



Annual Report 2016

Fiscal year ended March 31, 2016



NAKANO
CORPORATION

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Cautionary remarks regarding forward looking statements

This Annual Report includes forward-looking statements that represent Nakano Corporation's assumptions and expectations in light of currently available information. These statements reflect industry trends, client's situations and other factors, and involve risks and uncertainties which may cause actual performance results to differ from those discussed in the forward looking statements in accordance with changes in the domestic and international business environment.

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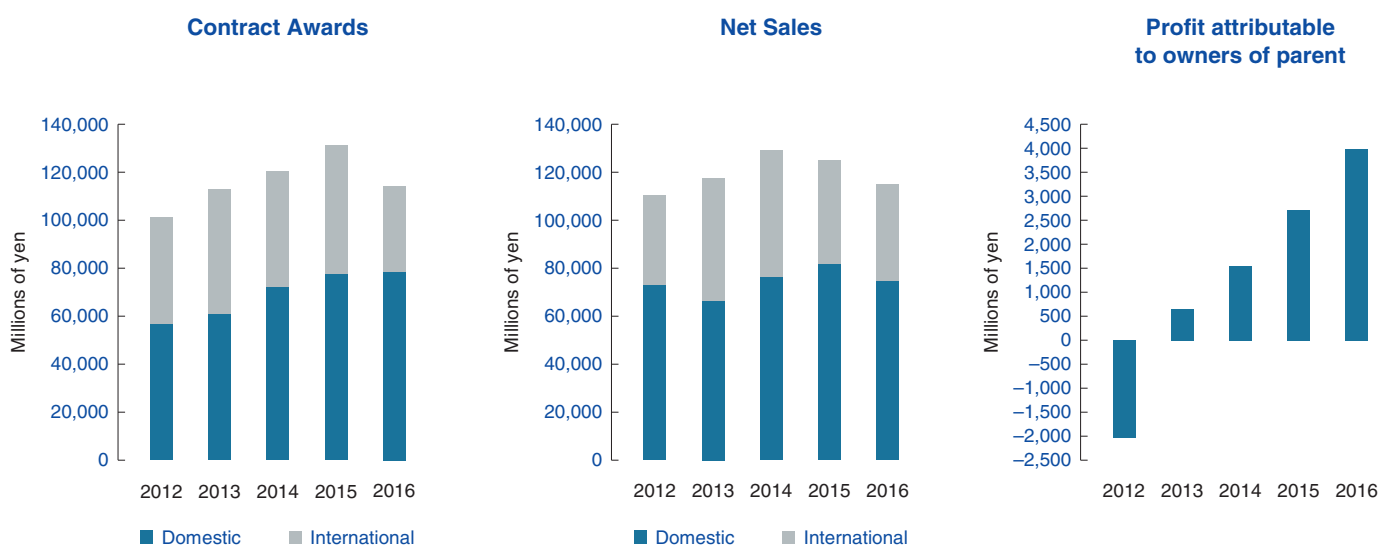
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FINANCIAL HIGHLIGHTS

NAKANO CORPORATION and its subsidiaries
Years ended March 31, 2012 through 2016

	2012	2013	2014	2015	2016	2016
	Millions of yen					Thousands of U.S. dollars
Contract awards	¥101,198	¥112,967	¥120,386	¥131,256	¥114,067	\$1,012,309
Net sales	110,344	117,254	129,177	125,260	114,989	1,020,491
Operating income	229	1,522	2,250	3,367	5,481	48,642
Ordinary income	275	1,755	2,522	3,801	5,795	51,428
Profit (Loss) attributable to owners of parent	(2,024)	653	1,543	2,717	3,986	35,374
Comprehensive income	(1,997)	1,958	2,267	4,625	2,942	26,109
Total net assets	9,710	11,565	12,971	18,110	20,880	185,303
Total assets	65,838	71,927	76,478	78,419	73,976	656,514
Net cash provided by (used in) operating activities	(2,462)	2,167	2,339	(780)	9,607	85,259
Net cash provided by (used in) investing activities	(1,371)	2,502	128	(854)	844	7,490
Net cash provided by (used in) financing activities	(603)	274	(258)	(2,134)	(2,244)	(19,914)
Cash and cash equivalents at end of period	15,026	22,153	25,239	22,995	29,329	260,285
	Yen					U.S. dollars
Per share of common stock						
(in yen and U.S. dollars)						
Net assets	¥271.14	¥319.60	¥354.05	¥493.98	¥577.61	\$5.13
Net income (loss)	(58.88)	19.01	44.89	79.04	115.96	1.03
Cash dividends applicable to the year	3.00	3.00	3.00	5.00	7.00	0.06
Number of employees	1,169	1,293	1,333	1,334	1,314	

Note: The rate of ¥112.68=US\$1.00, the foreign exchange rate on March 31, 2016, has been used for translation.



REPORT OF INDEPENDENT AUDITORS

The Board of Directors
NAKANO CORPORATION

We have audited the accompanying consolidated financial statements of NAKANO CORPORATION and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2016, 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 NAKANO CORPORATION and consolidated subsidiaries as at March 31, 2016, 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 2.



September 6, 2016

CONSOLIDATED BALANCE SHEETS

NAKANO CORPORATION and its subsidiaries
As of March 31, 2015 and 2016

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2016	2016
Assets			
Current assets:			
Cash and deposits (Notes 4, 7 and 8)	¥ 25,641	¥ 30,971	\$ 274,858
Notes receivable, accounts receivable from completed construction contracts and other (Notes 4 and 8)	29,451	21,622	191,888
Costs on uncompleted construction contracts (Note 4)	1,068	2,287	20,296
Costs on real estate business	104	48	425
Raw materials and supplies	6	5	44
Accounts receivable - other	1,176	1,045	9,274
Consumption taxes receivable	2,249	—	—
Other	1,198	992	8,803
Allowance for doubtful accounts	(139)	(120)	(1,064)
Total current assets	60,757	56,853	504,552
Non-current assets:			
Property, plant and equipment (Note 4)			
Buildings and structures	7,053	7,041	62,486
Machinery, vehicles, tools, furniture and fixtures	1,343	1,728	15,335
Land	9,998	9,995	88,702
Construction in progress	324	—	—
Accumulated depreciation	(5,052)	(5,211)	(46,246)
Total property, plant and equipment	13,667	13,553	120,278
Intangible assets	318	261	2,316
Investments and other assets			
Investment securities (Notes 4, 8 and 9)	3,215	2,896	25,701
Long-term loans receivable	240	199	1,766
Claims provable in bankruptcy, claims provable in rehabilitation and other	32	32	283
Other	268	258	2,289
Allowance for doubtful accounts	(79)	(78)	(692)
Total investments and other assets	3,676	3,308	29,357
Total non-current assets	17,661	17,123	151,961
Total assets	¥ 78,419	¥ 73,976	\$ 656,514

The accompanying notes are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2016	2016
Liabilities			
Current liabilities:			
Notes payable, accounts payable for construction contracts and other (Note 8)	¥ 45,050	¥ 35,009	\$ 310,694
Short-term loans payable (Notes 4, 8 and 16)	3,036	3,768	33,439
Current portion of bonds (Note 15)	80	80	709
Income taxes payable	389	176	1,561
Accrued consumption taxes	—	1,995	17,705
Advances received on uncompleted construction contracts	4,792	7,161	63,551
Provision for warranties for completed construction	112	110	976
Provision for loss on construction contracts (Note 4)	98	—	—
Provision for bonuses	431	459	4,073
Other (Note 16)	1,108	1,804	16,009
Total current liabilities	55,098	50,564	448,739
Non-current liabilities:			
Bonds payable (Note 15)	200	120	1,064
Long-term loans payable (Notes 4, 8 and 16)	2,628	—	—
Deferred tax liabilities (Note 11)	747	625	5,546
Net defined benefit liability (Note 10)	736	1,014	8,998
Other (Note 16)	898	772	6,851
Total non-current liabilities	5,210	2,532	22,470
Total liabilities	60,309	53,096	471,210
Net assets			
Shareholders' equity:			
Common stock			
Authorized: 154,792,300 shares			
Issued: 34,498,097 shares	¥ 5,061	¥ 5,061	\$ 44,914
Capital surplus	1,400	1,400	12,424
Retained earnings	10,182	13,997	124,219
Less: Treasury stock, at cost			
121,084 shares in 2015 and 122,618 shares in 2016	(30)	(31)	(275)
Total shareholders' equity	16,614	20,427	181,283
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	767	567	5,031
Foreign currency translation adjustment	(214)	(592)	(5,253)
Remeasurements of defined benefit plans (Note 10)	(186)	(546)	(4,845)
Total accumulated other comprehensive income	366	(572)	(5,076)
Non-controlling interests:			
Total net assets	18,110	20,880	185,303
Total liabilities and net assets	¥ 78,419	¥ 73,976	\$ 656,514

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF INCOME

NAKANO CORPORATION and its subsidiaries
For the years ended March 31, 2015 and 2016

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2016	2016
Net sales:			
Net sales of completed construction contracts	¥ 124,172	¥ 113,901	\$ 1,010,835
Sales on real estate business (Note 12)	1,054	1,013	8,990
Sales on other business	33	73	647
Total net sales	125,260	114,989	1,020,491
Cost of sales:			
Cost of sales of completed construction contracts (Note 5)	116,252	103,669	920,030
Cost of sales on real estate business (Notes 5 and 12)	542	442	3,922
Cost of sales on other business	37	69	612
Total cost of sales	116,831	104,181	924,574
Gross profit:			
Gross profit on completed construction contracts	7,920	10,231	90,796
Gross profit - real estate business	512	571	5,067
Gross profit - other business	(4)	3	26
Total gross profit	8,429	10,807	95,908
Selling, general and administrative expenses (Note 5)	5,061	5,325	47,257
Operating income	3,367	5,481	48,642
Non-operating income:			
Interest income	239	267	2,369
Dividend income	36	45	399
Other	298	89	789
Total non-operating income	574	401	3,558
Non-operating expenses:			
Interest expenses	125	83	736
Other	15	3	26
Total non-operating expenses	141	87	772
Ordinary income	3,801	5,795	51,428
Extraordinary income:			
Gain on sales of non-current assets (Note 5)	28	4	35
Gain on sales of investment securities (Note 9)	1	28	248
Total extraordinary income	29	32	283
Extraordinary losses:			
Impairment loss (Notes 5 and 12)	7	181	1,606
Loss on valuation of investment securities (Note 9)	53	—	—
Loss on reversal of foreign currency translation adjustments	—	389	3,452
Loss on liquidation of Equipment Center	48	—	—
Provision of allowance for doubtful accounts	29	—	—
Other	32	13	115
Total extraordinary losses	172	585	5,191
Profit before income taxes	3,658	5,243	46,529
Income taxes:			
Income taxes - current	682	506	4,490
Income taxes for prior periods	27	674	5,981
Income taxes - deferred (Note 11)	73	10	88
Total income taxes	783	1,191	10,569
Profit	2,874	4,052	35,960
Profit attributable to non-controlling interests	157	65	576
Profit attributable to owners of parent	¥ 2,717	¥ 3,986	\$ 35,374

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

NAKANO CORPORATION and its subsidiaries
For the years ended March 31, 2015 and 2016

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2016	2016
Profit	¥ 2,874	¥ 4,052	\$ 35,960
Other comprehensive income:			
Valuation difference on available-for-sale securities	292	(200)	(1,774)
Foreign currency translation adjustment	888	(549)	(4,872)
Remeasurements of defined benefit plans	569	(359)	(3,186)
Total other comprehensive income (Note 6)	1,750	(1,109)	(9,842)
Comprehensive income	¥ 4,625	¥ 2,942	\$ 26,109
Comprehensive income attributable to:			
Comprehensive income attributable to owners of parent	¥ 4,296	¥ 3,047	\$ 27,041
Comprehensive income attributable to non-controlling interests	329	(104)	(922)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

NAKANO CORPORATION and its subsidiaries
For the years ended March 31, 2015 and 2016

Millions of yen

	Shareholders' Equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as at March 31, 2014	¥ 5,061	¥ 1,400	¥ 6,952	¥ (29)	¥ 13,384	¥ 474	¥ (930)	¥ (756)	¥ (1,212)	¥ 799	¥ 12,971	
Cumulative effects of changes in accounting policies			616		616						616	
Restated balance	¥ 5,061	¥ 1,400	¥ 7,568	¥ (29)	¥ 14,001	¥ 474	¥ (930)	¥ (756)	¥ (1,212)	¥ 799	¥ 13,588	
Changes of items during period												
Dividends from surplus			(103)		(103)						(103)	
Profit attributable to owners of parent			2,717		2,717						2,717	
Purchase of treasury stock				(0)	(0)						(0)	
Net changes of items other than shareholders' equity						292	716	569	1,579	329	1,908	
Total changes of items during period	—	—	2,613	(0)	2,613	292	716	569	1,579	329	4,521	
Balance as at March 31, 2015	¥ 5,061	¥ 1,400	¥ 10,182	¥ (30)	¥ 16,614	¥ 767	¥ (214)	¥ (186)	¥ 366	¥ 1,128	¥ 18,110	
Cumulative effects of changes in accounting policies					—						—	
Restated balance	¥ 5,061	¥ 1,400	¥ 10,182	¥ (30)	¥ 16,614	¥ 767	¥ (214)	¥ (186)	¥ 366	¥ 1,128	¥ 18,110	
Changes of items during period												
Dividends from surplus			(171)		(171)						(171)	
Profit attributable to owners of parent			3,986		3,986						3,986	
Purchase of treasury stock				(1)	(1)						(1)	
Net changes of items other than shareholders' equity						(200)	(378)	(359)	(938)	(104)	(1,043)	
Total changes of items during period	—	—	3,814	(1)	3,813	(200)	(378)	(359)	(938)	(104)	2,769	
Balance as at March 31, 2016	¥ 5,061	¥ 1,400	¥ 13,997	¥ (31)	¥ 20,427	¥ 567	¥ (592)	¥ (546)	¥ (572)	¥ 1,024	¥ 20,880	

Thousands of U.S. dollars (Note 2)

	Shareholders' Equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as at March 31, 2015	\$ 44,914	\$ 12,424	\$ 90,362	\$ (266)	\$ 147,444	\$ 6,806	\$ (1,899)	\$ (1,650)	\$ 3,248	\$ 10,010	\$ 160,720	
Cumulative effects of changes in accounting policies					—						—	
Restated balance	\$ 44,914	\$ 12,424	\$ 90,362	\$ (266)	\$ 147,444	\$ 6,806	\$ (1,899)	\$ (1,650)	\$ 3,248	\$ 10,010	\$ 160,720	
Changes of items during period												
Dividends from surplus			(1,517)		(1,517)						(1,517)	
Profit attributable to owners of parent			35,374		35,374						35,374	
Purchase of treasury stock				(8)	(8)						(8)	
Net changes of items other than shareholders' equity						(1,774)	(3,354)	(3,186)	(8,324)	(922)	(9,256)	
Total changes of items during period	—	—	33,848	(8)	33,839	(1,774)	(3,354)	(3,186)	(8,324)	(922)	24,574	
Balance as at March 31, 2016	\$ 44,914	\$ 12,424	\$ 124,219	\$ (275)	\$ 181,283	\$ 5,031	\$ (5,253)	\$ (4,845)	\$ (5,076)	\$ 9,087	\$ 185,303	

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

NAKANO CORPORATION and its subsidiaries
For the years ended March 31, 2015 and 2016

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2015	2016	2016
Net cash provided by (used in) operating activities:			
Profit before income taxes	¥ 3,658	¥ 5,243	\$ 46,529
Adjustments for:			
Depreciation and amortization	358	385	3,416
Impairment loss	7	181	1,606
Loss on reversal of foreign currency translation adjustments	—	389	3,452
Increase in allowance for doubtful accounts	34	6	53
Increase (decrease) in net defined benefit liability	36	(65)	(576)
Increase (decrease) in provision for loss on construction contracts	16	(98)	(869)
Interest and dividend income	(275)	(312)	(2,768)
Interest expenses	125	83	736
Decrease (increase) in notes and accounts receivable - trade	(580)	7,139	63,356
Decrease (increase) in costs on uncompleted construction contracts	143	(1,233)	(10,942)
Decrease in other inventories	134	56	496
Decrease in notes and accounts payable - trade	(210)	(8,872)	(78,736)
Increase (decrease) in advances received on uncompleted construction contracts	(1,722)	2,468	21,902
Decrease/increase in consumption taxes receivable/payable	(2,519)	4,238	37,610
Other, net	393	1,240	11,004
Subtotal	(400)	10,851	96,299
Interest and dividend income received	275	312	2,768
Interest expenses paid	(116)	(75)	(665)
Income taxes paid	(538)	(1,481)	(13,143)
Net cash provided by (used in) operating activities	(780)	9,607	85,259
Net cash provided by (used in) investing activities:			
Payments into time deposits	(5,639)	(2,950)	(26,180)
Proceeds from withdrawal of time deposits	5,072	3,903	34,637
Purchase of property, plant and equipment	(480)	(285)	(2,529)
Proceeds from sales of property, plant and equipment	114	4	35
Other, net	78	171	1,517
Net cash provided by (used in) investing activities	(854)	844	7,490
Net cash provided by (used in) financing activities:			
Net decrease in short-term loans payable	(350)	(710)	(6,301)
Repayment of long-term loans payable	(1,511)	(1,186)	(10,525)
Redemption of bonds	(80)	(80)	(709)
Cash dividends paid	(103)	(171)	(1,517)
Other, net	(89)	(96)	(851)
Net cash used in financing activities	(2,134)	(2,244)	(19,914)
Effect of exchange rate change on cash and cash equivalents	1,524	(1,873)	(16,622)
Net increase (decrease) in cash and cash equivalents	(2,243)	6,333	56,203
Cash and cash equivalents at beginning of period	25,239	22,995	204,073
Cash and cash equivalents at end of period (Note 7)	¥ 22,995	¥ 29,329	\$ 260,285

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NAKANO CORPORATION and its subsidiaries

1. Basis of Presenting Consolidated Financial Statements	<p>The consolidated financial statements presented herein of NAKANO CORPORATION (the "Company") and its consolidated subsidiaries (together, the "Companies") are prepared in accordance with the provisions set forth in the Corporation Law of Japan and the Financial Instruments and Exchange Law of Japan, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.</p> <p>In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made to the 2015 financial statements to conform to the classifications used in 2016.</p>
2. U.S. Dollar Amounts	<p>The accounts of consolidated financial statements presented herein are expressed in Japanese yen by rounding down to the nearest million. The U.S. dollar amounts shown in the accompanying consolidated financial statements and notes thereto have been translated from Japanese yen into U.S. dollars on the basis of ¥112.68 to U.S.\$1, the rate of exchange prevailing at March 31, 2016, and have been then rounded down to the nearest thousand. These U.S. dollar amounts are not intended to imply that the Japanese yen amounts have been or could be converted, realized or settled in U.S. dollars at this or any other rate.</p>
3. Summary of Significant Accounting Policies	<p>a. Consolidation</p> <p>1) Scope of Consolidation</p> <p>The Company had 10 subsidiaries as of March 31, 2016. The consolidated financial statements for the year ended March 31, 2016 include the accounts of the Company and all subsidiaries. The Company had 2 affiliates as of March 31, 2016. As of March 31, 2016, the equity method was not applied to these affiliates, as they were not significant in terms of retained earnings and net income of the consolidated financial statements.</p> <p>Nakano International Corp. and PT. Nakano S Batam, which were consolidated subsidiaries in the year ended March 31, 2015, were excluded from the scope of consolidation since these companies were liquidated in March, 2016. The statements of income up to the completion of liquidation are consolidated.</p> <p>2) Financial Statements of Subsidiaries</p> <p>The financial year-end of an overseas subsidiary is December 31.</p> <p>Consolidation of the subsidiary is therefore performed by using the provisional financial statements prepared as of March 31. The other subsidiaries' financial year-end is March 31.</p> <p>b. Securities</p> <p>Securities are classified and accounted for as follows:</p> <p>i) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability are reported at amortized cost and ii) available-for-sale securities, which are not classified as the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets, while the cost of securities sold is computed using the moving-average method.</p> <p>Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, securities are written down to net realizable value.</p> <p>c. Inventories</p> <p>Costs of uncompleted construction contracts are determined by the specific identification method.</p> <p>Costs on real estate business and raw materials and supplies are stated at cost determined by the specific identification method for costs on real estate business and by the last purchase price method for raw material and supplies, while the net book value of these inventories in the balance sheet is written down if the net realizable value declines.</p>

d. Property, Plant and Equipment (excluding lease assets)

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its domestic consolidated subsidiaries is computed by the declining-balance method, while buildings (excluding building fixtures) acquired on or after April 1, 1998 are depreciated using the straight-line method. Useful lives and residual values of the assets are determined based on the regulations of the Corporate Income Tax Law.

Foreign consolidated subsidiaries use primarily the straight-line method.

e. Intangible Assets (excluding lease assets)

Intangible assets are amortized by the straight-line method. Useful lives of the assets are determined based on the regulations of the Corporate Income Tax Law.

Software for internal use is amortized over a period of the internal available years (5 years) using the straight-line method.

f. Lease Assets

Depreciation of lease assets under finance leases that do not transfer ownership of the lease assets to the lessee is calculated by the straight-line method over the lease term of the lease assets with no residual value.

g. Allowance for Doubtful Accounts

The allowance for doubtful accounts provided by the Company and its domestic consolidated subsidiaries is stated in amounts considered to be appropriate based on each company's past credit loss experience and an evaluation of potential losses in the receivables and others outstanding.

Foreign consolidated subsidiaries provide for such possible losses based on the estimated uncollectible amounts of the specific accounts.

h. Provision for Warranties for Completed Construction

The provision for warranties for completed construction is provided by the Company to cover expenses for defects claimed concerning completed work based on the estimated amount of compensation to be paid in the future for the work completed during the fiscal year.

i. Provision for Loss on Construction Contracts

The provision for loss on construction contracts is provided by the Company and its consolidated subsidiaries with respect to construction projects for which eventual losses are reasonably estimated.

j. Provision for Bonuses

The provision for bonuses provided by the Company and its domestic consolidated subsidiaries is accrued at the year end to which such bonuses are attributable.

k. Accounting for Retirement Benefits

In computing projected benefit obligations, the estimated amounts of retirement benefit obligations are attributed to periods on a benefit formula basis.

Actuarial differences are amortized commencing in the following year after the differences are incurred by the straight-line method over a period (12 years) which is shorter than the average remaining years of service of the employees when incurred.

In determining net defined benefit liability and retirement benefit expenses, certain consolidated subsidiaries adopt a short-cut method where the amount required for voluntary termination of employees at the fiscal year end is regarded as projected benefit obligations.

l. Revenue and Cost of Construction Contracts

Revenue of construction contracts is recorded by the percentage-of-completion method for the completed portion of the contracts at the balance sheet date, if the outcome of the construction contract can be reliably estimated and the completed-contract method is applied to other contracts whose outcome cannot be reliably estimated. The percentage of completion is calculated based on the cost incurred to date as a percentage of the estimated total cost.

Construction revenue recognized based on the percentage-of-completion method for the year ended March 31, 2016 was ¥105,033 million (\$932,135 thousand).

m. Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

In preparing the consolidated statements of cash flows, cash and cash equivalents include cash on hand, readily-available deposits and short-term highly liquid investments with maturities less than three months at the time of acquisition that are exposed to insignificant risk of changes in value.

n. Changes in Accounting Policies

(Application of the accounting standards for business combinations, etc.)

The Company applied "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, revised on September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, revised on September 13, 2013) and "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, revised on September 13, 2013) from the current fiscal year. As a result, certain changes were implemented in the presentation of items previously presented as "Net income" and other. And also, the previous presentation of "minority interests" was changed to "non-controlling interests". To reflect the said changes in presentation, the Company has reclassified the Consolidated Financial Statements for the previous fiscal year.

o. Accounting Standards not yet Applied

"Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, revised on March 28, 2016)

1) Overview

Following the framework in Auditing Committee Report No. 66 "Audit Treatment regarding the Judgment of Recoverability of Deferred Tax Assets," which prescribes estimation of deferred tax assets according to the classification of the entity into five categories, the following treatments were reviewed as required.

- a) Treatment for an entity that does not meet any of the criteria in Categories 1 to 5;
- b) Criteria for Categories 2 and 3;
- c) Treatment for deductible temporary differences which an entity classified as Category 2 is unable to schedule;
- d) Treatment for reasonable estimation period for future taxable income before adjusting temporary differences for an entity classified as Category 3; and
- e) Treatment when an entity classified as Category 4 also meets the criteria for Category 2 or 3.

2) Scheduled date of application

Effective from the beginning of the year ending March 31, 2017

3) Effects of application of the Guidance

The Company is in the process of measuring the effects at the time of preparing the accompanying consolidated financial statements.

4. Notes to

Consolidated Balance Sheets

1. The assets pledged as collateral and collateralized liabilities were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Cash and deposits	¥ 202	¥ 202	\$ 1,792
Notes receivable	950	450	3,993
Buildings	1,580	1,490	13,223
Land	8,204	8,076	71,671
Investment securities	1,800	1,488	13,205
Total	¥ 12,737	¥ 11,708	\$ 103,904
Short-term loans payable	¥ 1,970	¥ 3,130	\$ 27,777
Long-term loans payable	2,460	—	—
Total	¥ 4,430	¥ 3,130	\$ 27,777

The following assets included in the above were deposited as security for dealing:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Investment Securities	¥ 9	¥ 9	\$ 79

2. The Companies were contingently liable for the following:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Guarantees to financial institutions, etc. to ensure the completion of construction contracts of Nakano Singapore (Pte.) Ltd. and its subsidiaries	¥ 5,559	¥ 3,246	\$ 28,807
Guarantees of deposits	41	—	—
Guarantee on employees' housing loan	0	—	—
Total	¥ 5,601	¥ 3,246	\$ 28,807

3. "Costs on uncompleted construction contracts" which are estimated to recognize losses and "Provision for loss on construction contracts" are to be recorded on a gross basis without offsetting, if any.

5. Notes to
Consolidated
Statements of
Income

1. Provision for loss on construction contracts included in "Cost of sales of completed construction contracts" was as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Provision for loss on construction contracts	¥ 63	¥ —	\$ —

2. The ending balance of costs on real estate business reflected the write-down due to the decline of the net realizable value and the following loss on valuation of inventories was included in "Cost of sales on real estate business":

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Loss on valuation of inventories	¥ 97	¥ 55	\$ 488

3. The major components of "Selling, general and administrative expenses" were as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Depreciation	¥ 197	¥ 201	\$ 1,783
Provision for bonuses	182	195	1,730
Retirement benefit expenses	274	193	1,712
Employees' salaries and allowances	2,440	2,626	23,304

4. Research and development costs included in selling, general and administrative expenses were as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Research and development costs	¥ 13	¥ 13	\$ 115

5. "Gain on sales of non-current assets" consisted of the following:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Land	¥ 12	¥ —	\$ —
Buildings	5	0	0
Vehicles	10	4	35
Other	0	0	0
Total	¥ 28	¥ 4	\$ 35

6. The Companies recognized impairment loss as follows:

Use	Location	Type	Millions of yen		Thousands of
			2015	2016	U.S. dollars
Rental properties	Miyagi Pref.	Buildings	¥ —	¥ 50	\$ 443
		Fixtures	—	0	0
		Demolition costs	—	125	1,109
		Total	¥ —	¥ 175	\$ 1,553
Rental properties	Hyogo Pref.	Land	—	3	26
		Buildings	7	2	17
		Total	¥ 7	¥ 5	\$ 44
Total		¥ 7	¥ 181	\$ 1,606	

The Companies are grouping their assets by the performance management unit for construction business and by the individual asset for real estate business and other.

With respect to the rental properties owned by the Company which are grouped into rental properties of the real estate business, carrying amounts were reduced to memorandum value since they are planned to be dismantled based on the decision of reconstructing and the reduced amounts and demolition costs were recorded as impairment loss under extraordinary loss. The recoverable amount of these assets is calculated regarding the value in use as zero due to demolition.

With respect to the rental properties owned by a consolidated subsidiary which are grouped into rental properties of the real estate business, carrying amounts were reduced to recoverable amounts due to the decline of profitability and the reduced amounts were recorded as impairment loss under extraordinary loss. The recoverable amount of such assets is measured by the net selling value, which is determined based on the appraisal value by an independent real estate appraiser.

6. Notes to
Consolidated
Statements of
Comprehensive
Income

Reclassification adjustments and tax effects related to other comprehensive income were as follows:

For the year ended March 31	Millions of yen		Thousands of
	2015	2016	U.S. dollars
Valuation difference on available-for-sale securities			
Amount arising during the year	¥ 348	¥ (287)	\$ (2,547)
Reclassification adjustments	52	(28)	(248)
Total before tax effect	400	(315)	(2,795)
Tax effect	(107)	115	1,020
Valuation difference on available-for-sale securities	292	(200)	(1,774)
Foreign currency translation adjustments			
Amount arising during the year	888	(938)	(8,324)
Reclassification adjustments	—	389	3,452
Total before tax effect	888	(549)	(4,872)
Tax effect	—	—	—
Foreign currency translation adjustments	888	(549)	(4,872)
Remeasurements of defined benefit plans			
Amount arising during the year	482	(406)	(3,603)
Reclassification adjustments	86	46	408
Total before tax effect	569	(359)	(3,186)
Tax effect	—	—	—
Remeasurements of defined benefit plans	569	(359)	(3,186)
Total other comprehensive income	¥ 1,750	¥ (1,109)	\$ (9,842)

7. Notes to
Consolidated
Statements of Cash
Flows

The reconciliation between “Cash and cash equivalents” reported in the consolidated statements of cash flows and “Cash and deposits” reported in the consolidated balance sheets was as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Cash and deposits per consolidated balance sheets	¥ 25,641	¥ 30,971	\$ 274,858
Less: Time deposits maturing over three months	(2,646)	(1,642)	(14,572)
Cash and cash equivalents per consolidated statements of cash flows	¥ 22,995	¥ 29,329	\$ 260,285

8. Financial
Instruments

1. Overview

1) Policy for financial instruments

The Companies raise operating funds primarily through bank loans and bond issues. Temporary fund surpluses are managed principally through short-term deposits with little risk. Under the policy of the Companies, the Companies use derivatives only for the purpose of reducing foreign exchange fluctuation risks associated with foreign currency denominated transactions and interest rate fluctuation risks associated with loans payable, and not for speculative purposes.

2) Types of financial instruments, risk and risk management

The Companies control risks by type of financial instruments in accordance with the risk management policy.

Regarding credit risk associated with notes receivable and accounts receivable from completed construction contracts, the Companies identify major customers' credit status by monitoring the payment terms and credit balances by each customer.

Regarding investment securities, principally consisting of equity securities, the Companies regularly identify the quoted market price of the listed securities to manage the risks arising from market value fluctuations.

The Companies manage liquidity risk associated with loans payable by appropriately planning for fund raising based on monthly cash flow projections.

Regarding derivative transactions, the Companies execute and control the transactions based on the internal control rules which define the transaction authority and limits and enter into contracts with only the high credit rating financial institutions to reduce credit risk.

3) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments is determined based on the market price or reasonable estimated amount if there is no market price. Certain assumptions are used for calculation of such fair value, and accordingly, the result of such calculation may vary, if different assumptions are used.

2. Fair value of financial instruments

The carrying amount, fair value and difference of the financial instruments as of March 31, 2015 and 2016 were as follows:

Note that the financial instruments whose fair value is extremely difficult to determine were not included in the following table (See Note 2 of the below table):

As of March 31, 2015	Millions of yen		
	Carrying amount	Fair value	Difference
(1) Cash and deposits	¥ 25,641	¥ 25,641	¥ —
(2) Notes receivable, accounts receivable from completed construction contracts and other	29,451	29,451	—
(3) Investment securities			
Held-to-maturity securities	9	10	0
Available-for-sale securities	1,995	1,995	—
Assets total	57,098	57,099	0
(1) Notes payable, accounts payable for construction contracts and other	45,050	45,050	—
(2) Short-term loans payable	3,036	3,036	—
(3) Long-term loans payable	2,628	2,628	—
Liabilities total	50,714	50,714	—
Derivative transactions	—	—	—

As of March 31, 2016	Millions of yen		
	Carrying amount	Fair value	Difference
(1) Cash and deposits	¥ 30,971	¥ 30,971	¥ —
(2) Notes receivable, accounts receivable from completed construction contracts and other	21,622	21,622	—
(3) Investment securities			
Held-to-maturity securities	9	10	0
Available-for-sale securities	1,676	1,676	—
Assets total	54,280	54,280	0
(1) Notes payable, accounts payable for construction contracts and other	35,009	35,009	—
(2) Short-term loans payable	3,768	3,768	—
Liabilities total	38,777	38,777	—
Derivative transactions	—	—	—

As of March 31, 2016	Thousands of U.S. dollars		
	Carrying amount	Fair value	Difference
(1) Cash and deposits	\$ 274,858	\$ 274,858	\$ —
(2) Notes receivable, accounts receivable from completed construction contracts and other	191,888	191,888	—
(3) Investment securities			
Held-to-maturity securities	79	88	8
Available-for-sale securities	14,873	14,873	—
Assets total	481,700	481,709	8
(1) Notes payable, accounts payable for construction contracts and other	310,694	310,694	—
(2) Short-term loans payable	33,439	33,439	—
Liabilities total	344,133	344,133	—
Derivative transactions	—	—	—

(Notes): 1. Method used for determining the fair value of the financial instruments and matters regarding securities and derivative transactions:

Assets:

(1) Cash and deposits and (2) Notes receivable, accounts receivable from completed construction contracts and other

The carrying amount is presented as the fair value, since the fair value approximates the carrying amount because they will be settled within a short period of their maturity.

(3) Investment securities

The fair value of equity securities is determined based on the quoted price of the exchanges, the fair value of investment trust is determined based on the published standard quotation price and the fair value of debt securities is determined based on the published price by the Japan Securities Dealers Association. Notes regarding investment securities classified by the management's intent of holding are described in Note 9 "Securities".

Liabilities:

(1) Notes payable, accounts payable for construction contracts and other and (2) Short-term loans payable
The carrying amount is presented as the fair value, since the fair value approximates the carrying amount because they will be settled within a short period of their maturity.

(3) Long-term loans payable

The carrying amount is presented as the fair value, since the fair value approximates the carrying amount because their interest rates will be reset within a short period of their maturity.

2. Carrying amounts of financial instruments for which it is extremely difficult to identify the fair value were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Unlisted equity securities	¥ 1,210	¥ 1,210	\$ 10,738

Above financial instruments were not included in "(3) Investment securities" in the above table, since there is no market price and their fair value is extremely difficult to identify.

3. Redemption schedule for monetary assets and securities with contractual maturities after balance sheet date was as follows:

As of March 31, 2015	Millions of yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 25,641	¥ —	¥ —	¥ —
Notes receivable, accounts receivable from completed construction contracts and other	29,451	—	—	—
Investment securities:				
Held-to-maturity securities (Japanese government bonds)	—	9	—	—
Available-for-sale securities with contractual maturities	—	4	—	—
Total	¥ 55,093	¥ 14	¥ —	¥ —

As of March 31, 2016	Millions of yen			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 30,971	¥ —	¥ —	¥ —
Notes receivable, accounts receivable from completed construction contracts and other	21,622	—	—	—
Investment securities:				
Held-to-maturity securities (Japanese government bonds)	—	9	—	—
Available-for-sale securities with contractual maturities	3	—	—	—
Total	¥ 52,597	¥ 9	¥ —	¥ —

As of March 31, 2016	Thousands of U.S. dollars			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	\$ 274,858	\$ —	\$ —	\$ —
Notes receivable, accounts receivable from completed construction contracts and other	191,888	—	—	—
Investment securities:				
Held-to-maturity securities (Japanese government bonds)	—	79	—	—
Available-for-sale securities with contractual maturities	26	—	—	—
Total	\$ 466,782	\$ 79	\$ —	\$ —

4. Repayment schedule of short-term loans payable and long-term loans payable after balance sheet date was as follows:

As of March 31, 2015	Millions of yen					
	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term loans payable	¥ 3,036	¥ —	¥ —	¥ —	¥ —	¥ —
Long-term loans payable	—	2,628	—	—	—	—

As of March 31, 2016	Millions of yen					
	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term loans payable	¥ 3,768	¥ —	¥ —	¥ —	¥ —	¥ —

As of March 31, 2016	Thousands of U.S. dollars					
	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term loans payable	\$ 33,439	\$ —	\$ —	\$ —	\$ —	\$ —

9. Securities

1. Investment securities as of March 31, 2015 and 2016 consisted of the following:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Held-to-maturity securities	¥ 9	¥ 9	\$ 79
Available-for-sale securities with market value	1,995	1,676	14,873
Total	¥ 2,005	¥ 1,686	\$ 14,962

2. The carrying amount and fair value of held-to-maturity debt securities as of March 31, 2015 and 2016 were as follows:

As of March 31, 2015	Millions of yen			
	Carrying amount	Unrealized gain	Unrealized loss	Fair value
Japanese government bonds	¥ 9	¥ 0	¥ —	¥ 10

As of March 31, 2016	Millions of yen			
	Carrying amount	Unrealized gain	Unrealized loss	Fair value
Japanese government bonds	¥ 9	¥ 0	¥ —	¥ 10

As of March 31, 2016	Thousands of U.S. dollars			
	Carrying amount	Unrealized gain	Unrealized loss	Fair value
Japanese government bonds	\$ 79	\$ 8	\$ —	\$ 88

3. The carrying amount (fair value) and acquisition cost of available-for-sale securities as of March 31, 2015 and 2016 were as follows:

As of March 31, 2015	Millions of yen			
	Carrying amount	Unrealized gain	Unrealized loss	Acquisition cost
Equity securities	¥ 1,991	¥ 1,136	¥ (0)	¥ 854
Other	4	2	—	1
Total	¥ 1,995	¥ 1,139	¥ (0)	¥ 856

As of March 31, 2016	Millions of yen			
	Carrying amount	Unrealized gain	Unrealized loss	Acquisition cost
Equity securities	¥ 1,672	¥ 834	¥ (12)	¥ 851
Other	3	1	—	1
Total	¥ 1,676	¥ 835	¥ (12)	¥ 853

As of March 31, 2016	Thousands of U.S. dollars			
	Carrying amount	Unrealized gain	Unrealized loss	Acquisition cost
Equity securities	\$ 14,838	\$ 7,401	\$ (106)	\$ 7,552
Other	26	17	—	8
Total	\$ 14,873	\$ 7,410	\$ (106)	\$ 7,570

(Note) "Unlisted equity securities" in an amount of ¥1,210 million (\$10,738 thousand) as of March 31, 2015 and 2016 were not included in available-for-sale securities in the above table, since there is no market price and their fair value is extremely difficult to identify.

4. Available-for-sale securities which were sold during the years ended March 31, 2015 and 2016 were as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Sales proceeds	¥ 3	¥ 33	\$ 292
Gain on sales	1	28	248
Loss on sales	—	—	—

5. Securities on which impairment loss was recognized during the years ended March 31, 2015 and 2016 were as follows:

For the year ended March 31, 2015:

The Company recognized impairment loss on available-for-sale securities in an amount of ¥53 million.

For the year ended March 31, 2016:

There were no securities on which impairment loss was recognized.

If the fair value of available-for-sale securities with market value declines by 30% to 50% of the acquisition cost, the Company judges the recoverability, considering the current status of the issuing companies and the market value trends, and recognizes impairment loss, unless the recovery is reasonably expected.

10. Retirement Benefits

1. Outline of the Company's retirement benefit plans

The Company has defined benefit plans that consist of a defined benefit corporate pension plan and a lump-sum retirement benefit plan and also defined contribution pension plans. Certain consolidated subsidiaries have unfunded defined benefit plans and lump-sum benefit plans.

Furthermore, the Company may pay additional retirement benefits upon the retirement of certain employees.

With respect to lump-sum benefit plans adopted by certain consolidated subsidiaries, net defined benefit liability and retirement benefit expenses are calculated by the short-cut method.

The Company participates in Tokyo Construction Welfare Pension Fund as a multi-employer plan. If the plan assets corresponding to the Company's contribution cannot be reasonably determined, such plan is accounted for in the same manner as the defined contribution plans.

Tokyo Construction Welfare Pension Fund in which the Company participated was dissolved on November 20, 2015 with the approval of the Minister of Health, Labour and Welfare. Any additional burden amount resulting from the dissolution of the Fund is not anticipated.

2. Defined Benefit Plans

1) The changes in projected benefit obligations for the years ended March 31, 2015 and 2016 were as follows (excluding the plans to which a short-cut method was applied):

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Beginning balance of projected benefit obligations	¥ 4,991	¥ 4,003	\$ 35,525
Cumulative effects of changes in accounting policies	(616)	—	—
Restated balance of projected benefit obligations	¥ 4,374	¥ 4,003	\$ 35,525
Service cost	246	260	2,307
Interest cost	39	39	346
Actuarial differences	(191)	249	2,209
Retirement benefits paid	(464)	(486)	(4,313)
Transfer from short-cut method to standard method	—	110	976
Other	—	(8)	(70)
Ending balance of projected benefit obligations	¥ 4,003	¥ 4,169	\$ 36,998

2) The changes in plan assets for the years ended March 31, 2015 and 2016 were as follows (excluding the plans to which a short-cut method was applied):

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Beginning balance of plan assets	¥ 3,268	¥ 3,468	\$ 30,777
Expected return of plan assets	32	69	612
Actuarial differences	291	(157)	(1,393)
Contribution from the employer	340	335	2,973
Retirement benefits paid	(464)	(485)	(4,304)
Ending balance of plan assets	¥ 3,468	¥ 3,230	\$ 28,665

3) The changes in net defined benefit liability of the plans to which the short-cut method was applied for the years ended March 31, 2015 and 2016 were as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Beginning balance of net defined benefit liability	¥ 154	¥ 201	\$ 1,783
Retirement benefit expenses	54	5	44
Retirement benefits paid	(7)	(21)	(186)
Transfer from short-cut method to standard method	—	(110)	(976)
Ending balance of net defined benefit liability	¥ 201	¥ 75	\$ 665

4) Reconciliation between the ending balances of projected benefit obligations and plan assets and net defined benefit liability recorded in the consolidated balance sheet as of March 31, 2015 and 2016 were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Funded projected benefit obligations	¥ 4,003	¥ 4,020	\$ 35,676
Plan assets	(3,468)	(3,230)	(28,665)
	¥ 535	¥ 789	\$ 7,002
Unfunded projected benefit obligations	201	224	1,987
Net liability recorded in the consolidated balance sheet	¥ 736	¥ 1,014	\$ 8,998
Net defined benefit liability	¥ 736	¥ 1,014	\$ 8,998
Net liability recorded in the consolidated balance sheet	¥ 736	¥ 1,014	\$ 8,998

(Note) Above amounts include plans to which the short-cut method is applied.

5) The components of retirement benefit expenses for the years ended March 31, 2015 and 2016 were as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Service cost	¥ 246	¥ 260	\$ 2,307
Interest cost	39	39	346
Expected return of plan assets	(32)	(69)	(612)
Amortization of actuarial differences	86	46	408
Retirement benefit expenses computed by short-cut method	54	5	44
Other	—	(8)	(70)
Retirement benefit expenses on defined benefit plans	¥ 394	¥ 275	\$ 2,440

6) The component of "Remeasurements of defined benefit plans" under "Other comprehensive income" (before adjusting for tax effects) for the years ended March 31, 2015 and 2016 was as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Actuarial differences	¥ 569	¥ (359)	\$ (3,186)

7) The component of "Remeasurements of defined benefit plans" under "Accumulated other comprehensive income" (before adjusting for tax effects) as of March 31, 2015 and 2016 was as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Unrecognized actuarial differences	¥ (186)	¥ (546)	\$ (4,845)

8) Plan assets

a. Components of plan assets

Plan assets as of March 31, 2015 and 2016 consisted of the following:

As of March 31	2015	2016
Bonds	61%	42%
Equity securities	26	44
Insurance assets (general account)	10	10
Other	3	4
Total	100	100

b. Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined considering allocation of plan assets which are expected currently and in the future and the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

9) Actuarial assumptions used for the years ended March 31, 2015 and 2016 were set forth as follows:

For the year ended March 31	2015	2016
Discount rate	0.7%	0.1%
Long-term expected rate of return on plan assets	1.0	2.0

3. Defined Contribution Plans

The amount of the required contribution to the defined contribution plans of the Company for the years ended March 31, 2015 and 2016 was as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Required contribution to the defined contribution plans	¥ 55	¥ 62	\$ 550

4. Multi-employer Plans

The amount of the required contribution to the Welfare Pension Fund Plans of multi-employer plans which were accounted for in the same manner as defined contribution plans for the years ended March 31, 2015 and 2016 was as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Required contribution to the Welfare Pension Fund Plans	¥ 219	¥ 105	\$ 931

(Note): The amount of the required contribution for the year ended March 31, 2016 is presented using the amount of contribution up to October 2015 because the said fund was dissolved.

11. Deferred Tax Accounting

1. The significant components of deferred tax assets and liabilities as of March 31, 2015 and 2016 were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Deferred tax assets:			
Provision for bonuses	¥ 142	¥ 142	\$ 1,260
Net defined benefit liability	195	259	2,298
Allowance for doubtful accounts	66	61	541
Loss on valuation of real estate for sale	291	289	2,564
Provision for loss on construction contracts	32	—	—
Accounts payable for construction contracts	—	274	2,431
Impairment loss	1,509	1,464	12,992
Tax loss carryforwards	1,342	1,270	11,270
Other	303	357	3,168
Subtotal	3,883	4,119	36,554
Less: valuation allowance	(3,822)	(4,096)	(36,350)
Deferred tax assets	¥ 60	¥ 22	\$ 195
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	¥ (369)	¥ (253)	\$ (2,245)
Undistributed earnings of foreign consolidated subsidiaries	(367)	(362)	(3,212)
Other	(39)	(16)	(141)
Deferred tax liabilities	¥ (775)	¥ (632)	\$ (5,608)
Net deferred tax liabilities	¥ (715)	¥ (609)	\$ (5,404)

2. A reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the consolidated statements of income as of March 31, 2015 and 2016 were as follows:

As of March 31	2015	2016
Normal effective statutory tax rate	35.6%	33.0%
Expenses not deductible income tax purposes	2.3	1.8
Tax rate differences in foreign consolidated subsidiaries	(6.9)	(9.6)
Undistributed earnings of foreign consolidated subsidiaries	2.1	(0.1)
Effects of liquidation of an overseas subsidiary	—	(14.3)
Inhabitant per capita taxes	1.0	0.7
Income taxes for prior periods	0.8	12.9
Valuation allowance	(13.1)	(2.1)
Other	(0.4)	0.4
Actual effective tax rate	21.4	22.7

3. Adjustments of deferred tax assets and liabilities due to a change in the corporate income tax rate

On March 29, 2016, the “Act for Partial Revision of the Income Tax Act, etc.” and the “Act on Partial Revision of the Local Tax Act, etc.” were enacted at the National Diet and the normal effective statutory tax rate used in computing deferred tax assets and liabilities has been reduced from 32.3% to 30.9% for the temporary differences estimated to be settled in the years from April 1, 2016 through March 31, 2018 and 30.6% for those estimated to be settled in the years beginning on and after April 1, 2018.

As a result, deferred tax liabilities (net of deferred tax assets), and income taxes - deferred decreased by ¥19 million (\$168 thousand) and ¥6 million (\$53 thousand), respectively, and valuation difference on available-for-sale securities increased by ¥13 million (\$115 thousand).

12. Investment and Rental Properties

1. The Company and certain consolidated subsidiaries own office buildings, commercial facilities and residual units for lease in Tokyo and other areas. Rental income from these real estate properties for lease for the years ended March 31, 2015 and 2016 were ¥530 million and ¥554 million (\$4,916 thousand), respectively. Rental income and related costs were included in “Sales on real estate business” and “Cost of sales on real estate business”, respectively, in the accompanying consolidated statements of income for the years ended March 31, 2015 and 2016. In addition, impairment losses for the years ended March 31, 2015 and 2016 were ¥7 million and ¥181 million (\$1,606 thousand), respectively. Impairment losses were included in “Extraordinary losses.”

2. The carrying amounts, changes in such balances during the year and fair values of such properties were as follows:

As of March 31	2015	Millions of yen 2016	Thousands of U.S. dollars 2016
Carrying amounts			
(Note 1):			
Beginning balance	¥ 10,701	¥ 10,509	\$ 93,264
Increase (decrease) (Note 2)	(192)	(111)	(985)
Ending balance	¥ 10,509	¥ 10,398	\$ 92,279
Fair value (Note 3)	¥ 13,041	¥ 13,330	\$ 118,299

(Notes): 1. The carrying amount is presented after deducting accumulated depreciation from the acquisition cost.

2. Increase during the year ended March 31, 2015 primarily represents the change in holding purpose from internal use to investment of ¥22 million and the acquisition of real estate of ¥18 million and decrease is primarily due to sale of real estate of ¥87 million, the change in holding purpose from investment to internal use of ¥43 million and depreciation of ¥119 million.

Increase during the year ended March 31, 2016 primarily represents the acquisition of real estate of ¥83 million (\$736 thousand) and decrease is primarily due to impairment loss of ¥45 million (\$399 thousand), the change in holding purpose from investment to internal use of ¥34 million (\$301 thousand) and depreciation of ¥113 million (\$1,002 thousand).

3. The fair values of major properties are determined based on the real estate appraisal value by independent real estate appraisers and the fair values of other properties are determined based on the value in accordance with “Japanese Real Estate Appraisal Standard” as well as internal appraisal.

13. Segment Information

1. Description of reportable segments

The Companies’ reportable segments are those for which separate financial information is available and regular evaluation by the Board of Directors is being performed in order to decide how resources are allocated among the Companies.

The Companies are active in the construction business and the real estate business in Japan and foreign countries.

Therefore, the Companies consist of regional segments which are based on each business. Reportable segments of the construction business are “Japan” and “Southeast Asia (Singapore, Malaysia, Indonesia, Thailand and Vietnam etc.)”, and those of the real estate business are “Japan” and “North America (USA)”.

2. Methods of measurement for the amounts of sales, income (loss), assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 3, “Summary of Significant Accounting Policies”.

3. Information on sales, income (loss), assets and other items for each reportable segment was as follows:

For the year ended March 31, 2015	Reportable segments									Other (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Construction			Real estate			Total	Adjustments (Note 2)	Consolidated (Note 3)				
	Japan	Southeast Asia	Total	Japan	North America	Total							
Net sales:													
Customers	¥ 80,466	¥ 43,705	¥ 124,172	¥ 1,054	¥ —	¥ 1,054	¥ 33	¥ 125,260	¥ —	¥ 125,260			
Inter-segment	1	14	15	0	—	0	—	16	(16)	—			
Total	80,468	43,720	124,188	1,055	—	1,055	33	125,276	(16)	125,260			
Segment income (loss)													
	1,620	1,367	2,988	396	(2)	393	(14)	3,367	—	3,367			
Segment assets	25,332	28,474	53,806	11,169	1,902	13,072	410	67,288	11,130	78,419			
Other items:													
Depreciation	¥ 136	¥ 95	¥ 232	¥ 124	¥ —	¥ 124	¥ 1	¥ 358	¥ —	¥ 358			
Impairment loss	—	—	—	7	—	7	—	7	—	7			
Increase in property, plant, and equipment and intangible assets	87	108	195	55	—	55	302	554	—	554			

- (Notes): 1. "Other" is a business segment not included in the reportable segments such as insurance agent business.
2. An adjustment of "Segment assets" in an amount of ¥11,130 million was corporate assets which were not allocated to each reportable segment and consisted of surplus fund (cash and deposits) and long-term investment fund (investment securities and insurance funds) of the Company.
3. Segment income (loss) is reconciled with operating income in the accompanying consolidated statements of income.

For the year ended March 31, 2016	Reportable segments									Other (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Construction			Real estate			Total	Adjustments (Note 2)	Consolidated (Note 3)				
	Japan	Southeast Asia	Total	Japan	North America	Total							
Net sales:													
Customers	¥ 73,368	¥ 40,532	¥ 113,901	¥ 1,013	¥ —	¥ 1,013	¥ 73	¥ 114,989	¥ —	¥ 114,989			
Inter-segment	18	20	38	—	—	—	—	38	(38)	—			
Total	73,386	40,553	113,939	1,013	—	1,013	73	115,027	(38)	114,989			
Segment income (loss)													
	3,076	1,963	5,040	455	(6)	448	(7)	5,481	—	5,481			
Segment assets	18,402	27,391	45,794	10,974	—	10,974	541	57,310	16,666	73,976			
Other items:													
Depreciation	¥ 142	¥ 85	¥ 227	¥ 118	¥ —	¥ 118	¥ 40	¥ 385	¥ —	¥ 385			
Impairment loss	38	—	38	142	—	142	—	181	—	181			
Increase in property, plant, and equipment and intangible assets	17	68	86	52	—	52	159	297	—	297			

Thousands of U.S. dollars

For the year ended March 31, 2016	Reportable segments						Other (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Construction			Real estate						
	Japan	Southeast Asia	Total	Japan	North America	Total				
Net sales:										
Customers	\$ 651,118	\$ 359,708	\$ 1,010,835	\$ 8,990	\$ —	\$ 8,990	\$ 647	\$ 1,020,491	\$ —	\$ 1,020,491
Inter-segment	159	177	337	—	—	—	—	337	(337)	—
Total	651,277	359,895	1,011,173	8,990	—	8,990	647	1,020,828	(337)	1,020,491
Segment income										
(loss)	27,298	17,421	44,728	4,037	(53)	3,975	(62)	48,642	—	48,642
Segment assets	163,312	243,086	406,407	97,390	—	97,390	4,801	508,608	147,905	656,514
Other items:										
Depreciation	\$ 1,260	\$ 754	\$ 2,014	\$ 1,047	\$ —	\$ 1,047	\$ 354	\$ 3,416	\$ —	\$ 3,416
Impairment loss	337	—	337	1,260	—	1,260	—	1,606	—	1,606
Increase in property, plant, and equipment and intangible assets	150	603	763	461	—	461	1,411	2,635	—	2,635

(Notes): 1. "Other" is a business segment not included in the reportable segments, which consists of solar power generation business and insurance agent business.

2. An adjustment of "Segment assets" in an amount of ¥16,666 million (\$147,905 thousand) was corporate assets which were not allocated to each reportable segment and consisted of surplus fund (cash and deposits) and long-term investment fund (investment securities and insurance funds) of the Company.

3. Segment income (loss) is reconciled with operating income in the accompanying consolidated statements of income.

14. Per Share Information

Basic net income per share is computed based on the weighted average number of shares of common stock outstanding during the year. Diluted net income per share was not presented for the years ended March 31, 2015 and 2016 since the Company had no potentially dilutive shares outstanding as of the balance sheet dates.

Net assets per share is computed based on the number of shares of common stock outstanding as of the balance sheet dates.

Net assets and net income per share for the years ended March 31, 2015 and 2016 were as follows:

For the year ended March 31	Yen		U.S. dollars
	2015	2016	2016
Net assets per share	¥ 493.98	¥ 577.61	\$ 5.13
Basic net income per share	79.04	115.96	1.03

(Notes): 1. Net assets per share was calculated based on the following information:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Total net assets	¥ 18,110	¥ 20,880	\$ 185,303
Deductions from total net assets:			
Non-controlling interests	(1,128)	(1,024)	(9,087)
Net assets attributable to common stock	¥ 16,981	¥ 19,855	\$ 176,206
Number of shares of common stock used in computing net assets per share (in thousand shares)			
	34,377	34,375	34,375

2. Net income per share was calculated based on the following information:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Profit attributable to owners of parent	¥ 2,717	¥ 3,986	\$ 35,374
Amount not attributable to common stock shareholders	—	—	—
Profit attributable to common stock of owners of parent	¥ 2,717	¥ 3,986	\$ 35,374
Average number of shares of common stock during the year (in thousand shares)	34,377	34,376	34,376

15. Bonds Payable

Short-term and long-term bonds payable as of March 31, 2015 and 2016 consisted of the following:

Issuer and Issue type	Issue date	Millions of yen		Thousands of U.S. dollars	Interest rate (%)	Collateral	Maturity
		2015	2016	2016			
(Nakano Corporation)							
7 th unsecured bond	Sep.30, 2013	280	200	1,774	0.64	None	Sep. 28, 2018
			(80)	(709)			
Total		¥ 280	¥ 200	\$ 1,774			
			(80)	(709)			

(Notes): 1. () denotes the amount expected to be redeemed within one year.

2. The following was a summary of maturities of bonds subsequent to March 31, 2016:

Years ending March 31	Millions of yen		Thousands of U.S. dollars
2017	¥	80	\$ 709
2018		80	709
2019		40	354
2020		—	—
2021		—	—
2022 and thereafter		—	—
Total	¥	200	\$ 1,774

16. Loans Payable and Other Debts Short-term loans payable, long-term loans payable and other debts as of March 31, 2015 and 2016 were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars	Average interest rate (%)	Maturity
	2015	2016	2016		
Short-term loans payable	¥ 2,450	¥ 1,740	\$15,441	1.66	—
Current portion of long-term loans payable	586	2,028	17,997	2.01	—
Current portion of lease obligations	93	92	816	—	—
Long-term loans payable excluding current portion	2,628	—	—	—	—
Lease obligations excluding current portion	196	111	985	—	Apr. 30, 2017 – Feb. 28, 2021
Total	¥ 5,954	¥ 3,972	\$35,250	—	—

(Notes):1. "Average interest rate" represents the weighted average interest rate on loans payable outstanding as of the balance sheet date. "Average interest rate" of lease obligations is not shown since interest equivalent amounts included in the aggregated lease premiums are allocated to each fiscal year using the straight-line method.

2. The following was a summary of annual maturities of loans payable and lease obligations subsequent to March 31, 2016:

Years ending March 31	Millions of yen		Thousands of U.S. dollars	
	Long-term loans payable	Lease obligations	Long-term loans payable	Lease obligations
2017	¥ 2,028	¥ 92	\$ 17,997	\$ 816
2018	—	74	—	656
2019	—	28	—	248
2020	—	7	—	62
2021	—	0	—	0
2022 and thereafter	—	—	—	—
Total	¥ 2,028	¥ 204	\$ 17,997	\$ 1,810

17. Subsequent Events At the Annual General Meeting of Shareholders held on June 29, 2016, it was resolved to distribute the year-end cash dividends of ¥7 (\$0.06) per share of common stock of the Company.
The aggregate amount of such cash dividends was ¥240 million (\$2,129 thousand).

18. Other Information A Japanese company brought an action against the Company to claim payment of approx. ¥1.7 billion (\$15,086 thousand) as compensation for damage in place of rectification of defects on the grounds that there existed defects on the buildings for which the Company has defect liability. However, the amount claimed was reduced to approx. ¥670 million (\$5,946 thousand) due to a request for amendment of claim in January 2016.

The Company was sentenced, in the first instance on April 28, 2016, to pay approx. ¥30 million (\$266 thousand) as costs to rectify certain portion of the claimed defects. The said Japanese company filed an appeal against this judgment to the Tokyo High Court on May 20, 2016.

The Company intends continuously to cope with the appeal appropriately.

SUPPLEMENTAL INFORMATION

NONCONSOLIDATED BALANCE SHEETS

NAKANO CORPORATION

As of March 31, 2015 and 2016

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Assets			
Current assets:			
Cash and deposits	¥ 5,676	¥ 13,801	\$ 122,479
Notes receivable - trade	1,808	2,939	26,082
Accounts receivable from completed construction contracts	19,138	9,696	86,048
Costs on uncompleted construction contracts	953	2,135	18,947
Costs on real estate business	85	43	381
Raw materials and supplies	6	5	44
Short-term loans receivable from subsidiaries and affiliates	10	10	88
Accounts receivable - other	336	637	5,653
Consumption taxes receivable	2,249	—	—
Other	815	636	5,644
Allowance for doubtful accounts	(114)	(120)	(1,064)
Total current assets	30,966	29,785	264,332
Non-current assets:			
Property, plant and equipment			
Buildings	6,578	6,573	58,333
Accumulated depreciation	(3,747)	(3,856)	(34,220)
Buildings, net	2,831	2,716	24,103
Structures	144	144	1,277
Accumulated depreciation	(102)	(109)	(967)
Structures, net	42	34	301
Machinery and equipment	116	562	4,987
Accumulated depreciation	(114)	(149)	(1,322)
Machinery and equipment, net	2	412	3,656
Vehicles	11	11	97
Accumulated depreciation	(3)	(5)	(44)
Vehicles, net	8	5	44
Tools, furniture and fixtures	281	304	2,697
Accumulated depreciation	(252)	(266)	(2,360)
Tools, furniture and fixtures, net	29	37	328
Land	9,649	9,649	85,631
Lease assets	235	239	2,121
Accumulated depreciation	(85)	(134)	(1,189)
Lease assets, net	150	105	931
Construction in progress	324	—	—
Total property, plant and equipment	13,038	12,962	115,033
Intangible assets			
Total intangible assets	306	253	2,245
Investments and other assets			
Investment securities	3,089	2,773	24,609
Stocks of subsidiaries and affiliates	2,670	1,186	10,525
Long-term loans receivable from subsidiaries and affiliates	621	610	5,413
Claims provable in bankruptcy, claims provable in rehabilitation and other	32	32	283
Insurance funds	31	31	275
Other	376	333	2,955
Allowance for doubtful accounts	(347)	(364)	(3,230)
Total investments and other assets	6,474	4,602	40,841
Total non-current assets	19,818	17,818	158,129
Total assets	¥ 50,784	¥ 47,604	\$ 422,470

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Liabilities			
Current liabilities:			
Notes payable - trade	¥ 11,687	¥ 6,191	\$ 54,943
Electronically recorded obligations - operating	3,801	4,997	44,346
Accounts payable for construction contracts	11,706	8,107	71,947
Short-term loans payable	3,036	3,768	33,439
Current portion of bonds	80	80	709
Income taxes payable	209	141	1,251
Accrued consumption taxes	—	1,990	17,660
Advances received on uncompleted construction contracts	4,178	5,922	52,555
Provision for warranties for completed construction	112	110	976
Provision for loss on construction contracts	98	—	—
Provision for bonuses	426	455	4,037
Other	732	1,586	14,075
Total current liabilities	36,070	33,351	295,979
Non-current liabilities:			
Bonds payable	200	120	1,064
Long-term loans payable	2,628	—	—
Deferred tax liabilities	340	227	2,014
Provision for retirement benefits	378	283	2,511
Long-term deposits received	508	495	4,392
Other	350	238	2,112
Total non-current liabilities	4,405	1,365	12,113
Total liabilities	40,476	34,717	308,102
Net assets			
Shareholders' equity:			
Common stock			
Authorized: 154,792,300 shares			
Issued: 34,498,097 shares	¥ 5,061	¥ 5,061	\$ 44,914
Capital surplus			
Legal capital surplus	1,400	1,400	12,424
Total capital surplus	1,400	1,400	12,424
Retained earnings			
Other retained earnings			
Retained earnings brought forward	3,167	5,945	52,760
Total retained earnings	3,167	5,945	52,760
Less: Treasury stock, at cost			
121,084 shares in 2015 and 122,618 shares in 2016	(30)	(31)	(275)
Total shareholders' equity	9,599	12,376	109,833
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities	708	510	4,526
Total valuation and translation adjustments	708	510	4,526
Total net assets	10,308	12,886	114,359
Total liabilities and net assets	¥ 50,784	¥ 47,604	\$ 422,470

NONCONSOLIDATED STATEMENTS OF INCOME

NAKANO CORPORATION

For the years ended March 31, 2015 and 2016

	Millions of yen		Thousands of U.S. dollars
	2015	2016	2016
Net sales:			
Net sales of completed construction contracts	¥ 80,468	¥ 73,386	\$ 651,277
Sales on real estate business	974	952	8,448
Sales on other business	—	42	372
Total net sales	81,442	74,381	660,108
Cost of sales:			
Cost of sales of completed construction contracts	75,104	66,405	589,323
Cost of sales on real estate business	563	449	3,984
Cost of sales on other business	—	43	381
Total cost of sales	75,668	66,898	593,698
Gross profit:			
Gross profit on completed construction contracts	5,363	6,981	61,954
Gross profit - real estate business	410	502	4,455
Gross profit (loss) - other business	—	(0)	(0)
Total gross profit	5,773	7,482	66,400
Selling, general and administrative expenses			
Operating income	4,113	4,288	38,054
	1,659	3,194	28,345
Non-operating income:			
Interest income	16	15	133
Dividend income	352	43	381
Foreign exchange gains	149	—	—
Dividend income of insurance	—	27	239
Other	30	22	195
Total non-operating income	549	108	958
Non-operating expenses:			
Interest expenses	125	82	727
Foreign exchange losses	—	13	115
Provision of allowance for doubtful accounts	—	17	150
Other	4	3	26
Total non-operating expenses	130	117	1,038
Ordinary income	2,078	3,185	28,265
Extraordinary income:			
Gain on sales of investment securities	—	26	230
Gain on liquidation of subsidiaries	—	118	1,047
Other	21	0	0
Total extraordinary income	21	144	1,277
Extraordinary losses:			
Impairment Loss	—	175	1,553
Loss on valuation of investment securities	53	—	—
Loss on liquidation of Equipment Center	48	—	—
Other	33	9	79
Total extraordinary losses	135	185	1,641
Profit before income taxes	1,964	3,144	27,902
Income taxes:			
Income taxes - current	198	208	1,845
Income taxes for prior periods	25	—	—
Refund of income taxes for prior periods	—	(12)	(106)
Income taxes - deferred	(0)	(0)	(0)
Total income taxes	222	195	1,730
Profit	¥ 1,741	¥ 2,949	\$ 26,171

CORPORATE PROFILE

As of 31st March 2016

Company Outline

Company Name	NAKANO CORPORATION
Headquarters	4-2-28 Kudan-kita, Chiyoda-ku, Tokyo 102-0073, Japan
Foundation	8th February 1933
Established	19th December 1942
Capitalization	¥5,061,678,686
Employees	1,314
Stock Listing	Tokyo Stock Exchange, First Section
Primary Business	Domestic Construction Projects International Construction Projects

Board of Directors

Honorary Chairman	Yoshikazu Oshima	
Vice Chairman	Akira Asai	
President	Toshiyuki Taketani	
Directors	Yorinobu Kato	Koichiro Nakano
	Satoshi Hattori	Hiroyuki Tanada
Outside Directors	Moriyasu Kawamura	Makoto Fukuda
Standing Corporate Auditors	Toshihide Kurokawa	Akihiko Sugaya
Corporate Auditors	Shunichi Sato	Kohei Yamaya

Main Affiliated Financial Institutions

The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mitsubishi UFJ Trust and Banking Corporation
Mizuho Bank, Ltd.	The Shoko Chukin Bank, Ltd.
The Yamanashi Chuo Bank, Ltd.	

Major Shareholders

Oshima Scholarship Foundation	Kanto Kogyo Co., Ltd.
Yoshikazu Oshima	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Nakano Investment Fraternity Association	Japan Trustee Services Bank, Ltd.(Trust Account)
Nakano Employee Shareholder Association	

Domestic Offices

Headquarters	Tokyo Main Office
Tohoku Regional Office	Nagoya Regional Office
Osaka Regional Office	Kyushu Regional Office
Civil Engineering Office	Taito Branch Office
Hokkaido Branch Office	Kita Tohoku Branch Office
Ibaraki Branch Office	Kita Kanto Branch Office
Higashi Kanto Branch Office	Yokohama Branch Office
Sales Offices (Mie, Hyogo, Kita Kyushu)	

International Offices

Nakano Singapore (Pte.) Ltd. (Singapore)	Nakano Construction Sdn. Bhd. (Malaysia)
PT. Indonakano (Indonesia)	Thai Nakano Co., Ltd. (Thailand)
Nakano Vietnam Co., Ltd. (Vietnam)	

Industry Affiliations

Japan Federation of Construction Contractors	National General Contractors Association of Japan
The Associated General Contractors of Tokyo	Japan Association of Representative General Contractors
General Contractors Association of Osaka	



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