

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2018 [J-GAAP]

May 7, 2018

NIPPON KANZAI Co., Ltd.

Listed exchanges: Tokyo Stock Exchange, First Section
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 Date of annual general meeting of shareholders: June 15, 2018
 Filing date of annual report: June 15, 2018
 Date to start dividends distribution: June 18, 2018
 Supplementary materials for results: Yes
 Results briefing meeting held: Yes (for investors and analysts)

*Amounts below one million yen have been rounded down.

1. Consolidated results for the fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(1) Consolidated business results

(Percentage figures indicate the rate of change from the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2018	96,478	4.3	5,772	4.5	6,379	7.0
Fiscal year ended March 31, 2017	92,490	2.7	5,522	5.7	5,963	2.7

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥5,597 million [38.7%]
 Fiscal year ended March 31, 2017: ¥4,034 million [21.3%]

	Profit Attributable to Owners of Parent		Profit per Share	Diluted Profit per Share
	Millions of yen	%	Yen	Yen
Fiscal year ended March 31, 2018	4,446	5.2	129.33	—
Fiscal year ended March 31, 2017	4,227	6.8	123.51	—

	Return on Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	%	%	%
Fiscal year ended March 31, 2018	10.6	9.7	6.0
Fiscal year ended March 31, 2017	10.9	9.9	6.0

(Reference) Share of profit of entities accounted for using equity method:
 Fiscal year ended March 31, 2018: ¥367 million
 Fiscal year ended March 31, 2017: ¥325 million

(2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	68,873	45,203	64.2	1,285.05
As of March 31, 2017	62,279	41,464	64.4	1,166.11

(Reference) Equity: As of March 31, 2018: ¥44,184 million
 As of March 31, 2017: ¥40,095 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2018	3,034	(703)	(1,870)	21,757
Fiscal year ended March 31, 2017	4,856	(1,239)	(2,173)	21,188

2. Dividends

	Annual dividends					Total Dividends Paid (full year)	Dividend Payout Ratio (consolidated)	Dividends to Net Assets (consolidated)
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2017	—	19.00	—	21.00	40.00	1,375	32.4	3.5
Fiscal year ended March 31, 2018	—	21.00	—	21.00	42.00	1,444	32.5	3.4
Fiscal year ending March 31, 2019 (forecast)	—	21.00	—	21.00	42.00		31.4	

3. Consolidated business forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentage figures for the full year indicate the rate of change from the previous fiscal year.

Percentage figures for the first six months indicate the rate of change from the same period of the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Profit per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	46,000	1.7	2,600	2.5	3,000	4.6	2,000	(6.0)	58.17
Full year	98,500	2.1	6,000	3.9	6,700	5.0	4,600	3.4	133.78

* Notes

(1) Changes of significant subsidiaries during the period (changes in specific subsidiaries associated with changes in scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and restatement of revisions

- 1) Changes in accounting policies due to revisions of accounting standards, etc.: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Restatement of revisions: None

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

- 1) Number of shares issued and outstanding (including treasury stock)
- 2) Number of treasury stock
- 3) Average number of shares issued and outstanding

1)	As of March 31, 2018	41,180,306 shares	As of March 31, 2017	41,180,306 shares
2)	As of March 31, 2018	6,796,762 shares	As of March 31, 2017	6,796,030 shares
3)	Fiscal year ended March 31, 2018	34,383,771 shares	Fiscal year ended March 31, 2017	34,227,438 shares

(Reference) Summary of non-consolidated financial results**1. Non-consolidated results for the fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)****(1) Non-consolidated business results**

(Percentage figures indicate the rate of change from the previous fiscal year.)

	Net Sales		Operating Income		Ordinary Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2018	58,471	(2.1)	3,235	3.1	4,942	13.6
Fiscal year ended March 31, 2017	59,735	7.0	3,138	15.3	4,350	0.2

	Profit		Profit per Share	Diluted Profit per Share
	Millions of yen	%	Yen	Yen
Fiscal year ended March 31, 2018	5,587	55.8	162.52	—
Fiscal year ended March 31, 2017	3,587	2.2	104.81	—

(2) Non-consolidated financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	46,852	32,456	69.3	943.97
As of March 31, 2017	42,629	27,458	64.4	798.56

(Reference) Equity: As of March 31, 2018: ¥32,456 million
As of March 31, 2017: ¥27,458 million

2. Non-consolidated business forecasts for the fiscal year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentage figures for the full year indicate the rate of change from the previous fiscal year.)

Percentage figures for the first six months indicate the rate of change from the same period of the previous fiscal year.)

	Net Sales		Ordinary Income		Profit		Profit per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	27,950	1.6	2,980	12.5	2,380	(2.9)	69.22
Full year	60,000	2.6	5,100	3.2	3,900	(30.2)	113.43

* **This financial report is not audited by certified public accountants or audit corporations.***** Explanation regarding the appropriate use of business forecasts and other notes**

- The business forecasts reported herein were prepared based on information the Company had in its possession as of the time this report was prepared and on certain assumptions judged to be reasonable. Actual results may differ significantly from forecasts due to various factors. Please refer to the disclaimers, provided under “1. Overview of business results, etc.; (4) Future outlook” on page 3 of the Attached Document of this financial report, regarding assumptions upon which forecasts are based and the use of forecasts.
- The Company plans to hold a presentation on its financial results for analysts and institutional investors on Wednesday, May 23, 2018. Presentation materials will be posted on its website after the presentation.

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1. Overview of business results, etc.

(1) Overview of business results for the period

1) Business results for the fiscal year ended March 31, 2018

During the current fiscal year (fiscal year ended March 31, 2018), the Japanese economy continued to show a moderate recovery trend against the backdrop of improvement in corporate earnings and the employment situation. However, the outlook still remains uncertain, with many factors of concern such as the policy trend of the U.S. administration and the economic slowdown of emerging countries.

In the real estate service industry, signs of improvement are seen in the office and commercial buildings vacancy rates in central Tokyo and core regional cities, and it was confirmed that rents in some areas have turned upward. In addition, the Company's target market indicates future expansion as there has been an increasing number of reconstruction projects of multi-purpose buildings in central Tokyo and other areas.

In such a business environment, the NIPPON KANZAI Group (hereinafter "the Group") has been awarded with new management contracts by focusing on management with high added value that can clearly differentiate us from competitors. As to existing management contracts, although strong management cost-consciousness brought by the global financial crisis still remains among clients, the Group has increased efforts on improving management quality and expansion of the scope of management by offering better management services with evolved and improved contents to clients from the viewpoint of maintaining and enhancing safety, security and asset value.

The Group has also been making efforts in proactive business development in related areas such as private finance initiatives (PFI), energy-saving and environmental businesses while working to further strengthen and improve our main business of building management.

Consolidated net sales for the current fiscal year increased by 4.3% year on year to 96,478 million yen because, in addition to existing management contracts remaining at a high level, we also steadily won construction-related orders.

As to earnings, although it was affected by the sluggish growth in contract unit prices and the increase in administrative costs due to strengthening organizational structure, etc., a review of procurement unit prices and efforts for thorough working time management were made, resulted in operating income increasing by 4.5% year on year to 5,772 million yen, ordinary income increasing by 7.0% year on year to 6,379 million yen and profit attributable to owners of parent increasing by 5.2% year on year to 4,446 million yen for results of year-on-year increases in each.

2) Business by segment

The following are the results by segment.

Segment income (loss) has been adjusted to operating income described in consolidated statements of income.

(Building Management and Operation Business)

In our core Building Management and Operation Business, which focuses on building management and security services, although the circumstances were difficult in winning new contracts, construction-related orders increased. As a result, net sales for the segment for the current fiscal year increased by 3.7% year on year to 83,975 million yen.

Although earnings were affected by sluggish growth in contract unit prices, efforts for thorough cost management resulted in segment income increasing by 4.6% year on year to 8,902 million yen.

(Environmental Facility Management Business)

In Environmental Facility Management Business, which mainly comprises the management of water treatment, sewage disposal and other public facilities related to the overall living environment, we managed to secure an order for large construction work in addition to steadily winning waste incineration facility and other new management contracts and renewing contracts. As a result, net sales for the segment for the current fiscal year increased by 6.3% year on year to 9,757 million yen. We consider the market has the potential to grow because the private sector's knowhow can be useful for local governments, the main customers for this segment, in meeting their tight budgets.

In addition, cost reduction efforts were made, focusing on efforts to realign personnel assignments as well as to reexamine low profit margin contracts and procurement costs. As a result, segment income increased by 6.7% year on year to 1,134 million yen.

(Real Estate Fund Management Business)

In Real Estate Fund Management Business, which mainly comprises asset management business (i.e. arrangement and asset management of real estate funds) and handling investments in a silent partnership, profits were recorded from the sale of assets under management. However, net sales for the current fiscal year decreased by 19.8% year on year to 463 million yen with the decrease in management fee due to the sale of assets under management.

In addition, despite efforts in expense reductions and improvements on operational efficiency, segment income decreased by 51.4% year on year to 84 million yen with the decrease in the abovementioned assets under management.

(Other Businesses)

In Other Businesses, which consist mainly of event planning & management, printing and design, increases in orders of various events resulted in net sales for the segment for the current fiscal year increasing by 31.8% year on year to 2,282 million yen and segment income increasing by 70.8% year on year to 343 million yen.

(2) Overview of financial position for the period

Total assets at the end of the current fiscal year increased by 6,593 million yen, or 10.6%, from the previous fiscal year-end to 68,873 million yen.

Current assets increased by 3,370 million yen, or 9.4%, from the previous fiscal year-end to 39,229 million yen. Non-current assets increased by 3,222 million yen, or 12.2%, from the previous fiscal year-end to 29,644 million yen.

The main factors for these increases were increase in accounts receivable (increased by 2,375 million yen year on year) due to large construction orders and increase in investment securities (increased by 2,528 million yen year on year) due to the rise in stock price.

Total liabilities at the end of the current fiscal year increased by 2,854 million yen, or 13.7%, from the previous fiscal year-end to 23,670 million yen. This was due to increase in accounts payable (increased by 1,406 million yen year on year) and increase in guarantee deposited due to master lease agreements (increased by 827 million yen year on year).

Total net assets at the end of the current fiscal year increased by 3,738 million yen, or 9.0%, from the previous fiscal year-end to 45,203 million yen.

The main factor for the increase includes recording of profit attributable to owners of parent.

As a result, the equity ratio at the end of the current fiscal year decreased by 0.2 percentage points from the previous fiscal year-end's 64.4% to 64.2%.

The Group's financial policy is to secure the liquidity necessary for management and to maintain a sound balance sheet.

(3) Overview of cash flows for the period

Cash and cash equivalents (hereinafter "cash") at the end of the current fiscal year increased by 569 million yen, or 2.7%, from the previous fiscal year-end to 21,757 million yen.

The status and main factors of cash flows for the current fiscal year were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities for the current fiscal year was 3,034 million yen, down 1,822 million yen year on year.

This was mainly due to the smaller amount recorded as "Decrease (increase) in notes and accounts receivable-trade," up 2,281 million yen year on year.

(Cash flows from investing activities)

Net cash used in investing activities for the current fiscal year was 703 million yen, a smaller outflow by 535 million yen year on year.

This was mainly due to decrease in purchase of property, plant and equipment and intangible assets, down 886 million yen year on year.

(Cash flows from financing activities)

Net cash used in financing activities for the current fiscal year was 1,870 million yen, a smaller outflow by 302 million yen year on year.

This was mainly due to increase in net repayment of loans, up 867 million yen year on year.

(4) Future outlook

With regards to the outlook for the next fiscal year, although the business performance of some companies is on an upward trend, the entire economic picture is yet to unfold and uncertainty is expected to linger for the time being.

In the real estate service industry, although there have been improvements in office rent and vacancy rates, the market environment continues to be in severe conditions as clients remain highly conscious of management cost reduction as well as intense competition with other companies.

In such an environment, the Group will continue proactive marketing, mainly by presenting project proposals in such areas as designated administrator for public facilities and PFI projects. At the same time, the Group will proactively cultivate the energy-saving-related business, parking management and operation, event planning and management and other areas. In addition, the Group will apply the expertise accumulated in a local subsidiary in Australia (PICA) to develop new markets and enhance our services.

Furthermore, the Group will make efforts to improve profitability by enhancing quality control based on ISO standards to provide even better service and raise customer satisfaction level, by expanding business areas and by further cost control.

The business forecasts for the next fiscal year (April 1, 2018 to March 31, 2019) are as follows: consolidated net sales increasing by 2.1% year on year to 98,500 million yen; consolidated operating income increasing by 3.9% year on year to 6,000 million yen; consolidated ordinary income increasing by 5.0% year on year to 6,700 million yen; and profit attributable to owners of parent increasing by 3.4% year on year to 4,600 million yen.

2. Basic policy regarding selection of accounting standard

The Group has a policy to prepare financial statements based on the Japanese GAAP, considering the comparability of consolidated financial statements over time and between Japanese companies.

As for the application of the International Financial Reporting Standards, the Group has a policy to apply it accordingly, considering the situation in Japan and overseas in the future.

3. Consolidated financial statements and key notes**(1) Consolidated balance sheets**

(Thousands of yen)

	Fiscal year ended March 31, 2017 (As of March 31, 2017)	Fiscal year ended March 31, 2018 (As of March 31, 2018)
ASSETS		
Current assets		
Cash and deposits	21,583,169	22,002,218
Notes and accounts receivable—trade	11,721,211	14,097,157
Investments in silent partnership for business purposes	405,483	27,949
Supplies	114,599	121,457
Real estate for sale	541,840	1,476,174
Income taxes receivable	53,251	139,995
Deferred tax assets	404,773	365,595
Other	1,045,499	1,007,139
Allowance for doubtful accounts	(11,281)	(8,301)
Total current assets	35,858,544	39,229,383
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,481,061	6,607,065
Accumulated depreciation	(3,139,659)	(3,318,567)
Buildings and structures, net	3,341,402	3,288,498
Machinery, equipment and vehicles	168,452	179,640
Accumulated depreciation	(113,487)	(129,674)
Machinery, equipment and vehicles, net	54,965	49,966
Tools, furniture and fixtures	1,225,113	1,293,616
Accumulated depreciation	(768,410)	(843,086)
Tools, furniture and fixtures, net	456,703	450,530
Land	1,083,183	1,154,050
Leased assets	1,123,528	1,156,169
Accumulated depreciation	(850,298)	(855,677)
Leased assets, net	273,230	300,492
Construction in progress	1,800	7,830
Total property, plant and equipment	5,211,283	5,251,366
Intangible assets		
Telephone subscription right	46,451	46,526
Software	394,582	309,263
Goodwill	2,111,188	1,971,427
Leased assets	14,645	9,329
Software in progress	27,050	88,971
Total intangible assets	2,593,916	2,425,516
Investments and other assets		
Investment securities	13,614,313	16,143,074
Long-term loans receivable	490,357	542,950
Long-term prepaid expenses	21,282	35,642
Lease and guarantee deposits	2,779,660	3,523,816
Membership	395,833	393,136
Net defined benefit asset	672,803	746,883
Deferred tax assets	278,624	289,821
Other	442,197	354,964
Allowance for doubtful accounts	(79,057)	(63,115)
Total investments and other assets	18,616,012	21,967,171
Total non-current assets	26,421,211	29,644,053
TOTAL ASSETS	62,279,755	68,873,436

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Thousands of yen)	
	Fiscal year ended March 31, 2017 (As of March 31, 2017)	Fiscal year ended March 31, 2018 (As of March 31, 2018)
LIABILITIES		
Current liabilities		
Notes and accounts payable—trade	7,200,747	8,607,085
Current portion of long-term loans payable	575,000	2,350,000
Current portion of long-term non-recourse loans payable	10,000	13,900
Lease obligations	116,615	107,293
Accrued expenses	2,309,369	2,685,542
Income taxes payable	1,134,781	949,574
Accrued consumption taxes	659,155	768,043
Deposits received	290,747	614,827
Advances received	299,151	169,530
Provision for bonuses	647,954	642,062
Other	404,543	17,417
Total current liabilities	13,648,062	16,925,273
Non-current liabilities		
Long-term loans payable	2,350,000	-
Long-term non-recourse loans payable	365,000	1,051,100
Lease obligations	179,840	209,068
Deferred tax liabilities	1,072,268	1,563,362
Net defined benefit liability	526,753	432,279
Long-term guarantee deposited	1,690,000	2,517,391
Asset retirement obligations	259,604	264,295
Liabilities from application of equity method	7,875	4,552
Other	715,816	702,732
Total non-current liabilities	7,167,156	6,744,779
TOTAL LIABILITIES	20,815,218	23,670,052
NET ASSETS		
Shareholders' equity		
Capital stock	3,000,000	3,000,000
Capital surplus	618,090	646,943
Retained earnings	39,564,783	42,567,483
Treasury shares	(4,961,570)	(4,962,993)
Total shareholders' equity	38,221,303	41,251,433
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,834,553	3,724,532
Foreign currency translation adjustment	(729,421)	(540,087)
Remeasurements of defined benefit plans	(230,617)	(251,285)
Total accumulated other comprehensive income	1,874,515	2,933,160
Non-controlling interests	1,368,719	1,018,791
TOTAL NET ASSETS	41,464,537	45,203,384
TOTAL LIABILITIES AND NET ASSETS	62,279,755	68,873,436

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

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

(Thousands of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Net sales	92,490,999	96,478,696
Cost of sales	74,021,685	77,645,614
Gross profit	18,469,314	18,833,082
Selling, general and administrative expenses		
Selling expenses	249,679	304,304
Personnel expenses	7,501,248	7,470,279
Provision for bonuses	321,166	300,231
Retirement benefit expenses	262,293	139,362
Transportation and communication expenses	964,255	1,004,295
Supplies expenses	401,456	403,642
Rent expenses	932,342	958,700
Insurance expenses	444,655	491,389
Depreciation	392,506	384,392
Taxes and dues	88,602	91,300
Enterprise tax	253,491	247,886
Provision of allowance for doubtful accounts	(1,917)	(2,322)
Amortization of goodwill	131,612	139,761
Other	1,004,932	1,127,784
Total selling, general and administrative expenses	12,946,320	13,061,003
Operating income	5,522,994	5,772,079
Non-operating income		
Interest and dividend income	160,178	189,702
Rent income	45,609	54,364
Share of profit of entities accounted for using equity method	325,400	367,588
Dividend income of insurance	31,091	38,389
Foreign exchange gains	-	25,211
Other	105,299	83,364
Total non-operating income	667,577	758,618
Non-operating expenses		
Interest expenses	31,765	27,923
Rent expenses	44,010	44,398
Loss on sales and retirement of non-current assets	8,131	50,412
Foreign exchange losses	86,586	-
Other	56,582	28,554
Total non-operating expenses	227,074	151,287
Ordinary income	5,963,497	6,379,410

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(Thousands of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Extraordinary income		
Gain on sales of investment securities	516,181	226,200
Total extraordinary income	516,181	226,200
Extraordinary losses		
Loss on valuation of shares of subsidiaries	98,522	-
Loss on valuation of membership	920	-
Loss on transfer from business divestitures	-	30,389
Total extraordinary losses	99,442	30,389
Profit before income taxes	6,380,236	6,575,221
Income taxes – current	1,966,690	1,965,691
Income taxes – deferred	69,272	75,120
Total income taxes	2,035,962	2,040,811
Profit	4,344,274	4,534,410
Profit attributable to non-controlling interests	116,882	87,581
Profit attributable to owners of parent	4,227,392	4,446,829

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Profit	4,344,274	4,534,410
Other comprehensive income		
Valuation difference on available-for-sale securities	(41,540)	893,396
Foreign currency translation adjustment	(3,470)	4,880
Remeasurements of defined benefit plans, net of tax	(69,527)	(19,840)
Share of other comprehensive income of entities accounted for using equity method	(194,935)	184,454
Total other comprehensive income	(309,472)	1,062,890
Comprehensive income	4,034,802	5,597,300
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,915,565	5,505,441
Comprehensive income attributable to non-controlling interests	119,237	91,859

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,000,000	617,972	36,763,118	(5,169,531)	35,211,559
Changes of items during period					
Dividends of surplus [year-end]			(756,469)		(756,469)
Dividends of surplus [interim]			(653,313)		(653,313)
Profit attributable to owners of parent			4,227,392		4,227,392
Purchase of treasury shares				(1,365)	(1,365)
Disposal of treasury shares		118		209,326	209,444
Change of scope of consolidation			(15,945)		(15,945)
Foreign currency translation adjustment from change of scope of consolidation					
Net changes of items other than shareholders' equity					
Total changes of items during period	—	118	2,801,665	207,961	3,009,744
Balance at end of current period	3,000,000	618,090	39,564,783	(4,961,570)	38,221,303

	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	2,878,496	(546,962)	(161,138)	2,170,396	1,317,982	38,699,937
Changes of items during period						
Dividends of surplus [year-end]						(756,469)
Dividends of surplus [interim]						(653,313)
Profit attributable to owners of parent						4,227,392
Purchase of treasury shares						(1,365)
Disposal of treasury shares						209,444
Change of scope of consolidation						(15,945)
Foreign currency translation adjustment from change of scope of consolidation		15,945		15,945		15,945
Net changes of items other than shareholders' equity	(43,943)	(198,404)	(69,479)	(311,826)	50,737	(261,089)
Total changes of items during period	(43,943)	(182,459)	(69,479)	(295,881)	50,737	2,764,600
Balance at end of current period	2,834,553	(729,421)	(230,617)	1,874,515	1,368,719	41,464,537

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,000,000	618,090	39,564,783	(4,961,570)	38,221,303
Changes of items during period					
Dividends of surplus [year-end]			(722,070)		(722,070)
Dividends of surplus [interim]			(722,059)		(722,059)
Profit attributable to owners of parent			4,446,829		4,446,829
Purchase of treasury shares				(1,423)	(1,423)
Change in ownership interest of parent due to transactions with non-controlling interests		28,853			28,853
Net changes of items other than shareholders' equity					
Total changes of items during period	—	28,853	3,002,700	(1,423)	3,030,130
Balance at end of current period	3,000,000	646,943	42,567,483	(4,962,993)	41,251,433

	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	2,834,553	(729,421)	(230,617)	1,874,515	1,368,719	41,464,537
Changes of items during period						
Dividends of surplus [year-end]						(722,070)
Dividends of surplus [interim]						(722,059)
Profit attributable to owners of parent						4,446,829
Purchase of treasury shares						(1,423)
Change in ownership interest of parent due to transactions with non-controlling interests						28,853
Net changes of items other than shareholders' equity	889,979	189,334	(20,668)	1,058,645	(349,928)	708,717
Total changes of items during period	889,979	189,334	(20,668)	1,058,645	(349,928)	3,738,847
Balance at end of current period	3,724,532	(540,087)	(251,285)	2,933,160	1,018,791	45,203,384

(4) Consolidated statements of cash flows

	(Thousands of yen)	
	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Profit before income taxes	6,380,236	6,575,221
Depreciation	606,818	604,957
Amortization of goodwill	131,612	139,761
Increase (decrease) in provision for bonuses	(27,044)	(4,476)
Increase (decrease) in net defined benefit (asset) liability	(118,848)	(174,438)
Increase (decrease) in allowance for doubtful accounts	(12,449)	(18,922)
Share of (profit) loss of entities accounted for using equity method	(325,400)	(367,588)
Interest and dividend income	(160,178)	(189,702)
Interest expenses	31,765	27,923
Foreign exchange losses (gains)	89,782	(25,895)
Loss (gain) on sales and retirement of non-current assets	7,559	49,855
Loss (gain) on valuation of investment securities	(516,084)	(226,200)
Loss (gain) on transfer from business divestitures	-	30,389
Loss on valuation of shares of subsidiaries	98,522	-
Decrease (increase) in notes and accounts receivable – trade	(73,869)	(2,355,705)
Decrease (increase) in investments in silent partnership for business purposes	28,815	225,712
Decrease (increase) in inventories	(10,229)	(1,004,883)
Decrease (increase) in other assets	13,745	(59,110)
Increase (decrease) in notes and accounts payable – trade	174,985	1,411,241
Increase (decrease) in accrued consumption taxes	(53,959)	143,192
Increase (decrease) in other liabilities	55,944	297,592
Loss on valuation of membership	920	-
Other, net	(41,153)	(65,606)
Subtotal	6,281,490	5,013,318
Interest and dividend income received	321,937	361,149
Interest expenses paid	(31,765)	(27,923)
Proceeds from insurance income	400,446	-
Accident restoration related expenses paid	(326,899)	-
Income taxes paid	(1,788,407)	(2,311,744)
Net cash provided by (used in) operating activities	4,856,802	3,034,800

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(Thousands of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Cash flows from investing activities		
Payments into time deposits	(395,000)	(145,000)
Proceeds from withdrawal of time deposits	695,000	395,000
Purchase of property, plant and equipment and intangible assets	(1,296,130)	(409,686)
Proceeds from sales of property, plant and equipment and intangible assets	4,062	557
Purchase of investment securities	(1,271,647)	(1,061,273)
Proceeds from sales of investment securities	1,176,343	369,098
Proceeds from redemption of securities	-	100,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(110,548)	-
Proceeds from business divestitures	-	6,452
Payments of loans receivable	(122,531)	(79,650)
Collection of loans receivable	30,503	31,434
Payments for lease and guarantee deposits	(1,457,665)	(1,094,656)
Proceeds from collection of lease and guarantee deposits	133,869	272,295
Proceeds from guarantee deposits received	1,354,531	830,680
Repayments of guarantee deposits received	(15,665)	(3,289)
Other, net	35,139	84,044
Net cash provided by (used in) investing activities	(1,239,739)	(703,994)
Cash flows from financing activities		
Increase in short-term loans payable	900,000	1,850,000
Decrease in short-term loans payable	(900,000)	(1,850,000)
Repayments of long-term loans payable	(742,870)	(575,000)
Proceeds from long-term non-recourse loans payable	-	700,000
Repayments of long-term non-recourse loans payable	(10,000)	(10,000)
Repayments of lease obligations	(164,099)	(127,496)
Proceeds from disposal of treasury shares	209,444	-
Purchase of treasury shares	(1,365)	(1,423)
Proceeds from share issuance to non-controlling shareholders	-	58,000
Cash dividends paid	(1,395,798)	(1,443,404)
Dividends paid to non-controlling interests	(68,500)	(298,934)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(172,000)
Net cash provided by (used in) financing activities	(2,173,188)	(1,870,257)
Effect of exchange rate change on cash and cash equivalents	(93,234)	32,952
Net increase (decrease) in cash and cash equivalents	1,350,641	493,501
Cash and cash equivalents at beginning of period	19,801,255	21,188,169
Increase in cash and cash equivalents from newly consolidated subsidiary	36,273	-
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	75,548
Cash and cash equivalents at end of period	21,188,169	21,757,218

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(5) Notes to consolidated financial statements**(Notes on the going concern assumption)**

Not applicable.

(Segment information, etc.)**[Segment information]**

1. Overview of reportable segments

The Company's reportable segments are organizational units for which separate financial information can be gathered. These reportable segments are subject to the Board of Directors' periodical review to make decisions of business resource allocation and to evaluate performance.

We have created four reportable segments – Building Management and Operation Business, Environmental Facility Management Business, Real Estate Fund Management Business, and Other Businesses – based on the characteristics and similarities of the services provided by the Group companies.

Building Management and Operation Business includes building management and security services. Environmental Facility Management Business mainly comprises the management of water treatment, sewage disposal and other public facilities. Real Estate Fund Management Business mainly comprises composition and asset management of real estate funds and investments in silent partnership. Other Businesses include mainly event planning and management, printing, and design.

2. Calculation methods of net sales, income or losses, assets, liabilities and other items for each reportable segment

The accounting methods used for reportable segments are basically the same as those used for consolidated financial statements.

3. Information on net sales, income or losses, assets, liabilities and other items for each reportable segment

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Thousands of yen)

	Reportable segment					Adjustments (Note)	Amount recorded on consolidated financial statements
	Building Management and Operation Business	Environmental Facility Management Business	Real Estate Fund Management Business	Other Businesses	Total		
Net sales							
Net sales to external customers	81,005,919	9,176,234	577,176	1,731,670	92,490,999	—	92,490,999
Inter-segment net sales and transfer	—	—	—	—	—	—	—
Total	81,005,919	9,176,234	577,176	1,731,670	92,490,999	—	92,490,999
Segment income	8,512,960	1,062,799	174,096	201,031	9,950,886	(4,427,892)	5,522,994
Segment assets	35,640,523	2,919,973	1,469,425	951,151	40,981,072	21,298,683	62,279,755
Other items							
Depreciation	266,177	17,185	15,377	6,667	305,406	302,483	607,889
Investments in entities accounted for using equity method	5,893,783	52,609	348,028	—	6,294,420	—	6,294,420
Increase in property, plant and equipment and intangible assets	1,298,635	14,689	200	2,614	1,316,138	123,152	1,439,290

(Notes) 1. Adjustments are as follows:

- (1) Adjustments of -4,427,892 thousand yen for segment income are unallocated general administrative expenses.
- (2) Adjustments of 21,298,683 thousand yen for segment assets are corporate assets that are not allocated to any of the reportable segments. They are mainly cash, time deposits, investment securities and the assets of the administration departments of the Company.
- (3) Adjustments of 123,152 thousand yen for increase in property, plant and equipment and intangible assets are due to system repair, etc.

2. Segment income has been adjusted to operating income described in consolidated statements of income.

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Thousands of yen)

	Reportable segment					Adjustments (Note)	Amount recorded on consolidated financial statements
	Building Management and Operation Business	Environmental Facility Management Business	Real Estate Fund Management Business	Other Businesses	Total		
Net sales							
Net sales to external customers	83,975,219	9,757,950	463,083	2,282,444	96,478,696	—	96,478,696
Inter-segment net sales and transfer	—	—	—	—	—	—	—
Total	83,975,219	9,757,950	463,083	2,282,444	96,478,696	—	96,478,696
Segment income	8,902,444	1,134,399	84,559	343,365	10,464,767	(4,692,688)	5,772,079
Segment assets	36,004,346	3,471,346	3,034,409	1,457,848	43,967,949	24,905,487	68,873,436
Other items							
Depreciation	300,521	14,039	15,197	5,754	335,511	281,461	616,972
Investments in entities accounted for using equity method	6,299,868	55,714	27,949	—	6,383,531	—	6,383,531
Increase in property, plant and equipment and intangible assets	381,082	22,200	8,215	392	411,889	229,681	641,570

(Notes) 1. Adjustments are as follows:

- (1) Adjustments of -4,692,688 thousand yen for segment income are unallocated general administrative expenses.
- (2) Adjustments of 24,905,487 thousand yen for segment assets are corporate assets that are not allocated to any of the reportable segments. They are mainly cash, time deposits, investment securities and the assets of the administration departments of the Company.
- (3) Adjustments of 229,681 thousand yen for increase in property, plant and equipment and intangible assets are due to renovation work of offices, etc. and system repair, etc.

2. Segment income has been adjusted to operating income described in consolidated statements of income.

[Related information]

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

1. Information related to product and service

Please refer to "Segment information."

2. Information related to geographic region

(1) Net sales

Not applicable because there are no net sales to external customers outside of Japan.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside of Japan.

3. Information related to major customer

There is nothing to report because there is no external customer accounting for 10% or more of net sales reported in the consolidated statements of income.

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

1. Information related to product and service

Please refer to "Segment information."

2. Information related to geographic region

(1) Net sales

Not applicable because there are no net sales to external customers outside of Japan.

(2) Property, plant and equipment

Not applicable because there is no property, plant and equipment outside of Japan.

3. Information related to major customer

There is nothing to report because there is no external customer accounting for 10% or more of net sales reported in the consolidated statements of income.

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

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Not applicable.

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Not applicable.

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

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Thousands of yen)

	Reportable segment					Elimination or Corporate	Total
	Building Management and Operation Business	Environmental Facility Management Business	Real Estate Fund Management Business	Other Businesses	Subtotal		
Amortization for the current period	127,452	—	4,160	—	131,612	—	131,612
Unamortized balance at the end of current year	2,093,510	—	17,678	—	2,111,188	—	2,111,188

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Thousands of yen)

	Reportable segment					Elimination or Corporate	Total
	Building Management and Operation Business	Environmental Facility Management Business	Real Estate Fund Management Business	Other Businesses	Subtotal		
Amortization for the current period	135,601	—	4,160	—	139,761	—	139,761
Unamortized balance at the end of current year	1,957,909	—	13,518	—	1,971,427	—	1,971,427

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Not applicable.

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Not applicable.

(Per share information)

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)		Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)	
Net assets per share	1,166.11 yen	Net assets per share	1,285.05 yen
Profit per share	123.51 yen	Profit per share	129.33 yen
No diluted profit per share is presented for the fiscal year, because there are no potentially dilutive securities.		No diluted profit per share is presented for the fiscal year, because there are no potentially dilutive securities.	

Note: Basis of calculations

1. Net assets per share

Item	Fiscal year ended March 31, 2017 (as of March 31, 2017)	Fiscal year ended March 31, 2018 (as of March 31, 2018)
Total net assets, as stated on the consolidated balance sheets (thousands of yen)	41,464,537	45,203,384
Net assets associated with common stock (thousands of yen)	40,095,818	44,184,593
Major components of the difference (thousands of yen): Non-controlling interests	1,368,719	1,018,791
Number of shares of common stock issued and outstanding (shares)	41,180,306	41,180,306
Number of shares of common stock as treasury stock (shares)	6,796,030	6,796,762
Number of shares of common stock used in the calculation of net assets per share (shares)	34,384,276	34,383,544

2. Profit per share

Item	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Profit attributable to owners of parent (thousands of yen)	4,227,392	4,446,829
Amount not attributable to owners of common stock (thousands of yen)	—	—
Profit attributable to owners of parent associated with common stock (thousands of yen)	4,227,392	4,446,829
Average number of shares of common stock during period (shares)	34,227,438	34,383,771

(Significant subsequent events)

Not applicable.

4. Non-consolidated financial statements and key notes**(1) Non-consolidated balance sheets**

(Thousands of yen)

	Fiscal year ended March 31, 2017 (As of March 31, 2017)	Fiscal year ended March 31, 2018 (As of March 31, 2018)
ASSETS		
Current assets		
Cash and deposits	9,361,055	10,929,086
Notes receivable—trade	88,143	34,161
Accounts receivable—trade	8,149,221	8,640,356
Supplies	31,177	45,895
Prepaid expenses	272,891	264,201
Accounts receivable—other	6,637	27,097
Short-term loans receivable	1,014,972	1,849,289
Advances paid	332,151	224,500
Deferred tax assets	162,329	152,974
Other	16,144	36,940
Allowance for doubtful accounts	(2,440)	(1,380)
Total current assets	19,432,285	22,203,123
Non-current assets		
Property, plant and equipment		
Buildings	4,832,382	4,905,639
Accumulated depreciation	(2,726,434)	(2,861,504)
Buildings, net	2,105,948	2,044,134
Structures	166,432	233,244
Accumulated depreciation	(64,060)	(84,153)
Structures, net	102,372	149,091
Machinery and equipment	6,130	8,734
Accumulated depreciation	(6,129)	(7,750)
Machinery and equipment, net	0	984
Vehicles	60,244	69,311
Accumulated depreciation	(44,106)	(58,351)
Vehicles, net	16,138	10,959
Tools, furniture and fixtures	774,730	838,958
Accumulated depreciation	(488,704)	(541,057)
Tools, furniture and fixtures, net	286,025	297,901
Land	988,496	988,496
Leased assets	657,294	807,875
Accumulated depreciation	(528,834)	(646,070)
Leased assets, net	128,459	161,805
Total property, plant and equipment	3,627,440	3,653,373
Intangible assets		
Telephone subscription right	15,570	19,547
Software	297,385	229,875
Leased assets	13,288	8,650
Software in progress	-	43,810
Total intangible assets	326,244	301,883

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Thousands of yen)	
	Fiscal year ended March 31, 2017 (As of March 31, 2017)	Fiscal year ended March 31, 2018 (As of March 31, 2018)
Investments and other assets		
Investment securities	7,266,717	9,228,739
Shares of subsidiaries and associates	9,509,722	8,913,545
Long-term loans receivable	30,368	25,961
Long-term loans receivable from subsidiaries and associates	393,902	371,717
Long-term prepaid expenses	826	688
Prepaid pension cost	552,127	751,200
Lease and guarantee deposits	864,595	875,063
Membership	350,460	350,620
Claims provable in bankruptcy, claims provable in rehabilitation and other	22,247	22,216
Buildings for rent	107,470	107,470
Accumulated depreciation	(41,460)	(43,504)
Buildings for rent, net	66,010	63,966
Land for rent	53,739	53,739
Long-term time deposits	100,000	-
Other	87,261	91,302
Allowance for doubtful accounts	(54,648)	(54,583)
Total investments and other assets	19,243,331	20,694,176
Total non-current assets	23,197,016	24,649,434
TOTAL ASSETS	42,629,301	46,852,558

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Thousands of yen)	
	Fiscal year ended March 31, 2017 (As of March 31, 2017)	Fiscal year ended March 31, 2018 (As of March 31, 2018)
LIABILITIES		
Current liabilities		
Notes payable—trade	19,402	24,586
Accounts payable—trade	5,638,541	5,691,307
Current portion of long-term loans payable	575,000	2,350,000
Lease obligations	48,922	50,799
Accounts payable—other	380,439	446,747
Income taxes payable	644,929	424,046
Accrued consumption taxes	441,143	282,938
Accrued salaries	543,738	581,328
Accrued social insurance	216,299	423,552
Deposits received	133,811	329,691
Deposits received from subsidiaries and associates	1,300,000	800,000
Advances received	97,494	85,390
Provision for bonuses	292,998	300,334
Other	384,338	16,636
Total current liabilities	10,717,061	11,807,359
Non-current liabilities		
Long-term loans payable	2,350,000	-
Lease obligations	95,198	123,093
Deferred tax liabilities	845,667	1,312,954
Long-term guarantee deposited	335,106	338,263
Asset retirement obligations	122,095	119,790
Other	706,141	694,202
Total non-current liabilities	4,454,208	2,588,304
TOTAL LIABILITIES	15,171,270	14,395,663
NET ASSETS		
Shareholders' equity		
Capital stock	3,000,000	3,000,000
Capital surplus		
Legal capital surplus	498,800	498,800
Other capital surplus	119,290	119,290
Total capital surpluses	618,090	618,090
Retained earnings		
Legal retained earnings	251,200	251,200
Other retained earnings		
General reserve	12,310,000	12,310,000
Retained earnings brought forward	13,478,985	17,622,749
Total retained earnings	26,040,185	30,183,949
Treasury shares	(4,961,569)	(4,962,993)
Total shareholders' equity	24,696,706	28,839,046
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,761,325	3,617,847
Total valuation and translation adjustments	2,761,325	3,617,847
TOTAL NET ASSETS	27,458,031	32,456,894
TOTAL LIABILITIES AND NET ASSETS	42,629,301	46,852,558

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(2) Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Net sales		
Service revenue	59,323,821	58,059,259
Net sales of goods	411,268	412,148
Total net sales	59,735,089	58,471,408
Cost of sales		
Cost of service sales	48,964,534	47,736,570
Cost of goods sold	321,487	324,804
Total cost of sales	49,286,021	48,061,375
Gross profit	10,449,067	10,410,032
Selling, general and administrative expenses		
Promotion expenses	10,826	10,866
Advertising expenses	254,714	269,041
Directors' compensations	420,376	494,090
Salaries and allowances	2,674,208	2,357,009
Bonuses	366,259	351,126
Provision for bonuses	137,735	121,584
Retirement benefit expenses	30,471	34,291
Legal welfare expenses	506,746	473,917
Welfare expenses	26,008	25,479
Training expenses	16,164	17,371
Offering expenses	20,963	27,820
Conference expenses	4,099	5,365
Entertainment expenses	160,897	203,224
Traveling and transportation expenses	314,077	325,002
Vehicle expenses	85,350	75,082
Communication expenses	102,539	99,923
Utilities expenses	44,757	43,525
Supplies expenses	22,670	28,371
Stationery expenses	232,352	212,904
Taxes and dues	60,074	65,345
Enterprise tax	201,613	196,921
Depreciation	312,081	291,539
Repair expenses	1,921	5,349
Insurance expenses	385,994	434,651
Rent expenses	483,094	492,055
Book expenses	7,785	7,037
Membership expenses	16,688	17,467
Commission fee	278,286	304,765
Contribution	9,500	19,662
Provision of allowance for doubtful accounts	(842)	(2,684)
Miscellaneous expenses	122,989	166,149
Total selling, general and administrative expenses	7,310,409	7,174,258
Operating income	3,138,658	3,235,774

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

	(Thousands of yen)	
	Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)	Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)
Non-operating income		
Interest income	33,663	35,870
Dividend income	1,215,824	1,575,788
Rent income	45,609	54,363
Dividend income of insurance	22,900	28,211
Consulting fee income	36,000	36,000
Foreign exchange gains	-	25,210
Miscellaneous income	36,092	47,886
Total non-operating income	1,390,090	1,803,330
Non-operating expenses		
Interest expenses	35,991	32,300
Rent expenses	44,009	44,398
Loss on sales and retirement of non-current assets	542	10,222
Foreign exchange losses	86,586	-
Miscellaneous loss	11,586	9,313
Total non-operating expenses	178,717	96,234
Ordinary income	4,350,030	4,942,870
Extraordinary income		
Gain on sales of investment securities	516,180	204,699
Gain on extinguishment of tie-in shares	-	1,508,826
Total extraordinary income	516,180	1,713,526
Extraordinary losses		
Loss on valuation of shares of subsidiaries	132,056	-
Total extraordinary losses	132,056	-
Profit before income taxes	4,734,155	6,656,396
Income taxes—current	1,110,278	1,048,051
Income taxes—deferred	36,352	20,452
Total income taxes	1,146,630	1,068,504
Profit	3,587,525	5,587,891

*English translation of some items has been changed to correspond with EDINET taxonomy published by FSA.

(3) Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Thousands of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	3,000,000	498,800	119,172	617,972	251,200	12,310,000	11,301,242	23,862,442
Changes of items during period								
Dividends of surplus [year-end]							(756,468)	(756,468)
Dividends of surplus [interim]							(653,313)	(653,313)
Profit							3,587,525	3,587,525
Purchase of treasury shares								
Disposal of treasury shares			118	118				
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	118	118	—	—	2,177,743	2,177,743
Balance at end of current period	3,000,000	498,800	119,290	618,090	251,200	12,310,000	13,478,985	26,040,185

	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	(5,169,531)	22,310,883	2,827,447	2,827,447	25,138,330
Changes of items during period					
Dividends of surplus [year-end]		(756,468)			(756,468)
Dividends of surplus [interim]		(653,313)			(653,313)
Profit		3,587,525			3,587,525
Purchase of treasury shares	(1,364)	(1,364)			(1,364)
Disposal of treasury shares	209,326	209,444			209,444
Net changes of items other than shareholders' equity			(66,122)	(66,122)	(66,122)
Total changes of items during period	207,961	2,385,823	(66,122)	(66,122)	2,319,700
Balance at end of current period	(4,961,569)	24,696,706	2,761,325	2,761,325	27,458,031

Fiscal year ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Thousands of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surpluses	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	3,000,000	498,800	119,290	618,090	251,200	12,310,000	13,478,985	26,040,185
Changes of items during period								
Dividends of surplus [year-end]							(722,069)	(722,069)
Dividends of surplus [interim]							(722,058)	(722,058)
Profit							5,587,891	5,587,891
Purchase of treasury shares								
Net changes of items other than shareholders' equity								
Total changes of items during period	—	—	—	—	—	—	4,143,763	4,143,763
Balance at end of current period	3,000,000	498,800	119,290	618,090	251,200	12,310,000	17,622,749	30,183,949

	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	(4,961,569)	24,696,706	2,761,325	2,761,325	27,458,031
Changes of items during period					
Dividends of surplus [year-end]		(722,069)			(722,069)
Dividends of surplus [interim]		(722,058)			(722,058)
Profit		5,587,891			5,587,891
Purchase of treasury shares	(1,423)	(1,423)			(1,423)
Net changes of items other than shareholders' equity			856,522	856,522	856,522
Total changes of items during period	(1,423)	4,142,340	856,522	856,522	4,998,862
Balance at end of current period	(4,962,993)	28,839,046	3,617,847	3,617,847	32,456,894