

(Japan GAAP)  
Consolidated Balance Sheet

(Thousands of yen)

| Account Item   | Ended March 31, 2018 | Ended September 30, 2018 |
|--|----------------------|--------------------------|
| <b>Assets</b>  |                      |                          |
| <b>Current assets</b>  |                      |                          |
| Cash and deposits  | 15,064,486           | 10,403,021               |
| Notes and accounts receivable – trade                                      | 31,245,662           | 16,567,010               |
| Work in process  | 1,821,623            | 2,402,665                |
| Other inventories  | 66,471               | 59,930                   |
| Other  | 3,657,157            | 5,108,612                |
| Allowance for doubtful accounts  | (399,860)            | (392,944)                |
| <b>Total current assets</b>  | <b>51,455,540</b>    | <b>34,148,296</b>        |
| <b>Non-current assets</b>  |                      |                          |
| <b>Property, plant and equipment</b>                                       |                      |                          |
| Buildings and structures   | 4,136,256            | 4,146,782                |
| Accumulated depreciation   | (2,411,081)          | (2,474,556)              |
| Buildings and structures, net  | 1,725,174            | 1,672,226                |
| Land   | 4,059,886            | 4,059,886                |
| Leased assets  | 436,393              | 410,432                  |
| Accumulated depreciation   | (433,164)            | (407,532)                |
| Leased assets, net   | 3,228                | 2,900                    |
| Construction in progress   | 192,024              | 283,717                  |
| Other  | 13,242,333           | 13,049,443               |
| Accumulated depreciation   | (9,732,284)          | (9,794,328)              |
| Other, net   | 3,510,049            | 3,255,115                |
| <b>Total property, plant and equipment</b>                                 | <b>9,490,363</b>     | <b>9,273,846</b>         |
| <b>Intangible assets</b>   |                      |                          |
| Goodwill   | 50,125               | 42,496                   |
| Other  | 3,015,665            | 3,031,341                |
| <b>Total intangible assets</b>   | <b>3,065,791</b>     | <b>3,073,838</b>         |
| <b>Investments and other assets</b>  |                      |                          |
| Investment securities  | 1,265,600            | 1,253,400                |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 388,013              | 329,706                  |
| Other  | 2,909,026            | 3,050,399                |
| Allowance for doubtful accounts  | (812,980)            | (568,318)                |
| <b>Total investments and other assets</b>                                  | <b>3,749,661</b>     | <b>4,065,187</b>         |
| <b>Total non-current assets</b>  | <b>16,305,816</b>    | <b>16,412,871</b>        |
| <b>Total assets</b>  | <b>67,761,356</b>    | <b>50,561,168</b>        |
| <b>Liabilities</b>   |                      |                          |
| <b>Current liabilities</b>   |                      |                          |
| Notes and accounts payable – trade   | 4,831,214            | 3,099,546                |
| Short-term loans payable   | 22,662,965           | 8,311,787                |
| Lease obligations  | 2,365                | 1,504                    |
| Income taxes payable   | 378,721              | 217,500                  |
| Provision for bonuses  | 554,485              | 1,086,308                |
| Provision for loss on construction contracts                               | 972,534              | 979,215                  |
| Provision for loss on contract   | 516,187              | 382,812                  |
| Other  | 4,976,514            | 4,976,988                |
| <b>Total current liabilities</b>   | <b>34,894,988</b>    | <b>19,055,663</b>        |
| <b>Non-current liabilities</b>   |                      |                          |
| Long-term loans payable  | 18,078,341           | 18,000,000               |
| Lease obligations  | 2,667                | 2,298                    |
| Net defined benefit liability  | 327,577              | 275,762                  |
| Other  | 268,896              | 249,123                  |
| <b>Total non-current liabilities</b>                                       | <b>18,677,483</b>    | <b>18,527,183</b>        |
| <b>Total liabilities</b>   | <b>53,572,471</b>    | <b>37,582,847</b>        |
| <b>Net assets</b>  |                      |                          |
| <b>Shareholders' equity</b>  |                      |                          |
| Capital stock  | 8,758,481            | 8,758,481                |
| Capital surplus  | 87                   | 103                      |
| Retained earnings  | 5,012,846            | 3,920,505                |
| Treasury shares  | (554,798)            | (558,149)                |
| <b>Total shareholders' equity</b>  | <b>13,216,616</b>    | <b>12,120,940</b>        |
| <b>Accumulated other comprehensive income</b>                              |                      |                          |
| Valuation difference on available-for-sale securities                      | 87,431               | 79,954                   |
| Foreign currency translation adjustment                                    | 605,310              | 479,305                  |
| Remeasurements of defined benefit plans                                    | (148,219)            | (130,439)                |
| <b>Total accumulated other comprehensive income</b>                        | <b>544,522</b>       | <b>428,821</b>           |
| <b>Non-controlling interests</b>   | <b>427,746</b>       | <b>428,559</b>           |
| <b>Total net assets</b>  | <b>14,188,885</b>    | <b>12,978,321</b>        |
| <b>Total liabilities and net assets</b>                                    | <b>67,761,356</b>    | <b>50,561,168</b>        |

**Consolidated Profit and Loss Statements**

(Thousands of yen)

| Account Item  | from April 1, 2017<br>to September 30, 2017 | from April 1, 2018<br>to September 30, 2018 |
|---|---|---|
| Net sales   | 20,437,251                                  | 20,435,206                                  |
| Cost of sales   | 16,900,947                                  | 16,781,359                                  |
| Gross profit  | 3,536,303                                   | 3,653,846                                   |
| Selling, general and administrative expenses                  | 5,011,641                                   | 4,914,659                                   |
| Operating loss  | (1,475,337)                                 | (1,260,812)                                 |
| Non-operating income  |   |   |
| Interest and dividend income                                  | 17,341                                      | 15,010                                      |
| Share of profit of entities accounted for using equity method | —   | 3,118                                       |
| Foreign exchange gains  | 93,974                                      | 34,976                                      |
| Reversal of allowance for doubtful accounts                   | —   | 1,129                                       |
| Miscellaneous income  | 67,606                                      | 59,666                                      |
| Total non-operating income                                    | 178,921                                     | 113,900                                     |
| Non-operating expenses  |   |   |
| Interest expenses   | 34,638                                      | 38,514                                      |
| Share of loss of entities accounted for using equity method   | 16,135                                      | —   |
| Provision of allowance for doubtful accounts                  | 11,709                                      | —   |
| Miscellaneous expenses  | 28,241                                      | 22,297                                      |
| Total non-operating expenses                                  | 90,725                                      | 60,811                                      |
| Ordinary loss   | (1,387,140)                                 | (1,207,723)                                 |
| Extraordinary income  |   |   |
| Gain on sales of non-current assets                           | 2,525                                       | 12,093                                      |
| Gain on sales of shares of subsidiaries and associates        | —   | 106   |
| Gain on sales of investment securities                        | 19  | —   |
| Gain on change in equity                                      | 10,163                                      | —   |
| Total extraordinary income                                    | 12,709                                      | 12,199                                      |
| Extraordinary losses  |   |   |
| Loss on sales and retirement of non-current assets            | 29,554                                      | 27,059                                      |
| Special retirement expenses                                   | —   | 77,722                                      |
| Loss on liquidation of subsidiaries and associates            | —   | 25,031                                      |
| Total extraordinary losses                                    | 29,554                                      | 129,813                                     |
| Loss before income taxes                                      | (1,403,985)                                 | (1,325,337)                                 |
| Income taxes – current  | 163,509                                     | 132,004                                     |
| Income taxes – deferred                                       | (495,494)                                   | (386,061)                                   |
| Total income taxes  | (331,984)                                   | (254,057)                                   |
| Loss  | (1,072,001)                                 | (1,071,280)                                 |
| Profit attributable to non-controlling interests              | 10,311                                      | 21,060                                      |
| Loss attributable to owners of parent                         | (1,082,312)                                 | (1,092,341)                                 |

**Consolidated Cashflow Statement**

(Thousands of yen)

| Account Item   | from April 1, 2017<br>to September 30, 2017 | from April 1, 2018<br>to September 30, 2018 |
|--|---|---|
| <b>Cash flows from operating activities</b>                          |   |   |
| Loss before income taxes   | (1,403,985)                                 | (1,325,337)                                 |
| Depreciation   | 1,293,981                                   | 1,162,797                                   |
| Amortization of goodwill   | 6,629                                       | 6,410                                       |
| Amortization of long-term prepaid expenses                           | 147,773                                     | 77,932                                      |
| Increase (decrease) in allowance for doubtful accounts               | 7,919                                       | (42,555)                                    |
| Increase (decrease) in provision for bonuses                         | 515,707                                     | 531,870                                     |
| Increase (decrease) in provision for directors' bonuses              | (5,070)                                     | —   |
| Increase (decrease) in provision for loss on contract                | (178,340)                                   | (133,375)                                   |
| Increase (decrease) in net defined benefit asset and liability       | (83,986)                                    | (23,811)                                    |
| Increase (decrease) in other provision                               | 22,538                                      | 12,940                                      |
| Interest and dividend income   | (17,341)                                    | (15,010)                                    |
| Interest expenses  | 34,638                                      | 38,514                                      |
| Share of loss (profit) of entities accounted for using equity method | 16,135                                      | (3,118)                                     |
| Foreign exchange losses (gains)                                      | (5,411)                                     | (13,266)                                    |
| Loss (gain) on sales and retirement of non-current assets            | 27,028                                      | 14,966                                      |
| Loss (gain) on sales of investment securities                        | (19)  | —   |
| Extra retirement payment   | —   | 77,722                                      |
| Loss on liquidation of subsidiaries and associates                   | —   | 25,031                                      |
| Gain on change in equity   | (10,163)                                    | —   |
| Decrease (increase) in notes and accounts receivable – trade         | 16,733,537                                  | 15,139,060                                  |
| Decrease (increase) in inventories                                   | (1,018,616)                                 | (588,095)                                   |
| Increase (decrease) in notes and accounts payable – trade            | (1,085,498)                                 | (1,771,388)                                 |
| Decrease/increase in consumption taxes receivable/payable            | (220,720)                                   | (166,755)                                   |
| Increase (decrease) in accrued expenses                              | (12,014)                                    | 41,018                                      |
| Increase (decrease) in long-term accounts payable – other            | (22,018)                                    | (27,948)                                    |
| Other, net   | (889,713)                                   | (1,009,906)                                 |
| Subtotal   | 13,852,989                                  | 12,007,694                                  |
| Interest and dividend income received                                | 14,226                                      | 13,218                                      |
| Interest expenses paid   | (33,624)                                    | (37,721)                                    |
| Income taxes paid  | (197,549)                                   | (365,104)                                   |
| Income taxes refund  | 185,148                                     | 24,498                                      |
| Extra retirement payments  | (87,619)                                    | —   |
| Net cash provided by (used in) operating activities                  | 13,733,569                                  | 11,642,585                                  |
| <b>Cash flows from investing activities</b>                          |   |   |
| Payments into time deposits  | (297)                                       | (305)                                       |
| Purchase of property, plant and equipment                            | (487,395)                                   | (485,081)                                   |
| Proceeds from sales of property, plant and equipment                 | 3,685                                       | 17,806                                      |
| Purchase of intangible assets  | (193,096)                                   | (537,927)                                   |
| Purchase of investment securities                                    | (429,500)                                   | —   |
| Proceeds from sales of investment securities                         | 20  | 50  |
| Proceeds from sales of shares of subsidiaries and associates         | —   | 104   |
| Purchase of long-term prepaid expenses                               | (11,593)                                    | (9,550)                                     |
| Payments of loans receivable   | (1,108,288)                                 | (1,100,796)                                 |
| Collection of loans receivable                                       | 709,001                                     | 301,368                                     |
| Other, net   | (1,358)                                     | 629   |
| Net cash provided by (used in) investing activities                  | (1,518,822)                                 | (1,813,702)                                 |
| <b>Cash flows from financing activities</b>                          |   |   |
| Net increase (decrease) in short-term loans payable                  | (13,266,700)                                | (14,416,948)                                |
| Repayments of finance lease obligations                              | (1,533)                                     | (1,262)                                     |
| Purchase of treasury shares  | (3,270)                                     | (3,578)                                     |
| Proceeds from sales of treasury shares                               | 262   | 243   |
| Cash dividends paid  | (649,336)                                   | —   |
| Dividends paid to non-controlling interests                          | (4,876)                                     | (12,779)                                    |
| Net cash provided by (used in) financing activities                  | (13,925,455)                                | (14,434,325)                                |
| Effect of exchange rate change on cash and cash equivalents          | (28,584)                                    | (55,666)                                    |
| Net increase (decrease) in cash and cash equivalents                 | (1,739,293)                                 | (4,661,109)                                 |
| Cash and cash equivalents at beginning of period                     | 10,079,069                                  | 15,046,365                                  |
| Cash and cash equivalents at end of period                           | 8,339,775                                   | 10,385,256                                  |