	173	190
Ordinary profit	27,048	23,810
Extraordinary income		
Gain on sales of non-current assets	108	254
Reversal of provision for loss on Anti-Monopoly Act	139	415
Gain on transfer of benefit obligation relating to employees' pension fund	—	16,687
Gain on revision of retirement benefit plan	—	429
Reversal of business structure improvement expenses	279	—
Other	51	46
Total extraordinary income	578	17,833
Extraordinary losses		
Loss on retirement of non-current assets	439	240
Impairment loss	106	72
Provision for loss on Anti-Monopoly Act	610	19,226
Other	10	29
Total extraordinary losses	1,167	19,568
Profit before income taxes	26,460	22,076
Income taxes - current	8,032	7,111
Income taxes - deferred	402	5,626
Total income taxes	8,435	12,738
Profit	18,024	9,337
Profit attributable to non-controlling interests	101	136
Profit attributable to owners of parent	17,922	9,201

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit	18,024	9,337
Other comprehensive income		
Valuation difference on available-for-sale securities	1,822	3,690
Foreign currency translation adjustment	(26)	33
Remeasurements of defined benefit plans, net of tax	5,700	(675)
Total other comprehensive income	7,496	3,048
Comprehensive income	25,521	12,385
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,420	12,248
Comprehensive income attributable to non-controlling interests	100	137

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2017

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	19,350	23,262	138,195	(4,767)	176,041
Changes of items during period					
Dividends of surplus			(4,753)		(4,753)
Profit attributable to owners of parent			17,922		17,922
Purchase of treasury shares				(15)	(15)
Change of scope of consolidation			2		2
Change of scope of equity method			13		13
Purchase of shares of consolidated subsidiaries		80			80
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	80	13,184	(15)	13,249
Balance at end of current period	19,350	23,343	151,380	(4,782)	189,291

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	4,023	(90)	(7,406)	(3,474)	1,153	173,720
Changes of items during period						
Dividends of surplus				-		(4,753)
Profit attributable to owners of parent				-		17,922
Purchase of treasury shares				-		(15)
Change of scope of consolidation				-		2
Change of scope of equity method				-		13
Purchase of shares of consolidated subsidiaries				-		80
Net changes of items other than shareholders' equity	1,824	(26)	5,700	7,497	(47)	7,450
Total changes of items during period	1,824	(26)	5,700	7,497	(47)	20,700
Balance at end of current period	5,847	(117)	(1,706)	4,022	1,105	194,420

For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	19,350	23,343	151,380	(4,782)	189,291
Changes of items during period					
Dividends of surplus			(4,753)		(4,753)
Profit attributable to owners of parent			9,201		9,201
Purchase of treasury shares				(16)	(16)
Net changes of items other than shareholders' equity					–
Total changes of items during period	–	–	4,447	(16)	4,431
Balance at end of current period	19,350	23,343	155,828	(4,799)	193,723

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	5,847	(117)	(1,706)	4,022	1,105	194,420
Changes of items during period						
Dividends of surplus				–		(4,753)
Profit attributable to owners of parent				–		9,201
Purchase of treasury shares				–		(16)
Net changes of items other than shareholders' equity	3,688	33	(675)	3,046	79	3,126
Total changes of items during period	3,688	33	(675)	3,046	79	7,557
Balance at end of current period	9,535	(84)	(2,381)	7,069	1,185	201,977

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	26,460	22,076
Depreciation	7,191	7,510
Impairment loss	106	72
Increase (decrease) in allowance for doubtful accounts	(43)	(28)
Increase (decrease) in provision for bonuses	16	0
Increase (decrease) in provision for directors' bonuses	1	(8)
Increase (decrease) in provision for warranties for completed construction	(5)	(1)
Increase (decrease) in provision for loss on construction contracts	78	(71)
Increase (decrease) in net defined benefit liability	677	(7,662)
Decrease (increase) in net defined benefit asset	—	(9,417)
Increase (decrease) in provision for loss from Anti- Monopoly Act	(79)	17,973
Interest and dividend income	(383)	(403)
Foreign exchange losses (gains)	5	63
Loss (gain) on sales of non-current assets	(108)	(254)
Loss on retirement of non-current assets	439	240
Decrease (increase) in notes and accounts receivable - trade	5,027	(4,839)
Decrease (increase) in costs on uncompleted construction contracts and other	(584)	(42)
Increase (decrease) in notes and accounts payable - trade	(63)	10,557
Increase (decrease) in advances received on uncompleted construction contracts	314	18
Other, net	(1,333)	264
Subtotal	37,718	36,049
Interest and dividend income received	383	399
Income taxes paid	(9,532)	(7,702)
Net cash provided by (used in) operating activities	28,569	28,746

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Cash flows from investing activities		
Purchase of securities	(82,048)	(83,994)
Proceeds from sales and redemption of securities	80,003	83,996
Purchase of trust beneficiary right	(43,197)	(44,096)
Proceeds from redemption of trust beneficiary right	42,799	44,098
Purchase of property, plant and equipment	(14,908)	(11,733)
Proceeds from sales of property, plant and equipment	398	331
Purchase of investment securities	(247)	(49)
Proceeds from sales and redemption of investment securities	1	1
Payments into time deposits	(45,795)	(56,784)
Proceeds from withdrawal of time deposits	41,864	56,723
Payments of loans receivable	(243)	(40)
Collection of loans receivable	94	81
Other, net	(455)	60
Net cash provided by (used in) investing activities	(21,733)	(11,407)
Cash flows from financing activities		
Decrease (increase) in treasury shares	(15)	(16)
Cash dividends paid	(4,753)	(4,753)
Dividends paid to non-controlling interests	(67)	(58)
Net cash provided by (used in) financing activities	(4,836)	(4,828)
Effect of exchange rate change on cash and cash equivalents	(229)	51
Net increase (decrease) in cash and cash equivalents	1,769	12,562
Cash and cash equivalents at beginning of period	49,147	51,021
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	105	—
Cash and cash equivalents at end of period	51,021	63,584

(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

(Segment information)

[Segment information]

1. Description of reportable segments

Reportable segments of the Company are determined as segments whose separate financial information is accessible from among the constituent units of the Company and are regularly used by the Board of Directors to determine the allocation of management resources and to evaluate achievements.

The Company has established business divisions by product and service to formulate comprehensive strategies and perform business activities for each product and service.

The reportable segments of the Company are composed of two segments, “construction business,” and “manufacturing and sales business,” classified by product and service characteristics based on the business divisions.

“Construction business” is engaged in pavement, civil engineering works and other businesses related thereto, while “manufacturing and sales business” is engaged in manufacturing and sales of asphalt mixture and emulsion and other construction materials.

2. Method of measurement for the amounts of net sales, income (loss), assets, liabilities and other items for each reportable segment

The accounting method used for reportable business segments is the methods in accordance with the accounting principles and procedures adopted for preparing the consolidated financial statements.

3. Information on net sales, income (loss), assets, liabilities and other items by reportable segment

For the fiscal year ended March 31, 2017

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Construction business	Manufacturing and sales business	Total				
Net sales							
Net sales to outside customers	153,249	79,281	232,531	575	233,107	—	233,107
Inter-segment net sales or transfers	62	24,336	24,399	591	24,990	(24,990)	—
Total	153,312	103,617	256,930	1,167	258,097	(24,990)	233,107
Segment income	13,482	17,316	30,798	127	30,926	(4,276)	26,649
Segment assets	57,926	73,869	131,795	1,287	133,082	124,954	258,037
Other items							
Depreciation	1,552	4,980	6,532	10	6,543	488	7,031
Amortization of goodwill	82	77	159	—	159	—	159
Increase in property, plant and equipment and intangible assets	3,588	10,956	14,545	6	14,552	592	15,145

(Notes)

1. “Other” incorporates operations not included in reportable segments, including leasing, insurance agency and consultancy services, etc.
2. Figures are adjusted as follows:

- (1) The adjustment for segment income of ¥(4,276) million includes elimination of inter-segment transactions of ¥(51) million and corporate expenses not allocated to each reportable segment of ¥(4,224) million. Corporate expenses are general and administrative expenses that are not attributable to reportable segments.
 - (2) The adjustment for segment assets of ¥124,954 million is cash, deposits and securities that are not attributable to reportable segments.
 - (3) The adjustment for increase in property, plant and equipment and intangible assets of ¥592 million is capital investment mainly in the administrative division.
3. Segment income is adjusted to the operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2018

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Construction business	Manufacturing and sales business	Total				
Net sales							
Net sales to outside customers	155,777	77,995	233,772	597	234,369	—	234,369
Inter-segment net sales or transfers	61	32,305	32,367	628	32,995	(32,995)	—
Total	155,839	110,300	266,139	1,225	267,365	(32,995)	234,369
Segment income	13,228	14,293	27,522	89	27,612	(4,209)	23,402
Segment assets	66,052	72,743	138,796	1,273	140,070	148,529	288,599
Other items							
Depreciation	1,581	5,297	6,879	18	6,898	472	7,370
Amortization of goodwill	62	77	140	—	140	—	140
Increase in property, plant and equipment and intangible assets	3,515	6,327	9,843	37	9,880	1,901	11,781

(Notes)

1. “Other” incorporates operations not included in reportable segments, including leasing, insurance agency and consultancy services, etc.
2. Figures are adjusted as follows:
 - (1) The adjustment for segment income of ¥(4,209) million includes elimination of inter-segment transactions of ¥(37) million and corporate expenses not allocated to each reportable segment of ¥(4,171) million. Corporate expenses are general and administrative expenses that are not attributable to reportable segments.
 - (2) The adjustment for segment assets of ¥148,529 million is cash, deposits and securities that are not attributable to reportable segments.
 - (3) The adjustment for increase in property, plant and equipment and intangible assets of ¥1,901 million is capital investment mainly in the administrative division.
3. Segment income is adjusted to the operating profit in the consolidated statements of income.

[Related information]

1. Information by product and service

This is omitted, as similar information is disclosed in Segment Information.

2. Information by geographical area

(1) Net sales

Information about net sales is omitted since sales to outside customers in Japan exceeded 90% of net sales on the consolidated statements of income.

(2) Property, plant and equipment

Information about property, plant and equipment is omitted since the property, plant and equipment located in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

Information by major customer is omitted since there were no sales from a single outside customer accounting for 10% or more of net sales on the consolidated statements of income.

[Information concerning impairment loss on non-current assets by reportable segment]

For the fiscal year ended March 31, 2017

(Million yen)

	Reportable segment			Other	Corporate and elimination	Total
	Construction business	Manufacturing and sales business	Total			
Impairment loss	53	34	87	—	19	106

For the fiscal year ended March 31, 2018

(Million yen)

	Reportable segment			Other	Corporate and elimination	Total
	Construction business	Manufacturing and sales business	Total			
Impairment loss	10	59	69	—	2	72

[Information concerning amortization of goodwill and unamortized balance by reportable segment]

For the fiscal year ended March 31, 2017

(Million yen)

	Reportable segment			Other	Corporate and elimination	Total
	Construction business	Manufacturing and sales business	Total			
(Goodwill)						
Amortization during the period	82	77	159	—	—	159
Balance at end of the period	220	127	348	—	—	348

For the fiscal year ended March 31, 2018

(Million yen)

	Reportable segment			Other	Corporate and elimination	Total
	Construction business	Manufacturing and sales business	Total			
(Goodwill)						
Amortization during the period	62	77	140	—	—	140
Balance at end of the period	157	50	208	—	—	208

[Information concerning gain on bargain purchase by reportable segment]

There is no relevant information.

(Per share information)

Item	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net assets per share	¥2,239.97	¥2,326.81
Basic earnings per share	¥207.67	¥106.62

(Notes) 1. Diluted earnings per share is not indicated due to the absence of residual shares with dilutive effect.

2. The basis for the calculation of net assets per share and basic earnings per share is as follows.

(1) Net assets per share (Million yen)

Item	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Total net assets	194,420	201,977
Deductible amount from total net assets	1,105	1,185
(of which, non-controlling interests)	(1,105)	(1,185)
Net assets relating to common shares	193,314	200,792
Number of common shares used for calculation of net assets per share (thousand shares)	86,302	86,295

(2) Basic earnings per share (Million yen)

Item	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit attributable to owners of parent	17,922	9,201
Profit attributable to owners of parent relating to common shares	17,922	9,201
Average number of common shares during the period (thousand shares)	86,305	86,298

(Material subsequent events)

There is no relevant information.

4. Non-consolidated Financial Statements and Primary Notes

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	38,716	50,478
Notes receivable - trade	4,069	3,283
Accounts receivable from completed construction contracts	22,722	28,697
Accounts receivable - trade	14,046	13,336
Securities	44,345	44,409
Beneficiary right of accounts receivable in trust	10,000	10,000
Costs on uncompleted construction contracts	5,792	5,695
Raw materials and supplies	1,309	1,360
Deferred tax assets	1,740	1,585
Other	811	977
Allowance for doubtful accounts	(99)	(65)
Total current assets	143,455	159,760
Non-current assets		
Property, plant and equipment		
Buildings	28,494	29,338
Accumulated depreciation	(15,028)	(15,301)
Buildings, net	13,465	14,036
Structures	7,107	7,347
Accumulated depreciation	(5,221)	(5,437)
Structures, net	1,886	1,909
Machinery and equipment	73,101	76,472
Accumulated depreciation	(61,870)	(64,255)
Machinery and equipment, net	11,230	12,217
Vehicles	6,105	6,147
Accumulated depreciation	(5,131)	(5,154)
Vehicles, net	973	992
Tools, furniture and fixtures	4,763	4,896
Accumulated depreciation	(4,052)	(4,085)
Tools, furniture and fixtures, net	711	810
Land	47,868	50,521
Construction in progress	936	854
Total property, plant and equipment	77,072	81,343
Intangible assets		
Leasehold right	193	193
Telephone subscription right	81	81
Other	509	476
Total intangible assets	785	751

(Million yen)

	As of March 31, 2017	As of March 31, 2018
Investments and other assets		
Investment securities	11,927	15,051
Shares of subsidiaries and associates	10,384	12,530
Long-term loans receivable from subsidiaries and associates	3,259	2,932
Long-term prepaid expenses	70	64
Lease and guarantee deposits	770	731
Real estate for investment	796	523
Prepaid pension cost	—	9,417
Deferred tax assets	939	—
Other	151	108
Allowance for doubtful accounts	(1,034)	(1,080)
Total investments and other assets	27,266	40,280
Total non-current assets	105,125	122,375
Total assets	248,581	282,135
Liabilities		
Current liabilities		
Accounts payable for construction contracts	15,757	21,902
Accounts payable - trade	8,625	12,707
Accounts payable - other	6,307	6,161
Accrued expenses	973	1,005
Income taxes payable	5,469	4,762
Advances received on uncompleted construction contracts	3,688	3,618
Deposits received	236	255
Provision for bonuses	3,100	3,100
Provision for directors' bonuses	109	101
Provision for warranties for completed construction	91	88
Provision for loss on construction contracts	200	130
Other	202	362
Total current liabilities	44,761	54,194
Non-current liabilities		
Provision for retirement benefits	11,773	4,104
Provision for loss on Anti-Monopoly Act	1,241	19,214
Deferred tax liabilities	—	6,155
Other	251	183
Total non-current liabilities	13,265	29,658
Total liabilities	58,026	83,853

(Million yen)

	As of March 31, 2017	As of March 31, 2018
Net assets		
Shareholders' equity		
Capital stock	19,350	19,350
Capital surplus		
Legal capital surplus	23,006	23,006
Other capital surplus	80	80
Total capital surpluses	23,086	23,086
Retained earnings		
Legal retained earnings	3,728	3,728
Other retained earnings		
Reserve for advanced depreciation of non-current assets	612	600
General reserve	59,200	59,200
Retained earnings brought forward	83,469	87,545
Total retained earnings	147,010	151,075
Treasury shares	(4,711)	(4,728)
Total shareholders' equity	184,735	188,783
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,818	9,497
Total valuation and translation adjustments	5,818	9,497
Total net assets	190,554	198,281
Total liabilities and net assets	248,581	282,135

(2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales		
Net sales of completed construction contracts	145,945	148,217
Net sales of finished goods	75,088	73,948
Total net sales	221,034	222,165
Cost of sales		
Cost of sales of completed construction contracts	129,444	132,096
Cost of finished goods sold		
Cost of products manufactured	71,809	75,662
Haulage expenses	11,671	11,363
Finished goods transfer to other account	26,827	28,327
Cost of finished goods sold	56,652	58,698
Total cost of sales	186,096	190,795
Gross profit		
Gross profit on completed construction contracts	16,501	16,120
Gross profit - finished goods	18,436	15,249
Total gross profit	34,937	31,370
Selling, general and administrative expenses		
Directors' compensations	315	290
Provision for directors' bonuses	109	101
Employees' salaries and allowances	3,019	3,275
Provision for bonuses	920	740
Retirement benefit expenses	368	233
Legal welfare expenses	626	620
Welfare expenses	180	224
Repair and maintenance	87	51
Stationery expenses	297	246
Correspondence and transportation expenses	342	371
Power utilities expenses	52	53
Research study expenses	418	408
Advertising expenses	16	17
Provision of allowance for doubtful accounts	29	—
Bad debts expenses	3	—
Entertainment expenses	78	100
Contribution	24	31
Rents	291	310
Depreciation	248	246
Taxes and dues	899	837
Insurance expenses	20	20
Miscellaneous expenses	483	507
Total selling, general and administrative expenses	8,834	8,688
Operating profit	26,103	22,682

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Non-operating income		
Interest income	17	16
Interest on securities	62	16
Dividend income	372	432
Reversal of allowance for doubtful accounts	—	40
Other	120	94
Total non-operating income	572	601
Non-operating expenses		
Foreign exchange losses	5	66
Provision of allowance for doubtful accounts	152	51
Other	162	123
Total non-operating expenses	320	241
Ordinary profit	26,355	23,041
Extraordinary income		
Gain on sales of non-current assets	91	175
Reversal of provision for loss on Anti-Monopoly Act	139	415
Gain on transfer of benefit obligation relating to employees' pension fund	—	16,687
Gain on revision of retirement benefit plan	—	429
Reversal of business structure improvement expenses	279	—
Other	30	43
Total extraordinary income	540	17,752
Extraordinary losses		
Loss on retirement of non-current assets	439	228
Impairment loss	106	72
Provision for loss on Anti-Monopoly Act	610	19,226
Other	10	28
Total extraordinary losses	1,167	19,554
Profit before income taxes	25,728	21,239
Income taxes - current	7,699	6,786
Income taxes - deferred	451	5,635
Total income taxes	8,150	12,421
Profit	17,578	8,818

(3) Non-consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2017

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of current period	19,350	23,006	80	23,086	3,728
Changes of items during period					
Dividends of surplus				–	
Reversal of reserve for advanced depreciation of non-current assets				–	
Profit				–	
Purchase of treasury shares				–	
Net changes of items other than shareholders' equity				–	
Total changes of items during period	–	–	–	–	–
Balance at end of current period	19,350	23,006	80	23,086	3,728

	Shareholders' equity			
	Retained earnings			Total retained earnings
	Other retained earnings		Retained earnings brought forward	
	Reserve for advanced depreciation of non-current assets	General reserve		
Balance at beginning of current period	827	59,200	70,428	134,185
Changes of items during period				
Dividends of surplus			(4,753)	(4,753)
Reversal of reserve for advanced depreciation of non-current assets	(215)		215	–
Profit			17,578	17,578
Purchase of treasury shares				–
Net changes of items other than shareholders' equity				–
Total changes of items during period	(215)	–	13,040	12,824
Balance at end of current period	612	59,200	83,469	147,010

(Million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(4,696)	171,926	4,005	4,005	175,931
Changes of items during period					
Dividends of surplus		(4,753)		—	(4,753)
Reversal of reserve for advanced depreciation of non-current assets		—		—	—
Profit		17,578		—	17,578
Purchase of treasury shares	(15)	(15)		—	(15)
Net changes of items other than shareholders' equity		—	1,812	1,812	1,812
Total changes of items during period	(15)	12,809	1,812	1,812	14,622
Balance at end of current period	(4,711)	184,735	5,818	5,818	190,554

For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
Balance at beginning of current period	19,350	23,006	80	23,086	3,728
Changes of items during period					
Dividends of surplus				-	
Reversal of reserve for advanced depreciation of non-current assets				-	
Profit				-	
Purchase of treasury shares				-	
Net changes of items other than shareholders' equity				-	
Total changes of items during period	-	-	-	-	-
Balance at end of current period	19,350	23,006	80	23,086	3,728

	Shareholders' equity			
	Retained earnings			Total retained earnings
	Other retained earnings		Retained earnings brought forward	
	Reserve for advanced depreciation of non-current assets	General reserve		
Balance at beginning of current period	612	59,200	83,469	147,010
Changes of items during period				
Dividends of surplus			(4,753)	(4,753)
Reversal of reserve for advanced depreciation of non-current assets	(11)		11	-
Profit			8,818	8,818
Purchase of treasury shares				-
Net changes of items other than shareholders' equity				-
Total changes of items during period	(11)	-	4,075	4,064
Balance at end of current period	600	59,200	87,545	151,075

(Million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(4,711)	184,735	5,818	5,818	190,554
Changes of items during period					
Dividends of surplus		(4,753)		—	(4,753)
Reversal of reserve for advanced depreciation of non-current assets		—		—	—
Profit		8,818		—	8,818
Purchase of treasury shares	(16)	(16)		—	(16)
Net changes of items other than shareholders' equity		—	3,679	3,679	3,679
Total changes of items during period	(16)	4,048	3,679	3,679	7,727
Balance at end of current period	(4,728)	188,783	9,497	9,497	198,281

5. Complementary information

(1) Amount of orders received, net sales and amount carried forward to next period by business (non-consolidated)

		For the fiscal year ended March 31, 2017		For the fiscal year ended March 31, 2018		Year-on-year- change		
		Amount (million yen)	Composition rate (%)	Amount (million yen)	Composition rate (%)	Amount (million yen)	Change rate (%)	
Orders received	Construction business	Asphalt pavements	116,008	52.8	123,932	54.1	7,924	6.8
		Concrete pavements	1,784	0.8	2,972	1.3	1,188	66.6
		Civil engineering works	26,715	12.2	28,213	12.3	1,498	5.6
		Subtotal	144,508	65.8	155,119	67.7	10,611	7.3
	Product business	75,088	34.2	73,948	32.3	(1,140)	(1.5)	
	Total	219,596	100.0	229,067	100.0	9,470	4.3	
Net sales	Construction business	Asphalt pavements	117,385	53.1	119,584	53.8	2,199	1.9
		Concrete pavements	1,380	0.6	1,925	0.9	544	39.5
		Civil engineering works	27,180	12.3	26,707	12.0	(472)	(1.7)
		Subtotal	145,945	66.0	148,217	66.7	2,271	1.6
	Product business	75,088	34.0	73,948	33.3	(1,140)	(1.5)	
	Total	221,034	100.0	222,165	100.0	1,131	0.5	
Amount carried forward to next period	Construction business	Asphalt pavements	26,988	78.0	31,337	75.5	4,348	16.1
		Concrete pavements	709	2.1	1,756	4.2	1,047	147.7
		Civil engineering works	6,901	19.9	8,407	20.3	1,506	21.8
		Subtotal	34,599	100.0	41,501	100.0	6,901	19.9
	Product business	—	—	—	—	—	—	
	Total	34,599	100.0	41,501	100.0	6,901	19.9	

(Note) Amounts of less than one million yen are rounded down.

(2) Others

- 1) On suspicion of violation of the Anti-Monopoly Act with regard to pavement construction ordered by the Tokyo Metropolitan Government, Tokyo Port Terminal Corporation, or NARITA INTERNATIONAL AIRPORT CORPORATION or pavement construction regarding Tokyo International Airport ordered by the Ministry of Land, Infrastructure, Transport, and Tourism, the Company received an on-site inspection by the Japan Fair Trade Commission on August 2, 2016 and received a cease and desist order and a surcharge payment order on March 28, 2018 by the Commission.
- 2) On suspicion of determining the sales price hike of asphalt mixture supplied to Kobe City and its vicinity jointly with other manufacturers and distributors of asphalt mixture, the Company received an on-site inspection from the Japan Fair Trade Commission on September 28, 2016.
- 3) On suspicion of determining the sales price hike, etc. of asphalt mixture supplied nationwide jointly with other manufacturers and distributors of asphalt mixture, the Company received an on-site inspection from the Japan Fair Trade Commission on February 28, 2017.

Furthermore, in the fiscal year under review, the Company has reported surcharges and other losses related to the above that are highly likely to occur and for which it is possible to make a reasonable estimate of the amount as a provision for loss on Anti-Monopoly Act.

The Company will work to restore trust quickly by taking further exhaustive measures for legal compliance while solemnly accepting the current state of affairs and continuing to cooperate on all fronts with inspections etc. by the authorities concerned.

6. Others

Changes in Officers

1) Changes in Representative Director (as of April 1, 2018)

1. Representative Directors newly appointed

Representative Director (Senior Executive Officer, overseeing Safety, Environment & Quality Division and General Manager of Construction Headquarters)	Hideya Takekawa	(Director, Senior Executive Officer and General Manager of Construction Headquarters)
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2. Retired Representative Directors

Executive Vice President and Representative Director (Executive Officer and Vice President, overseeing Internal Control Division, Corporate Planning Division, Safety, Environment & Quality Division and Administration Headquarters, and supervising Affiliates)	Kanji Suzuki	(Appointed as Executive Vice President and Director, Executive Officer and Vice President, overseeing Administration Headquarters, and supervising Affiliates)
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2) Changes in other Officers (scheduled to change on June 28, 2018)

1. Directors to be newly appointed

Director (Executive Officer and Deputy General Manager of Marketing & Sales Headquarters)	Kunio Onishi	(currently Executive Officer and Deputy General Manager of Marketing & Sales Headquarters)
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2. Directors scheduled to retire

Executive Vice President and Director (Executive Officer and Vice President, overseeing Administration Headquarters, and supervising Affiliates)	Kanji Suzuki	(Scheduled to be appointed as Advisor)
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3) List of Officers (scheduled on June 28, 2018)

Name	New position (new areas of responsibility)	Current position (current areas of responsibility)
Masatsugu Okabe	Honorary Chairman and Director	Honorary Chairman and Director
Ryozo Imaeda	President and Representative Director (Executive Officer and President)	President and Representative Director (Executive Officer and President)
Hideya Takekawa	Representative Director (Senior Executive Officer, overseeing Safety, Environment & Quality Division and General Manager of Construction Headquarters)	Representative Director (Senior Executive Officer, overseeing Safety, Environment & Quality Division and General Manager of Construction Headquarters)
Hitoshi Uchiyama	Director (Senior Executive Officer and General Manager of Tokyo Branch)	Director (Senior Executive Officer and General Manager of Tokyo Branch)
Hiroataka Nishikawa	Director (Senior Executive Officer, overseeing Internal Control Division, and General Manager of Marketing & Sales Headquarters)	Director (Senior Executive Officer, overseeing Internal Control Division, and General Manager of Marketing & Sales Headquarters)
Kaoru Fujii	Director (Managing Executive Officer, General Manager of Administration Headquarters, and in charge of Corporate Planning Division and Affiliates)	Director (Managing Executive Officer, General Manager of Administration Headquarters, and in charge of Corporate Planning Division and Affiliates)
Masaji Nagumo	Director (Executive Officer, overseeing Technical Research Institute, and General Manager of Products Headquarters)	Director (Executive Officer, overseeing Technical Research Institute, and General Manager of Products Headquarters)
Kunio Onishi	Director (Executive Officer and Deputy General Manager of Marketing & Sales Headquarters)	(Executive Officer and Deputy General Manager of Marketing & Sales Headquarters)
Takashi Yokomizo	Director (Outside Director)	Director (Outside Director)
Hisashi Kajiki	Director (Outside Director)	Director (Outside Director)
Yasuharu Fukaya	Audit & Supervisory Board Member (Full-time Audit & Supervisory Board Member)	Audit & Supervisory Board Member (Full-time Audit & Supervisory Board Member)

Yoshihiko Amano	Audit & Supervisory Board Member (Full-time Audit & Supervisory Board Member)	Audit & Supervisory Board Member (Full-time Audit & Supervisory Board Member)
Nobuhiko Kitamura	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)
Masaru Muroi	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)
Nobuyoshi Tanaka	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Note: Responsibilities of Directors have been changed as follows as of April 1, 2018.

Director (Senior Executive Officer)	Hiroataka Nishikawa	(new responsibilities) (former responsibilities) (new responsibilities)	Overseeing Internal Control Division, and General Manager of Marketing & Sales Headquarters General Manager of Marketing & Sales Headquarters General Manager of Administration Headquarters and in charge of Corporate Planning Division and Affiliates
Director (Managing Executive Officer)	Kaoru Fujii	(former responsibilities)	General Manager of Administration Headquarters, General Manager of Corporate Planning Division, General Manager of General Affairs Division, Administration Headquarters, and in charge of Affiliates
Director (Executive Officer)	Masaji Nagumo	(new responsibilities) (former responsibilities)	Overseeing Technical Research Institute and General Manager of Products Headquarters General Manager of Products Headquarters and General Manager of Technology Headquarters

4) Changes in Executive Officers

1. Executive Officers newly appointed (as of April 1, 2018)

Executive Officer (General Manager of Business Promotion Division, Marketing & Sales Headquarters)	Takashi Yamauchi	(General Manager of Business Promotion Division, Marketing & Sales Headquarters)
Executive Officer (General Manager of Hokkaido Branch)	Nobuhito Sasaki	(General Manager of Hokkaido Branch)
Executive Officer (General Manager of Chugoku Branch)	Tetsuro Uchida	(General Manager of Shikoku Branch)

2. Executive Officers scheduled to retire (scheduled to retire on June 28, 2018)

Executive Officer and Vice President (Executive Vice President and Director, overseeing Administration Headquarters and supervising Affiliates)	Kanji Suzuki	(Scheduled to be appointed as Advisor)
Senior Executive Officer (in charge of Corporate Planning Division)	Nobuo Yoshida	(Scheduled to be appointed as Advisor)
Managing Executive Officer (Attached to Marketing & Sales Headquarters)	Kazunari Katsumata	(Scheduled to be appointed as Advisor)
Executive Officer (in charge of Safety, Environment & Quality Division)	Shigeki Adachi	(Scheduled to be appointed as Advisor)

5) List of Executive Officers (scheduled on June 28, 2018)

Name	New position (new areas of responsibility)	Current position (current areas of responsibility)
Ryozo Imaeda	Executive Officer and President (President and Representative Director)	Executive Officer and President (President and Representative Director)
Hideya Takekawa	Senior Executive Officer (Representative Director, overseeing Safety, Environment & Quality Division, and General Manager of Construction Headquarters)	Senior Executive Officer (Representative Director, overseeing Safety, Environment & Quality Division, and General Manager of Construction Headquarters)
Hitoshi Uchiyama	Senior Executive Officer (Director and General Manager of Tokyo Branch)	Senior Executive Officer (Director and General Manager of Tokyo Branch)
Hiroataka Nishikawa	Senior Executive Officer (Director, overseeing Internal Control Division and General Manager of Marketing & Sales Headquarters)	Senior Executive Officer (Director, overseeing Internal Control Division and General Manager of Marketing & Sales Headquarters)
Hiromitsu Takada	Managing Executive Officer (General Manager of Internal Control Division)	Managing Executive Officer (General Manager of Internal Control Division)

Hiroshi Hayakawa	Managing Executive Officer (General Manager of Safety, Environment & Quality Division)	Managing Executive Officer (General Manager of Safety, Environment & Quality Division)
Kaoru Fujii	Managing Executive Officer (Director, General Manager of Administration Headquarters, and in charge of Corporate Planning Division and Affiliates)	Managing Executive Officer (Director, General Manager of Administration Headquarters, and in charge of Corporate Planning Division and Affiliates)
Eiji Midorikawa	Managing Executive Officer (General Manager of Kita-Kanto Branch)	Managing Executive Officer (General Manager of Kita-Kanto Branch)
Satoshi Tsuchiya	Managing Executive Officer (General Manager of Chubu Branch)	Managing Executive Officer (General Manager of Chubu Branch)
Masaji Nagumo	Executive Officer (Director, overseeing Technical Research Institute and General Manager of Products Headquarters)	Executive Officer (Director, overseeing Technical Research Institute and General Manager of Products Headquarters)
Kunio Onishi	Executive Officer (Director and Deputy General Manager of Marketing & Sales Headquarters)	Executive Officer (Deputy General Manager of Marketing & Sales Headquarters)
Kiyoharu Iwataki	Executive Officer (in charge of Technical sales, Marketing & Sales Headquarters)	Executive Officer (in charge of Technical sales, Marketing & Sales Headquarters)
Naoki Sato	Executive Officer (in charge of Technical sales, Marketing & Sales Headquarters)	Executive Officer (in charge of Technical sales, Marketing & Sales Headquarters)
Shinichi Hirokane	Executive Officer (General Manager of Engineering Division, Construction Headquarters)	Executive Officer (General Manager of Engineering Division, Construction Headquarters)
Hiroshi Mihara	Executive Officer (General Manager of Kansai Branch)	Executive Officer (General Manager of Kansai Branch)
Shoki Masuda	Executive Officer (General Manager of Products Division, Products Headquarters)	Executive Officer (General Manager of Products Division, Products Headquarters)
Takashi Yamauchi	Executive Officer (General Manager of Business Promotion Division, Marketing & Sales Headquarters)	Executive Officer (General Manager of Business Promotion Division, Marketing & Sales Headquarters)
Nobuhito Sasaki	Executive Officer (General Manager of Hokkaido Branch)	Executive Officer (General Manager of Hokkaido Branch)
Tetsuro Uchida	Executive Officer (General Manager of Chugoku Branch)	Executive Officer (General Manager of Chugoku Branch)

Note: Changes have been made to Executive Officers as follows as of April 1, 2018. Changes in responsibilities of Directors are stated in the note to 3) List of Officers.

Managing Executive Officer	Hiromitsu Takada	(new responsibilities) (former responsibilities)	General Manager of Internal Control Division Supervising Internal Control Division
Managing Executive Officer	Hiroshi Hayakawa	(new responsibilities) (former responsibilities)	General Manager of Safety, Environment & Quality Division General Manager of Chubu Branch
Managing Executive Officer	Satoshi Tsuchiya	(new responsibilities) (former responsibilities)	General Manager of Chubu Branch General Manager of Chugoku Branch
Executive Officer	Kiyoharu Iwataki	(new responsibilities) (former responsibilities)	In charge of Technical sales, Marketing & Sales Headquarters In charge of Technology Headquarters
Executive Officer	Naoki Sato	(new responsibilities) (former responsibilities)	In charge of Technical sales, Marketing & Sales Headquarters In charge of Technical guidance