



2018

Annual Report

Leading to the Future with our
Technology of Protection

NITTOC

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NITTOC
NITTOC CONSTRUCTION CO., LTD.

Leading to the Future with our Technology of Protection

MISSION

With efficient management and comprehensive technical capabilities in foundation work, we are the company that provides safe and secure society and contributes to countries.



CONTENT

02	Advantage of NITTOC	25	 Overseas Deployment
04	A Message from the President		
06	Formulation of the Medium-Term Management Plan 2017		
08	 Disaster Prevention and Environmental Conservation	31	Environmental Responsibility
12	 Urban Regeneration	32	 Landscape Conservation Technology for Cultural Properties
16	 Maintenance and Renovation	33	 Contribution to Society
20	Fairs Where We Plan to Exhibit	35	Corporate Governance
21	 Our Award-Winning History	36	Financial Highlights
23	 Domestic Construction Projects	38	Consolidated Financial Statements
		77	Corporate Overview and Major Construction Methods
		78	Management Members
		80	Corporate History

Advantage of NITTOC

Since the establishment of Nitto, we have cultivated our unique expertise through our construction experience for more than half century. NITTOC is a leading company in the field of foundation work in Japan. Nowadays, we have different field of technique to respond to the needs of society, "Disaster Prevention and Environmental Conservation", "Urban Regeneration", and "Maintenance and Renovation". Our technology contributes safety and secure environment to the society.

3 Types of Business Field respond to Social Needs

We are holding 200 types of technology and construction method

Maintenance and Renovation

NITTOC specializes in slope related technique which accumulates a brilliant achievement. Today, in this aging social infrastructure century, we developed our own diagnostic techniques as well as repair method for the existing slopes, we also established a control system that can be coordinates in maintenance work totally. In addition, we have developed special materials for long distance pumping, high strength and introduced in harsh environment, mountain area or long distance tunnel for headrace channel.



Urban Regeneration

We must restructure in order to reborn a city under the strong disaster. It is not an easy project in the city which has so many compressed buildings. Even under the compress buildings situation, NITTOC have developed earthquake resistant, liquefaction prevention and existing pile removal method to contribute the society.



Disaster Prevention and Environmental Conservation

Since Japan has geographical conditions that make it prone to being affected by natural disasters, large scale disasters have become more frequent in recent years. For this reason, in order to build a friendly, trusty and safe society in Japan, we have developed our slope protection method does not use concrete, using a method for spraying vegetative material base, or greening method by using surplus soil left in the site, based on the consideration of the disaster prevention environment. In addition, NITTOC accumulates a brilliant achievement about Anchor Method, that is necessary to slope disaster prevention.





A Message from the President

NITTOC CONSTRUCTION CO., LTD. (“NITTOC” or the “Company”), was established in 1947 as a firm which started out in construction work for dam foundations during its startup and has been highly acclaimed by customers as an enterprise with strengths in sites appropriated for specialized construction works such as “Maintenance and Renovation,” “Disaster Prevention and Environmental Conservation” and “Urban Regeneration.”

The Company started the “Medium-Term Management Plan 2017” (covering fiscal 2017 through fiscal 2019) effective from fiscal 2017. While the current robust construction market is expected to continue for the three year of the plan, the Company, at the same time, considers this period as a great opportunity to be a significant turning point for the Japanese construction market from a long-term perspective. The Company therefore positions these three years as a transitional period during which infrastructure in Japan will shift from the phase of new construction to that of maintenance and renewal, a period in which growth foundations toward a new era are to be established. The Company will strive for “Transformation into a specialized

construction work company which excels in disaster prevention, disaster restoration and repair/reinforcement.”

A major business of the Company is to engage in works relating to safety of national land. The Company therefore must pursue a comprehensive approach in a wide range of sectors, including not only in providing customers with high-quality works but also in ensuring safety management, environmental conservation and compliance. Furthermore, its business targets include different types of stakeholders including the users of infrastructure, local residents living in areas adjacent to its construction works, collaborating companies, investors and employees. It is important for the Company to meet various requests from society and the expectations of its many stakeholders.

The Company endeavors to fulfill its social responsibility as a company engaged in the construction business, in an aim to uphold its management philosophy of “a company that provides a safe and secure society and contributes to countries,” “efficient management and comprehensive technical capabilities in foundation work,” and “to lead disaster prevention and environmental conservation as the expert of foundation work accumulated by our reliable technological ability.”

Your cordial support of and cooperation with NITTOC is much appreciated.



Norihisa Nagai

President & Representative Director

Summary of the Medium-Term Management Plan

Formulation of the Medium-Term Management Plan 2017 (fiscal 2017 through fiscal 2019)

NITTOC announces that it resolved, at the Board of Directors meeting held on May 9, 2017, the Medium-Term Management Plan 2017 (fiscal 2017 through fiscal 2019), with fiscal 2017 (ending March 31, 2018) as the first fiscal year. In the past nine years, the Company formulated three medium-term management plans and positioned them as follows: "Step I: Creation of a Newborn NITTOC" (fiscal 2008 through fiscal 2010), "Step II: Establishment of Stable Management Foundations" (fiscal 2011 through fiscal 2013) and "Step III: Challenge for Growth" (fiscal 2014 through fiscal 2016). Specific measures were launched at each stage and results exceeded the planned figures for major indicators such as equity ratio and ratio of operating income to net sales. While the Company expects the currently steady construction market environment to continue during the plan period, this three-year period will be a significant turning point for the Japanese construction market from a long-term perspective. Positioning these three years as a "transitional period during which infrastructure in Japan will shift from the phase of new construction to that of maintenance and renewal, a period in which growth foundations toward a new era are to be established," we at NITTOC will strive to achieve the following goals with the unified efforts of both executives and regular employees.

Purpose

Transformation into a specialized construction work company which excels in disaster prevention, disaster restoration and repair/reinforcement

Positioning of the three-year Medium-Term Management Plan

"Next Challenge"

Transitional period during which infrastructure in Japan will shift from the phase of new construction to that of maintenance and renewal, a period in which growth foundations toward a new era are to be established

1. Management Philosophy

-Mission:
A company that provides a safe and secure society and contributes to countries

-Value:
Efficient management and comprehensive technical capabilities in foundation work

-Vision:
To lead disaster prevention and environmental conservation as the expert of foundation work accumulated by our reliable technological ability

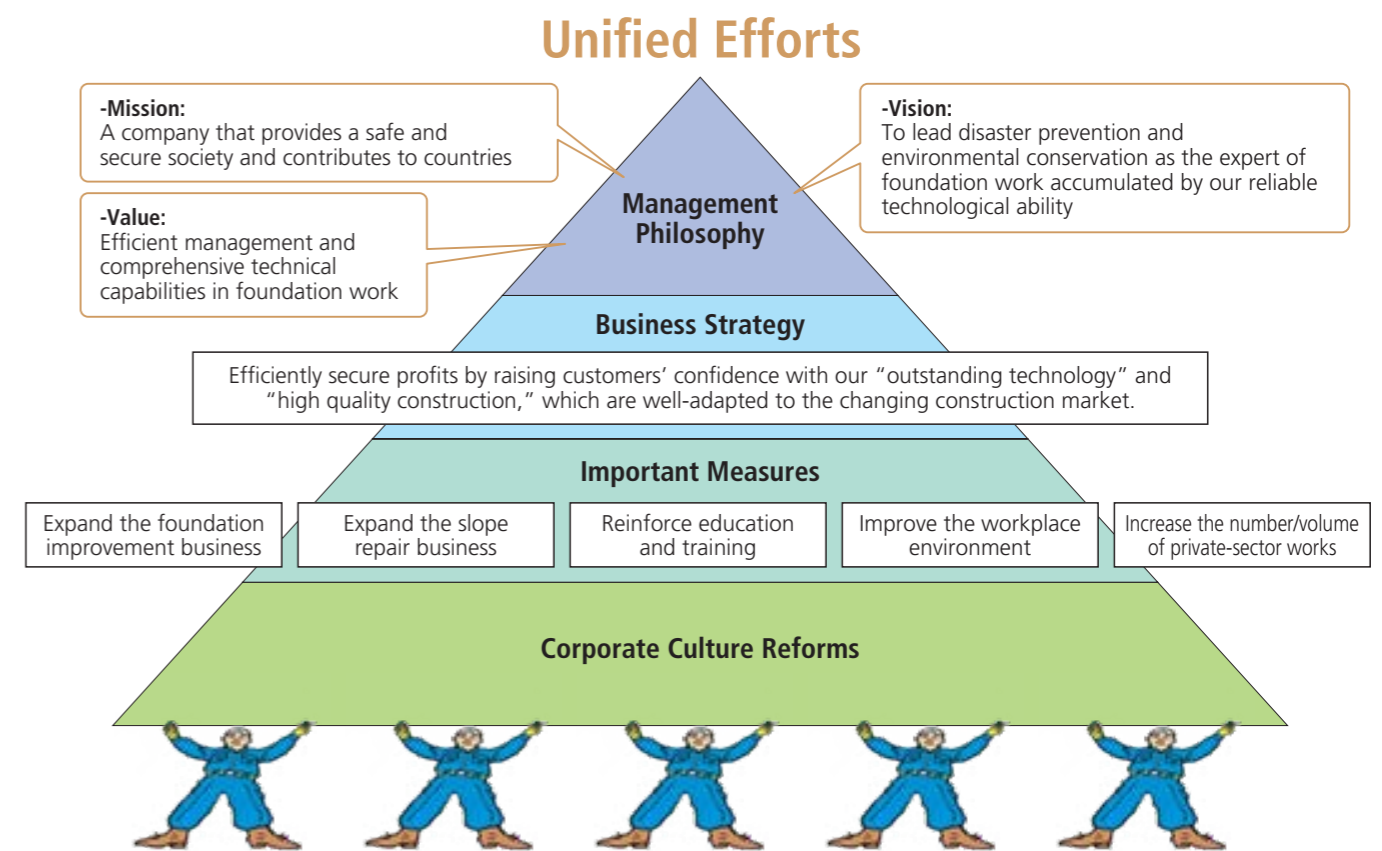
2. Management Policies

1. Reinforce internal control (compliance and risk management)
2. Emphasize safety and a good workplace environment
3. Secure volume of foundation works
4. Maintain profitability
5. Cash flow-focused management

3. Business Strategy

Efficiently secure profits by raising customers' confidence with our "outstanding technology" and "high quality construction," which are well-adapted to the changing construction market.

4. Basic Policy of the Medium-Term Management Plan 2017 (fiscal 2017)



5. Important Measures

Important measures	Objective	Outline
Expand the foundation improvement business	Improve productivity and profitability	Achieve productivity improvement and conduct efficient management by expanding business in a field where rivals outclass NITTOC.
Expand the slope repair business	Adapt to the construction market	Establish slope repair technology, as well as develop and expand its market
Reinforce education and training for engineers	Develop human resources	Nurture skilled engineers systematically as a work-dedicated company
Improve the workplace environment	Review a work-life balance	Improve the workplace environment to establish sound mental and physical conditions and prevent excessive work of employees
Increase the number/volume of private-sector works	Increase orders received from private-sector works	Prevent a reduction in overall work volume and expand businesses by increasing the number of orders received from private-sector works

6. Managerial Goals

- 1) Marketing goals
 - Become the top company in the slope protection work field (NITTOC ranked second in the industry in fiscal 2016 performance.)
 - Achieve a 60% increase in orders received for foundation improvement works (compared with fiscal 2016 results)
 - Expand slope repair works
 - Reinforce overseas construction projects (achieve ¥1.0 billion in net sales of completed construction contracts by the end of fiscal 2019)
- 2) Business performance
 - Operating income: ¥3.0 billion or more
 - Ratio of ordinary income to net sales: 5.0% or more
- 3) Financial goals
 - Equity ratio: 50.0% or more (49.0% in fiscal 2016)
 - ROE: 9.0% or more
 - Cash flows: Positive figures
- 4) Target of return to shareholders
 - Dividend payout ratio of 30% or more and total return ratio of 50% or more
 - Total return ratio (total cash dividends + treasury shares purchased)

7. Performance Plans for Fiscal 2017 through Fiscal 2019

(Billions of yen)

Base item	Fiscal 2017		Fiscal 2018		Fiscal 2019
	Mid-Term	Achievement	Mid-Term	Announcement	Mid-Term
Orders received	61.2	64.8	60.7	62.0	61.1
Net sales	60.2	62.9	60.7	62.0	61.1
Operating income	3.2	4.1	3.2	3.35	3.2
Ordinary income	3.2	4.1	3.1	3.32	3.2
Net income	2.2	2.7	2.1	2.23	2.2
ROE	9.9%	11.9%	9.1%	9.4%	9.2%
[Reference]					
Shareholders' equity	22.5	23.3	23.0	24.0	23.8
Equity ratio	51.3%	48.1%	50.9%	53.7%	52.4%

Our Business field

Disaster Prevention and Environmental Conservation

Construction Performance, Method, and Technology

Since Japan has geographical conditions that make it prone to being affected by natural disasters, large scale disasters have become more frequent in recent years. For this reason, in order to build a friendly, trusty and safe society in Japan, we have developed our slope protection method does not use concrete, using a method for spraying vegetative material base or greening method by using surplus soil left in the site, based on the consideration of the disaster prevention environment. In addition, NITTOC accumulates a brilliant achievement about Anchor method, that is necessary for slope disaster prevention.

Chosen as a "Fiscal 2016 Runner-up Recommended Technology" (by the New Technology Utilization System Review Meeting, Ministry of Land, Infrastructure, Transport and Tourism)

NNTD No.0370
Construction Technology Review and Certification

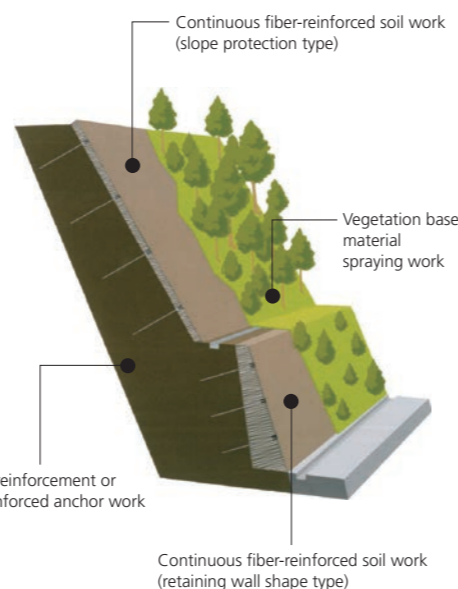
Environment-Friendly Slope Protection Method

Geofiber Method

- Serves to decrease CO₂ emissions as a substitute method for sprayed slope frames.
- Forms forest on slopes by enabling full-space greening.
- Has an abundant record of slope greening (More than 3,200 projects in Japan and 150 overseas)



Sand from the left-side nozzle and polyester continuous fiber from the right-side nozzle are injected by jet water to form continuous fiber-reinforced soil.



Ground reinforcement or plate-reinforced anchor work

Continuous fiber-reinforced soil work (retaining wall shape type)

Example of Construction:

Kiyomizu-dera Temple (Kyoto)

The slope of the Kiyomizu-dera, a World Heritage site, collapsed due to the heavy rain caused by Typhoon Man-yi in September 2013. In 2014 through 2015, the collapsed slope was reinforced by ground reinforcement work and ground anchor work, and covered with reinforced soil using the Geofiber Method. Since then, plants have grown at the site and the beautiful landscape full of greenery has returned.



During the work



Work completed



One year after the work completion

Nature Restoration via Recycling of Surplus Soil

Effectively Using Surplus Soil

TSURU-KAME Soil Method

- Utilizes onsite surplus soil effectively.
- Excels in long-term durability (comparison with the greening foundation mainly consisting of bark compost).

Growth Foundation for Plants Mainly Consisting of Raw Chip Material

Plant-Leading Spraying Method

- Uses the chip material, which derives from the secondarily processed fragments of felled trees, as a foundation material for greenings work without being converted into compost.
- Enables greening via the natural intrusion of plants on the foundation that excels in erosion resistance.

Comparison of the Volume Utilized

Onsite Surplus Soil	Raw Wood Chip
100m ³	TSURU-KAME Soil Method
40m ³	Plant-Leading Spraying Method
50m ³	NEKKO Chip Method
	KAERUDO-Green Method
	100m ³
	40m ³
	25m ³

*In case of a sprayed depth of 5 cm for an area of 1,000 m²
*Inclusive of loss



Status of greenery when using the NEKKO Chip Method

Nature Restoration Using Surface Soil with Consideration to the Ecosystem (for greening especially around natural parks such as national parks and quasi-national parks)

NETIS No.CG-080004-V NNTD No.0374

Using Surface Soil Instead of Seeds

Native Recovery Greening Method

- Buried seeds in the surface soil of forests are mixed with the vegetation base material.
- Greening construction is possible using a general-purpose mortar spraying machine.

NNTD No.0280

Using Surface Soil and Raw Chip Material

NEKKO Chip Method

- Uses primarily fragmented raw chip material.
- Constructs at high speeds using a specialized machine.
- Enables greening via the natural intrusion of plants on the foundation that excels in erosion resistance.



NNTD No.0369

Surface Soil-Based Growth Foundation for Plants

KAERUDO-Green Method

- Utilizes surface soil of forests economically.
- Recycles a wide variety of soils such as excavated soil, dredged soil and dehydrated cake.



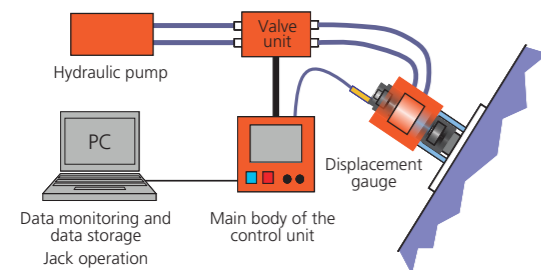
Our Business field

NETIS No. SK-100011-VE Technology Promoted for Utilization

Ground Anchor Testing and Tension Control System

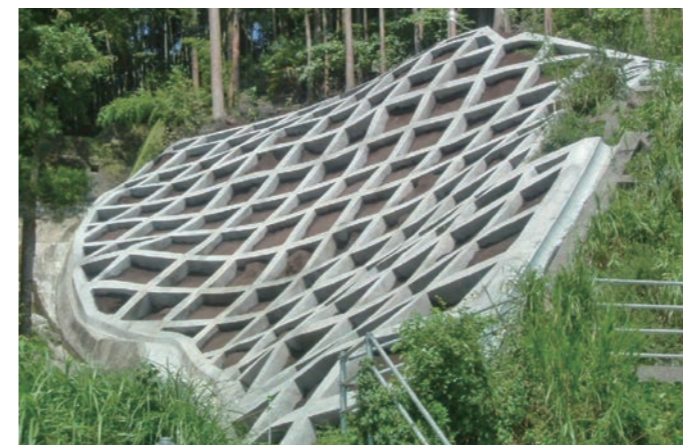
Licos

- Displays and automatically stores data on load and displacement magnitude in real-time.
- Tightens and firmly fixes several anchors simultaneously.
- Performs labor-saving via automatic control of jack operation.



Simultaneous tightening of multiple anchors

Ground Anchor and Slope Frame



Slope frames



Ground anchors + Pressure receiving plates

NETIS No. TH-140015-A

Plastic Pressure Receiving Plate for Rock Bolts

NINJA Panel

- Uses recycled plastic as material.
- Improves operating safety and construction efficiency on slopes due to light weight.
- Available for full-surface greening.
- Ø634 and Ø911 mm models are added to the lineup.

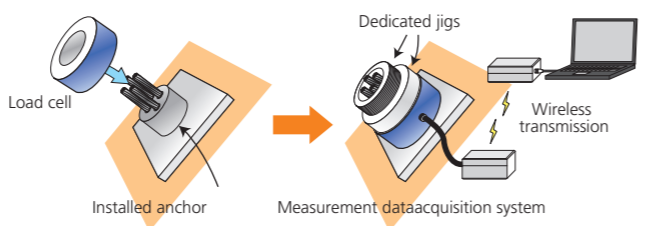


NETIS No. KT-120103-A

Tensile Strength Monitoring System for Installed Anchors

Aki-Mos

- A load cell is attachable to an installed anchor.
- The attached load cell is exchangeable.



*The technology was jointly developed by the Public Works Research Institute and eight private-sector companies.

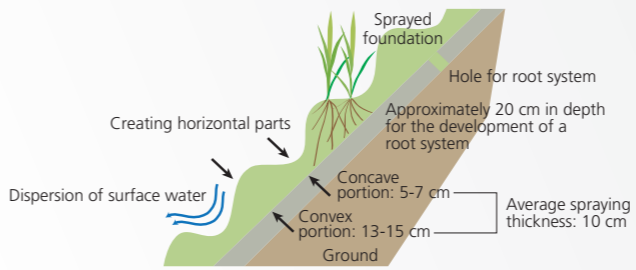
Nature Restoration at Places where Greening is Difficult

NNTD No. 0373

Greening of Mortar Shotcrete Surfaces and Bedrock

Fiber Soil Greening Step Method

- Full-space greening by spraying the foundation materials for greening work on a slope without soil in the form of wave-shaped steps

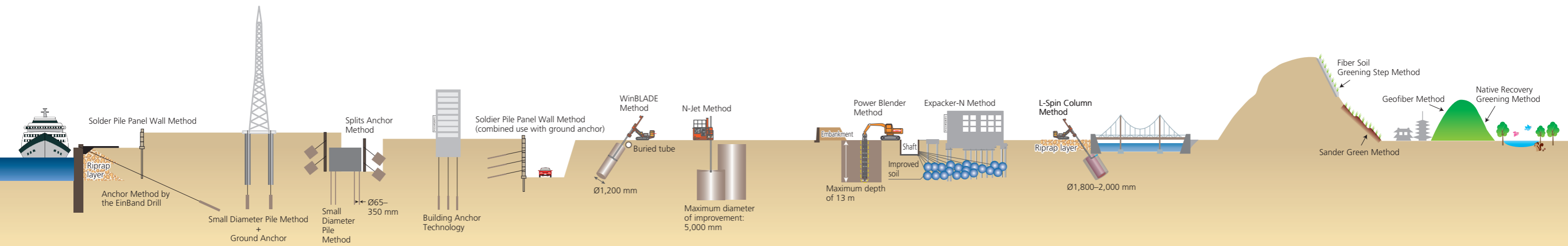
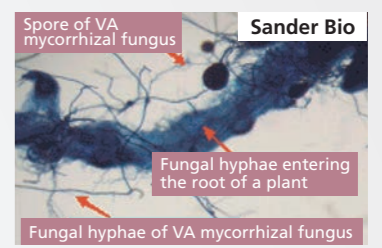


NETIS No. SK-100014-VE

Recovering Greenery on Strongly Acidic Soil Slopes

SANDER Green Method

- Employs a simple method that mixes "Sander Powder," which has a neutralizing effect, and "Sander Bio," an acid-resistant VA mycorrhizal fungus material, with the foundation material for greening work.



Our Business field

Urban Regeneration

Construction Performance, Method, and Technology

We must restructure in order to reborn a city under the strong disaster. It is not an easy project in the city which has so many compressed buildings. Even under the compress buildings situation, NITTOC have developed earthquake resistant, liquefaction prevention and existing pile removal method to contribute the society.

Japan's Miniature-Class Drill Machine: SSB

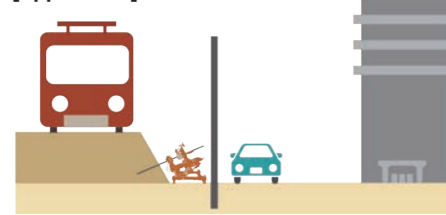
- Ultra-compact, double-tube drill machine that enables drilling at narrow spaces
- Width for construction work (1.5 m) less than half of a conventional lightweight drill machine
- Drilling bores of Ø165 mm in diameter, which was impossible with lightweight drill machines



Drill machine is operable even with a clearance gap of only 1.5 m.

State of drilling operation

[Application]



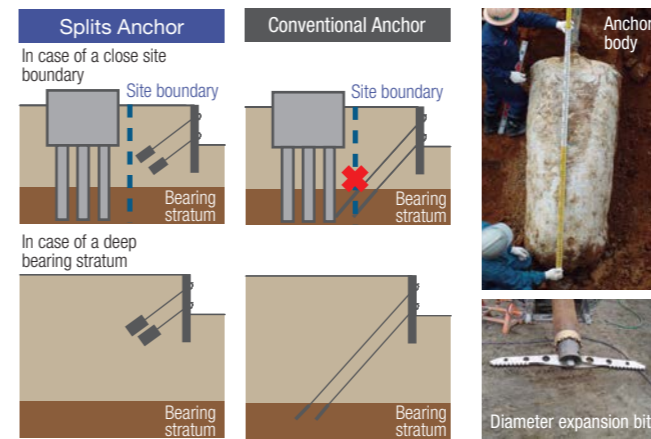
Drill machine with the deepest drilling capability in Japan EinBand Drill

- Rotary Percussion Drill that Enables Large-Diameter and Deep Drilling.
- Features 3 times the torque and 2.5 times the feeding strength compared to conventional trenchers.
- Achieves high-precision drilling on hard rocks and boulders.



Enlarged-Diameter-Type Anchor Firmly Fixable on Soft Ground

- Achieves high pull-out resistance using a large-diameter anchor.
- Offers an adjustable anchor length via high fixation even on soft ground.
- Lines up enlarged-diameter-bit-recovery-type anchors.



Casting of Piles in Narrow Spaces

Small Diameter Pile Method

- Offers a casting method for piles of less than Ø350 mm.
- Makes casting possible at narrow sites (e.g., mountainous places, slopes and indoor places).
- Features a lineup of the anchor combination type in addition to the pile type.



Removal of Existing Piles: Re-Born Pile Method

- Cuts and removes existing underground piles and/or structures with two cutting blades.
- Uses a circumferential all-casing drill.
- Makes secure backfilling possible.



Well Logging System Using Drilling Bore

DSS Ground Survey Technology

- Collects and records various data while bores are drilled and sectionalizes the ground on a real-time basis.
- Compatible with Wassara AB's water-powered down-the-hole hammers.



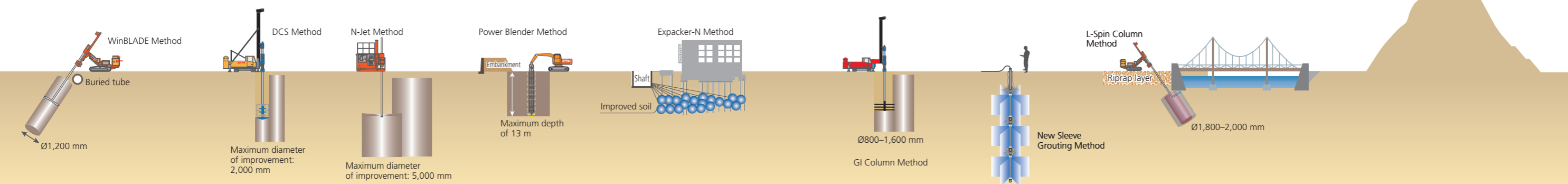
Staple Building Foundation

new ACE Method

- Maximum design strength of concrete: 60 N/mm²
- Maximum diameter of the bell pile unit (shaft diameter of 2.2 m).

Building Anchor Technology

- Prevents lifting and/or falling of buildings
- Acquired the certification of The Building Center of Japan

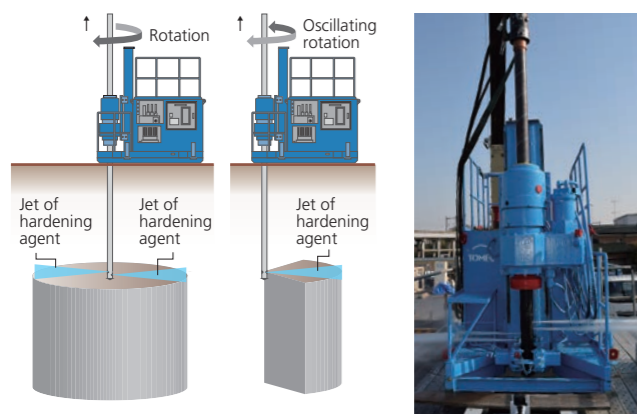


Our Business field

High Pressure Injection Mixing Method to Form Columnar or Fan-Like Improved Soil

N-Jet Method

- Enables the formation of columnar soil of $\phi 2,000\text{--}5,000$ mm.
- Forms fan-like improved soil through oscillating rotation.
- Cutting width is increased by injecting jets from the 4-stepped nozzle (3-stepped for fan-like soil).
- Reduces the soil formation time due to the larger cutting width, decreasing the quantity consumed of hardening agent and slime volume



NETIS No. QS-100022-VE Building Technology Certification

Mechanical Mixing Method Suitable at Narrow Spaces

GI Column Method

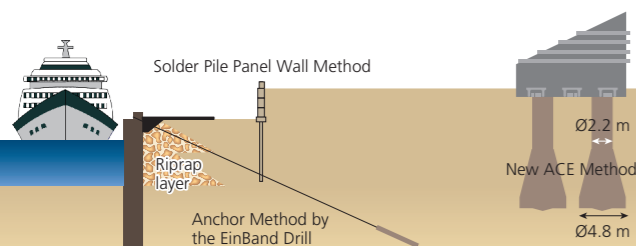
- Single-axis (Max. 20 m) slurry mixing method with $\phi 800\text{--}1,600$ mm is available.
- Compact machine size that excels in maneuverability enables mixing of slurry at narrow places. (The weight is approximately 30% compared to large machines for foundation improvement.)
- Control unit that enables a real-time display, ensuring high-quality slurry mixing.



Ultrahigh Pressure Injection Mixing Method for Large-Diameter Foundation Improvement

SUPERJET Method

- Forms columnar, improved soil of a maximum diameter of $\phi 5,000$ mm.
- Reduces the slime volume substantially (compared with previous methods)
- Achieves foundation improvement at high speed and high quality.



Underground Diameter Expanding Type Soil-Mixing Improvement Method

WinBLADE Method

- Avoids underground objects.
- Enables vertical, horizontal and slanting operations.
- Achieves homogeneous soil improvement using a monitoring control system

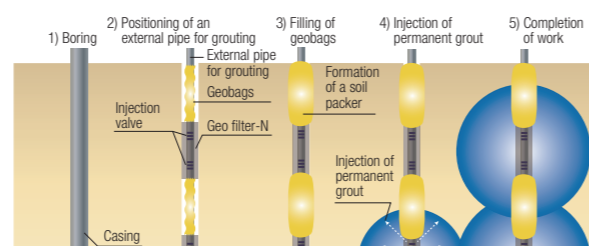


NNTD No.0368

High Capacity and Speedy Grouting Method

Expacker-N Method

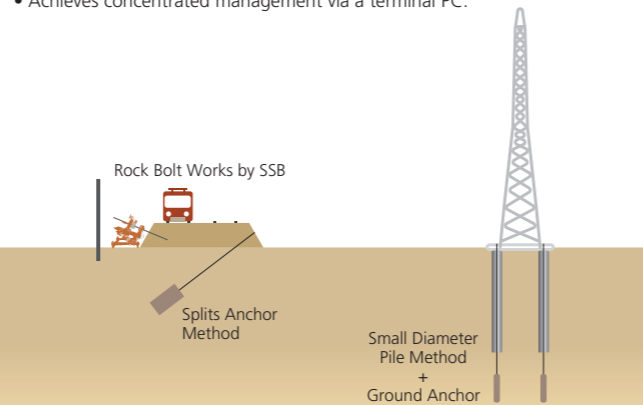
- Ensures a reliable permeation point.
- Offers speedy permeation and grouting for an extensive ground area.
- Applicable to a narrow operating area



Operational Management System for Grouting Method

Three-P Oct

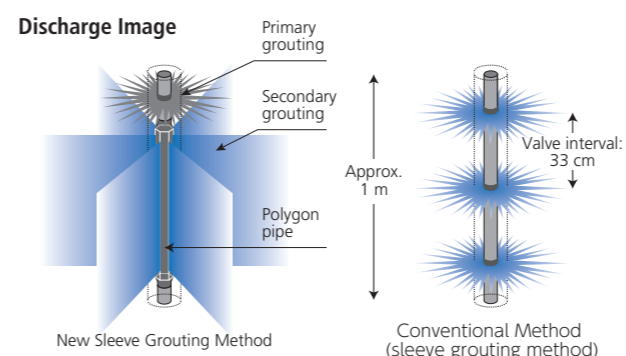
- Makes pressure-controlled grouting possible.
- Provides the pumping operation via a tablet terminal.
- Achieves concentrated management via a terminal PC.



Foundation Improvement for Long Permeation/Grouting Intervals

New Sleeve Grouting Method

- Realizes long permeation/grouting intervals using a hexagonal "polygon pipe."
- Makes high-speed, high-quality improvement possible.
- Achieves low cost and a reduction in the construction period.

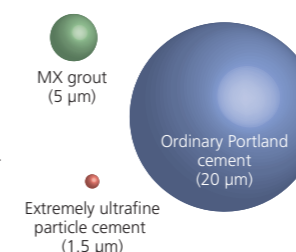


High-Permeation, High-Strength, Grouting Material

MX Grout

- Involves a turbid ground-grouting material of which a major ingredient is blast-furnace slag.
- Features a lineup of "instantly coherent type" and "long-lasting coherent type" materials.

Particle Size Image



Extremely Ultrafine Cement

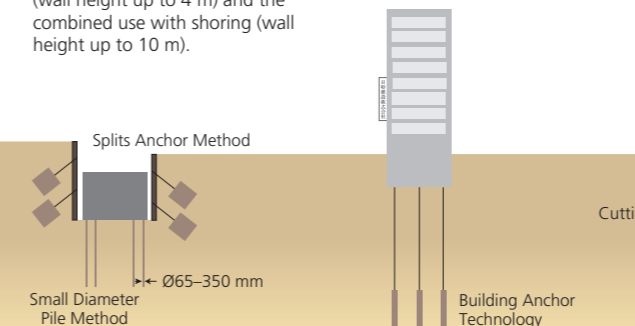
- Applies to grouting for minor cracks.
- Uses in diverse grouting methods are available.

NNTD No. 0375 Construction Technology Review and Certification

Earth Retaining Wall Method that Combines Soldier Piles with Concrete Panels

Soldier Pile Panel Wall Method

- Makes widening road width or recovery from a roadside collapse possible with small cutting volume.
- Provides optional self-supporting type (wall height up to 4 m) and the combined use with shoring (wall height up to 10 m).



NETIS No. KT-170026-A

Mechanical Mixing Method Combined with High-Pressure Injection Using an Enlarged Mixing Blade

L-Spin Column Method

- Injects a hardening agent from the nozzle at the leading edge of an enlarged-diameter type mixing blade.
- Enables the wrapping construction method or the diagonal construction method, which has been problematic for existing method.
- Improves the properties of soft ground below hard grounds by penetrating the hard ground.



Fiscal 2011 Recommended Technology (by the New Technology Utilization System Review Meeting, Ministry of Land, Infrastructure, Transport and Tourism)

Slurry Shooting Type Mixing Method for Shallow- and Middle-Depth Layers

Power Blender Method

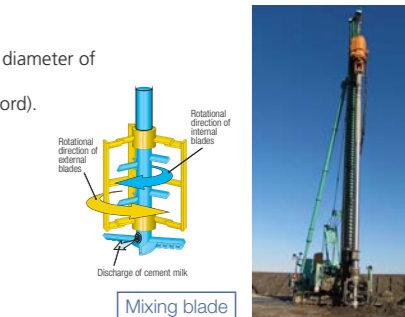
- Involves a trencher-type mixing machine.
- Makes improvement up to 13 m in depth available.
- Makes homogeneous, improved soil via vertical mixing.



Opposite Direction Mixing-Type Deep-Layer Mixing Method

DCS Method

- Attains a large columnar diameter of 2,000 mm (the Company's track record).
- Achieves excellent mixing power.
- Offers applicability for hard ground.



Our Business field

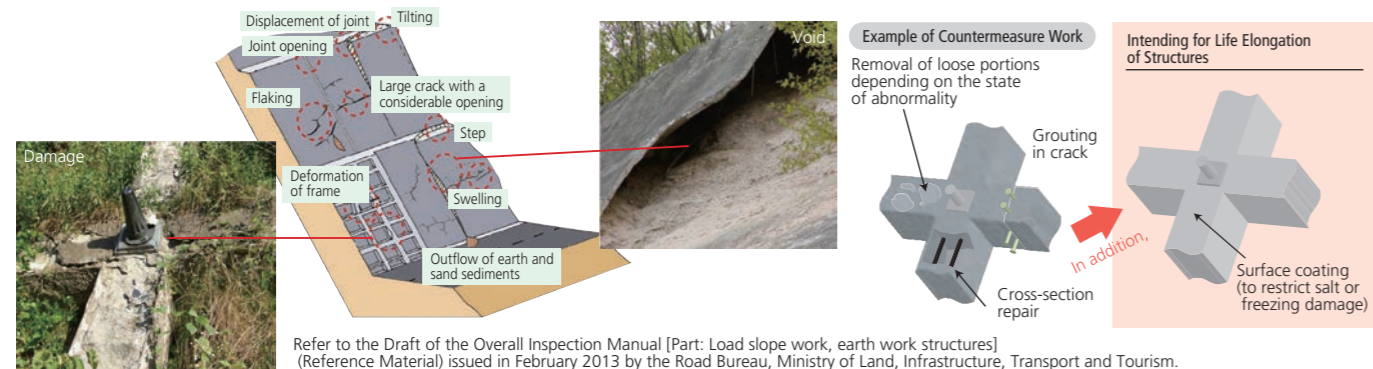
Maintenance and Renovation

Method and Technology

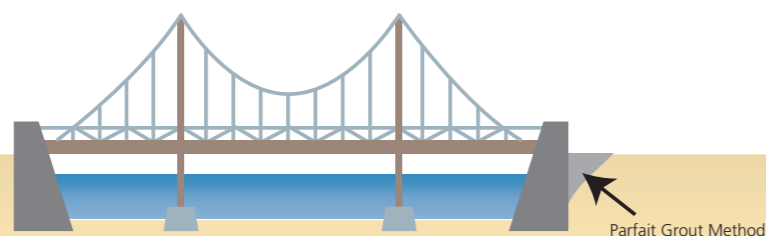
NITTOC specializes in slope related technique which accumulates a brilliant achievement. Today in this aging of social infrastructure century, we developed our own diagnostic techniques as well as repair method for the existing slopes, we also established a control system that can be coordinates in maintenance work totally. In addition, we have developed special materials for long distance pumping, high strength and introduced in heavy environment, mountain area or long distance tunnel for headrace channel.

Life Elongation Technologies for Slope Structures

We divide slope structures into two constituent parts, or grounds and concrete structures, and propose appropriate countermeasure works depending on their respective soundness.



Soundness evaluation division		Spraying	Slope frame	Pressure receiving plate
(minor decline in soundness)	B		Crack sealing work, Grouting work and Filling work	
	C	Repair and reinforcement work of shotcrete slopes (New ReSP Method)		
(remarkable decline in soundness)	D		Surface coating work	
	E	Shotcrete Pressure Receiving Plate Method (FSC panel)	Rock bolt work and Void filling work (Parfait Grout Method)	
		Cross-section repair work	Thickening work and Cross-section repair work (Frame Doctor)	Ground anchor work + Pressure receiving plate work
Preventive maintenance		Surface coating work and impregnation work (Frame Doctor)		



NNTD No. 0366

Aged Shotcrete Slope Diagnosis System

Slope Doctor

- Precisely diagnoses the soundness of aged shotcrete slopes through the combination of several relevant surveys.

Analysis method: thermal infrared radiation imaging method, flexural oscillation method, coring method (combined use depending on the site conditions)



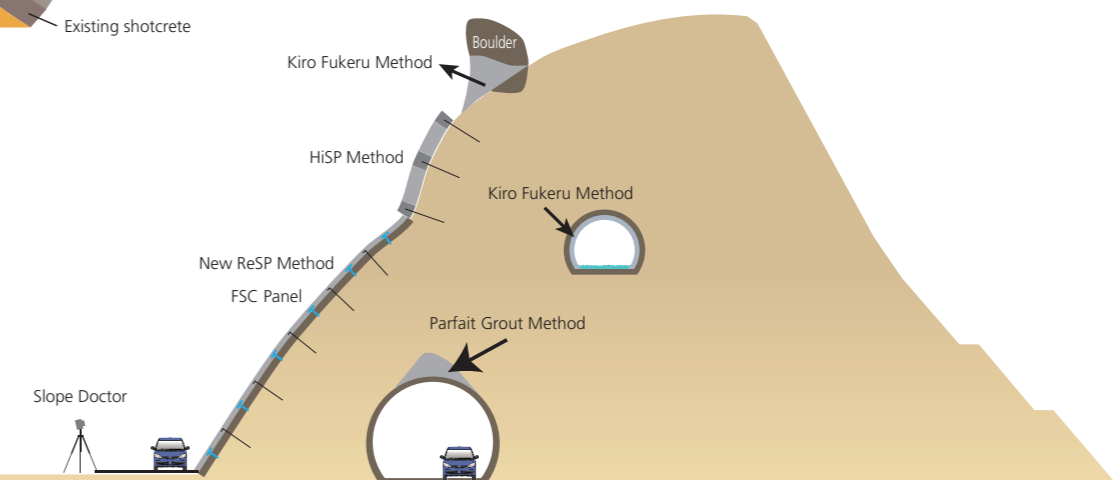
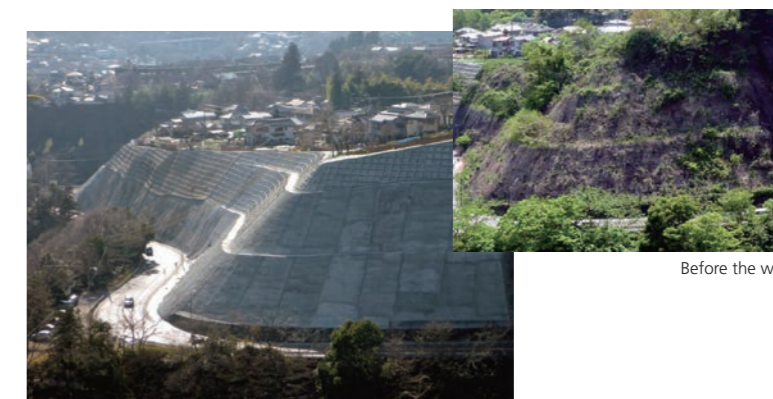
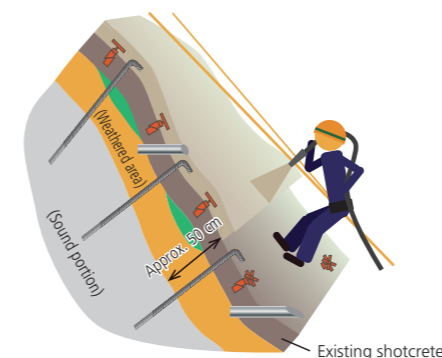
NETUS No. OS-110014-VE Technology Promoted for Utilization NTD No. 1084

Repair/Reinforcement of Aged Shotcrete Slopes

New ReSP Method

- Keeps existing mortar shotcrete without shaving off existing shotcrete, contributing to reducing the volume of industrial waste, the construction period and the size of the safety equipment.
- Sprays organic-fiber-reinforced mortar shotcrete that excels in tenacity.
- Adheres the former and new shotcrete surfaces with shear bolts.

Pumping distance (hose is extendable vertically)
Shotcrete spraying machine: 100 m ± 45 m
Pump: 200 m ± 60 m

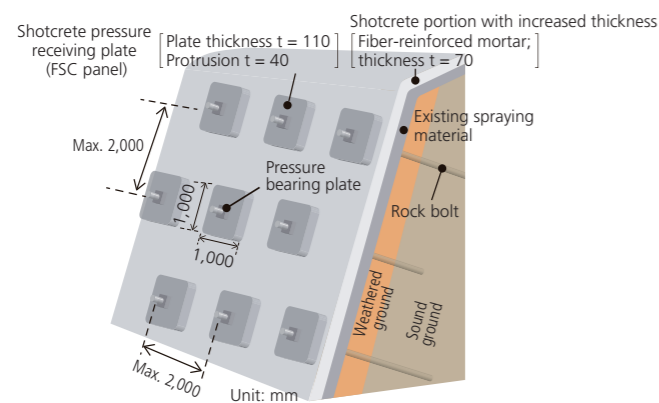


Our Business field

Reinforcing Slopes with Shotcrete Pressure Receiving Plates and Rock Bolts

Shotcrete Pressure Receiving Plate Method (FSC Panel)

- Pressure receiving plates are formed by combining the fiber-reinforced mortar shotcrete and the reinforcing material.
- As the pressure receiving plates are formed by shotcrete spraying, unevenness adjustment is no longer necessary.
- The layout space in between rock bolts is extendable up to 2 m.
- The technology was jointly developed with the Railway Technical Research Institute.



NETIS No. KT-090052-V NNTD No. 0372

Filling Voids with High-Quality Plastic Grout

Parfait Grout Method

- Underwater-inseparable and plastic grout excels in pressure feeding.
- Features automatic control of the flow rate and pressure of the discharge volume of the base and plastic materials by the COGMA System.
- Offers four basic mixture variations and special mixtures depending on the pumping distance, desired strength and specific gravity.

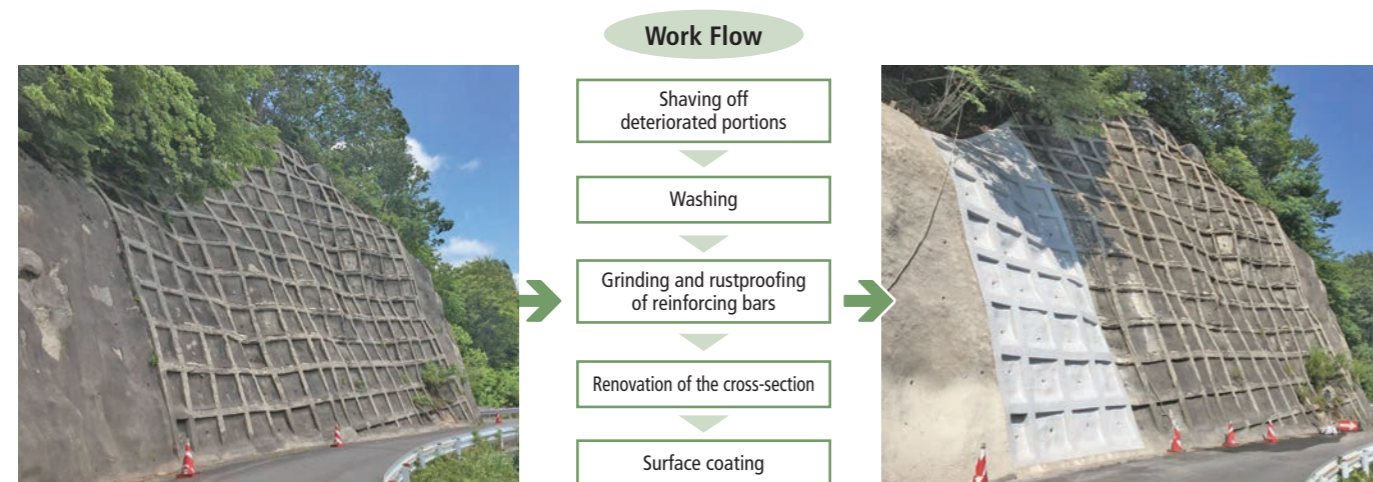


Pumping distance: Approximately up to 2,000 m (differs depending on the mixture variation)
Design strength: 1.5 – 24 N/mm²

Preventive Maintenance of Concrete Structures

Frame Doctor Method

- Takes countermeasures for concrete structures such as sprayed slope frames and pressure receiving plates depending on the state of abnormality.
- Takes preventive maintenance countermeasures via the surface coating to restrict salt or freezing damage.



NETIS No. HR-140019-A

Mortar Shotcrete Possible to a Destination 1 km

Kiro Fukeru Method

- Mortar shotcrete is possible at a rate of 18 N/mm² or more to a destination 1 km distant, using special materials.
- Stabilizes mortar quality via the automatic control of the flow rate of mortar and hardening accelerator by the COGMA system.



Pumping distance: 1,000 m (with a hose extension)
Design strength: 18 N/mm² or more

NNTD No. 0364

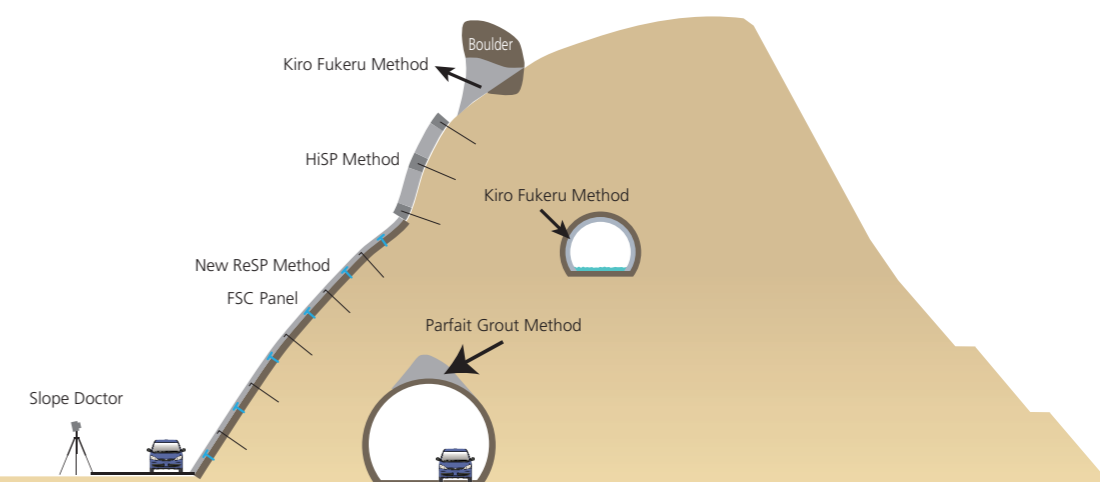
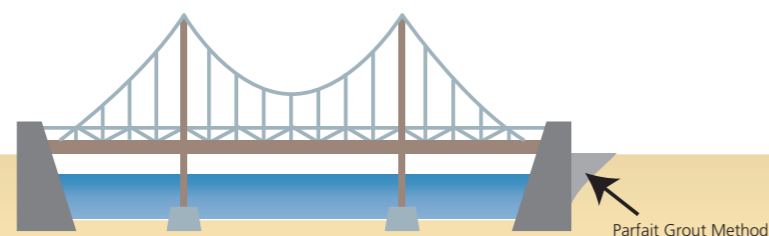
Mortar Shotcrete at Elevated Places

HiSP Method

- Makes shotcrete possible for a long distance and at elevated places using the pumping shotcrete system (combined with air pumping)
- Ensures stable quality and high strength due to a low level of separation of materials.



Pumping distance: 700 m in case of horizontal feed only, and 300 m in case the difference in elevation between the hose and the pump is 160 m.
Design strength: 18 N/mm² or more



Fairs Where We Plan to Exhibit

Fiscal 2018: Schedule of Fairs Where We Plan to Exhibit

We exhibit our technologies at various technology fairs sponsored by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), relevant academic societies, and other organizations. At present, we intend to present our technologies at such fairs listed below in the current fiscal year.

NITTOC considers various technology fairs and exhibitions as ideal venues to showcase its original technology. At such events, the Company can pitch directly to potential orderers, consultants and other interested parties and provide an opportunity for its engineering sales team to promote the adoption of its new construction methods and/or technologies.

We invite you to visit these technology fairs to learn about the latest technological trends and other companies' technologies from the diverse exhibits presented in line with the respective fair themes.

No.	Period	Name of Construction Technology Fair	Venue	Organizer	Remarks
In 2018					
1	Jun. 6 (Wed.) and Jun. 7 (Thurs.)	EE Tohoku '18	Yume Messe Miyagi Hall, Miyagi Sangyo Koryu Center	EE Tohoku Executive Committee	MLIT-affiliated
2	Jul. 24 (Tue.) to Jul. 26 (Thurs.)	53rd Geotechnical Engineering Research Presentation Meeting	Sunport Hall Takamatsu	Japanese Geotechnical Society	Academic experts
3	Sept. 26 (Wed.) to Sept. 28 (Fri.)	GEOTECHNICAL FORUM 2018: Soil Improvement Technology Expo. and Foundation Work Engineering Expo.	Tokyo Big Sight	Fuji Sankei Business-i	Exhibition mainly presented by WGs
4	Oct. 9 (Tue.) and Oct. 10 (Wed.)	Kyushu Construction Technology Forum 2018	Fukuoka International Congress Center	Kyushu Construction Technology Forum Executive Committee	MLIT-affiliated
5	Oct. 17 (Wed.) and Oct. 18 (Thurs.)	Construction Technology Fair 2018 in Chubu	Fukiage Hall, NAGOYA TRADE & INDUSTRY CENTER	Chubu Regional Development Bureau, MLIT; Nagoya International Trade Fair Commission; and Nagoya Industries Promotion Corporation	MLIT-affiliated
6	Oct. 19 (Fri.) and Oct. 20 (Sat.)	Construction Fair Shikoku 2018 in Takamatsu	Sunport Hall Takamatsu	Shikokukensetsu	MLIT-affiliated
7	Oct. 24 (Wed.) and Oct. 25 (Thurs.)	Construction Technology Expo 2018 Kinki	MyDome Osaka	The Nikkan Kensetsu Kogyo Shinbun and Kinki Construction Association	MLIT-affiliated
8	Nov. 28 (Wed.) and Nov. 29 (Thurs.)	Highway Techno Fair 2018	West 3 and 4 halls, Tokyo Big Sight	EXPRESS HIGHWAY RESEARCH FOUNDATION OF JAPAN	NEXCO
9	Planned in November	Construction Technology Forum 2018 in Hiroshima	Hiroshima-shi (undetermined)	Secretariat, Construction Technology Forum	MLIT-affiliated

Our Award-Winning History

The Company Received the Inventive Idea & Development Technology Award at the 18th National Land Technology Development Award for the New ReSP Method (NETIS No. QS-110014-V; Promoted Utilization Technology)

NITTOC's New ReSP method was given the Inventive Idea & Development Technology Award at the 18th National Land Technology Development Award as "a method for repair/reinforcement of mortar shotcrete slopes," and the Company was commended by the Minister of Land, Infrastructure, Transport and Tourism on July 26, 2016.



What is the National Land Technology Development Award?

The National Land Technology Development Award is aimed at publicly recognizing not only tangible technologies in the construction industry, but also a wide variety of new technologies including software products to enhance the motivation for R&D among engineering implementers as well as improve the level of relevant construction technologies. The "Inventive Idea & Development Technology Award" is a special category of the National Land Technology Development Award to publicly recognize excellent technologies developed from original and innovative ideas among technologies originally developed by small to medium-sized builders and/or specialized construction work operators.

Organizing Bodies:

- Sponsor: Japan Institute of Country-ology and Engineering
Coastal Development Institute of Technology
- Supporting organization: Ministry of Land, Infrastructure, Transport and Tourism
- Co-sponsors: Japan Construction Information Center Foundation
Advanced Construction Technology Center
Service Center of Port Engineering

Our Award-Winning History

Geofiber Method was chosen as a “Fiscal 2016 Runner-up Recommended Technology” by the New Technology Utilization System Review Meeting, Ministry of Land, Infrastructure, Transport and Tourism.



Kiyomizu-dera Temple (Kyoto)

- No. 1 Recommended Technology (27 subjects)
- No. 2 Runner-up Recommended Technology (60 subjects)
- No. 3 Technology Promoted for Evaluation (10 subjects)



Technology Promoted for Utilization (469 subjects)
(NETIS-registered technologies: approximately 3,600 subjects)

A Runner-up Recommended Technology is highly rated, next to Recommended Technologies and above Technology Promoted for Utilization.

What is a Runner-up Recommended Technology?

Runner-up Recommended Technology refers to new innovative technologies that have been qualified for raising the technological level of public and other works and for which further development is expected in order to be rated as a Recommended Technology.

Advantages of the Runner-up Recommended Technology:

- Being qualified for a Runner-up Recommended Technology allows the technology to be positively evaluated in the examination process if said technology is proposed in the “comprehensive evaluation and bidding system.”
- In “constructor-proposal-type” bids, additional points will be granted if the orderer judges it appropriate to do so.

Utilization of eco-friendly resources

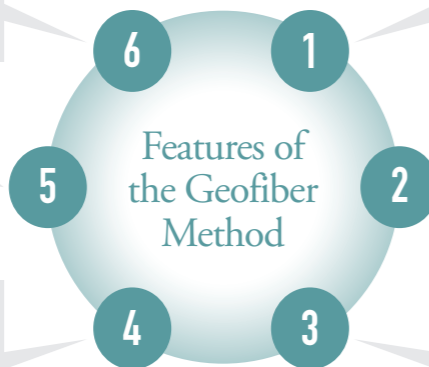
This eco-friendly method takes into account the use of recycled plastic.

Reduced CO2 emissions

Since cement is not used for continuous-fiber reinforced soil, CO2 emissions which are unavoidable for cement production are controlled. In addition, the reinforced soil does not deteriorate into strong alkaline.

Adaptable for diversified building and construction configurations

The shotcrete construction method is compatible for a variety of building and construction configurations, especially at places where partial collapse has occurred.



Excellent deformation resistance

As the material is flexible, slopes are less susceptible to earthquakes, without producing cracks.

Excellent resistance to freezing and frozen soil

Surface freezing and soil freezing can be minimized by use of a continuous fiber-reinforced soil layer in cold regions.

Excellent greening and forest-forming power

The root system of plants can grow and extend in thick continuous fiber-reinforced soil, allowing for an environment that can grow into a forest.

Introduction of Domestic Construction Projects (earthquake-proof works and others)

Domestic Construction Projects (earthquake- and disaster-proof works)

NITTOC endeavors to contribute to establishing a safe, secure and affluent society by creating new technologies that meet social needs in the fields of “Maintenance and Renovation,” “Disaster Prevention and Environmental Conservation” and “Urban Regeneration.” We are confident that steady achievement of what we can do will contribute to reconstruction from earthquake disasters, as well as to disaster-proof and disaster-reducing activities.

1. Initiatives for the Restoration and Reconstruction from the Great East Japan Earthquake

Ogaki Dam Disaster Restoration (No. 4) Work of the Ukedogawa Special Disaster Restoration Business (Futaba-gun, Fukushima Prefecture)



Before the work



After completion

Following the vehement tremors of the Great East Japan Earthquake, several cracks occurred on the upper end of the Ogaki Dam’s bank body and other places, bringing about substantial obstacles to the management and operation of the dam. NITTOC undertook several restoration works on the collapsed bank body slopes. The Company employed fiber-reinforced mortar shotcrete work with reinforcing bars to complete the dam restoration.

[Orderer: Tohoku Regional Agricultural Administration Office, Ministry of Agriculture, Forestry and Fisheries. Project Overview: Fiber-reinforced mortar shotcrete work with reinforcing bars]

2. Disaster Restoration Work

National Route No. 274 Shimizu-Cho Improvement Work (between Hidaka-cho, Saru-gun and Shimizu-cho, Kamikawa-gun, Hokkaido)



Before the work



After completion

Affected by Typhoon Lionrock, which hit Hokkaido in August 2016, more than five slopes of the Route No. 274 collapsed at the Nissho Pass, resulting in the traffic closure of the entire route. NITTOC undertook the slope frame and ground reinforcement works as slope protection work of the collapsed slopes aimed at restoration and reopening of the route.

[Orderer: Obihiro Development and Construction Department, Hokkaido Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism. Project Overview: Slope frame work and ground reinforcement work]

Introduction of Domestic Construction Projects (earthquake-proof works and others)

Initiatives for Restoration and Reconstruction from the 2016 Kumamoto Earthquakes

Aso Ohashi Area Slant Countermeasure Work (Aso-gun, Kumamoto Prefecture)



Before the work



After completion

Damaged by the 2016 Kumamoto Earthquakes, a series of earthquakes for which the main shock occurred on April 16, 2016, a large-scale collapse of slants occurred in the Aso Ohashi Area. NITTOC undertook the restoration work of the collapsed slants. Specifically, the Company ensured firm placement of the slants, implemented planting treatment on the slant faces to prevent soil erosion, and executed permanent countermeasure construction works including close-attachment-type stabilizing and high-strength wire netting works for rock fall prevention.

[Orderer: Kumamoto Reconstruction Project Office, Kyushu Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism. Project Overview: Planting treatment, close-attachment-type stabilizing wire netting work and high-strength wire netting work]

Fiscal 2016 Disaster Restoration: Toshita Area External-Slant Countermeasure Work (Aso-gun, Kumamoto Prefecture)



During the work



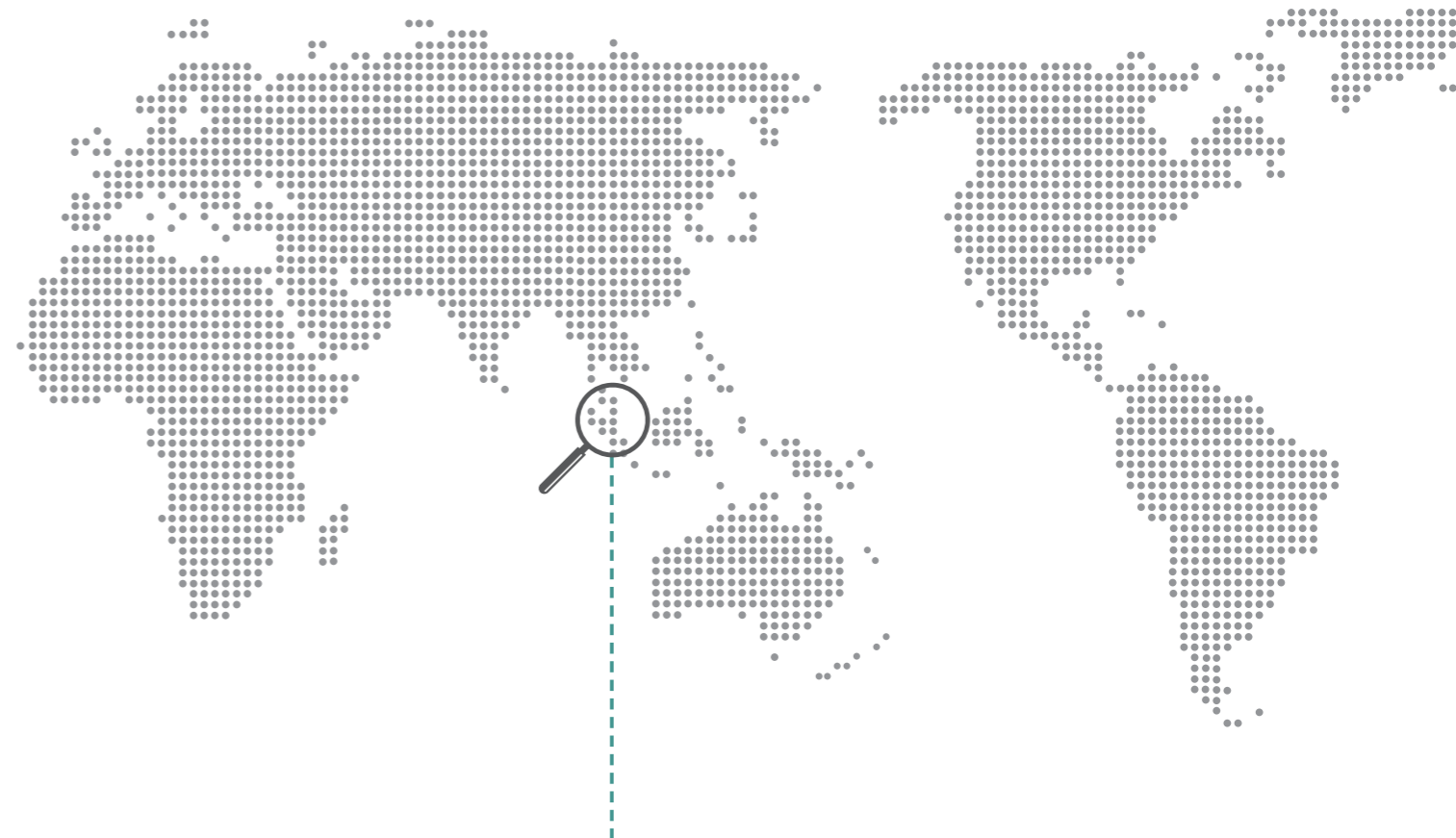
During the work

Damaged by the 2016 Kumamoto Earthquakes in April 2016, the large-scale collapse of slants occurred, causing the traffic closure of National Route No. 57. NITTOC undertook the restoration and improvement work of the village road connecting Toshita and Tochinoki as a bypass for the affected National Route No. 57. The Company conducted high-strength wire netting, rock bolt, lightweight concrete, void filling and sprayed slope frame works.

[Orderer: Kumamoto Reconstruction Project Office, Kyushu Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism. Project Overview: High-strength wire netting work, rock bolt work and sprayed slope frame work and so on]

About Overseas Construction

Overseas Deployment



Overseas Deployment

The Republic of Indonesia has a population of over 240 million and continues to record high economic growth. However, the social infrastructure is not sufficiently maintained or improved as presented by the everyday traffic congestion and the frequent shortages of electricity.

As part of its growth strategy, the Company intends to acquire orders for infrastructure works in Indonesia because of its high economic growth. Our overseas deployment will not be limited to Indonesia but will be extended to infrastructure works in the growing Southeast Asia region.

About Overseas Construction Projects

Since the Jakarta Indonesia Representative Office was established in 2012, we have made preparations to establish a subsidiary while concurrently undertaking construction projects. Through a trial-and-error process, we have achieved solid construction performance jointly with local staff and workers despite differences in customs and business practices between Japan and Indonesia. Aggressively engaged in the development of infrastructure in Indonesia, we will further contribute to the improvement of infrastructure not only in high-growth Indonesia but also throughout Southeast Asia



Construction of Jakarta Mass Rapid Transit Project

Business Overseas

Public Relations Activity

In Indonesia, as NITTOC's presence is still relatively new after having established a representative office, we need to make the Company well-known locally through various activities. We are therefore committed to active PR activities including presentations at academic societies, technology presentation meetings targeting domestic general contractors in Indonesia and so on.

Presentation of exhibits to the Indonesian Society for Geotechnical Engineering

NITTOC presented at the technical exhibition booth of the Indonesian Society for Geotechnical Engineering (ISGE) in November 2017. As NITTOC's construction methods are still uncommon in Indonesia, many guests stopped at our booth.



NITTOC's booth at the ISGE



Explaining the Power Blender Method to a booth visitor

Technology presentation targeting domestic general contractors in Indonesia

NITTOC is actively providing Indonesian general contractors, etc., with presentation opportunities to educate them on the Company's outline and proprietary technologies. These activities increasingly lead to inquiries that provide good results for actual orders received.



Scene of a presentation to Wijaya Karya (a leading general contractor in Indonesia)

Communication Activity

We at NITTOC are active in participating in recreational activities to promote internal communications. In November 2017, all the Indonesian employees went on an overnight trip to a summer resort 60 km from Jakarta. All the participants had a wonderful time enjoying creative games and playing football.



Introduction of Overseas Construction Projects

Since the Jakarta Representative Office was established in Indonesia, we have accumulated a steady record of undertaking construction projects through the establishment of a subsidiary. We would like to introduce some of the projects we have undertaken in Indonesia.

Rajamandala Hydroelectric Power Plant Construction



This project involved work at a hydroelectric power plant utilizing water of the Citarum River at Rajamandala, West Java, Indonesia. The Company received an order from Hyundai Engineering Co., Ltd. and undertook the earth retaining anchor work for a raceway, a drainage channel and an effluent outlet.

Business proprietor: PT Rajamandala Electric Power (Indonesia Power; Locally incorporated company established by Kansai Electric Power Co., Inc.)
 Owner party: Hyundai Engineering Co., Ltd.
 Description of the work: Temporally ground anchor work
 Construction period: July 2017–January 2018

AYANA Komodo Resort, Waecicu Beach



This project involved work relative to a resort hotel development in Labuhanbajo on the west side of Flores Island. The Company proposed countermeasure work for the slant located at the back of the hotel and undertook the relevant construction work.

Orderer: PT Prima Pratama Citra
 Description of the work: Slope frame work, permanent anchor work, rock bolt work
 Construction period: September 2017–April 2018

International Business

Jakarta Mass Rapid Transit Construction Project



This project involves work for Indonesia's first intra-city rapid transit railway under construction in Jakarta. The Company undertook foundation improvement aimed at starting-up of a shield machine and water shutoff for the arrival vertical shaft.

Business proprietor: PT Mass Rapid Transit Jakarta
 Owner party: SMCC-HK, JO, SOWJ JO
 Description of the work: Foundation improvement work
 Construction period: June 2017–February 2018

Lumut Balai Geothermal Power Plant Construction



This project involved work at a geothermal power plant utilizing geothermal steam at Lumut Balai on Sumatera Island. The Company proposed slope protection work and undertook the relevant construction work.

Business proprietor: PT Pertamina Geothermal Energy
 Owner party: PT Multi Adverindo
 Description of the work: Slope protection countermeasure work for the neighboring area of the switchyard.
 Construction period: August 2017–December 2017

Overseas Deployment

Overseas Deployment (subsidiary in Indonesia)

The Republic of Indonesia has a population of approximately 250 million and continues to record high economic growth. However, the social infrastructure is not yet sufficiently maintained or improved as presented by the everyday traffic congestion. As part of its growth strategy, the Company intends to acquire orders for infrastructure works in Indonesia because of its high economic growth. Our overseas deployment will not be limited to Indonesia but will be extended to infrastructure works in the growing Southeast Asia region.

Established a Subsidiary in Indonesia

Since the Jakarta Representative Office was established in September 2012, we conducted surveys and made preparations to establish a locally incorporated company. Finally, the Company resolved to establish a joint venture with PT PANCA DUTA PRAKARSA, which will undertake the construction business in Indonesia, and both companies entered into a joint venture agreement in October 2015. PT NITTOC CONSTRUCTION INDONESIA started operation in April 2016.

The Company will conduct order-receiving activity through PT NITTOC CONSTRUCTION INDONESIA, the established consolidated subsidiary, to obtain orders for specialized works such as slope and ground improvement related to infrastructure in Indonesia.

Outline of the Joint Venture

Trade name	PT NITTOC CONSTRUCTION INDONESIA
Representative	Yasunobu Okumiya
Location	GENERALI TOWER G, 16/F GRAND RUBINA BUSINESS PARK at Rasuna Epicentrum Jl, HR Rasuna Said, Jakarta 12940, Indonesia
Date of operational start	April 2016
Description of business	Construction business in Indonesia
Fiscal year-end	March 31
Capital	Indonesian Rupiah (IDR) 51,000 million (Approximately JPY 428 million) Note: Calculated at an exchange rate of 1 rupiah = 0.0083 yen
Composition of shareholders	NITTOC CONSTRUCTION CO., LTD.: 65% PT PANCA DUTA PRAKARSA: 35%



Staff members of NITTOC Jakarta Representative Office and PT NITTOC CONSTRUCTION INDONESIA



All the employees met for a recreation activity in recognition of their service and to promote friendship among themselves at Santa Monica in Bogor in November 2017.

GENERALI TOWER:
The building which houses the new office.

Overseas Deployment

Feedback from Local Employees Working Globally

NITTOC strives to keep up with the international society through measures such as vocational training overseas, language training, temporary transfer of employees to overseas construction sites and education of foreign engineers, mainly persons from Indonesia.

We would like to introduce some of the employees working globally at NITTOC.



Tri Hidayatulaily

Affiliation : PT NITTOC CONSTRUCTION INDONESIA
 Nationality : Indonesia

I joined NITTOC CONSTRUCTION in June 2016. My first impression immediately after joining NITTOC was, "I was able to join an extremely wonderful company." Other staffs are really friendly and kind to new employees. Having good people on the staff is an attractive aspect of NITTOC.

I belong to the Accounting Department, and my job is to support finance, accounting and tax-related duties. Through my daily operational duties, which I feel are refreshing, I am learning many things.

In July 2018, I am scheduled to go to Japan to receive training. I appreciate NITTOC for providing such a great opportunity. Utilizing what I will learn through the training and my experience nurtured through daily operation, I would like to help NITTOC to become a bigger company in Indonesia in the future.



Faruq Candra

Affiliation : Jakarta Representative Office
 Nationality : Indonesia

I joined NITTOC CONSTRUCTION in November 2014. In the 13 years after graduating from university in 2001 before joining NITTOC, I engaged in the construction industry. My first project at NITTOC was construction works at the slope that existed in Rancamaya and ground anchor work.

My current jobs are budget planning for construction projects, arrangement of materials and equipment, personnel deployment and preparation of reports on construction works. Although my daily duties are challenging, it is great fun to work for NITTOC. There are no companies equipped with expertise like NITTOC in Indonesia. I really enjoy learning new technologies.

I believe my mission is to contribute to the development of Indonesia utilizing NITTOC's technologies. To that end, I would like to continue to learn many things to become a specialist in the management of construction projects.



Afda Riansyah Eris

Affiliation : Jakarta Representative Office
 Nationality : Indonesia

I joined NITTOC CONSTRUCTION in November 2011. After graduating from university, I engaged in a jacking work project at a Japanese-affiliated company. After joining NITTOC, I received training in Japan for approximately three years. I learned various things including the Japanese language, the management of a construction project and how to handle machinery.

In 2014, NITTOC's full-scale operation started in Indonesia at about the same time that I returned to Indonesia. Since then, I have undertaken construction projects at various sites in Indonesia. My current jobs are mainly onsite management of construction projects, preparation of construction process charts and tables, arrangement of materials and equipment, negotiations with customers and reporting on the progress of construction work. Although it is challenging to manage a whole construction site, I feel that my work is truly rewarding. NITTOC has diverse kinds of technologies, and it is beneficial to learn everything. In the future, I would like to become "the BEST" in the field of foundation improvement in Indonesia.

Environmental

Environmental Responsibility

Environmental Policy

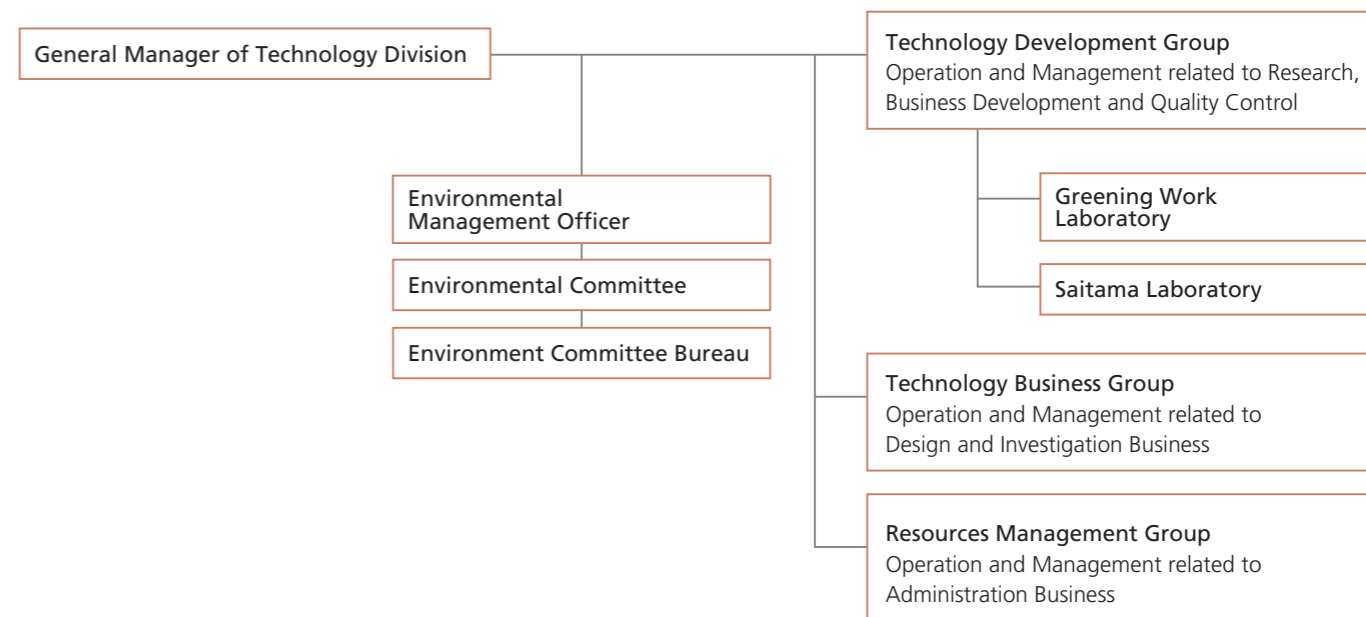
NITTOC has general power with that specializes in <Disaster Prevention and Environmental Conservation>, <Urban Regeneration> and <Maintenance and Renovation>, listed in one of the management philosophy of contributing to the society. Technology Division establishes the followings issue as our environmental policy based on our management philosophy.

- Technology Division recognizes global environment conservation as one of the business activities. We are aim to reduce the load of global environment by improving the environmental management system.
- Effective utilization of limited resources and reduce the load of environment to be a resource recycling society. We promote the research, development, design and study to construct an

environmental symbiosis society for earth biological including humans.

- Promote all activities about waste reduction, increase recycling rate, resources saving, energy saving, ecosystem conservation, landscape conservation and environmental friendly products utilization.
- Comply with environment related laws and regulations, agreements, customer and industry requirements, actively fulfill social responsibility for environmental protection.
- Education for personnel of Technology Division to improve environmental conservation awareness.
- Expose the implementation of environmental policy and environmental conservation activities as needed in order to cooperate with customers and the community.

Technology Division Environmental Management System Network



Landscape Conservation Technology of Cultural Property

Landscape Conservation Technology for Cultural Properties

Our landscape conservation technology helps to restore the landscape while protecting the security of valuable cultural properties and historical sites.

Kiyomizu-dera Temple (Kyoto)

The slope of the Kiyomizu-dera, a World Heritage site, collapsed due to the heavy rain caused by Typhoon Man-yi in September 2013.

In 2014 through 2015, the collapsed slope was reinforced by ground reinforcement work and ground anchor work, and covered with reinforced soil using the Geofiber Method. Plants will grow at the site and the beautiful landscape full of greenery will return soon.



Slope seen from the stage of Kiyomizu-dera Temple



Slope under the Koyasu-no-tou, a National Important Cultural Property

Kiyomizu-dera Temple (Kyoto)

Utsunomiya Castle Site Park is maintained as an important basis for the revitalization of central downtown areas of the city and urban disaster prevention, with partial restoration of the former Utsunomiya Castle, which is faithful to historical facts, as a main feature.

The Geofiber Method was adopted for the restoration of the earthworks, and the beautiful green earthworks now have been maintained for 10 years since the restoration work was completed.



After the work

Kashima Jingu Shrine (Ibaraki)

The slope of Kashima Jingu Shrine located in Kashima-shi, Ibaraki, collapsed due to the mudslides caused by Typhoon Wipha in October 2013. The Geofiber Method was adopted for the restoration work of the collapsed slope.

The restoration work was completed without fouling the Mitarashi Pond, located at the side of the slope, because no cement was used.



After the work

Contribution to Society

Aiming to be a company trusted by society, NITTOC is promoting various social contribution activities, of which the major activities are outlined below.

Kyushu Branch: Cooperated in Restoration Work of a Forest Road Damaged by Typhoon Talim (Kagoshima, October 2017)

Typhoon Talim, which hit the Satsuma Peninsula in Kagoshima Prefecture on September 17, 2017, caused damage at various locations including Kyushu and Shikoku. NITTOC employees of the branch, working on a project in Tarumizu-shi, Kagoshima, at that time, cooperated with a request from a government administrative agency to help restore a nearby forest road that was blocked by a fallen tree due to the typhoon. Because it was not possible to bring in a crane from outside the area, the branch offered the use of its crawler crane, which was being used on a construction site, to assist with the restoration work.



Tokyo Branch: Onsite Meeting to Explain to Community Residents About a Government-Designated Historic Site Preservation Project (Saitama, October 2017)

Regarding the project to preserve Minuma Tsusenbori (a lock-type canal opened in 1731) in Saitama-shi, a meeting sponsored by the Saitama City Board of Education was held to explain to community residents about the history of Minuma Tsusenbori, a government-designated historic site, and the details of the maintenance work project, for which the Tokyo Branch of NITTOC was in charge of the slope protection works. At the meeting, we explained about the Geofiber Method for the greening of the entire slope area.



Hokuriku Branch: ECHIGO Tanada Supporter (Niigata, May through November 2017)

The ECHIGO Tanada Supporter ("Tanada" is a terrace paddy field) is a group established by prefectural government employees of the Department of Agricultural Land, Niigata, to protect the landscape and topographical functions of terrace paddy fields jointly with local residents. Identifying with the group's purpose, volunteer employees of the branch cooperated in mowing and cleanup activities at several terrace paddy fields in Niigata Prefecture, as they did last year. A cumulative 25 volunteers participated 13 times in such activities from May to November 2017.

Activity content:

- 1) Matsuzawa Area of Murakami-shi: Maintenance around irrigation ponds, etc.3 times
- 2) Tokamachi-shi: Mowing3 times
- 3) Tainai-shi, Kashiwazaki-shi, Sado-shi, etc.: Mowing7 times



Contribution to Society

Osaka Branch: Repainting of Playground Equipment in a Kids' Park (Kochi, March 2018)

In Kannoura, Toyo-cho, Aki-gun, Kochi Prefecture, NITTOC employees of the branch worked on the Funakura Bridge repair work. During the works, to show appreciation to people around the project site for their understanding and cooperation on a daily basis, the employees volunteered to perform maintenance on the playground equipment at the kids' park in Kannoura, Toyo-cho, which included the project site. Specifically, they repainted the playground equipment, including a swing, a slope and iron bars for exercise and surrounding fences, and replaced the old and visible rusted chains of the swing with new ones. Observing children delightfully playing with the renovated equipment, NITTOC employees of the branch were happy with the modest appreciation they showed the community.



Hiroshima Branch: Sabo Facility Inspection Activities Conducted by the Sabo Frontier Foundation in Yamaguchi Prefecture (Yamaguchi, November 2017)

NITTOC employees of the Hiroshima Branch participated this year, as they did last year, in Sabo facility inspection activities, which are conducted annually by the Sabo Frontier Foundation to prevent sediment disaster. In cooperation with the Sabo Section, Civil Engineering Department, Yamaguchi Prefectural Government, NITTOC employees of the branch conducted inspection activities at sediment disaster-prone locations in Yamaguchi Prefecture such as areas with a sharp slope and landslide prevention-designated areas as well as the Sabo facilities. This year, like last year, each group of three to four persons, including the prefectural civil engineering staff and the Sabo Frontier Foundation's associates, inspected five to six locations of the Sabo dam in Yamaguchi Prefecture. Such inspection activities included checking for significant changes in condition at the previously inspected checkpoints.



Tohoku Branch: Road Cleanup Activities (Aomori, October 2017)

Together with employees of THE GEOFIBER SOCIETY member companies in Aomori Prefecture, NITTOC employees of the Tohoku Branch conducted cleanup activities covering an approximately 7-kilometer area between Asahiyama and Kareizawa on Prefectural Route No. 27 (Aomori-Namioka). On the cleanup day, 20 employees of NITTOC's Aomori Sales Office joined employees of THE GEOFIBER SOCIETY member companies in the cleanup activities and picked up roadside garbage. Plenty of garbage was collected along the 7-kilometer stretch of road as shown in the photo. The activity concluded with a memorial photo of the participants with the bags of garbage they collected. NITTOC believes that its branch made a modest contribution to the local cleanup.



Corporate Governance

Corporate Governance

I. Basic Policy on Corporate Governance

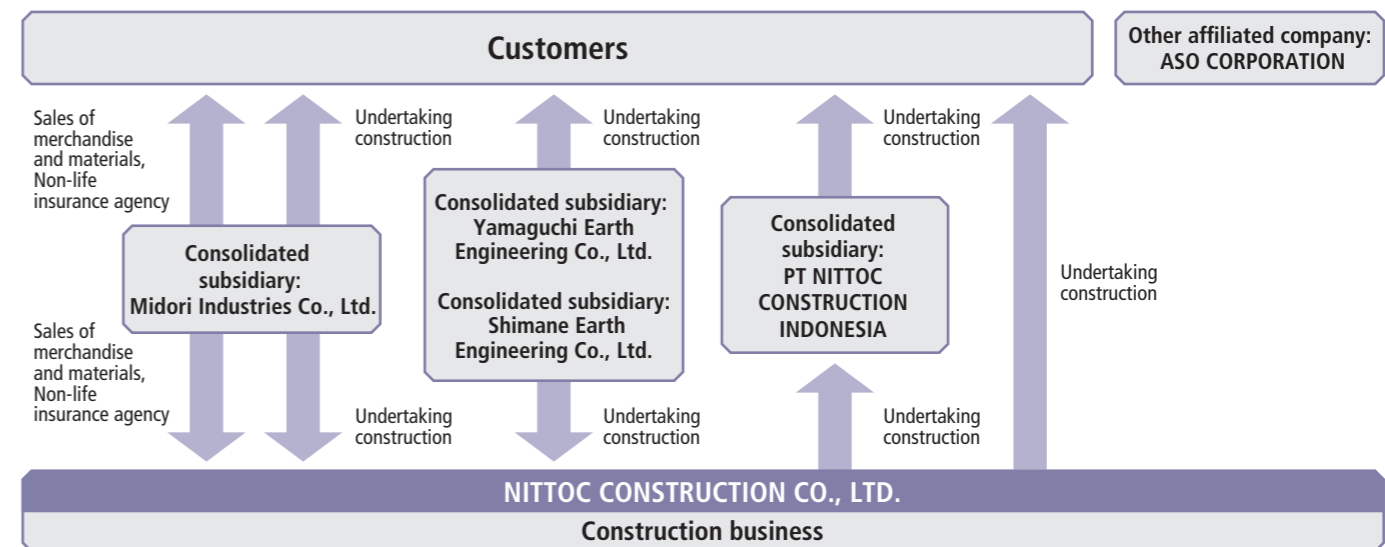
The Company attaches great importance to the interests of all stakeholders supporting its corporate activities and recognizes the importance of corporate ethics that comply not only with various legal norms but also with decency and common sense. At the same time, the Company's basic policy on corporate governance is determined to be the establishment of a corporate organization that can contribute to the development of social infrastructure by raising transparency and the soundness of management through efforts such as sustainable, corporate development; the acquisition of social credibility; and the elimination of illegal payoffs to antisocial groups.

Reason for Adopting the Corporate Governance System

Based on the aforementioned basic policy on corporate governance, we have adopted the corporate governance system described below with the aim of thorough risk management and compliance and improved internal control with regard to swift responses to changes in the business environment, as well as to the decision making, execution and supervision of business operations.

Summary of Our Corporate Governance System

NITTOC's corporate governance system



II. Status of Development of the Internal Control System

To raise the confidence of society and its corporate value, the Company addresses the "reinforcement of internal control (compliance and risk management)" as the most important management task. The Company considers the management are responsible for establishment of the system for ensuring appropriate business operations, and has stipulated the "Basic Policy on an Internal Control System."

The "Basic Policy for Establishing an Internal Control System" refers to the overall commitment regarding such establishment of an internal control system by the Management Strategy Division, whereas the Audit Department is in charge of monitoring the status of the development and operational status of internal controls.

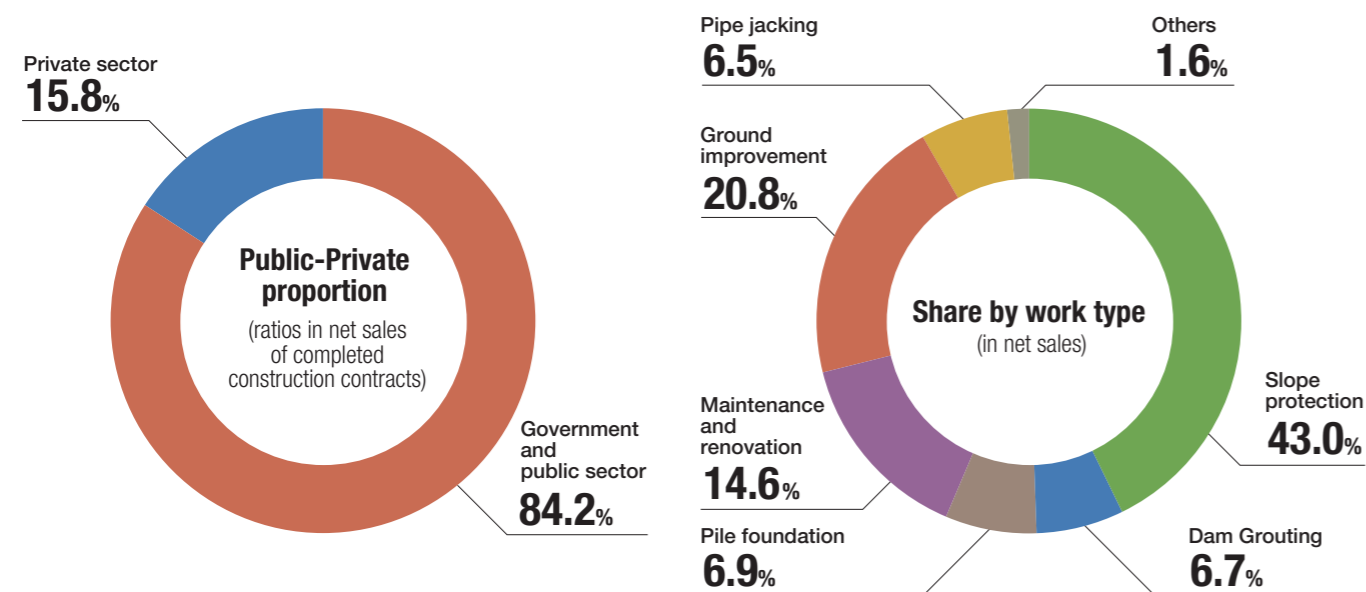
To establish the system for ensuring appropriate financial reporting and monitor such financial reporting, the Internal Control Department is formed under the Management Strategy Division.

The "Basic Policy on an Internal Control System" is regularly reviewed by the Corporate Planning Department, Management Strategy Division, and revised by resolution of the Board of Directors, as required.

Financial Highlights

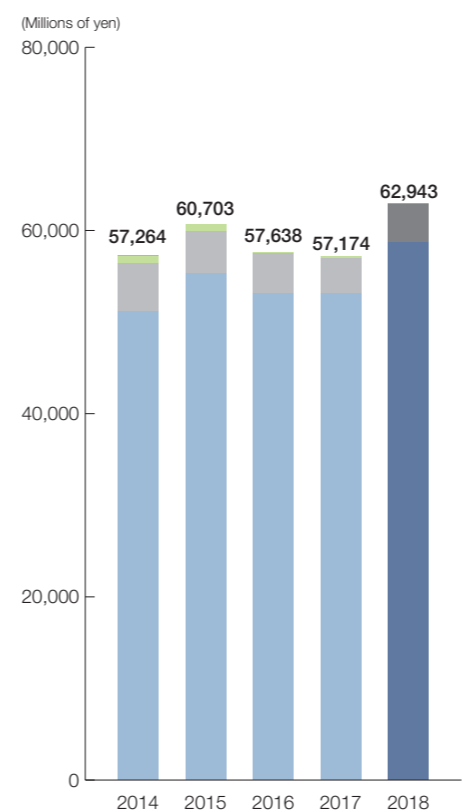
Financial Highlights

	Millions of yen					Thousands of U.S. dollars
	2014	2015	2016	2017	2018	2018
Net sales	¥57,264	¥60,703	¥57,638	¥57,174	¥62,943	\$592,461
Ordinary income	2,904	3,905	3,431	3,555	4,119	38,771
Profit attributable to owners of parent	1,663	1,664	2,110	2,342	2,668	25,304
Comprehensive income	1,715	1,694	1,894	2,458	2,668	25,116
Net assets	16,370	18,116	19,781	21,813	23,256	218,908
Total assets	41,047	42,306	40,385	44,225	48,142	453,148
Net cash provided by (used in) operating activities	1,011	2,435	(630)	2,501	(301)	(2,837)
Net cash provided by (used in) investing activities	(189)	(277)	(1,209)	(393)	(867)	(8,166)
Net cash provided by (used in) financing activities	(678)	(775)	(1,592)	(393)	(144)	(1,364)
Cash and cash equivalents at end of period	12,277	13,698	12,681	14,462	13,114	123,444



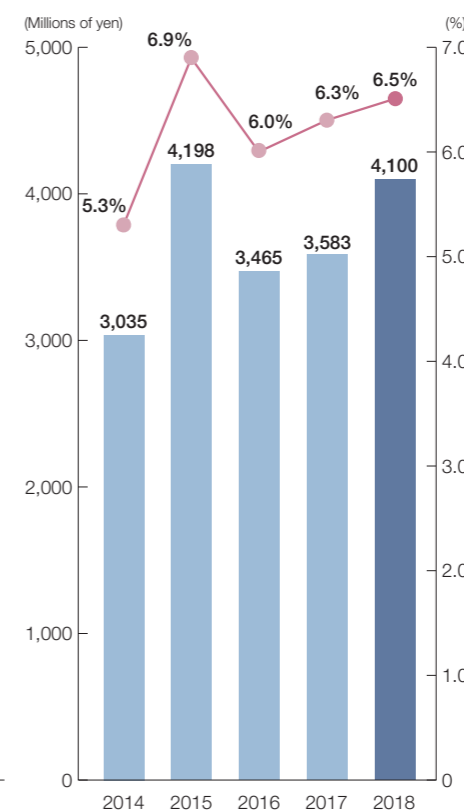
Net sales

■ Special Civil Engineering ■ General Civil Engineering ■ Others



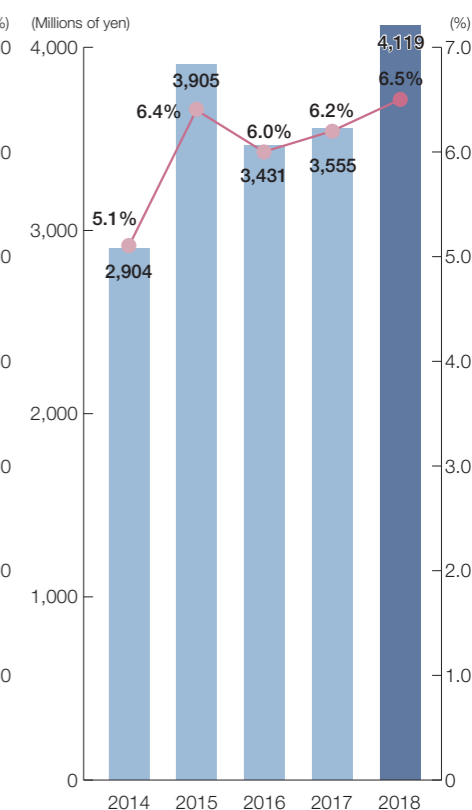
Operating income-Ratio to Net Sales

■ Operating income ■ Ratio to Net Sales



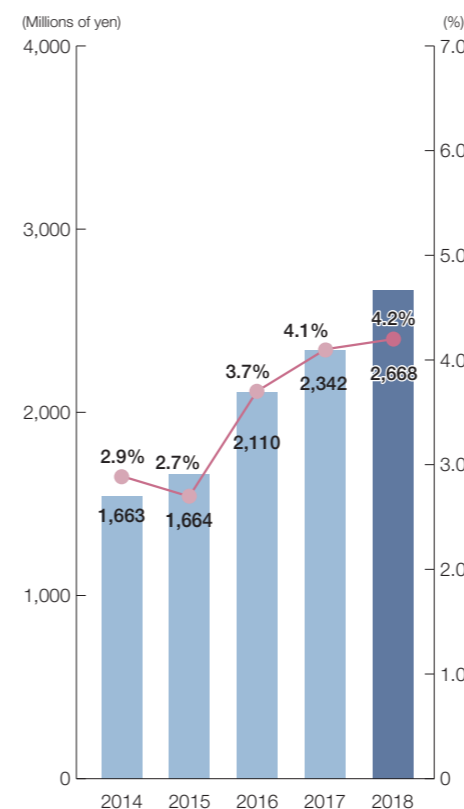
Ordinary income-Ratio to Net Sales

■ Ordinary income ■ Ratio to Net Sales



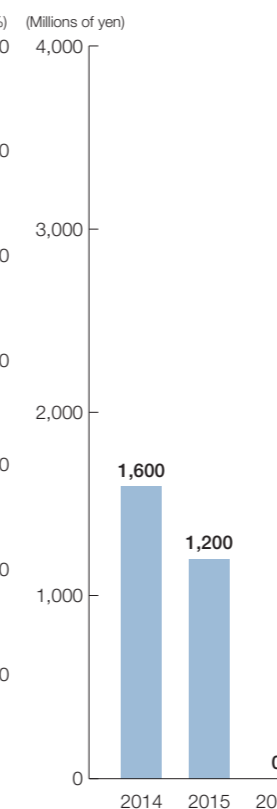
Net income-Ratio to Net Sales

■ Net income ■ Ratio to Net Sales



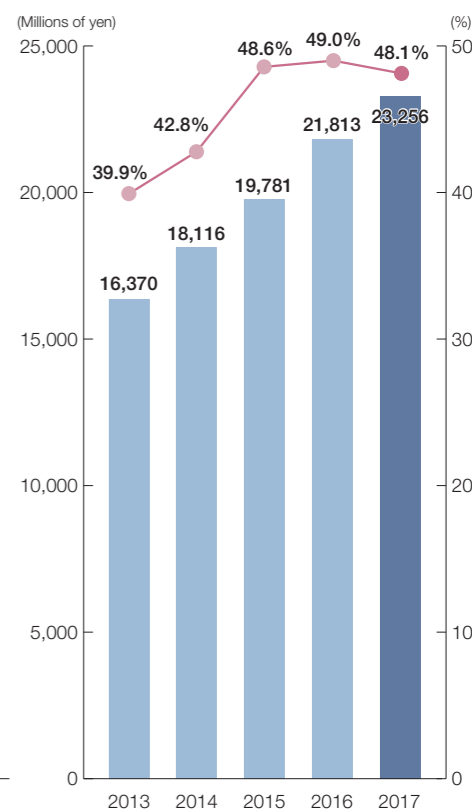
Interest-bearing debt

■ Interest-bearing debt



Total net assets-Equity Ratio

■ Total net assets ■ Equity Ratio



Consolidated Financial Statements

1. [Consolidated Financial Statements, etc.]
 (1) [Consolidated Financial Statements]
 1) [Consolidated Balance Sheets]
 March 31, 2017 and 2018

	Millions of yen		Thousands of
	2017	2018	U.S.Dollars(*)
Assets			
Current assets			
Cash and deposits	14,462	13,114	123,444
Notes receivable, accounts receivable from completed construction contracts and other	16,974	*6 21,220	199,739
Electronically recorded monetary claims — operating	2,196	*6 3,462	32,593
Merchandise and finished goods	25	26	247
Real estate for sale	0	0	0
Costs on uncompleted construction contracts	*4 2,223	*4 1,473	13,866
Raw materials and supplies	142	129	1,222
Deferred tax assets	481	523	4,930
Other	670	513	4,836
Allowance for doubtful accounts	(15)	(7)	(69)
Total current assets	37,161	40,457	380,812
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	*1 910	*1 820	7,721
Machinery, vehicles, tools, furniture and fixtures, net	*1 484	*1 640	6,027
Land	2,787	2,663	25,072
Leased assets, net	*1 68	*1 58	545
Construction in progress	14	386	3,635
Other, net	*3 2	*3 2	19
Total property, plant and equipment	4,268	4,570	43,022
Intangible assets			
Investments and other assets			
Investment securities	838	950	8,948
Deferred tax assets	1,157	1,132	10,656
Other	531	674	6,344
Allowance for doubtful accounts	(21)	(81)	(764)
Total investments and other assets	2,505	2,675	25,184
Total non-current assets	7,063	7,685	72,336
Total assets	44,225	48,142	453,148

*Refer to the note “Significant Items on Basis for Preparation of Consolidated Financial Statements.”

	Millions of yen		Thousands of
	2017	2018	U.S.Dollars(*)
Liabilities			
Current liabilities			
Notes payable, accounts payable for construction contracts and other	11,133	*6 12,691	119,463
Short-term loans payable	—	274	2,579
Advances received on uncompleted construction contracts	3,277	1,169	11,009
Lease obligations	18	20	190
Income taxes payable	1,035	788	7,426
Provision for warranties for completed construction	25	8	77
Provision for loss on construction contracts	*4 39	*4 32	306
Provision for bonuses	714	870	8,195
Provision for directors’ bonuses	—	26	245
Other	2,041	4,079	38,403
Total current liabilities	18,285	19,962	187,896
Non-current liabilities			
Long-term loans payable	—	826	7,774
Lease obligations	49	37	351
Net defined benefit liability	4,022	4,017	37,818
Other	53	42	399
Total non-current liabilities	4,126	4,923	46,344
Total liabilities	22,412	24,885	234,240
Net assets			
Shareholders’ equity			
Capital stock	6,052	6,052	56,969
Capital surplus	2,022	2,022	19,034
Retained earnings	14,144	16,109	151,634
Treasury shares	(552)	(1,054)	(9,924)
Total shareholders’ equity	21,666	23,130	217,714
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	264	305	2,872
Foreign currency translation adjustment	(9)	(29)	(280)
Remeasurements of defined benefit plans	(254)	(265)	(2,495)
Total accumulated other comprehensive income	0	10	97
Non-controlling interests	146	116	1,096
Total net assets	21,813	23,256	218,908
Total liabilities and net assets	44,225	48,142	453,148

*Refer to the note “Significant Items on Basis for Preparation of Consolidated Financial Statements.”

2) [Consolidated Statements of Income and Consolidated Statements of Comprehensive Income]
[Consolidated Statements of Income]
Fiscal Years Ended March 31, 2017 and 2018

	Millions of yen		Thousands of U.S.Dollars(*)
	2017	2018	2018
Net sales			
Net sales of completed construction contracts	57,010	62,845	591,540
Sales on other business	163	97	921
Total net sales	57,174	62,943	592,461
Cost of sales			
Cost of sales of completed construction contracts	*1 47,277	*1 52,321	492,486
Cost of sales on other business	53	29	275
Total cost of sales	47,331	52,351	492,762
Gross profit			
Gross profit on completed construction contracts	9,733	10,523	99,053
Gross profit - other business	110	68	645
Total gross profit	9,843	10,591	99,698
Selling, general and administrative expenses	*2,3 6,259	*2,3 6,491	61,104
Operating income	3,583	4,100	38,594
Non-operating income			
Interest income	7	7	70
Dividend income	20	25	237
Patent income	19	33	318
Other	11	12	121
Total non-operating income	59	79	748
Non-operating expenses			
Interest expenses	8	16	150
Guarantee commission	33	18	173
Foreign exchange losses	—	20	192
Commission for syndicate loan	35	5	50
Other	10	0	3
Total non-operating expenses	87	60	571
Ordinary income	3,555	4,119	38,771
Extraordinary income			
Gain on sales of non-current assets	*4 0	*4 1	16
Total extraordinary income	0	1	16
Extraordinary losses			
Loss on retirement of non-current assets	*5 13	*5 89	841
Impairment loss	—	*6 131	1,240
Total extraordinary losses	13	221	2,082
Profit before income taxes	3,542	3,899	36,706
Income taxes - current	1,268	1,259	11,858
Income taxes - deferred	(66)	(29)	(279)
Total income taxes	1,202	1,230	11,579
Profit	2,340	2,669	25,126
Loss attributable to non-controlling interests	(2)	(18)	(178)
Profit attributable to owners of parent	2,342	2,688	25,304

*Refer to the note "Significant Items on Basis for Preparation of Consolidated Financial Statements."

[Consolidated Statements of Comprehensive Income]
Fiscal Years Ended March 31, 2017 and 2018

	Millions of yen		Thousands of U.S.Dollars(*)
	2017	2018	2018
Profit	2,340	2,669	25,126
Other comprehensive income			
Valuation difference on available-for-sale securities	93	40	378
Foreign currency translation adjustment	(5)	(30)	(290)
Remeasurements of defined benefit plans, net of tax	29	(10)	(97)
Total other comprehensive income	*1 118	*1 (1)	(9)
Comprehensive income	2,458	2,668	25,116
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	2,462	2,698	25,396
Comprehensive income attributable to non-controlling interests	(4)	(29)	(279)

*Refer to the note "Significant Items on Basis for Preparation of Consolidated Financial Statements."

3) [Consolidated Statements of Changes in Net Assets]

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,052	2,022	12,228	(552)	19,750
Changes of items during period					
Dividends of surplus			(425)		(425)
Profit attributable to owners of parent			2,342		2,342
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	1,916	(0)	1,916
Balance at end of current period	6,052	2,022	14,144	(552)	21,666

	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	171	(6)	(284)	(119)	150	19,781
Changes of items during period						
Dividends of surplus						(425)
Profit attributable to owners of parent						2,342
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	93	(3)	29	119	(4)	115
Total changes of items during period	93	(3)	29	119	(4)	2,031
Balance at end of current period	264	(9)	(254)	0	146	21,813

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	6,052	2,022	14,144	(552)	21,666
Changes of items during period					
Dividends of surplus			(723)		(723)
Profit attributable to owners of parent			2,688		2,688
Purchase of treasury shares				(501)	(501)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	1,964	(501)	1,463
Balance at end of current period	6,052	2,022	16,109	(1,054)	23,130

	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	264	(9)	(254)	0	146	21,813
Changes of items during period						
Dividends of surplus						(723)
Profit attributable to owners of parent						2,688
Purchase of treasury shares						(501)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	40	(20)	(10)	9	(29)	(19)
Total changes of items during period	40	(20)	(10)	9	(29)	1,443
Balance at end of current period	305	(29)	(265)	10	116	23,256

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

(Thousands of U.S.Dollars*)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	56,969	19,034	133,140	(5,204)	203,941
Changes of items during period					
Dividends of surplus			(6,811)		(6,811)
Profit attributable to owners of parent			25,304		25,304
Purchase of treasury shares				(4,720)	(4,720)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	18,493	(4,719)	13,773
Balance at end of current period	56,969	19,034	151,634	(9,924)	217,714

	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	2,494	(91)	(2,397)	5	1,376	205,322
Changes of items during period						
Dividends of surplus						(6,811)
Profit attributable to owners of parent						25,304
Purchase of treasury shares						(4,720)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	378	(189)	(97)	92	(279)	(187)
Total changes of items during period	378	(189)	(97)	92	(279)	13,585
Balance at end of current period	2,872	(280)	(2,495)	97	1,096	218,908

4) [Consolidated Statements of Cash Flows]

Fiscal Years Ended March 31, 2017 and 2018

	Millions of yen		Thousands of U.S.Dollars(*)
	2017	2018	2018
Cash flows from operating activities			
Profit before income taxes	3,542	3,899	36,706
Depreciation	284	269	2,533
Increase (decrease) in allowance for doubtful accounts	0	55	524
Increase (decrease) in provision for warranties for completed construction	(80)	(16)	(158)
Increase (decrease) in provision for loss on construction contracts	(100)	(7)	(68)
Increase (decrease) in provision for bonuses	159	155	1,467
Increase (decrease) in provision for directors' bonuses	—	26	245
Increase (decrease) in net defined benefit liability	44	(19)	(184)
Loss (gain) on sales of property, plant and equipment	(0)	(1)	(16)
Loss on retirement of non-current assets	13	89	841
Interest and dividend income	(28)	(32)	(308)
Interest expenses	8	16	150
Foreign exchange losses (gains)	(1)	16	159
Impairment loss	—	131	1,240
Decrease (increase) in notes and accounts receivable - trade	(1,711)	(5,550)	(52,245)
Decrease (increase) in costs on uncompleted construction contracts	(558)	750	7,062
Decrease (increase) in other assets	334	34	326
Increase (decrease) in notes and accounts payable - trade	555	1,532	14,426
Increase (decrease) in advances received on uncompleted construction contracts	767	(2,107)	(19,841)
Increase (decrease) in accrued consumption taxes	(513)	1,862	17,532
Increase (decrease) in other liabilities	328	1	11
Subtotal	3,047	1,105	10,406
Interest and dividend income received	28	32	305
Interest expenses paid	(8)	(16)	(150)
Income taxes paid	(566)	(1,423)	(13,398)
Net cash provided by (used in) operating activities	2,501	(301)	(2,837)
Cash flows from investing activities			
Purchase of investment securities	(38)	(54)	(508)
Purchase of property, plant and equipment	(218)	(542)	(5,109)
Proceeds from sales of property, plant and equipment	23	1	16
Payments for retirement of property, plant and equipment	(4)	(52)	(493)
Purchase of intangible assets	(68)	(231)	(2,176)
Payments of loans receivable	(109)	—	—
Collection of loans receivable	2	13	125
Payments for guarantee deposits	(10)	(13)	(129)
Proceeds from collection of guarantee deposits	27	9	90
Other, net	1	1	17
Net cash provided by (used in) investing activities	(393)	(867)	(8,166)

*Refer to the note "Significant Items on Basis for Preparation of Consolidated Financial Statements."

	Millions of yen		Thousands of U.S.Dollars(*)
	2017	2018	2018
Cash flows from financing activities			
Proceeds from long-term loans payable	—	1,100	10,353
Proceeds from share issuance to non-controlling shareholders	130	—	—
Repayments of lease obligations	(27)	(21)	(199)
Proceeds from disposal of treasury shares	0	0	0
Purchase of treasury shares	(0)	(501)	(4,720)
Cash dividends paid	(424)	(722)	(6,799)
Net cash provided by (used in) financing activities	(321)	(144)	(1,364)
Effect of exchange rate change on cash and cash equivalents	(4)	(33)	(317)
Net increase (decrease) in cash and cash equivalents	1,780	(1,347)	(12,685)
Cash and cash equivalents at beginning of period	12,681	14,462	136,130
Cash and cash equivalents at end of period	*1 14,462	*1 13,114	123,444

*Refer to the note “Significant Items on Basis for Preparation of Consolidated Financial Statements.”

【Notes】

(Basis of Presenting Consolidated Financial Statements)

The accompanying consolidated financial statements have been prepared from the accounts maintained by NITTOC CONSTRUCTION CO., LTD. (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) in accordance with the provisions set forth in the Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and mainly operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥106.24 to US\$1.00, the approximate rate of exchange on March 31, 2018. Such translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

(Going-Concern Assumption)

Not applicable

(Significant Items on Basis for Preparation of Consolidated Financial Statements)

1. Scope of Consolidation

Number of consolidated subsidiaries: 4

Midori Industries Co., Ltd.

Yamaguchi Earth Engineering Co., Ltd.

Shimane Earth Engineering Co., Ltd.

PT NITTOC CONSTRUCTION INDONESIA

2. Application of the Equity Method

Not applicable

3. Fiscal Years, etc. of Consolidated Subsidiaries

The year-end date of the fiscal year of the consolidated subsidiaries is March 31, which is the same as the consolidated balance sheet date.

4. Accounting Policies

(1) Valuation standard and valuation method for significant assets

1) Securities

- Held-to-maturity debt securities

Amortized cost method (by the straight-line method)

- Available-for-sale securities

Securities with market quotations:

Valued at fair market value as of the consolidated fiscal year-end date (All changes in valuation difference are included directly in net assets. Cost of securities sold is determined by the moving-average method).

Securities without market quotations:

Valued at cost based on the moving-average method.

2) Inventories

- Merchandise

Stated at cost using the first-in first-out method (The figures shown in the consolidated balance sheets have been calculated by writing down the book value based on the decline in profitability.)

- Real estate for sale

Stated at cost using the specific identification method (The figures shown in the consolidated balance sheets have been calculated by writing down the book value based on the decline in profitability.)

- Costs on uncompleted construction contracts

Stated at cost using the specific identification method

- Raw materials and supplies

Stated at cost using the first-in first-out method (The figures shown in the consolidated balance sheets have been calculated by writing down the book value based on the decline in profitability.)

- (2) Depreciation methods of major depreciable assets
- 1) Property, plant and equipment (excluding leased assets): The declining-balance method is applied. However, the straight-line method is adopted for buildings acquired on or after April 1, 1998, as well as facilities attached to buildings and structures acquired on or after April 1, 2016, and for machinery equipment. The useful lives and the residual value are based on standards in accordance with methods stipulated in the Corporation Tax Act.
 - 2) Intangible assets (excluding leased assets): The straight-line method is applied. The useful lives are based on standards in accordance with methods stipulated in the Corporation Tax Act. Computer software for internal use is amortized by the straight-line method over the estimated internal useful life (five years).
 - 3) Leased assets
The same depreciation method as that applied to non-current assets owned by the Company is adopted for leased assets of finance lease transactions where ownership of leased assets is transferred to the lessee. The straight-line method, in which the lease period is utilized as the useful life assuming the residual value is zero, is adopted for the leased assets of finance lease transactions without transfer of ownership.
- (3) Accounting procedure for deferred assets
Deferred organization expenses and business commencement expenses are fully charged to income as incurred.
- (4) Recognition standards for significant reserves
- 1) Allowance for doubtful accounts
The allowance for doubtful accounts is recorded at an amount of estimated uncollectible receivables based on past bad debt experience for general receivables, and by individually considering the collectibility for certain doubtful receivables including loans with potential default to prepare for possible loan losses including notes and accounts receivable - trade and loans receivable.
 - 2) Provision for warranties for completed construction
The provision for warranties for completed construction is recorded at an amount based on the estimated compensation amount regarding the net sales of completed construction contracts for the consolidated fiscal year under review to prepare for expenses such as warranty against defects relative to completed construction works.
 - 3) Provision for loss on construction contracts
The provision for loss on construction contracts is recorded at an estimated loss amount regarding construction works on hand at the end of the consolidated fiscal year under review for which loss is expected, and for which the amount can be reasonably estimated, to prepare for possible losses from construction contracts that the Group has received orders thereof.
 - 4) Provision for bonuses
The provision for bonuses is recorded at an amount of possible disbursement corresponding to the consolidated fiscal year under review based on the estimated amount to provide for bonuses to employees.
 - 5) Provision for directors' bonuses
The provision for directors' bonuses is recorded at an amount of possible disbursement corresponding to the consolidated fiscal year under review based on the estimated amount to provide for bonuses to eligible directors.
- (5) Accounting procedure for retirement benefits
- 1) Method of allocating the projected retirement benefits to periods
In calculating the projected benefit obligation, the benefit formula basis is used to allocate the projected retirement benefits to periods up to the end of the consolidated fiscal year under review.
 - 2) Amortization method for actuarial gains/losses and prior service cost
Actuarial gains or losses are amortized for the pro-rata amount computed by the straight-line method over a certain period (10 years) within the average remaining service period of employees at the time of recognition, commencing from the consolidated fiscal year following the recognition. The prior service cost is amortized by the straight-line method over a certain period (10 years) within the average remaining service period of employees at the time of recognition, commencing from the consolidated fiscal year following the recognition.
 - 3) Adoption of the simplified method for small and medium-sized entities
For the calculation of net defined benefit liability and retirement benefit expenses, the consolidated subsidiaries of the Company have adopted the simplified method, according to which the amount of payables for voluntary retirement of all employees at the end of the period is treated as projected benefit obligation.

- (6) Translation of significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates on the consolidated fiscal year-end date, and differences arising from such translation are charged to income.

The asset and liability accounts of the overseas subsidiaries are translated into Japanese yen at the spot exchange rates as of the consolidated fiscal year-end date. The revenue and expense accounts of the overseas subsidiaries are translated into Japanese yen based on the average exchange rate during the consolidated fiscal year under review, and differences arising from such translation are included in "Foreign currency translation adjustment" and "Non-controlling interests" as separate components of "Net assets."

- (7) Recognition standards for significant revenues and expenses
Recognition standards for net sales of completed construction contracts and cost of sales of completed construction contracts
- 1) Works for which the outcome of the construction activity is deemed certain with regard to the portion of construction in progress by the end of the consolidated fiscal year under review
The percentage-of-completion method has been applied to such works (the degree of completion of construction is estimated by the cost-to-cost method).
 - 2) Other works
The completed-contract method has been applied.
- Net sales of completed construction contracts, to which the percentage-of-completion method was applied, were ¥44,391 million (\$417,840 thousand) for the consolidated fiscal year under review.
- (8) Scope of cash and cash equivalents in the consolidated statements of cash flows
Cash and cash equivalents in the consolidated statements of cash flows comprise cash on hand, bank deposits available for withdrawal on demand and readily convertible short-term investments with maturities of three months or less, which are exposed to minor risk of fluctuation in value.
- (9) Other items of significance concerning the preparation of consolidated financial statements
- 1) Accounting procedure for consumption taxes and others
Transactions subject to consumption tax and local consumption tax are recorded at amounts exclusive of the consumption taxes.
 - 2) Application of consolidated tax return system
The consolidated tax return system is applied.

(Consolidated Balance Sheets)

*1 Accumulated depreciation of property, plant and equipment

As of March 31		
2017	2018	2018
¥6,644 million	¥6,605 million	\$62,172 thousand

2 Contingent liabilities

(1) The Company guarantees loans payable for the purchase of its properties for sale.

As of March 31		
2017	2018	2018
5 properties ¥8 million	4 properties ¥5 million	\$53 thousand

(2) The Company guarantees housing funds, the loans payable of its employees borrowed from banks, in accordance with the Housing Loan Financing Rules.

As of March 31		
2017	2018	2018
¥15 million	¥7 million	\$72 thousand

*3 Reduction entry

The amount of reduction entry, which is subtracted from the acquisition prices of property, plant and equipment due to acceptance of a state subsidy, and the breakdown thereof were as follows:

As of March 31			
2017		2018	
Other	¥2 million	¥2 million	\$19 thousand

*4 Presentation of inventories and provision for loss on construction contracts

Fiscal year ended March 31, 2017 (As of March 31, 2017)

Both the costs on uncompleted construction contracts and the provision for loss on construction contracts, which are related to construction contracts that are expected to generate losses, are presented without offsetting each other.

Of the costs on uncompleted construction contracts relating to construction contracts that are expected to generate losses, the amount corresponding to the provision for loss on construction contracts is ¥28 million.

Fiscal year ended March 31, 2018 (As of March 31, 2018)

Both the costs on uncompleted construction contracts and the provision for loss on construction contracts, which are related to construction contracts that are expected to generate losses, are presented without offsetting each other.

Of the costs on uncompleted construction contracts relating to construction contracts that are expected to generate losses, the amount corresponding to the provision for loss on construction contracts is ¥23 million (\$219 thousand).

5 Commitment line agreements

The Company has entered into commitment line agreements with our four banks to facilitate efficient fund procurement of working capital.

The unused balance of the borrowings relative to the commitment line agreements as of March 31 was as follows:

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Total amount of the commitment line	2,200	2,200	20,707
Balance of executed loans	—	—	-
Unused balance	2,200	2,200	20,707

*6 Notes, etc., matured at the end of the fiscal year under review were settled as of the clearance date or settlement

date. The following notes, etc., matured at the end of the fiscal year are included in the balance as the last day of the fiscal year under review fell on a bank holiday.

As of March 31			
2017		2018	
Notes receivable	— million	¥182 million	\$1,716 thousand
Electronically recorded monetary claims—operating	— million	¥34 million	\$321 thousand
Notes payable	— million	¥475 million	\$4,474 thousand

*4 The breakdown of gain on sales of non-current assets was as follows:

Fiscal year ended March 31			
2017		2018	
Machinery, vehicles, tools, furniture and fixtures	¥0 million	¥1 million	\$16 thousand

*5 The breakdown of loss on retirement of non-current assets was as follows:

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Buildings and structures	11	89	841
Machinery, vehicles, tools, furniture and fixtures	0	0	0
Intangible assets	1	—	—
Total	13	89	841

*6 Impairment loss

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

Not applicable

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

For the fiscal year ended March 31, 2018, the Company reported impairment loss for the following asset group.

Use	Type	Location	Impairment loss	
			Millions of yen	Thousands of U.S.Dollars
Assets planned to be sold	Buildings and structures, land, and intangible assets	Takamatsu-shi, Kagawa	131	1,240

(Grouping method)

The Company has, in principle, grouped business-use assets by department/branch which are the minimum profit-reporting unit and grouped shared assets such as the head office by the entire business as a profit-reporting unit. Meanwhile, the Company has separately grouped individual assets such as assets planned to be sold and idle assets

(Breakdown of impairment loss recognized)

	Millions of yen	Thousands of U.S.Dollars
Building and structures	7	69
Land	124	1,170
Intangible assets	0	0
Total	131	1,240

(Background)

The Company, at its Board of Directors meeting, resolved to sell said non-current assets. Consequently, the Company reported an impairment loss because the value of said assets became lower than their recoverable amounts.

(Calculation method of recoverable amounts)

Recoverable amounts for assets planned to be sold are measured by using the net selling price, and the net selling prices are determined based on their selling prices, etc., under the relevant respective contracts.

(Consolidated Statements of Comprehensive Income)

*1 Amounts of reclassification and the tax-effect equivalent in relation to "Other comprehensive income"

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Valuation difference on available-for-sale securities			
Accrued in the fiscal year	134	57	545
Amount of reclassification	—	—	
Before tax-effect adjustment	134	57	545
Amount of tax-effect equivalent	(41)	(17)	(167)
Valuation difference on available-for-sale securities	93	40	378
Foreign currency translation adjustment			
Accrued in the fiscal year	(5)	(30)	(290)
Foreign currency translation adjustment	(5)	(30)	(290)
Remeasurements of defined benefit plans			
Accrued in the fiscal year	0	(54)	(515)
Amount of reclassification	36	39	375
Before tax-effect adjustment	36	(14)	(140)
Amount of tax-effect equivalent	(6)	4	42
Remeasurements of defined benefit plans, net of tax	29	(10)	(97)
Total other comprehensive income	118	(1)	(9)

(Consolidated Statements of Changes in Net Assets)

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

1. Class and total number of issued shares and of treasury shares

Fiscal year ended March 31, 2017	Number of shares at the beginning	Increase in number of shares	Decrease in number of shares	Number of shares at the end
Issued shares				
Common shares	43,919,291	—	—	43,919,291
Total	43,919,291	—	—	43,919,291
Treasury shares				
Common shares	1,351,404	1,508	150	1,352,762
Total	1,351,404	1,508	150	1,352,762

Notes:

- The increase in number of treasury shares represents the increase from the purchase of less-than-one-unit shares.
- The decrease in number of treasury shares represents the decrease due to sales of the Company's own shares in response to the request for additional purchase of less-than-one-unit shares by shareholders.

2. Dividends

(1) Amount of dividends paid

Resolution	Class of shares	Total dividends	Source of dividends	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting on June 24, 2016	Common shares	¥425 million	Retained earnings	¥10.00	March 31, 2016	June 27, 2016

(2) Dividends for which the record date is during the consolidated fiscal year under review but for which the effective date is after the end of the consolidated fiscal year under review

Resolution	Class of shares	Total dividends	Source of dividends	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting on June 23, 2017	Common shares	¥723 million	Retained earnings	¥17.00	March 31, 2017	June 26, 2017

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

1. Class and total number of issued shares and of treasury shares

Fiscal year ended March 31, 2018	Number of shares at the beginning	Increase in number of shares	Decrease in number of shares	Number of shares at the end
Issued shares				
Common shares	43,919,291	—	—	43,919,291
Total	43,919,291	—	—	43,919,291
Treasury shares				
Common shares	1,352,762	854,228	9	2,206,981
Total	1,352,762	854,228	9	2,206,981

Notes:

- The increase in number of treasury shares represents the acquisition of the Company's own shares pursuant to resolution at the Board of Directors meeting held on May 19, 2017, and the increase from the purchase of less-than-one-unit shares.
- The decrease in number of treasury shares represents the decrease due to sales of the Company's own shares in response to the request for additional purchase of less-than-one-unit shares by shareholders.

2. Dividends

(1) Amount of dividends paid

Resolution	Class of shares	Total dividends	Source of dividends	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting on June 23, 2017	Common shares	¥723 million (\$6,811 thousand)	Retained earnings	¥17.00	March 31, 2017	June 26, 2017

(2) Dividends for which the record date is during the consolidated fiscal year under review but for which the effective date is after the end of the consolidated fiscal year under review

Resolution	Class of shares	Total dividends	Source of dividends	Dividend per share	Record date	Effective date
Annual Shareholders' Meeting on June 22, 2018	Common shares	¥1,001 million (\$9,422 thousand)	Retained earnings	¥24.00	March 31, 2018	June 25, 2018

(Consolidated Statements of Cash Flows)

*1 A reconciliation of the balance of cash and cash equivalents in the consolidated statements of cash flows to cash and deposits included in the consolidated balance sheets

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Cash and deposits	14,462	13,114	123,444
Cash and cash equivalents	14,462	13,114	123,444

(Lease Transactions)

(Lessee)

Finance lease transactions that transfer ownership

1. Details of leased assets

Property, plant and equipment

Consist of machinery and equipment.

2. Depreciation method of leased assets

As described in the "(Significant Items on Basis for Preparation of Consolidated Financial Statements)

4. Accounting Policies (2) Depreciation methods of major depreciable assets."

Finance lease transactions that do not transfer ownership

1. Details of leased assets

Property, plant and equipment

Consist mainly of machinery and equipment.

2. Depreciation method of leased assets

As described in the "(Significant Items on Basis for Preparation of Consolidated Financial Statements)

4. Accounting Policies (2) Depreciation methods of major depreciable assets."

(Financial Instruments)

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

1. Status of Financial Instruments

(1) Policies on financial instruments

The Group holds a policy to procure working capital, which is necessary to pursue business purposes, in the form of borrowings from banks and invests temporary surplus funds in short-term deposits, etc. The Group utilizes derivatives within the limit of actual demand and not for speculative purposes. In the consolidated fiscal year under review, no derivative transactions were utilized.

(2) Description of financial instruments and related risks

Notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims—operating and other, which are trade receivables, are exposed to the credit risk of the respective counterparties. Investment securities are mainly stocks of companies with which the Company holds business relationships, and are exposed to market price fluctuation risk.

Notes payable, accounts payable for construction contracts and other, which are trade payables, generally entail the concentrated due date for payments and are exposed to liquidity risk.

(3) Risk management system for financial instruments

1) Management of credit risk (default risk of the counterparties)

The Group regularly monitors notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims—operating and other regarding main counterparties at the relevant departments/sections in accordance with the Credit Exposure Management Rules and the Credit Management Manual. In addition to the management of credit balances by counterparty, the Group works to early grasp and reduce recovery concerns due to the aggravation of financial positions at the counterparties.

2) Management of market risk (market price fluctuation risk)

The Group regularly checks the current market value of shares included in the category of investment securities and makes efforts to comprehend the financial positions of the issuers (counterparties) and continuously reviews the holding status of such investment securities by taking into account market conditions and the relationship with the respective counterparties.

3) Management of liquidity risk (the risk of non-repayment on the due date) relating to fund procurement

At the Group, the Accounting Department prepares and renews the cash-flow plan based on the reports from the respective departments/sections. The department also manages liquidity risk with measures such as the maintenance of liquidity on hand and entering into commitment line agreements with our banks.

2. Market Values of Financial Instruments

The carrying value in the consolidated balance sheets, the market value and the difference thereof as of March 31, 2017, were as follows.

Financial instruments for which it is deemed extremely difficult to measure the market value are not included in the table below. (Refer to Note 2.)

	(Millions of yen)		
	Carrying value in the consolidated balance sheets	Market value	Difference
(1) Cash and deposits	14,462	14,462	—
(2) Notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims—operating and other	19,171	19,171	—
(3) Investment securities Available-for-sale securities	692	692	—
Total assets	34,326	34,326	—
(1) Notes payable, accounts payable for construction contracts and other	11,133	11,133	—
Total liabilities	11,133	11,133	—
Derivative transactions	—	—	—

Notes:

1. Calculation method of the market value of financial instruments, as well as securities and derivative transactions

Assets

(1) Cash and deposits and (2) Notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims—operating and other

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

(3) Investment securities

The market value of investment securities is based on the prices listed at stock exchanges.

For details of securities by holding purpose, please refer to the notes titled “Securities.”

Liabilities

(1) Notes payable, accounts payable for construction contracts and other

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

Derivative transactions

The Group conducts no derivative transactions.

2. Financial instruments for which it is deemed extremely difficult to measure the market value

Classification	Carrying value in the consolidated balance sheets (Millions of yen)
Available-for-sale securities (unlisted stocks)	145

The above securities are not included in “(3) Investment securities” because they have no market prices and it is deemed extremely difficult to measure their market values.

3. Redemption schedules for monetary receivables and securities with maturity dates after the consolidated balance sheet date (March 31, 2017)

(Millions of yen)				
	Within one year	Over one year and within five years	Over five years and within 10 years	Over 10 years
Cash and deposits	14,462	—	—	—
Notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims—operating and other	19,171	—	—	—
Investment securities				
Available-for-sale securities with maturity dates	—	—	—	—
Total	33,633	—	—	—

4. The repayment schedules for lease obligations are shown in the “Schedule of Loans Payable,” a consolidated supplementary statement.

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

1. Status of Financial Instruments

(1) Policies on financial instruments

The Group holds a policy to procure working capital, which is necessary to pursue business purposes, in the form of borrowings from banks and invests temporary surplus funds in short-term deposits, etc. The Group utilizes derivatives within the limit of actual demand and not for speculative purposes. In the consolidated fiscal year under review, no derivative transactions were utilized.

(2) Description of financial instruments and related risks

Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims—operating, which are trade receivables, are exposed to the credit risk of the respective counterparties. Investment securities are mainly stocks of companies with which the Company holds business relationships, and are exposed to market price fluctuation risk.

Notes payable, accounts payable for construction contracts and other, which are trade payables, generally entail the concentrated due date for payments and are exposed to liquidity risk. Borrowings as funds for capital investments are exposed to market price fluctuation risk (interest rate risk) and liquidity risk.

(3) Risk management system for financial instruments

1) Management of credit risk (default risk of the counterparties)

The Group regularly monitors notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims—operating regarding main counterparties at the relevant departments/sections in accordance with the Credit Exposure Management Rules and the Credit Management Manual. In addition to the management of credit balances by counterparty, the Group works to early grasp and reduce recovery concerns due to the aggravation of financial positions at the counterparties.

2) Management of market risk (market price fluctuation risk)

The Group regularly checks the current market value of shares included in the category of investment securities and makes efforts to comprehend the financial positions of the issuers (counterparties) and continuously reviews the holding status of such investment securities by taking into account market conditions and the relationship with the respective counterparties.

3) Management of liquidity risk (the risk of non-repayment on the due date) relating to fund procurement

At the Group, the Accounting Department prepares and renews the cash-flow plan based on the reports from the respective departments/sections. The department also manages liquidity risk with measures such

as the maintenance of liquidity on hand and entering into commitment line agreements with our banks.

2. Market Values of Financial Instruments

The carrying value in the consolidated balance sheets, the market value and the difference thereof as of March 31, 2018, were as follows.

Financial instruments for which it is deemed extremely difficult to measure the market value are not included in the table below. (Refer to Note 2.)

(Millions of yen)			
	Carrying value in the consolidated balance sheets	Market value	Difference
(1) Cash and deposits	13,114	13,114	—
(2) Notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims—operating and other	24,683	24,683	—
(3) Investment securities Available-for-sale securities	804	804	—
Total assets	38,602	38,602	—
(1) Notes payable, accounts payable for construction contracts and other	12,691	12,691	—
(2) Short-term loans payable	274	274	—
(3) Long-term loans payable	826	826	—
Total liabilities	13,791	13,791	—
Derivative transactions	—	—	—

(Thousands of U.S.Dollars)

	Carrying value in the consolidated balance sheets	Market value	Difference
(1) Cash and deposits	123,444	123,444	—
(2) Notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims — operating and other	232,333	232,333	—
(3) Investment securities Available-for-sale securities	7,577	7,577	—
Total assets	363,355	363,355	—
(1) Notes payable, accounts payable for construction contracts and other	119,463	119,463	—
(2) Short-term loans payable	2,579	2,579	—
(3) Long-term loans payable	7,774	7,774	—
Total liabilities	129,817	129,817	—
Derivative transactions	—	—	—

Notes:

1. Calculation method of the market value of financial instruments, as well as securities and derivative transactions

Assets

(1) Cash and deposits and (2) Notes receivable, accounts receivable from completed construction contracts and other, and electronically recorded monetary claims — operating

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

(3) Investment securities

The market value of investment securities is based on the prices listed at stock exchanges.

For details of securities by holding purpose, please refer to the notes titled “Securities.”

Liabilities

(1) Notes payable, accounts payable for construction contracts and other

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

(2) Short-term loans payable

As these instruments are settled within a short term and their market values and book values are similar, their book values are assumed as their market values.

(3) Long-term loans payable

As these instruments were determined with reference to fixed interest rates and the credit standing of the Company has not changed much following similar new borrowings. Accordingly, as their market values and book values are considered to be similar, their book values are assumed as their market values.

Derivative transactions

The Group conducts no derivative transactions.

2. Financial instruments for which it is deemed extremely difficult to measure the market value

Classification	Carrying value in the consolidated balance sheets	
Available-for-sale securities (unlisted stocks)	¥145 million	\$1,371 thousand

The above securities are not included in “(3) Investment securities” because they have no market prices and it is deemed extremely difficult to measure their market values.

3. Redemption schedules for monetary receivables and securities with maturity dates after the consolidated balance sheet date (March 31, 2018)

(Millions of yen)

	Within one year	Over one year and within five years	Over five years and within 10 years	Over 10 years
Cash and deposits	13,114	—	—	—
Notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims — operating and other	24,683	—	—	—
Investment securities Available-for-sale securities with maturity dates	—	—	—	—
Total	37,797	—	—	—

(Thousands of U.S.Dollars)

	Within one year	Over one year and within five years	Over five years and within 10 years	Over 10 years
Cash and deposits	123,444	—	—	—
Notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims — operating and other	232,333	—	—	—
Investment securities Available-for-sale securities with maturity dates	—	—	—	—
Total	355,778	—	—	—

4. The repayment schedules for loans payable and lease obligations are shown in the “Schedule of Loans Payable,” a consolidated supplementary statement.

(Securities)

Fiscal year ended March 31, 2017 (As of March 31, 2017)

1. Held-to-maturity debt securities (As of March 31, 2017)

Not applicable

2. Available-for-sale securities (As of March 31, 2017)

(Millions of yen)

	Carrying value in the consolidated balance sheets	Acquisition cost	Difference
(1) Securities with carrying value in the consolidated balance sheets exceeding acquisition cost			
Shares	690	308	382
Bonds			
National government bonds, local government bonds, etc.	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	690	308	382
(2) Securities with carrying value in the consolidated balance sheets not exceeding acquisition cost			
Shares	2	2	(0)
Bonds			
National government bonds, local government bonds, etc.	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	2	2	(0)
Total	692	311	381

Note: Shares for which it is deemed extremely difficult to measure the market value

Classification	Carrying value in the consolidated balance sheets (Millions of yen)
Available-for-sale securities (unlisted stocks)	145

3. Available-for-sale securities sold during the consolidated fiscal year under review (From April 1, 2016 to March 31, 2017)

Not applicable

Fiscal year ended March 31, 2018 (As of March 31, 2018)

1. Held-to-maturity debt securities (As of March 31, 2018)

Not applicable

2. Available-for-sale securities (As of March 31, 2018)

(Millions of yen)

	Carrying value in the consolidated balance sheets	Acquisition cost	Difference
(1) Securities with carrying value in the consolidated balance sheets exceeding acquisition cost			
Shares	801	361	440
Bonds			
National government bonds, local government bonds, etc.	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	801	361	440
(2) Securities with carrying value in the consolidated balance sheets not exceeding acquisition cost			
Shares	3	3	(0)
Bonds			
National government bonds, local government bonds, etc.	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	3	3	(0)
Total	804	365	439

Note: Shares for which it is deemed extremely difficult to measure the market value

Classification	Carrying value in the consolidated balance sheets	
	Millions of yen	Thousands of U.S.Dollars
Available-for-sale securities (unlisted stocks)	145	1,371

(Thousands of U.S.Dollars)

	Carrying value in the consolidated balance sheets	Acquisition cost	Difference
(1) Securities with carrying value in the consolidated balance sheets exceeding acquisition cost			
Shares	7,542	3,399	4,142
Bonds			
National government bonds, local government bonds, etc.	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	7,542	3,399	4,142
(2) Securities with carrying value in the consolidated balance sheets not exceeding acquisition cost			
Shares	34	37	(2)
Bonds			
National government bonds, local government bonds, etc.	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	34	37	(2)
Total	7,577	3,436	4,140

3. Available-for-sale securities sold during the consolidated fiscal year under review (From April 1, 2017 to March 31, 2018)
Not applicable

(Derivative Transactions)

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

- Derivatives for which hedge accounting is not applied
Not applicable as no derivative transactions are utilized.
- Derivatives for which hedge accounting is applied
Not applicable as no derivative transactions are utilized.

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

- Derivatives for which hedge accounting is not applied
Not applicable as no derivative transactions are utilized.
- Derivatives for which hedge accounting is applied
Not applicable as no derivative transactions are utilized.

(Retirement Benefits)

1. Outline of adopted employee retirement benefit plans

The Company and its consolidated subsidiaries have adopted unfunded retirement benefit plans to provide for retirement benefits for their employees. Half of the retirement benefit plans are defined benefit plans and the remaining portion are defined contribution plans.

The defined benefit plans are lump-sum severance payment plans to provide retirement benefits by means of a point scheme based on service period.

In the defined contribution plans, the contribution is clearly sectionalized by individual and the pension benefit amount is determined based on the total of the contributions and the return on plan assets thereof.

In addition to the above, the Company and its consolidated subsidiaries are affiliated with the multiemployer plans of the Employees' Pension Fund. As the rational computation of plan assets cannot be ensured for the multiemployer pension plans, accounting is processed in a similar manner as that for the defined contribution plans.

At the consolidated subsidiaries, net defined benefit liability and retirement benefit expenses are calculated by the simplified method. They are included in the following relevant items because of their immateriality in the consolidated financial statements.

2. Defined benefit plans

(1) Reconciliation of the beginning/ending balance of projected benefit obligations

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Beginning balance of projected benefit obligations	4,013	4,022	37,862
Service cost	250	245	2,309
Interest cost	13	18	172
Accrued amount of actuarial differences	0	54	515
Retirement benefits paid	(256)	(323)	(3,041)
Ending balance of projected benefit obligations	4,022	4,017	37,818

(2) Reconciliation of the beginning/ending balance of plan assets

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

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

(3) Reconciliation of the ending balance of projected benefit obligations and plan assets, and the net defined benefit liability and the net defined benefit asset in the consolidated balance sheets

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Projected benefit obligations under unfunded plans	4,022	4,017	37,818
Net carrying value in the consolidated balance sheets of relevant liabilities and assets	4,022	4,017	37,818
Net defined benefit liability	4,022	4,017	37,818
Net carrying value in the consolidated balance sheets of relevant liabilities and assets	4,022	4,017	37,818

(4) Retirement benefit expenses and the breakdown of the amounts thereof

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Service cost	250	245	2,309
Interest cost	13	18	172
Amortization of actuarial differences	45	48	456
Amortization of prior service cost	(8)	(8)	(81)
Retirement benefit expenses relative to the defined benefit plans	300	303	2,857

(5) Remeasurements of defined benefit plans

The breakdown of items (before deducting tax-effect amounts) reported under remeasurements of defined benefit plans is as follows:

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Prior service cost	(8)	(8)	(81)
Actuarial differences	45	(6)	(58)
Total	36	(14)	(140)

(6) Remeasurements of defined benefit plans (accumulated)

The breakdown of items (before deducting tax-effect amounts) reported under remeasurements of defined benefit plans (accumulated) is as follows:

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Unrecognized prior service cost	41	32	307
Unrecognized actuarial differences	(414)	(420)	(3,960)
Total	(373)	(388)	(3,653)

(7) Matters regarding plan assets

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

Not applicable

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

Not applicable

(8) Matters regarding the basis for actuarial calculations

Major basis for actuarial calculations (presented in weighted average figures)

As of March 31	2017	2018
Discount rate	0.46%	0.40%

3. Defined contribution plans

The amount to be contributed by the Company and its consolidated subsidiaries under the defined contribution plans was ¥156 million for the fiscal year ended March 31, 2017, and ¥157 million (\$1,483 thousand) for the fiscal year ended March 31, 2018.

4. Multiemployer plans

The amount to be contributed under the multiemployer plans of the Japan SOGO Employees' Pension Fund (former Japan Geotechnical Consultants Employees' Pension Fund), of which the accounting is processed in the same manner as that for the defined contribution plans, was ¥205 million for the fiscal year ended March 31, 2017, and ¥151 million (\$1,428 thousand) for the fiscal year ended March 31, 2018. The Japan Geotechnical Consultants Employees' Pension Fund, with which the Company was affiliated, returned the substitutional part of the Employees' Pension Fund, and the Fund was transferred to the Japan SOGO Employees' Pension Fund, an employees' pension fund with a defined benefit pension plan. The returned amount of ¥51,311 million (\$482,975 thousand) was paid to the authorities before April 13, 2017. The above return of the substitutional part of the Employees' Pension Fund had no impact on profit and loss in the Consolidated Statements of Income.

(1) Most recent plan assets reserved under the multiemployer plans

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Plan assets	72,443	18,678	175,809
Total of the actuarial liability based on the pension financing calculation and the minimum liability reserves	72,826	15,237	143,420
Net amount	(382)	3,440	32,379

(2) Ratio of the Group's contribution to the multiemployer plans relative to the contributions to the overall retirement benefit plans

Fiscal year ended March 31, 2017: 14.17% (As of March 31, 2016)

Fiscal year ended March 31, 2018: 14.67% (As of March 31, 2017)

(3) Supplementary explanation

The major factors of the net amount in Item (1) above were the balance of the prior service liability (¥4,016 million for the fiscal year ended March 31, 2017, and ¥1,857 million (\$17,479 thousand) for the fiscal year ended March 31, 2018) and the general reserve (¥3,633 million for the fiscal year ended March 31, 2017, and ¥5,297 million (\$49,858 thousand) for the fiscal year ended March 31, 2018), based on the pension financing calculation.

The amortization method for the prior service liability under the multiemployer plans is the principal and interest equal amortization with a 20-year amortization period. The Group amortized the special contribution (¥106 million for the fiscal year ended March 31, 2017, and ¥52 million (\$497 thousand) for the fiscal year ended March 31, 2018), which may be appropriated for said amortization, in the consolidated financial statements.

The ratios in Item (2) above do not agree with the Group's actual ratios of contributions.

(Stock Options)

Not applicable

(Tax-Effect Accounting)

1. Breakdown of significant components that caused deferred tax assets and liabilities

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Deferred tax assets			
Loss carried forward	8	5	48
Real estate for sale	4	4	43
Accrued enterprise tax	73	53	503
Provision for bonuses	254	308	2,902
Allowance for doubtful accounts	11	8	81
Provision for warranties for completed construction	7	2	23
Provision for loss on construction contracts	12	9	93
Non-current assets (Impairment loss)	21	61	574
Defined contribution pension benefits payable	4	3	37
Net defined benefit liability	1,236	1,234	11,615
Unrealized gains	39	37	351
Asset retirement obligation	12	13	125
Other	153	115	1,090
Subtotal of deferred tax assets	1,839	1,858	17,490
Valuation reserve	(83)	(67)	(635)
Total of deferred tax assets	1,756	1,790	16,854
Deferred tax liabilities			
Valuation difference on available-for-sale securities	(116)	(134)	(1,267)
Total of deferred tax liabilities	(116)	(134)	(1,267)
Net deferred tax assets	1,639	1,655	15,586

Note: Net deferred tax assets for the fiscal year ended March 31, 2017 and for the fiscal year ended March 31, 2018, are included in the following account items in the consolidated balance sheets.

As of March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Current assets—Deferred tax assets	481	523	4,930
Non-current assets—Deferred tax assets	1,157	1,132	10,656

2. The breakdown of items causing the difference between the effective statutory tax rate and the effective income tax rate after the adoption of tax-effect accounting

Fiscal year ended March 31	2017	2018
	(%)	(%)
Effective statutory tax rate (Reconciliation)	30.9	30.9
Non-deductible expenses such as entertainment expenses	0.7	0.6
Per capita inhabitant tax	3.4	3.2
Exclusion from revenues such as dividend income	(0.1)	(0.0)
Valuation reserve	0.3	(0.1)
Special deduction of income tax	(1.9)	(2.5)
Other	0.6	(0.5)
Effective income tax rate after the adoption of tax-effect accounting	33.9	31.6

(Asset Retirement Obligation)

End of fiscal year ended March 31, 2017 (As of March 31, 2017)
This information is omitted due to its immateriality.

End of fiscal year ended March 31, 2018 (As of March 31, 2018)
This information is omitted due to its immateriality.

(Segment Information, etc.)

[Segment Information]

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

The reportable segments of the Group are the components of the Company and its consolidated subsidiaries, for which separate financial information is available, and which are subject to regular reviews and evaluation by the Board of Directors in deciding the allocation of management resources and in assessing business performance. The Group's operations consist of the construction business as well as several other business activities such as sales of merchandise and materials, and insurance agency. As these businesses are insignificant in terms of information for disclosure and the sole reportable segment of the Group is the "Construction business," segment information for these businesses is omitted.

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

The reportable segments of the Group are the components of the Company and its consolidated subsidiaries, for which separate financial information is available, and which are subject to regular reviews and evaluation by the Board of Directors in deciding the allocation of management resources and in assessing business performance. The Group's operations consist of the construction business as well as several other business activities such as sales of merchandise and materials, and insurance agency. As these businesses are insignificant in terms of information for disclosure and the sole reportable segment of the Group is the "Construction business," segment information for these businesses is omitted.

[Related Information]

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

1. Information by product and service

This information is omitted as net sales to outside customers in the classification of sole product/service exceed 90% of the net sales on the consolidated statements of income.

2. Information by geographic region

(1) Net sales

This information is omitted as net sales to outside customers in Japan exceed 90% of the net sales on the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of

the amount of property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

This information is omitted as there are no specific outside customers to whom net sales account for 10% or more of the net sales on the consolidated statements of income.

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

1. Information by product and service

This information is omitted as net sales to outside customers in the classification of sole product/service exceed 90% of the net sales on the consolidated statements of income.

2. Information by geographic region

(1) Net sales

This information is omitted as net sales to outside customers in Japan exceed 90% of the net sales on the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

This information is omitted as there are no specific outside customers to whom net sales account for 10% or more of the net sales on the consolidated statements of income.

[Information on Impairment Loss of Non-Current Assets by Reportable Segment]

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

The information is omitted as the reportable segment is solely the construction business.

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

The information is omitted as the reportable segment is solely the construction business.

[Information on Amortized Amount and Unamortized Balance of Goodwill by Reportable Segment]

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

Not applicable

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

Not applicable

[Information on Gain on Bargain Purchase by Reportable Segment]

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

Not applicable

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

Not applicable

【Related Party Information】

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

Not applicable

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

Not applicable

the amount of property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

This information is omitted as there are no specific outside customers to whom net sales account for 10% or more of the net sales on the consolidated statements of income.

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

1. Information by product and service

This information is omitted as net sales to outside customers in the classification of sole product/service exceed 90% of the net sales on the consolidated statements of income.

2. Information by geographic region

(1) Net sales

This information is omitted as net sales to outside customers in Japan exceed 90% of the net sales on the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted as the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheets.

3. Information by major customer

This information is omitted as there are no specific outside customers to whom net sales account for 10% or more of the net sales on the consolidated statements of income.

[Information on Impairment Loss of Non-Current Assets by Reportable Segment]

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

The information is omitted as the reportable segment is solely the construction business.

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

The information is omitted as the reportable segment is solely the construction business.

[Information on Amortized Amount and Unamortized Balance of Goodwill by Reportable Segment]

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

Not applicable

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

Not applicable

[Information on Gain on Bargain Purchase by Reportable Segment]

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

Not applicable

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

Not applicable

【Related Party Information】

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

Not applicable

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

Not applicable

(Per-Share Information)

Fiscal year ended March 31	2017	2018	
Net assets per share	¥509.02	¥554.76	\$5.22
Basic earnings per share	¥55.03	¥64.13	\$0.60
Diluted earnings per share	Diluted earnings per share is not disclosed as no potential shares exist.	Diluted earnings per share is not disclosed as no potential shares exist.	

Note: The basis for calculation of “Basic earnings per share” is as follows:

Fiscal year ended March 31	Millions of yen		Thousands of U.S.Dollars
	2017	2018	2018
Basic earnings per share			
Profit attributable to owners of parent	2,342	2,688	25,304
Amounts not attributable to common shareholders	—	—	—
Profit attributable to owners of parent regarding common shares	2,342	2,688	25,304
Average number of common shares during the fiscal year (Thousands of shares)	42,567	41,921	

(Significant Subsequent Events)

Not applicable

5) 【Consolidated Supplementary Statements】

【Schedule of Bonds Payable】

Not applicable

【Schedule of Loans Payable】

Classification	Beginning balance of the fiscal year ended March 31, 2018		Ending balance of the fiscal year ended March 31, 2018		Average interest rate (%)	Repayment deadline
	Millions of yen	Thousands of U.S.Dollars	Millions of yen	Thousands of U.S.Dollars		
Short-term loans payable	—	—	—	—	—	—
Current portion of long-term loans payable	—	—	274	2,579	0.25	—
Current portion of lease obligations	18	171	20	190	—	—
Long-term loans payable (excluding the current portion of long-term loans payable)	—	—	826	7,774	0.25	2019–2021
Lease obligations (excluding the current portion of lease obligations)	49	470	37	351	—	2019–2022
Other interest-bearing debt	—	—	—	—	—	—
Total	68	642	1,157	10,895	—	—

Notes:

- The “Average interest rate” for lease obligations is not stated because the amount of lease obligations before subtracting the amount equivalent to interest, which is included in the total lease payment, is reported on the consolidated balance sheets.
- The repayment schedules within five years after the consolidated balance sheet date for long-term loans payable (excluding the current portion of long-term loans payable) are as follows:

Classification	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years
Long-term loans payable (Millions of yen)	274	274	278	—

Classification	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years
Long-term loans payable (Thousands of U.S.Dollars)	2,579	2,579	2,616	—

3. The repayment schedules within five years after the consolidated balance sheet date for lease obligations (excluding the current portion of lease obligations) are as follows:

Classification	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years
Lease obligations (Millions of yen)	15	12	9	0

Classification	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years
Lease obligations (Thousands of U.S.Dollars)	147	113	87	1

【Schedule of Asset Retirement Obligation】

This information is omitted due to its immateriality.

(2) **【Other】**

Quarterly data for the fiscal year ended March 31, 2018

Cumulative periods	Three months (From April 1, 2017 to June 30, 2017)	Six months (From April 1, 2017 to September 30, 2017)	Nine months (From April 1, 2017 to December 31, 2017)	Fiscal year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)
Net sales (Millions of yen)	11,001	26,064	43,590	62,943
Profit before income taxes (Millions of yen)	38	1,044	2,568	3,899
Profit attributable to owners of parent (Millions of yen)	11	690	1,704	2,688
Basic earnings per share (Yen)	0.27	16.39	40.60	64.13

Accounting periods	First quarter (From April 1, 2017 to June 30, 2017)	Second quarter (From July 1, 2017 to September 30, 2017)	Third quarter (From October 1, 2017 to December 31, 2017)	Fourth quarter (From January 1, 2018 to March 31, 2018)
Quarterly basic earnings per share (Yen)	0.27	16.26	24.31	23.58



YASUMORI AUDIT CORPORATION
CERTIFIED PUBLIC ACCOUNTANT

NIPPO BLDG, 22-12, TAKANAWA, 4-CHOME, MINATO-KU, TOKYO, JAPAN
TEL. TOKYO 03-3443-7850
FAX. TOKYO 03-3473-4939

Independent Auditor's Report

The Board of Directors
NITTOC CONSTRUCTION CO., LTD.

We have audited the accompanying consolidated financial statements of NITTOC CONSTRUCTION CO., LTD. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2018, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of NITTOC CONSTRUCTION CO.,LTD. and its consolidated subsidiaries as at March 31, 2018, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note "Basis of Presenting Consolidated Financial Statements".

June 28, 2018

Yasumori Audit Corporation
Tokyo, Japan

Corporate Overview and Major Construction Methods

Trade Name	NITTOC CORPORATION CO., LTD.															
Headquarters	4F, 5F and 6F, Daiwa Higashi-Nihonbashi Bldg., 3-10-6, Higashi-Nihonbashi, Chuo-ku, Tokyo 103-0004, Japan															
Established on	December 17, 1947															
Capital	Total number of issued shares:43,919,291 Paid-in capital: ¥6,052 million Tokyo Stock Exchange: Listed on the First Section															
Number of Employees (Consolidated)	Technical staff: 901 persons Administrative staff: 259 persons Total: 1,160 persons Note: The number of employees includes 327 regular workers who are subject to fixed-term employment contracts.															
Description of Business	Comprehensive construction business · Civil engineering and foundation · Environmental and geological consulting															
License	Specified Construction Business—License No. (Specified-28) 211, issued by the Minister of Land, Infrastructure, Transport and Tourism															
Business Lines	Civil engineering works, Slope protection works, Landslide protection works, Revegetation works, Ground improvement works, Grouting, Piling, Sewage maintenance and renovation, Construction consulting and other															
Sales Offices	Asahikawa / Hakodate / Doto / Aomori / Morioka / Sanriku / Akita / Yamagata / Fukushima / Gunma / Utsunomiya / Mito / Chiba / Saitama / Yokohama / Nagano / Sado / Joetsu / Kanazawa / Fukui / Toyama / Gifu / Mie / Shizuoka / Keiji / Kobe / Nara / Takamatsu / Matsuyama / Kochi / Tottori / Matsue / Okayama / Yamaguchi / Nagasaki / Saga / Oita / Kumamoto / Miyazaki / Kagoshima / Okinawa															
Subsidiaries	Midori Industries Co.,Ltd 3-10-6, Higashi-Nihonbashi,Chuo-ku, Tokyo 103-0004 Japan Shimane Earth Engineering Co.,Ltd 124-1, Higashi-Asahi-Cho, Matsue-Shi, Shimane 690-0001 Japan Yamaguchi Earth Engineering Co.,Ltd 2-3-13, Hirano,Yamaguchi-Shi,Yamaguchi,753-0015 Japan PT NITTOC CONSTRUCTION INDONESIA GENERALI TOWER GRAND RUBINA BUSINESS PARK at Rasuna Epicentrum 16 G Floor, Kawasan Rasuna Epicentrum Jl. HR Rasuna Said, Jakarta 12940, Indonesia															
Staffing (Qualification Holders) (Persons)	<table border="0"> <tr> <td>Technical Staff</td> <td></td> </tr> <tr> <td>Administrative Staff</td> <td>Total 1160</td> </tr> <tr> <td>Professional Engineer</td> <td>51</td> </tr> <tr> <td>Registered 1st Class Civil Engineer</td> <td>650</td> </tr> <tr> <td>Registered 2nd Class Civil Engineer</td> <td>688</td> </tr> <tr> <td>Registered 1st and 2nd Class Architect</td> <td>10</td> </tr> <tr> <td>Registered Surveyor and Assistant-Surveyor</td> <td>305</td> </tr> </table>		Technical Staff		Administrative Staff	Total 1160	Professional Engineer	51	Registered 1st Class Civil Engineer	650	Registered 2nd Class Civil Engineer	688	Registered 1st and 2nd Class Architect	10	Registered Surveyor and Assistant-Surveyor	305
Technical Staff																
Administrative Staff	Total 1160															
Professional Engineer	51															
Registered 1st Class Civil Engineer	650															
Registered 2nd Class Civil Engineer	688															
Registered 1st and 2nd Class Architect	10															
Registered Surveyor and Assistant-Surveyor	305															

Major Construction Methods

Urban Regeneration Field

WinBLADE Method	Underground diameter expanding type soil-mixing improvement method that enables horizontal and slanting operations
Expacker-N Method	Liquefaction countermeasure method that enables high capacity and speedy grouting
Power Blender Method	Mixing method for shallow- and middle-depth layers using a trencher-type mixing machine
EinBand Drill	Japan's biggest-class rotary percussion drill that enables deep drilling up to 100 m in depth
Re-Born Pile Method	A construction method to cut horizontally and remove existing piles and/or underground structures

Maintenance and Renovation Field

New ReSP Method	Repair and/or reinforce aged, shotcrete slopes without shaving off existing shotcrete
Slope Doctor	Technology to diagnose the soundness of aged shotcrete slopes
Kiro Fukeru Method	Mortar shotcrete at a rate of 18 N/mm ² for long-distance (1 km) pressure feeding
Parfait Grout Method	Filling of underwater inseparable and plastic grout by electronic control
HiSP Method	Pumping shotcrete system combined with air to ensure mortar shotcrete at elevated places via feeding for a long distance

Disaster Prevention and Environmental Conservation Field

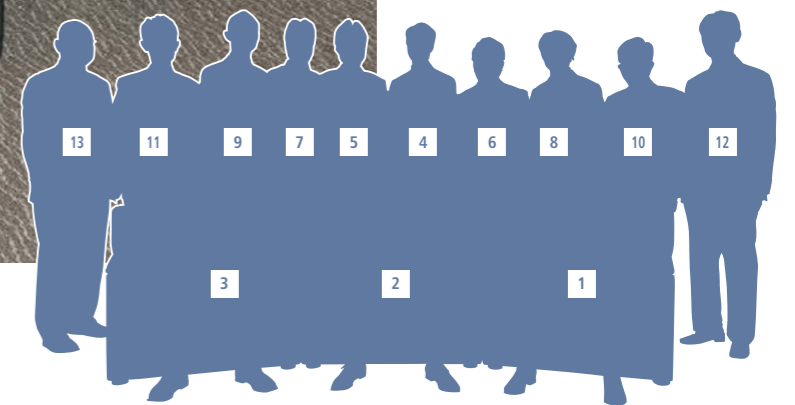
Geofiber Method	Protection of slopes and the environment by forming the reinforced soil using sand and fibers
Nekko Chip Method	Surplus soil and raw chip material from felled trees are processed as foundation materials for greening work
Kaerudo-Green Method	Recycled use of a wide variety of soils such as the surface soil of forests and dehydrated cake for the greening of slopes
Plant-Leading Spraying Method	The undecomposed chip material, which derives from the secondarily processed fragments of felled trees, is used as a foundation material for greening work
Fiber Soil Greening Step Method	Fiber soil is sprayed on the slope without soil in the form of steps

Management Members



MANAGEMENT MEMBERS

- 1 Chairman and Representative Director
Tamotsu Nakamori
- 2 President and Representative Director
Norihisa Nagai
- 3 Directors
Yasunobu Okumiya
- 4 Directors
Akira Sakoda
- 5 Directors
Hiroshi Yamada
- 6 Directors
Kengo Nakamuta
- 7 Directors
Masayuki Wada
- 8 Directors
Iwao Aso
- 9 Directors
Masayuki Watanabe
- 10 Directors
Katsuo Nakamura
- 11 Standing Corporate Auditors
Nobuo Matsumoto
- 12 Standing Corporate Auditors
Masayuki Isono
- 13 Corporate Auditors
Atsushi Ono



Corporate History

In 1938, the construction of Uryu Dai-ichi Dam, a huge water reservoir with pondage of 240 million cubic meters, commenced at the foot of Mt. Taisetsu in Hokkaido. The dam was a gravity-type concrete structure of 45.5 m in height. To lead the project to a successful completion, extraordinary efforts were exercised for the disposal of the breccia-conglomerate at the site of the foundation. NITTOC's original technologies accumulated to date originated from this dam construction project.

Established in 1947, the Company took the initiative in leading the dam foundation works as the initial work type for its inaugural era during Japan's heyday of constructing dam power stations associated with the development of power sources. In particular, NITTOC's technology, which boasted the collective strength deriving from the united efforts of civil engineers and geologists, was highly appraised from various quarters. Consequently, the Company undertook most of the foundation works of domestic large-scale dams including Kansai Electric Power's Kurobe 4th Dam (the so-called Kuro-yon dam). Moreover, the Company proactively addressed various projects regarding the Shinkansen, expressways, building foundations and so on with the aim of becoming a comprehensive foundation company that appropriately adapts itself to eras of technological innovation.

With the change of the company name (to the current name) in 1972 fueling momentum, the Company endeavored to expand its operations over a variety of civil engineering fields such as dam, river, road, water supply, sewage and land development and has achieved outstanding results in these fields.

In 1983, the Company listed its stock on the Second Section of the Tokyo Stock Exchange, followed by the subsequent listing on the First Section in 1985.



National Route No. 30 Mukaiyama-minami Work of the Honshu-Shikoku Bridge Authority (Kagawa Prefecture)
 Bannnosu Elevated Bridge Substructure Work of the Honshu-Shikoku Bridge Authority (Kagawa Prefecture)



Kumamoto Earthquakes Disaster Restoration Work



Mt. Fuji Osawa Collapse Countermeasure Works of the Ministry of Construction (Shizuoka Prefecture)



Ogitsu Work of Joban Expressway, Japan Highway Public Corp. (Ibaraki Prefecture)

1957 January
 Headquarters relocated to Minato-ku, Tokyo.

1972 May
 Trade name changed to NITTOC CONSTRUCTION CO., LTD.

1963 February
 Established Japan Public K.K.

1961 December
 Headquarters relocated to Chiyoda-ku, Tokyo.

1990 May
 Established Dome Construction Industry Co., Ltd. (unconsolidated subsidiary)

1985 October
 Established High-Tech Lease Co., Ltd. (consolidated subsidiary).

1985 June
 Construction of the common-use building (Ginza Showa-dori Building) of the Headquarters was completed.

1985 April
 Established NITTOC Real Estate Co., Ltd.

1983 December
 Listed on the Second Section of the Tokyo Stock Exchange.

1979 December
 Established Midori Industries Co., Ltd. (currently a consolidated subsidiary)

1965 March
 Headquarters relocated to Chuo-ku, Tokyo.

1959 December
 Trade name changed to Nippon Tokushu Doboku Kogyo K.K.

1953 April
 The Company was established in Sapporo, Hokkaido, as Yachiyo Chika Kogyo K.K., of which the major purposes were geological survey and foundation work.

2003 November
 Liquidated Japan Public K.K. (consolidated subsidiary).

2001 March
 Liquidated NITTOC Real Estate Co., Ltd.

1983 October
 Acquired the License No. (1) 3193 for the building lots and buildings transaction business, issued by the Minister of Construction.

1972 October
 Acquired the License No. (Specified-47) 211, issued by the Minister of Construction.

1962 December
 For the purpose of changing the par value of Nippon Tokushu Doboku Kogyo's shares, Nippon Tokushu Doboku Kogyo K.K. merged Hikari Shokai K.K., which was established in December 1947, by changing the latter's trade name and business.

2017
 Kumamoto Earthquakes Disaster Restoration Work

2017
 Construction of Kawamata Dam (2017)

2016 March
 Established PT NITTOC CONSTRUCTION INDONESIA (consolidated subsidiary).

2015 December
 Headquarters relocated from Ginza, Chuo-ku, Tokyo, to Higashi-Nihonbashi, Chuo-ku, Tokyo.

2015 September
 Sold the Akashi-cho Suboffice Building

2010 September
 Liquidated Dome Construction Industry Co., Ltd. (unconsolidated subsidiary)

2008 March
 Closed Tsukuba Laboratory.

2013 December
 Established Yamaguchi Earth Engineering Co., Ltd. (currently a consolidated subsidiary)

2009 March
 Liquidated High-Tech Lease Co., Ltd. (consolidated subsidiary).

2004 October
 Established Shimane Earth Engineering Co., Ltd. (currently a consolidated subsidiary).

2003 March
 Registered for examination of ISO9000 approval for the whole corporation.

1990 June
 Completed Akashicho Suboffice Building.

1986 March
 Completed Tsukuba Laboratory.

1985 September
 Listed on the First Section of the Tokyo Stock Exchange.



National Route No. 28 Yasuhiro Work of the Honshu-Shikoku Bridge Authority (Awaji Island, Hyogo Prefecture)



Arakawa River Hirakata Embankment Disaster Restoration Work of the Ministry of Construction (Saitama Prefecture)



Ishiki Chuo-Danchi Land Reclamation Work of the Ise Land Rezoning Association (Kagoshima-shi)

In 2007, the Company celebrated its 60th anniversary. In addition, the Company established in 2016 PT NITTOC CONSTRUCTION INDONESIA, a consolidated subsidiary, in Indonesia. NITTOC intends to further contribute to society as a comprehensive construction company that features original expertise and strength in basic technology not only in Japan but also overseas.