

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

(Thousands of Yen)

	FY2018 (As of March 31,2019)	FY2019 (As of March 31,2020)
Assets		
Current assets		
Cash and deposits	16,878,292	17,475,481
Notes receivable, accounts receivable from completed construction contracts and other	89,523,351	96,206,993
Costs on construction contracts in progress	3,235,460	3,611,936
Other	1,942,991	2,420,589
Allowance for doubtful accounts	△9,493	△10,219
Total current assets	111,570,602	119,704,782
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,258,345	9,849,706
Machinery, vehicles, tools, furniture and fixtures	11,963,992	11,773,663
Land	1,756,477	4,693,593
Leased assets	5,436	1,208,724
Construction in progress	69,581	203,658
Accumulated depreciation	△15,352,960	△15,347,673
Total property, plant and equipment	7,700,872	12,381,672
Intangible assets	459,845	514,928
Investments and other assets		
Investment securities	14,575,781	12,019,199
Retirement benefit asset	481,358	110,891
Other	935,765	1,050,466
Allowance for doubtful accounts	△432,822	△432,637
Total investments and other assets	15,560,082	12,747,919
Total non-current assets	23,720,801	25,644,520
Total assets	135,291,403	145,349,303
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	33,366,749	35,221,597
Income taxes payable	2,480,801	2,949,625
Advances received on construction contracts in progress	803,660	711,732
Provision for warranties for completed construction	654,174	483,474
Provision for loss on construction contracts	140,952	48,818
Provision for bonuses	1,774,336	1,847,551
Other	10,104,252	11,899,290
Total current liabilities	49,324,927	53,162,090
Non-current liabilities		
Long-term accounts payable - other	7,600	7,600
Lease obligations	3,986	1,078,820
Long-term leasehold and guarantee deposits received	341,000	342,207
Deferred tax liabilities	787,335	—
Provision for repairs	381,939	581,678
Retirement benefit liability	580,216	639,838
Asset retirement obligations	145,220	147,354
Total non-current liabilities	2,247,299	2,797,499
Total liabilities	51,572,226	55,959,590
Net assets		
Shareholders' equity		
Share capital	2,810,000	2,810,000
Capital surplus	2,351,082	2,351,082
Retained earnings	76,559,670	84,187,760
Treasury shares	△3,894,323	△3,894,685
Total shareholders' equity	77,826,429	85,454,156
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,111,146	3,340,049
Remeasurements of defined benefit plans	△404,357	△638,265
Total accumulated other comprehensive income	4,706,788	2,701,783
Non-controlling interests	1,185,959	1,233,772
Total net assets	83,719,176	89,389,712
Total liabilities and net assets	135,291,403	145,349,303

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

	(Thousands of Yen)	
	FY2018	FY2019
	(As of March 31,2019)	(As of March 31,2020)
Net sales		
Net sales of completed construction contracts	126,841,336	137,624,406
Net sales for incidental businesses	7,898,264	8,410,177
Total net sales	134,739,601	146,034,583
Cost of sales		
Cost of sales of completed construction contracts	108,724,732	116,706,545
Cost of sales on incidental businesses	6,327,698	6,698,263
Total cost of sales	115,052,431	123,404,809
Gross profit		
Gross profit on completed construction contracts	18,116,603	20,917,860
Gross profit on incidental businesses	1,570,566	1,711,913
Total gross profit	19,687,170	22,629,773
Selling, general and administrative expenses	7,470,216	7,771,539
Operating profit	12,216,954	14,858,234
Non-operating income		
Interest income	1,585	423
Dividend income	247,344	261,122
Share of profit of entities accounted for using equity method	178,768	187,279
Other	63,428	45,061
Total non-operating income	491,126	493,886
Non-operating expenses		
Interest expenses	—	4,625
Commission expenses	3,535	2
Other	310	301
Total non-operating expenses	3,845	4,929
Ordinary profit	12,704,234	15,347,191
Extraordinary income		
Gain on sales of non-current assets	4,754	1,871
Gain on sales of investment securities	40,954	215,393
Total extraordinary income	45,708	217,264
Extraordinary losses		
Loss on sales of non-current assets	621	11,900
Loss on retirement of non-current assets	107,127	98,809
Loss on valuation of golf club membership	3,330	3,390
Other	—	1,837
Total extraordinary losses	111,078	115,936
Profit before income taxes	12,638,865	15,448,519
Income taxes - current	3,815,274	4,729,534
Income taxes - deferred	△117,382	△38,415
Total income taxes	3,697,892	4,691,118
Profit	8,940,973	10,757,400
Profit attributable to non-controlling interests	78,313	99,868
Profit attributable to owners of parent	8,862,660	10,657,531

TOTETSU KOGYO CO.,LTD.

Consolidated Financial statements

·Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2018 (As of March 31,2019)	FY2019 (As of March 31,2020)
Cash flows from operating activities		
Profit before income taxes	12,638,865	15,448,519
Depreciation	1,217,950	1,204,355
Increase (decrease) in allowance for doubtful accounts	△19,045	541
Increase (decrease) in long-term accounts payable - other	△35,130	—
Increase (decrease) in provision for loss on construction contracts	21,227	△92,134
Increase (decrease) in provision for bonuses	117,966	73,215
Increase (decrease) in retirement benefit liability	△242,592	59,622
Increase (decrease) in provision for repairs	△16,343	199,738
Interest and dividend income	△248,929	△261,546
Interest expenses	—	4,625
Share of loss (profit) of entities accounted for using equity method	△178,768	△187,279
Loss (gain) on sales and retirement of property, plant and equipment	102,993	108,837
Loss (gain) on sales of investment securities	△40,954	△215,393
Decrease (increase) in trade receivables	△7,180,857	△6,683,642
Decrease (increase) in costs on construction contracts in progress	190,031	△376,476
Increase (decrease) in trade payables	1,220,863	2,003,436
Increase (decrease) in advances received on construction contracts in progress	198,219	△91,927
Increase (decrease) in accrued consumption taxes	△485,120	544,632
Other, net	1,340,025	328,346
Subtotal	8,600,401	12,067,470
Interest and dividends received	252,974	269,231
Interest paid	—	△4,625
Income taxes paid	△2,765,314	△4,271,766
Net cash provided by (used in) operating activities	6,088,061	8,060,311
Cash flows from investing activities		
Purchase of property, plant and equipment	△4,282,772	△4,867,136
Proceeds from sales of property, plant and equipment	2,630,135	251,952
Purchase of intangible assets	△114,708	△109,028
Purchase of investment securities	△2,883	△2,209
Proceeds from sales of investment securities	75,433	364,004
Other, net	△25,029	△54,669
Net cash provided by (used in) investing activities	△1,719,824	△4,417,086
Cash flows from financing activities		
Repayments of lease obligations	△1,540	△20,705
Purchase of treasury shares	△1,100,301	△362
Dividends paid	△2,174,457	△3,023,211
Dividends paid to non-controlling interests	△1,756	△1,756
Net cash provided by (used in) financing activities	△3,278,055	△3,046,034
Net increase (decrease) in cash and cash equivalents	1,090,181	597,189
Cash and cash equivalents at beginning of period	15,788,110	16,878,292
Cash and cash equivalents at end of period	16,878,292	17,475,481

TOTETSU KOGYO CO.,LTD.

Consolidated Financial statements

·Consolidated Statements of Comprehensive Income

	(Thousands of Yen)	
	FY2018	FY2018
	(As of March 31,2019)	(As of March 31,2020)
Profit	8,940,973	10,757,400
Other comprehensive income		
Valuation difference on available-for-sale securities	117,472	△1,811,548
Remeasurements of defined benefit plans, net of tax	△156,218	△233,907
Share of other comprehensive income of entities accounted for using equity method	△29,478	△8,103
Total other comprehensive income	△68,224	△2,053,559
Comprehensive income	8,872,748	8,703,840
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,760,105	8,652,527
Comprehensive income attributable to non-controlling interests	112,642	51,313