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May 12, 2017

Consolidated and Nonconsolidated Financial Statements

<under Japanese GAAP>

For the fiscal year ended March 31, 2017 ("FY2016")

Company name : Kajima Corporation

Securities code : 1812

Representative : Yoshikazu Oshimi, President, Representative Director

Inquiries : Hiroshi Unno, General Manager of Accounting Department, Treasury Division

Date of ordinary stockholders' meeting (as planned) : June 29, 2017

Annual securities report filing date (as planned) : June 30, 2017

Supplemental material on financial results : Available

Stock exchange listings : Tokyo 1st section, Nagoya 1st section

URL : <http://www.kajima.co.jp/>

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Dividend payable date (as planned) : June 30, 2017

*Amounts less than one million yen have been rounded down.

1. Consolidated Financial Highlights

(1) Financial Results

% : Representing year-on-year change

	Revenues		Operating income		Ordinary income		Net income attributable to owners of the parent	
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%
FY2016	1,821,805	4.5	155,392	39.9	163,438	44.2	104,857	45.0
FY2015	1,742,700	2.9	111,079	777.0	113,376	430.7	72,323	377.7

(Note) Comprehensive income FY2016 95,402 JPY mil 124.2% FY2015 42,553 JPY mil (38.6%)

	Basic net income per share	Diluted net income per share	Ratio of net income to owners' equity (ROE)	Ordinary income to total assets ratio	Operating income margin
	JPY	JPY	%	%	%
FY2016	101.01	—	20.6	8.4	8.5
FY2015	69.66	—	16.0	6.1	6.4

(Reference) Equity in earnings of unconsolidated subsidiaries and affiliates FY2016 2,282 JPY mil FY2015 3,825 JPY mil

(2) Financial Positions

	Total assets	Total equity	Owners' equity ratio	Owners' equity per share
	JPY mil	JPY mil	%	JPY
As of March 31, 2017	1,992,822	552,552	27.5	528.46
As of March 31, 2016	1,886,781	474,051	25.0	453.93

(Reference) Owners' equity (Total equity less noncontrolling interests)

As of March 31, 2017 548,533 JPY mil As of March 31, 2016 471,295 JPY mil

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash Equivalents at the end of the period
	JPY mil	JPY mil	JPY mil	JPY mil
FY2016	187,546	(31,912)	(20,577)	367,473
FY2015	36,354	(27,800)	(13,158)	234,811

2. Dividends

	Dividends per share					Total dividends paid	Payout ratio	Ratio of total amount of dividends to owners' equity
	End of Q1	End of Q2	End of Q3	Year-End	Total			
	JPY	JPY	JPY	JPY	JPY			
FY2015	—	3.00	—	9.00	12.00	12,478	17.2	2.7
FY2016	—	7.00	—	13.00	20.00	20,796	19.8	4.1
FY2017 (Forecast)	—	10.00	—	10.00	20.00		25.3	

3. Forecast of Consolidated Financial Results for the fiscal year ending March 31, 2018

% : Representing year-on-year change

	Revenues		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic net income per share
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%	JPY
Half-year	840,000	3.3	50,000	(32.2)	60,000	(21.6)	43,000	(15.5)	41.43
Full-year	1,830,000	0.4	106,000	(31.8)	120,000	(26.6)	82,000	(21.8)	79.00

*** Notes**

(1) Changes in significant subsidiaries during the period : None

(2) Changes in accounting policies and accounting estimates, retrospective restatements

a. Changes in accounting policies based on revisions of accounting standards : Applicable

b. Changes in accounting policies other than "a" above : None

c. Changes in accounting estimates : None

d. Retrospective restatements : None

(3) Number of issued and outstanding shares (common stock)

a. Number of issued and outstanding shares (including treasury stock)

As of March 31, 2017	1,057,312,022	As of March 31, 2016	1,057,312,022
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b. Number of treasury stock

As of March 31, 2017	19,335,335	As of March 31, 2016	19,060,876
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c. Average number of shares

FY2016	1,038,088,888	FY2015	1,038,282,191
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(Reference) Summary of Nonconsolidated Financial Statements

1. Nonconsolidated Financial Highlights

(1) Financial Results

% : Representing year-on-year change

	Revenues		Operating income		Ordinary income		Net income	
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%
FY2016	1,203,845	3.2	124,494	43.1	128,524	57.3	81,730	109.5
FY2015	1,166,147	2.2	86,977	—	81,683	—	39,014	385.3

	Basic net income per share	Diluted net income per share
	JPY	JPY
FY2016	78.60	—
FY2015	37.52	—

(2) Financial Positions

	Total assets	Total equity	Owners' equity ratio	Owners' equity per share
	JPY mil	JPY mil	%	JPY
As of March 31, 2017	1,529,699	370,485	24.2	356.30
As of March 31, 2016	1,436,418	308,747	21.5	296.91

2. Forecast of Nonconsolidated Financial Results for the fiscal year ending March 31, 2018

% : Representing year-on-year change

	Revenues		Operating income		Ordinary income		Net income		Basic net income per share
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%	JPY
Half-year	540,000	(1.9)	38,000	(39.8)	46,000	(31.2)	30,000	(33.3)	28.85
Full-year	1,140,000	(5.3)	80,000	(35.7)	89,000	(30.8)	60,000	(26.6)	57.70

*** These financial statements are outside the scope of audit procedures.**

*** Explanation regarding appropriate use of forecasts, and other notes**

The forecasts contained herein are based on information available as of the date of this announcement, and the actual results may differ materially from forecasts due to various factors.

Consolidated Financial Statements
(1) Consolidated Balance Sheet

(JPY mil)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	241,903	374,093
Notes and accounts receivable - trade	588,656	609,701
Marketable securities	51	112
Operational investments in securities	10,156	10,156
Inventories - real estate for sale	57,282	58,038
Inventories - construction projects in progress	85,039	92,273
Inventories - development projects in progress	34,364	32,615
Other inventories	14,390	16,409
Deferred tax assets	51,133	42,676
Other	117,068	70,223
Allowance for doubtful accounts	(1,572)	(1,654)
Total current assets	1,198,473	1,304,646
Noncurrent assets		
Property and equipment		
Buildings and structures - net	148,253	145,748
Machinery, vehicles, tools, furniture and fixtures - net	16,136	16,725
Land	180,129	187,051
Construction in progress	3,086	1,077
Other - net	3,143	3,041
Total property and equipment	350,749	353,645
Intangible assets	7,356	8,418
Investments and other assets		
Investments in securities	270,301	264,755
Long-term loans receivable	23,396	23,964
Asset for retirement benefits	574	584
Deferred tax assets	1,114	1,075
Other	44,491	45,555
Allowance for doubtful accounts	(9,673)	(9,822)
Total investments and other assets	330,202	326,112
Total noncurrent assets	688,308	688,176
Total assets	1,886,781	1,992,822

(JPY mil)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	517,266	517,834
Short-term loans payable	84,890	89,270
Commercial paper	80,000	75,000
Current portion of bonds payable	20,000	20,000
Income taxes payable	30,798	30,020
Advances received on construction projects in progress	155,468	210,429
Advances received on development projects in progress, real estate for sale and other	12,722	11,404
Provision for warranties for completed construction projects	5,267	5,202
Provision for loss on construction projects in progress	45,432	13,787
Provision for directors' bonuses	105	144
Other	130,755	143,979
Total current liabilities	1,082,708	1,117,072
Long-term liabilities		
Bonds payable	60,000	60,000
Long-term loans payable	133,636	128,656
Deferred tax liabilities	14,286	16,510
Deferred tax liabilities on revaluation surplus of land	21,815	21,726
Liability for retirement benefits	55,551	56,064
Equity loss in excess of investments in and loans to unconsolidated subsidiaries and affiliates	1,226	1,226
Other	43,506	39,012
Total long-term liabilities	330,021	323,197
Total liabilities	1,412,730	1,440,270
Equity		
Shareholders' equity		
Common stock	81,447	81,447
Capital surplus	45,304	45,304
Retained earnings	231,499	319,834
Treasury stock	(6,307)	(6,505)
Total shareholders' equity	351,943	440,079
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	82,587	79,329
Deferred gain (loss) on derivatives under hedge accounting	(724)	(409)
Revaluation surplus of land	20,196	20,108
Foreign currency translation adjustments	19,485	10,952
Defined retirement benefit plans	(2,193)	(1,527)
Total accumulated other comprehensive income (loss)	119,351	108,453
Noncontrolling interests	2,756	4,018
Total equity	474,051	552,552
Total liabilities and equity	1,886,781	1,992,822

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

(JPY mil)

	FY2015 (Apr 1, 2015 - Mar 31, 2016)	FY2016 (Apr 1, 2016 - Mar 31, 2017)
Revenues		
Construction projects	1,581,042	1,602,054
Real estate and other	161,657	219,751
Total revenues	1,742,700	1,821,805
Cost of revenues		
Construction projects	1,408,833	1,397,045
Real estate and other	134,767	177,696
Total cost of revenues	1,543,601	1,574,741
Gross profit		
Construction projects	172,208	205,009
Real estate and other	26,890	42,054
Total gross profit	199,099	247,063
Selling, general and administrative expenses	88,019	91,671
Operating income	111,079	155,392
Nonoperating income		
Interest income	1,965	2,457
Dividends income	5,640	6,820
Equity in earnings of unconsolidated subsidiaries and affiliates	3,825	2,282
Equity in earnings of partnership	1,723	2,201
Other	3,045	3,248
Total nonoperating income	16,201	17,010
Nonoperating expenses		
Interest expense	4,339	3,893
Provision for doubtful accounts	174	273
Compensation expenses	4,333	—
Other	5,057	4,797
Total nonoperating expenses	13,904	8,964
Ordinary income	113,376	163,438
Extraordinary income		
Gain on sales of noncurrent assets	188	248
Gain on sales of investment securities	4,997	393
Total extraordinary income	5,186	641
Extraordinary losses		
Loss on sales of noncurrent assets	43	10
Loss on disposals of noncurrent assets	315	664
Loss on sales of investment securities	18	52
Valuation loss on investment securities	14	354
Loss on impairment of long-lived assets	8,645	706
Litigation settlement	1,000	107
Total extraordinary losses	10,037	1,895
Income before income taxes	108,524	162,185
Income taxes - current	33,388	44,595
Income taxes - deferred	2,370	11,293
Total income taxes	35,758	55,889
Net income	72,766	106,296
Net income attributable to noncontrolling interests	442	1,438
Net income attributable to owners of the parent	72,323	104,857

Consolidated Statement of Comprehensive Income

(JPY mil)

	FY2015 (Apr 1, 2015 - Mar 31, 2016)	FY2016 (Apr 1, 2016 - Mar 31, 2017)
Net income	72,766	106,296
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	(24,070)	(3,258)
Deferred gain (loss) on derivatives under hedge accounting	(159)	235
Revaluation surplus of land	1,144	(0)
Foreign currency translation adjustments	(6,212)	(8,908)
Defined retirement benefit plans	(2,069)	670
Share of other comprehensive income (loss) in unconsolidated subsidiaries and affiliates	1,155	368
Total other comprehensive income (loss)	(30,212)	(10,893)
Comprehensive income (loss)	42,553	95,402
Total comprehensive income (loss) attributable to:		
Owners of the parent	42,134	94,047
Noncontrolling interests	418	1,355

(3) Consolidated Statement of Changes in Equity
 FY2015 (April 1, 2015 - March 31, 2016)

(JPY mil)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2015	81,447	45,304	163,104	(6,262)	283,593
Changes of items during the period					
Cash dividends paid			(5,710)		(5,710)
Net income attributable to owners of the parent			72,323		72,323
Purchase of treasury stock				(44)	(44)
Reversal of revaluation surplus of land			1,781		1,781
Net changes of items other than shareholders' equity					
Net change in the year	—	—	68,394	(44)	68,349
Balance, March 31, 2016	81,447	45,304	231,499	(6,307)	351,943

	Accumulated other comprehensive income (loss)						Noncontrolling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Revaluation surplus of land	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income (loss)		
Balance, April 1, 2015	106,662	(498)	20,834	24,472	(149)	151,321	2,037	436,952
Changes of items during the period								
Cash dividends paid								(5,710)
Net income attributable to owners of the parent								72,323
Purchase of treasury stock								(44)
Reversal of revaluation surplus of land			(637)			(637)		1,144
Net changes of items other than shareholders' equity	(24,075)	(225)		(4,987)	(2,044)	(31,332)	719	(30,613)
Net change in the year	(24,075)	(225)	(637)	(4,987)	(2,044)	(31,970)	719	37,099
Balance, March 31, 2016	82,587	(724)	20,196	19,485	(2,193)	119,351	2,756	474,051

FY2016 (April 1, 2016 - March 31, 2017)

(JPY mil)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2016	81,447	45,304	231,499	(6,307)	351,943
Changes of items during the period					
Cash dividends paid			(16,610)		(16,610)
Net income attributable to owners of the parent			104,857		104,857
Purchase of treasury stock				(198)	(198)
Reversal of revaluation surplus of land			88		88
Net changes of items other than shareholders' equity					
Net change in the year	—	—	88,335	(198)	88,136
Balance, March 31, 2017	81,447	45,304	319,834	(6,505)	440,079

	Accumulated other comprehensive income (loss)						Noncontrolling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Revaluation surplus of land	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income (loss)		
Balance, April 1, 2016	82,587	(724)	20,196	19,485	(2,193)	119,351	2,756	474,051
Changes of items during the period								
Cash dividends paid								(16,610)
Net income attributable to owners of the parent								104,857
Purchase of treasury stock								(198)
Reversal of revaluation surplus of land			(88)			(88)		(0)
Net changes of items other than shareholders' equity	(3,258)	315		(8,533)	666	(10,809)	1,262	(9,547)
Net change in the year	(3,258)	315	(88)	(8,533)	666	(10,897)	1,262	78,500
Balance, March 31, 2017	79,329	(409)	20,108	10,952	(1,527)	108,453	4,018	552,552

(4) Consolidated Statement of Cash Flows

(JPY mil)

	FY2015 (Apr 1, 2015 - Mar 31, 2016)	FY2016 (Apr 1, 2016 - Mar 31, 2017)
Operating activities		
Income before income taxes	108,524	162,185
Depreciation and amortization	19,557	19,343
Loss on impairment of long-lived assets	8,645	706
Increase (decrease) in allowance for doubtful accounts	1,196	278
Increase (decrease) in provision for warranties for completed construction projects	(405)	7
Increase (decrease) in provision for loss on construction projects in progress	(12,763)	(31,645)
Increase (decrease) in liability for retirement benefits	(1,009)	1,601
Decrease (increase) in asset for retirement benefits	(57)	(59)
Interest and dividends income	(7,606)	(9,278)
Interest expense	4,339	3,893
Equity in earnings of unconsolidated subsidiaries and affiliates	(3,825)	(2,282)
Loss (gain) on sales or disposals of noncurrent assets - net	170	425
Loss (gain) on sales of investment securities - net	(4,979)	(340)
Valuation loss (gain) on investment securities	14	354
Decrease (increase) in receivables	(47,529)	(25,240)
Decrease (increase) in inventories - real estate for sale	(5,644)	6,221
Decrease (increase) in inventories - construction projects in progress	(13,245)	(7,103)
Decrease (increase) in inventories - development projects in progress	(11,600)	(9,268)
Decrease (increase) in other inventories	(4,337)	(2,021)
Increase (decrease) in payables	(20,257)	4,113
Increase (decrease) in advances received	52,968	54,246
Other - net	(22,943)	59,691
Sub-total	39,211	225,830
Interest and dividends income - received	8,345	10,605
Interest expense - paid	(4,444)	(3,894)
Income taxes - paid	(6,758)	(44,995)
Net cash provided by (used in) operating activities	36,354	187,546
Investing activities		
Payment for purchases of property and equipment	(30,616)	(25,030)
Proceeds from sales of property and equipment	674	504
Payment for purchases of intangible assets	(781)	(2,846)
Payment for purchases of investment securities	(4,537)	(1,596)
Proceeds from sales and redemption of investment securities	8,791	1,624
Purchases of shares of subsidiaries resulting in change in scope of consolidation	(1,010)	—
Disbursements for loans	(850)	(8,193)
Proceeds from collection of loans	1,782	6,184
Other - net	(1,254)	(2,559)
Net cash provided by (used in) investing activities	(27,800)	(31,912)
Financing activities		
Increase (decrease) in short-term loans - net	(27,471)	(222)
Issuance (repayment) of commercial paper - net	26,300	(5,000)
Proceeds from issuance of long-term loans	24,964	52,505
Repayment of long-term loans	(29,733)	(49,817)
Proceeds from issuance of bonds	10,000	20,000
Redemption of bonds	(10,000)	(20,000)
Repayment of finance lease obligations	(1,262)	(1,254)
Cash dividends paid	(5,710)	(16,610)
Other - net	(244)	(177)
Net cash provided by (used in) financing activities	(13,158)	(20,577)
Foreign currency translation adjustments on cash and cash equivalents	(3,141)	(2,578)
Net increase (decrease) in cash and cash equivalents	(7,745)	132,477
Cash and cash equivalents, beginning of year	242,556	234,811
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	184
Cash and cash equivalents, end of year	234,811	367,473

Segment Information

Information about Revenues, Profit (Loss) and Other Items

FY2016 (April 1, 2016 - March 31, 2017)

(JPY mil)

	Civil Engineering	Building Construction	Real Estate Development and Other	Domestic Subsidiaries and Affiliates	Overseas Subsidiaries and Affiliates	Total	Reconciliations	Consolidated
Revenues :								
Sales to external customers	296,857	830,107	69,869	223,999	400,971	1,821,805	—	1,821,805
Intersegment sales or transfers	—	5,042	1,968	137,191	17	144,219	(144,219)	—
Total	296,857	835,149	71,838	361,190	400,988	1,966,024	(144,219)	1,821,805
Segment profit	35,994	78,610	9,888	19,594	11,683	155,771	(379)	155,392
Other :								
Depreciation	959	2,700	4,116	5,340	6,378	19,494	(151)	19,343
Amortization of goodwill	—	—	—	—	522	522	—	522

Nonconsolidated Financial Statements
(1) Nonconsolidated Balance Sheet

(JPY mil)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	153,842	259,764
Notes receivable - trade	14,025	47,923
Accounts receivable - trade	435,996	428,469
Operational investments in securities	10,156	10,156
Inventories - real estate for sale	24,138	32,034
Inventories - construction projects in progress	66,498	74,426
Inventories - development projects in progress	30,870	28,612
Inventories - materials and supplies	24	24
Prepaid expenses	716	647
Deferred tax assets	45,910	37,392
Other	97,028	48,896
Allowance for doubtful accounts	(70)	(53)
Total current assets	879,137	968,293
Noncurrent assets		
Property and equipment		
Buildings	224,253	230,793
Accumulated depreciation	(157,487)	(161,868)
Buildings - net	66,765	68,925
Structures	14,029	14,176
Accumulated depreciation	(12,260)	(12,367)
Structures - net	1,769	1,809
Machinery and equipment	16,052	15,396
Accumulated depreciation	(15,001)	(14,606)
Machinery and equipment - net	1,051	790
Vehicles	738	737
Accumulated depreciation	(730)	(699)
Vehicles - net	8	38
Tools, furniture and fixtures	12,113	11,858
Accumulated depreciation	(11,059)	(10,442)
Tools, furniture and fixtures - net	1,054	1,415
Land	140,519	144,519
Leased assets	2,254	2,075
Accumulated depreciation	(1,126)	(1,092)
Leased assets - net	1,128	982
Construction in progress	2,868	3
Other	408	408
Total property and equipment	215,574	218,892

(JPY mil)

	As of March 31, 2016	As of March 31, 2017
Intangible assets		
Leasehold right	1,402	1,385
Software	1,431	2,698
Leased assets	2	0
Other	467	248
Total intangible assets	3,303	4,333
Investments and other assets		
Investments in securities	232,283	226,544
Shares of subsidiaries and affiliates	85,647	93,765
Investments in capital	115	115
Investments in capital of subsidiaries and affiliates	1,053	932
Long-term loans receivable	3,795	23
Long-term loans receivable from employees	2	2
Long-term loans receivable from subsidiaries and affiliates	3,145	5,415
Claims provable in bankruptcy, claims provable in rehabilitation and other	251	169
Long-term prepaid expenses	2,598	2,396
Other	18,669	18,527
Allowance for doubtful accounts	(9,160)	(9,712)
Total investments and other assets	338,402	338,180
Total noncurrent assets	557,281	561,406
Total assets	1,436,418	1,529,699

(JPY mil)

As of March 31, 2016 As of March 31, 2017

Liabilities		
Current liabilities		
Notes payable - trade	1,785	1,484
Accounts payable - trade	376,828	382,257
Short-term loans payable	39,597	39,312
Commercial paper	80,000	75,000
Current portion of bonds payable	20,000	20,000
Lease obligations	564	468
Accounts payable - other	13,878	8,426
Accrued expenses	12,408	18,539
Income taxes payable	28,227	27,616
Advances received on construction projects in progress	138,572	189,700
Advances received on development projects in progress, real estate for sale and other	10,344	9,105
Deposits received	55,496	72,286
Unearned revenue	2,787	2,724
Provision for warranties for completed construction projects	4,765	4,550
Provision for loss on construction projects in progress	45,360	13,640
Asset retirement obligations	7	—
Other	21,087	22,140
Total current liabilities	851,709	887,253
Long-term liabilities		
Bonds payable	60,000	60,000
Long-term loans payable	95,776	93,368
Lease obligations	647	589
Deferred tax liabilities	18,459	19,211
Deferred tax liabilities on revaluation surplus of land	20,806	20,737
Liability for retirement benefits	46,882	47,954
Allowance for loss on investments in subsidiaries and affiliates	6,226	213
Asset retirement obligations	270	273
Other	26,892	29,612
Total long-term liabilities	275,961	271,960
Total liabilities	1,127,670	1,159,214

(JPY mil)

As of March 31, 2016 As of March 31, 2017

Equity	As of March 31, 2016	As of March 31, 2017
Shareholders' equity		
Common stock	81,447	81,447
Capital surplus		
Additional paid-in capital	20,485	20,485
Other capital surplus	24,893	24,893
Total capital surplus	45,378	45,378
Retained earnings		
Other retained earnings		
Reserve for special depreciation	442	361
Reserve for advanced depreciation of noncurrent assets	10,547	10,246
General reserve	33,997	53,997
Retained earnings brought forward	42,577	88,210
Total retained earnings	87,564	152,814
Treasury stock	(5,935)	(5,974)
Total shareholders' equity	208,455	273,666
Valuation and translation adjustments		
Unrealized gain (loss) on available-for-sale securities	82,146	78,558
Deferred gain (loss) on derivatives under hedge accounting	(440)	(168)
Revaluation surplus of land	18,586	18,429
Total valuation and translation adjustments	100,291	96,819
Total equity	308,747	370,485
Total liabilities and equity	1,436,418	1,529,699

(2) Nonconsolidated Statement of Income

(JPY mil)

	FY2015 (Apr 1, 2015 - Mar 31, 2016)	FY2016 (Apr 1, 2016 - Mar 31, 2017)
Revenues		
Construction projects	1,132,062	1,132,007
Real estate and other	34,085	71,838
Total revenues	1,166,147	1,203,845
Cost of revenues		
Construction projects	997,705	965,889
Real estate and other	30,949	59,749
Total cost of revenues	1,028,654	1,025,639
Gross profit		
Construction projects	134,356	166,117
Real estate and other	3,135	12,088
Total gross profit	137,492	178,206
Selling, general and administrative expenses		
Directors' compensations	692	873
Executive officers' compensations	1,689	2,002
Employees' salaries and allowances	17,389	19,143
Provision for retirement benefits	805	913
Retirement pension plan	413	416
Legal welfare expenses	2,832	3,021
Welfare expenses	1,014	1,142
Repair and maintenance	671	574
Stationery expenses	375	483
Correspondence and transportation expenses	2,498	2,477
Power utilities expenses	285	260
Research study expenses	6,778	7,104
Advertising expenses	748	757
Provision for doubtful accounts	—	4
Entertainment expenses	1,376	1,366
Contribution	130	221
Rents	1,413	1,227
Depreciation and amortization	1,261	1,169
Taxes and dues	1,303	1,747
Insurance expenses	72	68
Miscellaneous expenses	8,761	8,734
Total selling, general and administrative expenses	50,514	53,711
Operating income	86,977	124,494
Nonoperating income		
Interest income	215	686
Dividends income	5,286	7,814
Other	2,579	2,652
Total nonoperating income	8,081	11,154
Nonoperating expenses		
Interest expense	2,816	2,260
Interest on bonds	713	597
Provision for doubtful accounts	889	617
Foreign currency exchange loss	2,032	65
Compensation expenses	4,333	—
Other	2,590	3,582
Total nonoperating expenses	13,375	7,123
Ordinary income	81,683	128,524

(JPY mil)

	FY2015 (Apr 1, 2015 - Mar 31, 2016)	FY2016 (Apr 1, 2016 - Mar 31, 2017)
Extraordinary income		
Gain on sales of noncurrent assets	266	127
Gain on sales of investment securities	773	782
Total extraordinary income	1,040	910
Extraordinary losses		
Loss on sales of noncurrent assets	12	0
Loss on disposals of noncurrent assets	247	600
Loss on sales of investment securities	18	35
Valuation loss on investment securities	14	354
Loss on liquidation of subsidiaries and affiliates	5	—
Valuation loss on shares of subsidiaries and affiliates	120	—
Valuation loss on investments in capital of subsidiaries and affiliates	—	121
Loss on impairment of long-lived assets	6,348	599
Provision for loss on investments in subsidiaries and affiliates	5,788	—
Litigation settlement	—	107
Total extraordinary losses	12,556	1,819
Income before income taxes	70,167	127,615
Income taxes - current	23,259	35,230
Income taxes - deferred	7,894	10,654
Total income taxes	31,153	45,885
Net income	39,014	81,730

(3) Nonconsolidated Statement of Changes in Equity
FY2015 (April 1, 2015 - March 31, 2016)

(JPY mil)

	Shareholders' equity								Total shareholders' equity
	Common stock	Capital surplus		Retained earnings				Treasury stock	
		Additional paid-in capital	Other capital surplus	Other retained earnings					
				Reserve for special depreciation	Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward		
Balance, April 1, 2015	81,447	20,485	24,893	511	9,255	26,997	15,715	(5,890)	173,415
Changes of items during the period									
Cash dividends paid							(5,719)		(5,719)
Provision of general reserve						7,000	(7,000)		—
Provision of reserve for special depreciation				9			(9)		—
Reversal of reserve for special depreciation				(78)			78		—
Provision of reserve for advanced depreciation of noncurrent assets					1,554		(1,554)		—
Reversal of reserve for advanced depreciation of noncurrent assets					(261)		261		—
Net income							39,014		39,014
Purchase of treasury stock								(44)	(44)
Reversal of revaluation surplus of land							1,790		1,790
Net changes of items other than shareholders' equity									
Net change in the year	—	—	—	(69)	1,292	7,000	26,861	(44)	35,040
Balance, March 31, 2016	81,447	20,485	24,893	442	10,547	33,997	42,577	(5,935)	208,455

	Valuation and translation adjustments				Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Revaluation surplus of land	Total valuation and translation adjustments	
Balance, April 1, 2015	105,465	(277)	19,285	124,474	297,889
Changes of items during the period					
Cash dividends paid					(5,719)
Provision of general reserve					—
Provision of reserve for special depreciation					—
Reversal of reserve for special depreciation					—
Provision of reserve for advanced depreciation of noncurrent assets					—
Reversal of reserve for advanced depreciation of noncurrent assets					—
Net income					39,014
Purchase of treasury stock					(44)
Reversal of revaluation surplus of land			(699)	(699)	1,091
Net changes of items other than shareholders' equity	(23,319)	(163)		(23,482)	(23,482)
Net change in the year	(23,319)	(163)	(699)	(24,182)	10,858
Balance, March 31, 2016	82,146	(440)	18,586	100,291	308,747

FY2016 (April 1, 2016 - March 31, 2017)

(JPY mil)

	Shareholders' equity								
	Common stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Other retained earnings					
				Reserve for special depreciation	Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward		
Balance, April 1, 2016	81,447	20,485	24,893	442	10,547	33,997	42,577	(5,935)	208,455
Changes of items during the period									
Cash dividends paid							(16,637)		(16,637)
Provision of general reserve						20,000	(20,000)		—
Provision of reserve for special depreciation									—
Reversal of reserve for special depreciation				(81)			81		—
Provision of reserve for advanced depreciation of noncurrent assets									—
Reversal of reserve for advanced depreciation of noncurrent assets					(301)		301		—
Net income							81,730		81,730
Purchase of treasury stock								(39)	(39)
Reversal of revaluation surplus of land							157		157
Net changes of items other than shareholders' equity									
Net change in the year	—	—	—	(81)	(301)	20,000	45,632	(39)	65,210
Balance, March 31, 2017	81,447	20,485	24,893	361	10,246	53,997	88,210	(5,974)	273,666

	Valuation and translation adjustments				Total equity
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Revaluation surplus of land	Total valuation and translation adjustments	
Balance, April 1, 2016	82,146	(440)	18,586	100,291	308,747
Changes of items during the period					
Cash dividends paid					(16,637)
Provision of general reserve					—
Provision of reserve for special depreciation					—
Reversal of reserve for special depreciation					—
Provision of reserve for advanced depreciation of noncurrent assets					—
Reversal of reserve for advanced depreciation of noncurrent assets					—
Net income					81,730
Purchase of treasury stock					(39)
Reversal of revaluation surplus of land			(157)	(157)	(0)
Net changes of items other than shareholders' equity	(3,587)	272		(3,315)	(3,315)
Net change in the year	(3,587)	272	(157)	(3,472)	61,738
Balance, March 31, 2017	78,558	(168)	18,429	96,819	370,485

Financial Highlights

Operating Results

Consolidated

	FY2015		FY2016		Change		FY2016 Forecast	
	(Apr 1, 2015 - Mar 31, 2016)		(Apr 1, 2016 - Mar 31, 2017)				(announced on Nov 8, 2016)	
	JPY bil	Ratio	JPY bil	Ratio	JPY bil	%	JPY bil	Ratio
Revenues	1,742.7		1,821.8		79.1	4.5	1,780.0	
Construction	1,581.0		1,602.0		21.0	1.3	1,570.0	
Real estate and other	161.6		219.7		58.0	35.9	210.0	
Gross profit	199.0	11.4%	247.0	13.6%	47.9	24.1	209.0	11.7%
Construction	172.2	10.9%	205.0	12.8%	32.8	19.0	173.0	11.0%
Real estate and other	26.8	16.6%	42.0	19.1%	15.1	56.4	36.0	17.1%
Selling, general and administrative expenses	88.0		91.6		3.6	4.1	89.0	
Operating income	111.0	6.4%	155.3	8.5%	44.3	39.9	120.0	6.7%
Nonoperating income - net	2.2		8.0		5.7		4.0	
<i>Financing</i>	3.2		5.3		2.1		3.7	
Ordinary income	113.3	6.5%	163.4	9.0%	50.0	44.2	124.0	7.0%
Extraordinary income - net	(4.8)		(1.2)		3.5		(1.0)	
Net income attributable to owners of the parent	72.3	4.2%	104.8	5.8%	32.5	45.0	78.0	4.4%
Construction contract awards	1,795.8		1,728.3		(67.5)	(3.8)	1,640.0	
Domestic	1,308.9		1,452.1		143.2	10.9	1,400.0	
Overseas	486.9		276.1		(210.8)	(43.3)	240.0	

Nonconsolidated

	FY2015		FY2016		Change		FY2016 Forecast	
	(Apr 1, 2015 - Mar 31, 2016)		(Apr 1, 2016 - Mar 31, 2017)				(announced on Nov 8, 2016)	
	JPY bil	Ratio	JPY bil	Ratio	JPY bil	%	JPY bil	Ratio
Revenues	1,166.1		1,203.8		37.6	3.2	1,210.0	
Construction	1,132.0		1,132.0		(0.0)	(0.0)	1,140.0	
Civil engineering	307.9		296.8		(11.1)	(3.6)	285.0	
Building construction	824.0		835.1		11.0	1.3	855.0	
Real estate and other	34.0		71.8		37.7	110.8	70.0	
Gross profit	137.4	11.8%	178.2	14.8%	40.7	29.6	150.0	12.4%
Construction	134.3	11.9%	166.1	14.7%	31.7	23.6	138.0	12.1%
Civil engineering	45.0	14.6%	53.9	18.2%	8.8	19.7	43.0	15.1%
Building construction	89.3	10.8%	112.1	13.4%	22.8	25.6	95.0	11.1%
Real estate and other	3.1	9.2%	12.0	16.8%	8.9	285.5	12.0	17.1%
Selling, general and administrative expenses	50.5		53.7		3.1	6.3	52.0	
Operating income	86.9	7.5%	124.4	10.3%	37.5	43.1	98.0	8.1%
Nonoperating income - net	(5.2)		4.0		9.3		2.0	
<i>Financing</i>	1.9		5.6		3.6		4.6	
Ordinary income	81.6	7.0%	128.5	10.7%	46.8	57.3	100.0	8.3%
Extraordinary income - net	(11.5)		(0.9)		10.6		(0.5)	
Net income	39.0	3.3%	81.7	6.8%	42.7	109.5	65.0	5.4%
Contract awards	1,236.8		1,349.9		113.0	9.1	1,310.0	
Construction	1,188.0		1,304.5		116.5	9.8	1,270.0	
Civil engineering	285.9		364.3		78.3	27.4	330.0	
Building construction	902.0		940.2		38.1	4.2	940.0	
Real estate and other	48.8		45.3		(3.4)	(7.0)	40.0	

Financial Highlights - continued
Forecast of Operating Results

Consolidated

	FY2016 Result		FY2017 Forecast		Change		Q2 / FY2017 Forecast	
	(Apr 1, 2016 - Mar 31, 2017)		(Apr 1, 2017 - Mar 31, 2018)				(Apr 1, 2017 - Sep 30, 2017)	
	JPY bil	Ratio	JPY bil	Ratio	JPY bil	%	JPY bil	Ratio
Revenues	1,821.8		1,830.0		8.1	0.4	840.0	
Construction	1,602.0		1,660.0		57.9	3.6	764.0	
Real estate and other	219.7		170.0		(49.7)	(22.6)	76.0	
Gross profit	247.0	13.6%	200.0	10.9%	(47.0)	(19.0)	95.0	11.3%
Construction	205.0	12.8%	168.5	10.2%	(36.5)	(17.8)	81.5	10.7%
Real estate and other	42.0	19.1%	31.5	18.5%	(10.5)	(25.1)	13.5	17.8%
Selling, general and administrative expenses	91.6		94.0		2.3	2.5	45.0	
Operating income	155.3	8.5%	106.0	5.8%	(49.3)	(31.8)	50.0	6.0%
Nonoperating income - net	8.0		14.0		5.9		10.0	
<i>Financing</i>	5.3		2.2		(3.1)		1.2	
Ordinary income	163.4	9.0%	120.0	6.6%	(43.4)	(26.6)	60.0	7.1%
Extraordinary income - net	(1.2)		3.0		4.2		4.0	
Net income attributable to owners of the parent	104.8	5.8%	82.0	4.5%	(22.8)	(21.8)	43.0	5.1%
Construction contract awards	1,728.3		1,640.0		(88.3)	(5.1)	730.0	
Domestic	1,452.1		1,210.0		(242.1)	(16.7)	530.0	
Overseas	276.1		430.0		153.8	55.7	200.0	

Nonconsolidated

	FY2016 Result		FY2017 Forecast		Change		Q2 / FY2017 Forecast	
	(Apr 1, 2016 - Mar 31, 2017)		(Apr 1, 2017 - Mar 31, 2018)				(Apr 1, 2017 - Sep 30, 2017)	
	JPY bil	Ratio	JPY bil	Ratio	JPY bil	%	JPY bil	Ratio
Revenues	1,203.8		1,140.0		(63.8)	(5.3)	540.0	
Construction	1,132.0		1,103.0		(29.0)	(2.6)	525.0	
Civil engineering	296.8		353.0		56.1	18.9	175.0	
Building construction	835.1		750.0		(85.1)	(10.2)	350.0	
Real estate and other	71.8		37.0		(34.8)	(48.5)	15.0	
Gross profit	178.2	14.8%	133.0	11.7%	(45.2)	(25.4)	63.0	11.7%
Construction	166.1	14.7%	126.0	11.4%	(40.1)	(24.2)	60.0	11.4%
Civil engineering	53.9	18.2%	48.5	13.7%	(5.4)	(10.1)	24.0	13.7%
Building construction	112.1	13.4%	77.5	10.3%	(34.6)	(30.9)	36.0	10.3%
Real estate and other	12.0	16.8%	7.0	18.9%	(5.0)	(42.1)	3.0	20.0%
Selling, general and administrative expenses	53.7		53.0		(0.7)	(1.3)	25.0	
Operating income	124.4	10.3%	80.0	7.0%	(44.4)	(35.7)	38.0	7.0%
Nonoperating income - net	4.0		9.0		4.9		8.0	
<i>Financing</i>	5.6		3.5		(2.1)		2.7	
Ordinary income	128.5	10.7%	89.0	7.8%	(39.5)	(30.8)	46.0	8.5%
Extraordinary income - net	(0.9)		(1.0)		(0.0)		(0.5)	
Net income	81.7	6.8%	60.0	5.3%	(21.7)	(26.6)	30.0	5.6%
Contract awards	1,349.9		1,130.0		(219.9)	(16.3)	500.0	
Construction	1,304.5		1,100.0		(204.5)	(15.7)	480.0	
Civil engineering	364.3		300.0		(64.3)	(17.7)	130.0	
Building construction	940.2		800.0		(140.2)	(14.9)	350.0	
Real estate and other	45.3		30.0		(15.3)	(33.9)	20.0	

Supplementary Information:
Contract Awards, Revenues and Contract Backlogs (Nonconsolidated)

(1) Breakdown of Contract Awards (Nonconsolidated)

	FY2015 (Apr 1, 2015 - Mar 31, 2016)		FY2016 (Apr 1, 2016 - Mar 31, 2017)		Change	
	JPY mil	Proportion	JPY mil	Proportion	JPY mil	%
Civil engineering						
Domestic - Public	178,917	14.5%	273,550	20.3%	94,633	52.9
Domestic - Private	111,767	9.0%	116,472	8.6%	4,705	4.2
Overseas	(4,717)	(0.4%)	(25,711)	(1.9%)	(20,994)	—
Sub-total	285,967	23.1%	364,311	27.0%	78,344	27.4
Building construction						
Domestic - Public	89,967	7.3%	101,054	7.4%	11,086	12.3
Domestic - Private	812,120	65.7%	839,219	62.2%	27,099	3.3
Overseas	4	0.0%	—	—	(4)	—
Sub-total	902,092	73.0%	940,273	69.6%	38,180	4.2
Construction total						
Domestic - Public	268,885	21.8%	374,604	27.7%	105,719	39.3
Domestic - Private	923,887	74.7%	955,692	70.8%	31,804	3.4
Overseas	(4,712)	(0.4%)	(25,711)	(1.9%)	(20,999)	—
Sub-total	1,188,060	96.1%	1,304,585	96.6%	116,525	9.8
Real estate and other	48,812	3.9%	45,379	3.4%	(3,432)	(7.0)
Grand total	1,236,872	100.0%	1,349,965	100.0%	113,092	9.1

(2) Forecast of Contract Awards (Nonconsolidated)

	FY2016 Result (Apr 1, 2016 - Mar 31, 2017)		FY2017 Forecast (Apr 1, 2017 - Mar 31, 2018)		Change	
	JPY bil	Proportion	JPY bil	Proportion	JPY bil	%
Civil engineering						
Domestic	390.0	28.9%	295.0	26.1%	(95.0)	(24.4)
Overseas	(25.7)	(1.9%)	5.0	0.4%	30.7	—
Sub-total	364.3	27.0%	300.0	26.5%	(64.3)	(17.7)
Building construction						
Domestic	940.2	69.6%	800.0	70.8%	(140.2)	(14.9)
Overseas	0.0	0.0%	0.0	0.0%	0.0	—
Sub-total	940.2	69.6%	800.0	70.8%	(140.2)	(14.9)
Construction total						
Domestic	1,330.2	98.5%	1,095.0	96.9%	(235.2)	(17.7)
Overseas	(25.7)	(1.9%)	5.0	0.4%	30.7	—
Sub-total	1,304.5	96.6%	1,100.0	97.3%	(204.5)	(15.7)
Real estate and other	45.3	3.4%	30.0	2.7%	(15.3)	(33.9)
Grand total	1,349.9	100.0%	1,130.0	100.0%	(219.9)	(16.3)

(3) Breakdown of Revenues (Nonconsolidated)

	FY2015 (Apr 1, 2015 - Mar 31, 2016)		FY2016 (Apr 1, 2016 - Mar 31, 2017)		Change	
	JPY mil	Proportion	JPY mil	Proportion	JPY mil	%
Civil engineering						
Domestic - Public	173,121	14.8%	179,449	14.9%	6,328	3.7
Domestic - Private	127,649	11.0%	116,646	9.7%	(11,002)	(8.6)
Overseas	7,194	0.6%	761	0.0%	(6,432)	(89.4)
Sub-total	307,964	26.4%	296,857	24.6%	(11,106)	(3.6)
Building construction						
Domestic - Public	125,443	10.8%	105,959	8.8%	(19,484)	(15.5)
Domestic - Private	698,648	59.9%	729,190	60.6%	30,541	4.4
Overseas	4	0.0%	—	—	(4)	—
Sub-total	824,097	70.7%	835,149	69.4%	11,052	1.3
Construction total						
Domestic - Public	298,564	25.6%	285,409	23.7%	(13,155)	(4.4)
Domestic - Private	826,297	70.9%	845,836	70.3%	19,538	2.4
Overseas	7,199	0.6%	761	0.0%	(6,437)	(89.4)
Sub-total	1,132,062	97.1%	1,132,007	94.0%	(54)	(0.0)
Real estate and other	34,085	2.9%	71,838	6.0%	37,752	110.8
Grand total	1,166,147	100.0%	1,203,845	100.0%	37,698	3.2

(4) Breakdown of Contract Backlogs (Nonconsolidated)

As of	March 31, 2016		March 31, 2017		Change	
	JPY mil	Proportion	JPY mil	Proportion	JPY mil	%
Civil engineering						
Domestic - Public	342,569	21.8%	436,670	25.4%	94,101	27.5
Domestic - Private	125,229	7.9%	125,056	7.3%	(173)	(0.1)
Overseas	52,931	3.4%	26,457	1.6%	(26,473)	(50.0)
Sub-total	520,730	33.1%	588,184	34.3%	67,454	13.0
Building construction						
Domestic - Public	157,368	10.0%	152,462	8.9%	(4,905)	(3.1)
Domestic - Private	833,666	53.1%	943,696	54.9%	110,029	13.2
Overseas	—	—	—	—	—	—
Sub-total	991,034	63.1%	1,096,158	63.8%	105,124	10.6
Construction total						
Domestic - Public	499,937	31.8%	589,133	34.3%	89,195	17.8
Domestic - Private	958,896	61.0%	1,068,752	62.2%	109,856	11.5
Overseas	52,931	3.4%	26,457	1.6%	(26,473)	(50.0)
Sub-total	1,511,765	96.2%	1,684,343	98.1%	172,578	11.4
Real estate and other	59,617	3.8%	33,159	1.9%	(26,458)	(44.4)
Grand total	1,571,382	100.0%	1,717,502	100.0%	146,120	9.3