

Appendix to the Financial Statements

FY2016 Ended March 2017

May 10, 2017



OBAYASHI CORPORATION

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Disclaimer: This "Appendix to the Financial Statements", English version of the Japanese "Kessan Setsumei Shiryo" disclosed at the Tokyo Stock Exchange on May 10, 2017 was presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Setsumei Shiryo" and this document, Japanese "Kessan Setsumei Shiryo" will prevail. This document includes forward-looking statements based on the information available at the time of the release of Japanese "Kessan Setsumei Shiryo". Due to various factors, the actual results may vary from the forward-looking statements contained herein. Obayashi Corporation (non-consolidated) is called the "Company" hereinafter.

1 Summary information (Consolidated · Non-consolidated)

(Rounded down to the nearest million yen)

(1) Summary of Full Year Results for FY2016 ended March 2017 (April 1, 2016 - March 31, 2017)

① Consolidated Business Results

(% shows the increase (decrease) from the results of the same period of the previous FY.)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%
FY2016 (full year)	1,872,721	5.3	133,742	25.7	140,106	26.0	94,501	49.0
FY2015 (full year)	1,777,834	0.2	106,380	119.8	111,208	85.6	63,437	121.1

(Note) Comprehensive income : [FY2016] 99,307 million yen, 366.0% ; [FY2015] 21,310 million yen, (81.1)%

	Net Income per Share	Net Income Shareholders' Equity Ratio	Ordinary Income-Total Assets Ratio	Operating Income-Net Sales Ratio
	(Unit: yen)	%	%	%
FY2016 (full year)	131.66	17.0	7.1	7.1
FY2015 (full year)	88.36	12.4	5.6	6.0

(Fore reference) Share of profit (loss) of entities accounted for using equity method : [FY2016] 425 million yen ; [FY2015] 326 million yen

② Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(Unit: million yen)	(Unit: million yen)	%	(Unit: yen)
At March 31, 2017	2,015,996	644,076	29.5	827.77
At March 31, 2016	1,951,907	561,658	26.4	719.01

(For reference) Equity (net assets less non-controlling interests) : [FY2016] 594,160 million yen ; [FY2015] 516,098 million yen

③ Consolidated Cash Flows

	From operating activities	From investment activities	From financing activities	Cash and cash equivalents at FY end
	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)	(Unit: million yen)
FY2016 (full year)	158,892	(37,884)	(89,165)	194,195
FY2015 (full year)	124,980	(48,029)	(68,967)	164,802

(2) Consolidated Forecast for FY2017 ending March 2018 (April 1, 2017 - March 31, 2018)

(% shows the changes from the previous FY results for "Full Year" and from the previous 2Q results (cumulative) for "Half Year" respectively.)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Profit attributable to owners of parent per Share
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: yen)
Half Year	925,000	7.7	60,000	1.4	63,000	4.9	43,000	3.4	59.91
Full Year	1,915,000	2.3	134,500	0.6	140,000	(0.1)	95,000	0.5	132.35

(3) Summary of Non-consolidated Full Year Results for FY2016 Ended March 2017 (April 1, 2016 - March 31, 2017)

① Non-consolidated Business Results

(% shows the increase (decrease) from the results of the same period of the previous FY.)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: yen)
FY2016 (full year)	1,304,065	5.6	108,221	41.7	116,530	40.7	84,145	65.9	117.23
FY2015 (full year)	1,235,098	(2.0)	76,351	302.7	82,816	165.9	50,729	292.5	70.66

② Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(Unit: million yen)	(Unit: million yen)	%	(Unit: yen)
At March 31, 2017	1,504,594	492,354	32.7	685.94
At March 31, 2016	1,441,241	424,138	29.4	590.89

(Reference) Equity (net assets less non-controlling interests) : [FY2016] 492,354 million yen ; [FY2015] 424,138 million yen

(4) Non-consolidated Forecast for FY2017 ending March 2018 (April 1, 2017 - March 31, 2018)

(% shows the changes from the previous FY results for "Full Year" and from the previous 2Q results (cumulative) for "Half Year" respectively.)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: yen)
Half Year	641,000	4.1	48,000	2.2	52,000	4.9	37,000	(3.7)	51.55
Full Year	1,325,000	1.6	107,000	(1.1)	115,000	(1.3)	82,000	(2.5)	114.24

(5) Dividends

	Dividend per Share (Unit : yen)					Total dividends paid (full year) (Unit: million yen)	Dividends Payout Ratio (Consolidated)	Dividends-Net Assets Ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
FY2015 ended Mar. 2016	—	5.00	—	13.00	18.00	12,925	20.4	2.5
FY2016 ended Mar. 2017	—	9.00	—	19.00	28.00	20,105	21.3	3.6
FY2017 ended Mar. 2018 (Forecast)	—	14.00	—	14.00	28.00		21.2	

2 Financial highlights (Consolidated · Non-consolidated)

(1) FY2016 results (in comparison with FY2015 results)

(Unit: 100 million yen)

	Consolidated						Non-consolidated					
	Result-FY2015 April 1, 2015 - March 31, 2016		Result-FY2016 April 1, 2016 - March 31, 2017		Variance	Variance rate (%)	Result-FY2015 April 1, 2015 - March 31, 2016		Result-FY2016 April 1, 2016 - March 31, 2017		Variance	Variance rate (%)
Net sales of completed construction contracts	%	16,957	%	18,025	1,067	6.3	%	12,063	%	12,858	795	6.6
┌ Building Construction		—		—	—	—		9,084		9,915	830	9.1
└ Civil Engineering		—		—	—	—		2,979		2,943	(35)	(1.2)
Gross profit on completed construction contracts	10.1	1,711	11.4	2,058	346	20.2	10.8	1,307	13.0	1,667	359	27.5
┌ Building Construction		—		—	—	—	9.4	856	12.0	1,194	338	39.5
└ Civil Engineering		—		—	—	—	15.1	451	16.1	472	21	4.8
Net sales of real estate business and other		820		701	(118)	(14.5)		287		181	(105)	(36.7)
Gross profit on real estate business and other	26.7	218	27.2	191	(27)	(12.7)	22.1	63	28.3	51	(12)	(19.1)
Net sales		17,778		18,727	948	5.3		12,350		13,040	689	5.6
Gross profit	10.9	1,930	12.0	2,249	318	16.5	11.1	1,371	13.2	1,718	347	25.4
Selling, general and administrative expenses	4.9	866	4.9	911	45	5.2	4.9	607	4.9	636	29	4.8
(Personnel expenses)		489		522	32			334		351	16	
(Others)		377		389	12			272		285	12	
Operating Income	6.0	1,063	7.1	1,337	273	25.7	6.2	763	8.3	1,082	318	41.7
Non-operating income		100		96	(3)	(3.9)		108		107	(0)	(0.8)
Non-operating expenses		52		33	(19)	(36.7)		43		24	(19)	(44.4)
(interests received/paid and dividend income - net)		64		64	(0)			88		89	0	
Ordinary income	6.3	1,112	7.5	1,401	288	26.0	6.7	828	8.9	1,165	337	40.7
Extraordinary income		45		39	(6)	(13.6)		34		97	62	179.4
Extraordinary loss		85		10	(74)	(87.4)		79		50	(29)	(36.8)
Income before income taxes	6.0	1,072	7.6	1,429	357	33.3	6.3	783	9.3	1,212	429	54.8
Total income taxes		374		424	49	13.3		276		371	95	34.4
Profit		697		1,005	307	44.1		—		—	—	—
Profit attributable to non-controlling interests (deduction)		63		60	(3)	(4.9)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	3.6	634	5.0	945	310	49.0	4.1	507	6.5	841	334	65.9

Orders received

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-FY2015 April 1, 2015 - March 31, 2016		Result-FY2016 April 1, 2016 - March 31, 2017		Variance	Variance rate (%)	Result-FY2015 April 1, 2015 - March 31, 2016		Result-FY2016 April 1, 2016 - March 31, 2017		Variance	Variance rate (%)
Building Construction	13,967		16,137		2,170	15.5	10,696		10,526		(170)	(1.6)
(Domestic)	10,763		10,588		(175)	(1.6)	10,525		10,481		(44)	(0.4)
(Overseas)	3,203		5,549		2,345	73.2	171		45		(125)	(73.3)
Civil Engineering	4,653		4,387		(266)	(5.7)	3,305		2,957		(348)	(10.6)
(Domestic)	3,745		3,659		(85)	(2.3)	2,886		2,752		(134)	(4.6)
(Overseas)	908		727		(181)	(20.0)	419		204		(214)	(51.2)
Construction Total	18,621		20,525		1,903	10.2	14,002		13,483		(518)	(3.7)
(Domestic)	14,508		14,248		(260)	(1.8)	13,412		13,233		(178)	(1.3)
(Overseas)	4,112		6,276		2,164	52.6	590		250		(340)	(57.6)
Real Estate Business and Other	898		927		29	3.3	286		181		(104)	(36.6)
Total orders received	19,519		21,452		1,933	9.9	14,289		13,665		(623)	(4.4)

Interest-bearing debt balances

(Unit: 100 million yen)

	Consolidated				Non-consolidated			
	March 31, 2016	March 31, 2017	Variance	Variance rate (%)	March 31, 2016	March 31, 2017	Variance	Variance rate (%)
Interest-bearing debt (except nonrecourse loans)	2,664	2,003	(661)	(24.8)	1,921	1,439	(482)	(25.1)
Nonrecourse loans	798	730	(68)	(8.6)	—	—	—	—
Interest-bearing debt total	3,463	2,733	(729)	(21.1)	1,921	1,439	(482)	(25.1)

(2) FY2016 results (in comparison with the latest forecast announced on February 14)

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Forecast announced on February 14		Result-FY2016 April 1, 2016 - March 31, 2017		Variance	Variance rate (%)	Forecast announced on February 14		Result-FY2016 April 1, 2016 - March 31, 2017		Variance	Variance rate (%)
Net sales of completed construction contracts	%	17,950	%	18,025			75	0.4	%	13,200		
┌ Building Construction		—		—	—	—		10,150		9,915	(234)	(2.3)
└ Civil Engineering		—		—	—	—		3,050		2,943	(106)	(3.5)
Gross profit on completed construction contracts	10.3	1,840	11.4	2,058	218	11.9	11.1	1,470	13.0	1,667	197	13.4
┌ Building Construction		—		—	—	—	10.7	1,085	12.0	1,194	109	10.1
└ Civil Engineering		—		—	—	—	12.6	385	16.1	472	87	22.8
Net sales of real estate business and other		700		701	1	0.3		150		181	31	21.2
Gross profit on real estate business and other	28.6	200	27.2	191	(8)	(4.4)	40.0	60	28.3	51	(8)	(14.4)
Net sales		18,650		18,727	77	0.4		13,350		13,040	(309)	(2.3)
Gross profit	10.9	2,040	12.0	2,249	209	10.3	11.5	1,530	13.2	1,718	188	12.3
Selling, general and administrative expenses	4.8	900	4.9	911	11	1.3	4.8	640	4.9	636	(3)	(0.5)
(Personnel expenses)		510		522	12			350		351	1	
(Others)		390		389	(0)			290		285	(4)	
Operating Income	6.1	1,140	7.1	1,337	197	17.3	6.7	890	8.3	1,082	192	21.6
Non-operating income		90		96	6	7.7		105		107	2	2.2
Non-operating expenses		50		33	(16)	(33.4)		35		24	(10)	(30.8)
(interests received/paid and dividend income - net)		60		64	4			87		89	2	
Ordinary income	6.3	1,180	7.5	1,401	221	18.7	7.2	960	8.9	1,165	205	21.4
Extraordinary income		35		39	4	13.2		95		97	2	2.8
Extraordinary loss		—		10	10	—		25		50	25	101.3
Income before income taxes	6.5	1,215	7.6	1,429	214	17.7	7.7	1,030	9.3	1,212	182	17.7
Total income taxes		360		424	64	18.0		310		371	61	19.8
Profit		855		1,005	150	17.6		—		—	—	—
Profit attributable to non-controlling interests (deduction)		55		60	5	9.3		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	4.3	800	5.0	945	145	18.1	5.4	720	6.5	841	121	16.9

Orders received

(Unit: 100 million yen)

	Consolidated				Non-consolidated			
	Forecast announced on February 14		Result-FY2016 April 1, 2016 - March 31, 2017		Forecast announced on February 14		Result-FY2016 April 1, 2016 - March 31, 2017	
Building Construction	15,500		16,137		10,000		10,526	
(Domestic)	10,200		10,588		10,000		10,481	
(Overseas)	5,300		5,549		—		45	
Civil Engineering	4,200		4,387		2,850		2,957	
(Domestic)	3,500		3,659		2,650		2,752	
(Overseas)	700		727		200		204	
Construction Total	19,700		20,525		12,850		13,483	
(Domestic)	13,700		14,248		12,650		13,233	
(Overseas)	6,000		6,276		200		250	
Real Estate Business and Other	900		927		150		181	
Total orders received	20,600		21,452		13,000		13,665	

Interest-bearing debt balances

(Unit: 100 million yen)

	Consolidated				Non-consolidated			
	Forecast announced on February 14		March 31, 2017		Forecast announced on February 14		March 31, 2017	
Interest-bearing debt (except nonrecourse loans)	2,400		2,003		1,600		1,439	
Nonrecourse loans	800		730		—		—	
Interest-bearing debt total	3,200		2,733		1,600		1,439	

(3) Forecasts for FY2017 (in comparison with FY2016 results)

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
		Result-FY2016 April 1, 2016 - March 31, 2017	Forecast-FY2017 April 1, 2017 - March 31, 2018	Variance	Variance rate (%)	Result-FY2016 April 1, 2016 - March 31, 2017	Forecast-FY2017 April 1, 2017 - March 31, 2018	Variance	Variance rate (%)			
Net sales of completed construction contracts	%	18,025	%	18,320	294	1.6	12,858	%	13,050	191	1.5	
Building Construction		—		—	—	—	9,915		9,950	34	0.4	
Civil Engineering		—		—	—	—	2,943		3,100	156	5.3	
Gross profit on completed construction contracts	11.4	2,058	11.2	2,060	1	0.1	13.0	1,667	12.8	1,675	7	0.5
Building Construction		—		—	—	—	12.0	1,194	12.4	1,230	35	3.0
Civil Engineering		—		—	—	—	16.1	472	14.4	445	(27)	(5.9)
Net sales of real estate business and other		701		830	128	18.2		181		200	18	10.0
Gross profit on real estate business and other	27.2	191	26.5	220	28	15.1	28.3	51	25.0	50	(1)	(2.7)
Net sales		18,727		19,150	422	2.3		13,040		13,250	209	1.6
Gross profit	12.0	2,249	11.9	2,280	30	1.4	13.2	1,718	13.0	1,725	6	0.4
Selling, general and administrative expenses	4.9	911	4.9	935	23	2.5	4.9	636	4.9	655	18	2.9
(Personnel expenses)		522		535	12			351		365	13	
(Others)		389		400	10			285		290	4	
Operating Income	7.1	1,337	7.0	1,345	7	0.6	8.3	1,082	8.1	1,070	(12)	(1.1)
Non-operating income		96		90	(6)	(7.2)		107		100	(7)	(6.8)
Non-operating expenses		33		35	1	5.1		24		20	(4)	(17.4)
(interests received/paid and dividend income - net)		64		55	(9)			89		83	(6)	
Ordinary income	7.5	1,401	7.3	1,400	(1)	(0.1)	8.9	1,165	8.7	1,150	(15)	(1.3)
Extraordinary income		39		40	0	1.0		97		30	(67)	(69.3)
Extraordinary loss		10		—	(10)	(100.0)		50		—	(50)	(100.0)
Income before income taxes	7.6	1,429	7.5	1,440	10	0.7	9.3	1,212	8.9	1,180	(32)	(2.7)
Total income taxes		424		440	15	3.6		371		360	(11)	(3.0)
Profit		1,005		1,000	(5)	(0.5)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		60		50	(10)	(16.9)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.0	945	5.0	950	4	0.5	6.5	841	6.2	820	(21)	(2.5)

Note: This overview of forecasts was prepared for reference purpose only and was prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin". Due to various factors, the actual results may vary from the forecasts.

Orders received

(Unit: 100 million yen)

	Consolidated					Non-consolidated					
		Result-FY2016 April 1, 2016 - March 31, 2017	Forecast-FY2017 April 1, 2017 - March 31, 2018	Variance	Variance rate (%)	Result-FY2016 April 1, 2016 - March 31, 2017	Forecast-FY2017 April 1, 2017 - March 31, 2018	Variance	Variance rate (%)		
Building Construction		16,137		13,600	(2,537)	(15.7)	10,526		9,900	(626)	(6.0)
(Domestic)		10,588		10,300	(288)	(2.7)	10,481		9,900	(581)	(5.5)
(Overseas)		5,549		3,300	(2,249)	(40.5)	45		—	(45)	(100.0)
Civil Engineering		4,387		4,200	(187)	(4.3)	2,957		2,900	(57)	(1.9)
(Domestic)		3,659		3,300	(359)	(9.8)	2,752		2,500	(252)	(9.2)
(Overseas)		727		900	172	23.8	204		400	195	95.5
Construction Total		20,525		17,800	(2,725)	(13.3)	13,483		12,800	(683)	(5.1)
(Domestic)		14,248		13,600	(648)	(4.5)	13,233		12,400	(833)	(6.3)
(Overseas)		6,276		4,200	(2,076)	(33.1)	250		400	149	59.8
Real Estate Business and Other		927		800	(127)	(13.7)	181		200	18	10.0
Total orders received		21,452		18,600	(2,852)	(13.3)	13,665		13,000	(665)	(4.9)

Note: This overview of forecasts was prepared for reference purpose only and was prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin". Due to various factors, the actual results may vary from the forecasts.

Interest-bearing debt balances

(Unit: 100 million yen)

	Consolidated				Non-consolidated			
	March 31, 2017	Forecast-FY2017 March 31, 2018	Variance	Variance rate (%)	March 31, 2017	Forecast-FY2017 March 31, 2018	Variance	Variance rate (%)
Interest-bearing debt (except nonrecourse loans)	2,003	1,800	(203)	(10.2)	1,439	1,400	(39)	(2.7)
Nonrecourse loans	730	900	169	23.2	—	—	—	—
Interest-bearing debt total	2,733	2,700	(33)	(1.2)	1,439	1,400	(39)	(2.7)

Note: This overview of forecasts was prepared for reference purpose only and was prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin". Due to various factors, the actual results may vary from the forecasts.

(4) Forecasts for 2Q (Cumulative) of FY2017 (in comparison with 2Q/FY2016 results)

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-2Q/FY2016 April 1, 2016 - September 30, 2016		2Q/FY2017 April 1, 2017 - September 30, 2017		Variance	Variance rate (%)	Result-2Q/FY2016 April 1, 2016 - September 30, 2016		2Q/FY2017 April 1, 2017 - September 30, 2017		Variance	Variance rate (%)
Net sales of completed construction contracts	%	8,263	%	8,900	636	7.7	%	6,091	%	6,340	248	4.1
Building Construction		—		—	—	—		4,704		4,790	85	1.8
Civil Engineering		—		—	—	—		1,386		1,550	163	11.8
Gross profit on completed construction contracts	11.1	920	10.8	960	39	4.3	12.4	754	12.4	785	30	4.1
Building Construction		—		—	—	—	11.5	542	11.7	560	17	3.3
Civil Engineering		—		—	—	—	15.3	212	14.5	225	12	6.1
Net sales of real estate business and other		326		350	23	7.1		64		70	5	7.8
Gross profit on real estate business and other	30.4	99	28.6	100	0	0.6	32.7	21	28.6	20	(1)	(5.9)
Net sales		8,589		9,250	660	7.7		6,156		6,410	253	4.1
Gross profit	11.9	1,019	11.5	1,060	40	3.9	12.6	775	12.6	805	29	3.8
Selling, general and administrative expenses	5.0	428	5.0	460	31	7.4	5.0	305	5.1	325	19	6.3
(Personnel expenses)		252		265	12			176		185	8	
(Others)		176		195	18			128		140	11	
Operating Income	6.9	591	6.5	600	8	1.4	7.6	469	7.5	480	10	2.2
Non-operating income		50		45	(5)	(10.4)		60		50	(10)	(16.9)
Non-operating expenses		41		15	(26)	(63.8)		33		10	(23)	(70.4)
(interests received/paid and dividend income - net)		33		30	(3)			50		42	(8)	
Ordinary income	7.0	600	6.8	630	29	4.9	8.1	495	8.1	520	24	4.9
Extraordinary income		15		20	4	27.9		75		15	(60)	(80.1)
Extraordinary loss		2		—	(2)	(100.0)		25		—	(25)	(100.0)
Income before income taxes	7.1	613	7.0	650	36	5.9	8.9	545	8.3	535	(10)	(2.0)
Total income taxes		175		200	24	13.7		161		165	3	2.0
Profit		437		450	12	2.7		—		—	—	—
Profit attributable to non-controlling interests (deduction)		22		20	(2)	(10.1)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	4.8	415	4.6	430	14	3.4	6.2	384	5.8	370	(14)	(3.7)

Note: This overview of forecasts was prepared for reference purpose only and was prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin". Due to various factors, the actual results may vary from the forecasts.

Orders received

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-2Q/FY2016 April 1, 2016 - September 30, 2016		2Q/FY2017 April 1, 2017 - September 30, 2017		Variance	Variance rate (%)	Result-2Q/FY2016 April 1, 2016 - September 30, 2016		2Q/FY2017 April 1, 2017 - September 30, 2017		Variance	Variance rate (%)
Building Construction		6,309		7,600	1,290	20.5		4,289		5,700	1,410	32.9
(Domestic)		4,366		5,800	1,433	32.8		4,258		5,700	1,441	33.8
(Overseas)		1,942		1,800	(142)	(7.3)		30		—	(30)	(100.0)
Civil Engineering		2,141		2,300	158	7.4		1,378		1,600	221	16.1
(Domestic)		1,751		1,800	48	2.7		1,252		1,350	97	7.8
(Overseas)		389		500	110	28.2		126		250	123	98.1
Construction Total		8,451		9,900	1,448	17.1		5,668		7,300	1,631	28.8
(Domestic)		6,118		7,600	1,481	24.2		5,510		7,050	1,539	27.9
(Overseas)		2,332		2,300	(32)	(1.4)		157		250	92	59.2
Real Estate Business and Other		462		300	(162)	(35.2)		64		100	35	53.9
Total orders received		8,913		10,200	1,286	14.4		5,733		7,400	1,666	29.1

Note: This overview of forecasts was prepared for reference purpose only and was prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin". Due to various factors, the actual results may vary from the forecasts.

3 Results and forecasts for net sales, operating income and gross profit (Consolidated • Non-consolidated)

(1) FY2016 results (in comparison with FY2015 results)

【Consolidated】

(Unit: million yen)

	Consolidated Net Sales				Consolidated Operating Income					
	FY2015 Full Year Result April 1, 2015 - March 31, 2016 (A)	FY2016 Full Year Result April 1, 2016 - March 31, 2017 (B)	Variance (B) - (A)	Variance rate (%)	FY2015 Full Year Result April 1, 2015 - March 31, 2016 (C)		FY2016 Full Year Result April 1, 2016 - March 31, 2017 (D)		Variance (D) - (C)	Variance rate (%)
					% Gross Profit		% Gross Profit			
Building Construction										
Domestic	932,997	1,020,378	87,381	9.4	5.5	51,697	8.1	82,633	30,936	59.8
Overseas	337,956	367,980	30,023	8.9	0.8	2,624	1.3	4,880	2,256	86.0
Sub-total	1,270,954	1,388,358	117,404	9.2	4.3	54,321	6.3	87,514	33,192	61.1
Civil Engineering										
Domestic	353,909	332,374	(21,534)	(6.1)	10.4	36,860	12.0	40,033	3,173	8.6
Overseas	70,889	81,792	10,902	15.4	3.8	2,664	(3.9)	(3,182)	(5,847)	—
Sub-total	424,798	414,166	(10,631)	(2.5)	9.3	39,525	8.9	36,851	(2,674)	(6.8)
Construction Total										
Domestic	1,286,906	1,352,753	65,846	5.1	6.9	88,557	9.1	122,667	34,109	38.5
Overseas	408,846	449,772	40,926	10.0	1.3	5,289	0.4	1,698	(3,591)	(67.9)
Sub-total	1,695,752	1,802,525	106,772	6.3	5.5	93,847	6.9	124,365	30,518	32.5
Real Estate Business and Other										
Real Estate Business	47,020	38,795	(8,224)	(17.5)	22.2	10,452	18.5	7,180	(3,271)	(31.3)
Other	35,061	31,400	(3,660)	(10.4)	5.9	2,081	7.0	2,196	115	5.5
Sub-total	82,081	70,195	(11,885)	(14.5)	15.3	12,533	13.4	9,377	(3,156)	(25.2)
Total	1,777,834	1,872,721	94,887	5.3	6.0	106,380	7.1	133,742	27,361	25.7

Note: Above were the forecasts related to segment information. Consolidated net sales and consolidated operating income show the amount of net sales for external customers and operating income on net sales for external customers respectively.

【Non-consolidated】

(Unit: million yen)

	Net Sales				Gross Profit					
	FY2015 Full Year Result April 1, 2015 - March 31, 2016 (A)	FY2016 Full Year Result April 1, 2016 - March 31, 2017 (B)	Variance (B) - (A)	Variance rate (%)	FY2015 Full Year Result April 1, 2015 - March 31, 2016 (C)		FY2016 Full Year Result April 1, 2016 - March 31, 2017 (D)		Variance (D) - (C)	Variance rate (%)
					% Gross Profit		% Gross Profit			
Building Construction										
Domestic	892,295	977,417	85,121	9.5	9.6	85,725	12.2	119,665	33,939	39.6
Overseas	16,172	14,110	(2,062)	(12.8)	(0.5)	(74)	(1.5)	(209)	(135)	—
Sub-total	908,468	991,527	83,059	9.1	9.4	85,651	12.0	119,455	33,804	39.5
Civil Engineering										
Domestic	268,110	259,157	(8,953)	(3.3)	14.9	39,849	18.0	46,579	6,729	16.9
Overseas	29,796	35,201	5,404	18.1	17.6	5,251	2.0	706	(4,544)	(86.5)
Sub-total	297,907	294,358	(3,548)	(1.2)	15.1	45,101	16.1	47,285	2,184	4.8
Construction Total										
Domestic	1,160,406	1,236,575	76,168	6.6	10.8	125,575	13.4	166,244	40,668	32.4
Overseas	45,968	49,311	3,342	7.3	11.3	5,177	1.0	497	(4,679)	(90.4)
Sub-total	1,206,375	1,285,886	79,511	6.6	10.8	130,752	13.0	166,741	35,989	27.5
Real Estate Business and Other										
Real Estate Business	28,723	18,179	(10,543)	(36.7)	22.1	6,350	28.3	5,136	(1,214)	(19.1)
Sub-total	28,723	18,179	(10,543)	(36.7)	11.1	6,350	28.3	5,136	(1,214)	(19.1)
Total	1,235,098	1,304,065	68,967	5.6	11.1	137,103	13.2	171,878	34,774	25.4

(2) Forecasts for FY2017 (in comparison with FY2016 results)

【Consolidated】

(Unit: million yen)

	Consolidated Net Sales				Consolidated Operating Income					
	FY2016 Full Year	FY2017 Full Year	Variance	Variance rate (%)	FY2016 Full Year	FY2017 Full Year	Variance	Variance rate (%)	Variance	Variance rate (%)
	Result April 1, 2016 March 31, 2017 (A)	Forecast April 1, 2017 March 31, 2018 (B)			Result April 1, 2016 March 31, 2017 (C)	Forecast April 1, 2017 March 31, 2018 (D)				
Building Construction					% Gross Profit		% Gross Profit			
Domestic	1,020,378	1,005,000	(15,378)	(1.5)	8.1	82,633	8.4	84,000	1,366	1.7
Overseas	367,980	380,000	12,019	3.3	1.3	4,880	1.2	4,500	(380)	(7.8)
Sub-total	1,388,358	1,385,000	(3,358)	(0.2)	6.3	87,514	6.4	88,500	985	1.1
Civil Engineering										
Domestic	332,374	360,000	27,625	8.3	12.0	40,033	9.0	32,500	(7,533)	(18.8)
Overseas	81,792	87,000	5,207	6.4	(3.9)	(3,182)	1.7	1,500	4,682	—
Sub-total	414,166	447,000	32,833	7.9	8.9	36,851	7.6	34,000	(2,851)	(7.7)
Construction Total										
Domestic	1,352,753	1,365,000	12,246	0.9	9.1	122,667	8.5	116,500	(6,167)	(5.0)
Overseas	449,772	467,000	17,227	3.8	0.4	1,698	1.3	6,000	4,301	253.3
Sub-total	1,802,525	1,832,000	29,474	1.6	6.9	124,365	6.7	122,500	(1,865)	(1.5)
Real Estate Business and Other										
Real Estate Business	38,795	—	—	—	18.5	7,180	—	—	—	—
Other	31,400	—	—	—	7.0	2,196	—	—	—	—
Sub-total	70,195	83,000	12,804	18.2	13.4	9,377	14.5	12,000	2,622	28.0
Total	1,872,721	1,915,000	42,278	2.3	7.1	133,742	7.0	134,500	757	0.6

Note: Above were the forecasts related to segment information. Consolidated net sales and consolidated operating income show the amount of net sales for external customers and operating income on net sales for external customers respectively.
The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Setsumei Shiryō".
Due to various factors, the actual results may vary from the forecasts.

【Non-consolidated】

(Unit: million yen)

	Net Sales				Gross Profit					
	FY2016 Full Year	FY2017 Full Year	Variance	Variance rate (%)	FY2016 Full Year	FY2017 Full Year	Variance	Variance rate (%)	Variance	Variance rate (%)
	Result April 1, 2016 March 31, 2017 (A)	Forecast April 1, 2017 March 31, 2018 (B)			Result April 1, 2016 March 31, 2017 (C)	Forecast April 1, 2017 March 31, 2018 (D)				
Building Construction					% Gross Profit		% Gross Profit			
Domestic	977,417	980,000	2,582	0.3	12.2	119,665	12.6	123,000	3,334	2.8
Overseas	14,110	15,000	889	6.3	(1.5)	(209)	—	—	209	—
Sub-total	991,527	995,000	3,472	0.4	12.0	119,455	12.4	123,000	3,544	3.0
Civil Engineering										
Domestic	259,157	270,000	10,842	4.2	18.0	46,579	15.2	41,000	(5,579)	(12.0)
Overseas	35,201	40,000	4,798	13.6	2.0	706	8.8	3,500	2,793	395.2
Sub-total	294,358	310,000	15,641	5.3	16.1	47,285	14.4	44,500	(2,785)	(5.9)
Construction Total										
Domestic	1,236,575	1,250,000	13,424	1.1	13.4	166,244	13.1	164,000	(2,244)	(1.3)
Overseas	49,311	55,000	5,688	11.5	1.0	497	6.4	3,500	3,002	603.6
Sub-total	1,285,886	1,305,000	19,113	1.5	13.0	166,741	12.8	167,500	758	0.5
Real Estate Business and Other										
Real Estate Business	18,179	20,000	1,820	10.0	28.3	5,136	25.0	5,000	(136)	(2.7)
Sub-total	1,304,065	1,325,000	20,934	1.6	13.2	171,878	13.0	172,500	621	0.4

Note: The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Setsumei Shiryō".
Due to various factors, the actual results may vary from the forecasts.

(3) Forecasts for 2Q (Cumulative) of FY2017 (in comparison with 2Q/FY2016 results)

【Consolidated】

(Unit: million yen)

	Consolidated Net Sales				Consolidated Operating Income					
	2Q / FY2016	2Q / FY2017	Variance	Variance rate (%)	2Q / FY2016	2Q / FY2017	Variance	Variance rate (%)	Variance	Variance rate (%)
	Result	Forecast			Result	Forecast				
	April 1, 2016 September 30, 2016	April 1, 2017 September 30, 2017	April 1, 2016 September 30, 2016	April 1, 2017 September 30, 2017	April 1, 2016 September 30, 2016	April 1, 2017 September 30, 2017	April 1, 2016 September 30, 2016	April 1, 2017 September 30, 2017		
(A)	(B)	(B) - (A)	(C)	(D)	(D) - (C)					
Building Construction										
Domestic	481,380	482,000	619	0.1	7.6	36,404	7.5	36,000	(404)	(1.1)
Overseas	157,707	194,000	36,292	23.0	1.6	2,597	1.0	2,000	(597)	(23.0)
Sub-total	639,087	676,000	36,912	5.8	6.1	39,002	5.6	38,000	(1,002)	(2.6)
Civil Engineering										
Domestic	153,505	177,000	23,494	15.3	10.6	16,235	9.0	16,000	(235)	(1.5)
Overseas	33,713	37,000	3,286	9.7	(4.2)	(1,402)	1.4	500	1,902	—
Sub-total	187,219	214,000	26,780	14.3	7.9	14,833	7.7	16,500	1,666	11.2
Construction Total										
Domestic	634,886	659,000	24,113	3.8	8.3	52,640	7.9	52,000	(640)	(1.2)
Overseas	191,421	231,000	39,578	20.7	0.6	1,194	1.1	2,500	1,305	109.2
Sub-total	826,307	890,000	63,692	7.7	6.5	53,835	6.1	54,500	664	1.2
Real Estate Business and Other										
Real Estate Business	18,252	—	—	—	23.2	4,226	—	—	—	—
Other	14,436	—	—	—	7.5	1,085	—	—	—	—
Sub-total	32,688	35,000	2,311	7.1	16.3	5,312	15.7	5,500	187	3.5
Total	858,996	925,000	66,003	7.7	6.9	59,148	6.5	60,000	851	1.4

Note: Above were the forecasts related to segment information. Consolidated net sales and consolidated operating income show the amount of net sales for external customers and operating income on net sales for external customers respectively.
The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Setsumei Shiryō".
Due to various factors, the actual results may vary from the forecasts.

【Non-consolidated】

(Unit: million yen)

	Net Sales				Gross Profit					
	2Q / FY2016	2Q / FY2017	Variance	Variance rate (%)	2Q / FY2016	2Q / FY2017	Variance	Variance rate (%)	Variance	Variance rate (%)
	Result	Forecast			Result	Forecast				
	April 1, 2016 September 30, 2016	April 1, 2017 September 30, 2017	April 1, 2016 September 30, 2016	April 1, 2017 September 30, 2017	April 1, 2016 September 30, 2016	April 1, 2017 September 30, 2017	April 1, 2016 September 30, 2016	April 1, 2017 September 30, 2017		
(A)	(B)	(B) - (A)	(C)	(D)	(D) - (C)					
Building Construction										
Domestic	464,081	470,000	5,918	1.3	11.7	54,459	11.9	56,000	1,540	2.8
Overseas	6,400	9,000	2,599	40.6	(4.0)	(257)	—	—	257	—
Sub-total	470,482	479,000	8,517	1.8	11.5	54,201	11.7	56,000	1,798	3.3
Civil Engineering										
Domestic	122,700	137,000	14,299	11.7	16.7	20,472	15.3	21,000	527	2.6
Overseas	15,933	18,000	2,066	13.0	4.6	737	8.3	1,500	762	103.3
Sub-total	138,634	155,000	16,365	11.8	15.3	21,210	14.5	22,500	1,289	6.1
Construction Total										
Domestic	586,782	607,000	20,217	3.4	12.8	74,931	12.7	77,000	2,068	2.8
Overseas	22,334	27,000	4,665	20.9	2.1	479	5.6	1,500	1,020	212.5
Sub-total	609,117	634,000	24,882	4.1	12.4	75,411	12.4	78,500	3,088	4.1
Real Estate Business and Other										
Real Estate Business and Other	6,493	7,000	506	7.8	32.7	2,124	28.6	2,000	(124)	(5.9)
Total	615,610	641,000	25,389	4.1	12.6	77,536	12.6	80,500	2,963	3.8

Note: The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Setsumei Shiryō".
Due to various factors, the actual results may vary from the forecasts.

4 Non-consolidated orders received, net sales and carried-forward

(1) Breakdown of non-consolidated orders received

(Unit: million yen)

	FY2015 April 1, 2015 - March 31, 2016		FY2016 April 1, 2016 - March 31, 2017		Variance	
		%		%		% variance
Building Construction						
Domestic Public	143,717	10.1	110,868	8.1	(32,848)	(22.9)
Domestic Private	908,842	63.6	937,239	68.6	28,396	3.1
Domestic total	1,052,559	73.7	1,048,108	76.7	(4,451)	(0.4)
Overseas total	17,137	1.2	4,569	0.3	(12,568)	(73.3)
Sub-total	1,069,697	74.9	1,052,677	77.0	(17,020)	(1.6)
Civil Engineering						
Domestic Public	157,467	11.0	162,455	11.9	4,987	3.2
Domestic Private	131,182	9.2	112,793	8.3	(18,388)	(14.0)
Domestic total	288,650	20.2	275,248	20.2	(13,401)	(4.6)
Overseas total	41,933	2.9	20,456	1.5	(21,477)	(51.2)
Sub-total	330,584	23.1	295,705	21.7	(34,878)	(10.6)
Construction Total						
Domestic Public	301,185	21.1	273,323	20.0	(27,861)	(9.3)
Domestic Private	1,040,024	72.8	1,050,033	76.9	10,008	1.0
Domestic total	1,341,210	93.9	1,323,357	96.9	(17,853)	(1.3)
Overseas total	59,071	4.1	25,025	1.8	(34,045)	(57.6)
Sub-total	1,400,281	98.0	1,348,382	98.7	(51,898)	(3.7)
Real Estate Business and Other	28,673	2.0	18,179	1.3	(10,493)	(36.6)
Total	1,428,954	100	1,366,562	100	(62,392)	(4.4)

(2) Breakdown of non-consolidated net sales

(Unit: million yen)

	FY2015 April 1, 2015 - March 31, 2016		FY2016 April 1, 2016 - March 31, 2017		Variance	
		%		%		% variance
Building Construction						
Domestic Public	82,997	6.8	62,816	4.8	(20,180)	(24.3)
Domestic Private	809,298	65.5	914,601	70.1	105,302	13.0
Domestic total	892,295	72.3	977,417	74.9	85,121	9.5
Overseas total	16,172	1.3	14,110	1.1	(2,062)	(12.8)
Sub-total	908,468	73.6	991,527	76.0	83,059	9.1
Civil Engineering						
Domestic Public	155,820	12.6	163,506	12.6	7,685	4.9
Domestic Private	112,289	9.1	95,650	7.3	(16,639)	(14.8)
Domestic total	268,110	21.7	259,157	19.9	(8,953)	(3.3)
Overseas total	29,796	2.4	35,201	2.7	5,404	18.1
Sub-total	297,907	24.1	294,358	22.6	(3,548)	(1.2)
Construction Total						
Domestic Public	238,818	19.4	226,323	17.4	(12,495)	(5.2)
Domestic Private	921,588	74.6	1,010,251	77.4	88,663	9.6
Domestic total	1,160,406	94.0	1,236,575	94.8	76,168	6.6
Overseas total	45,968	3.7	49,311	3.8	3,342	7.3
Sub-total	1,206,375	97.7	1,285,886	98.6	79,511	6.6
Real Estate Business and Other	28,723	2.3	18,179	1.4	(10,543)	(36.7)
Total	1,235,098	100	1,304,065	100	68,967	5.6

(3) Breakdown of non-consolidated amounts carried-forward

(Unit: million yen)

	At March 31, 2016		At March 31, 2017		Variance	
		%		%		% variance
<u>Building Construction</u>						
Domestic Public	144,636	8.7	192,688	11.2	48,052	33.2
Domestic Private	1,025,401	62.1	1,048,039	61.1	22,638	2.2
Domestic total	1,170,037	70.8	1,240,727	72.3	70,690	6.0
Overseas total	22,321	1.4	12,780	0.8	(9,541)	(42.7)
Sub-total	1,192,358	72.2	1,253,508	73.1	61,149	5.1
<u>Civil Engineering</u>						
Domestic Public	283,426	17.2	282,375	16.5	(1,051)	(0.4)
Domestic Private	107,806	6.5	124,949	7.3	17,142	15.9
Domestic total	391,233	23.7	407,324	23.8	16,091	4.1
Overseas total	67,984	4.1	53,239	3.1	(14,744)	(21.7)
Sub-total	459,217	27.8	460,564	26.9	1,346	0.3
<u>Construction Total</u>						
Domestic Public	428,062	25.9	475,063	27.7	47,000	11.0
Domestic Private	1,133,207	68.6	1,172,988	68.4	39,781	3.5
Domestic total	1,561,270	94.5	1,648,052	96.1	86,781	5.6
Overseas total	90,306	5.5	66,020	3.9	(24,285)	(26.9)
Sub-total	1,651,576	100	1,714,072	100	62,496	3.8
Real Estate Business and Other	—	—	—	—	—	—
Total	1,651,576	100	1,714,072	100	62,496	3.8

5 Consolidated orders received, completed and carried-forward projects

Orders received

Owner	Project Names
Toranomon 1-chome Area Urban Redevelopment Association	Toranomon 1-chome Area Class 1 Urban Redevelopment Project, Public Facilities Construction
TOKYU LAND CORPORATION SUMITOMO CORPORATION Sumitomo Realty & Development Co., Ltd.	(Tenative name) BRANZ TOWER PROJECT Toyosaki 3-chome Construction Project
MITSUBISHI ESTATE Co., Ltd. Nippon Flour Mills Co., Ltd.	(Tenative name) Sendagaya 5-chome North Area Redevelopment Project
TOYOTA MOTOR CORPORATION	TOYOTA MOTOR CORPORATION PI Building Construction Project
East Nippon Expressway Company Limited	Joshin-Etsu Expressway (Rockfall Prevention), Kitanomaki (No.1) Construction Project
Plenary Properties Merced	UC Merced (U.S.A) ※

※ Undertaken by Webcor, LP. (Subsidiary of Obayashi USA)

Completed projects

Owner	Project Names
Mitsui Fudosan Co., Ltd	Mitsui Fudosan Logistics Park Funabashi Construction Project
Kindai University	Kindai University Higashi Osaka Campus No,1 Construction Project
Akashi Station South Area Urban Redevelopment Association	PAPIOS AKASHI Construction Project
SP Power Assets Limited	East-West Transmission Cable Tunnel EW-1 Section Construction Project (Singapore)
LLJ Investco K.K.	LEGOLAND® Japan Main Contract Works
SF Department of Public Works	San Francisco General Hospital (U.S.A) ※

※ Undertaken by Webcor, LP. (Subsidiary of Obayashi USA)

Carried-forward projects

Owner	Project Names
Akasaka 1-chome Area Urban Redevelopment Association	Akasaka 1-chome Area Class 1 Urban Redevelopment Project
Urban Renaissance Agency, East Japan Rental Housing Office	Otemachi 2-chome Area Redevelopment, Office Tower B Construction Project
Central Nippon Expressway Company Limited	Tokyo Outer Ring Road, Main Line Tunnel (Northbound) Tomei North Construction Project
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Osaka Building Reconstruction Project
Nam Ngiep 1 Power CO., Ltd.	Nam Ngiep 1 Hydropower Project (Laos)
Plenary Properties Merced	UC Merced (U.S.A) ※

※ Undertaken by Webcor, LP. (Subsidiary of Obayashi USA)

6 Consolidated financial statements
(1) Consolidated balance sheets

(Unit : million yen)

	March 31, 2016	March 31, 2017	Variance
Assets			
Current assets			
Cash and deposits	164,829	194,585	29,755
Notes and accounts receivable from completed construction contracts and other	715,023	720,361	5,337
Electronically recorded monetary claims	8,866	21,075	12,208
Short-term investment securities	2,606	2,519	(87)
Real estate for sale	17,151	16,739	(411)
Costs on uncompleted construction contracts	37,758	39,881	2,122
Costs on real estate business	24,448	24,200	(247)
Inventories for PFI and other projects	45,514	42,406	(3,107)
Other inventories	6,266	7,872	1,605
Deferred tax assets	17,599	17,443	(156)
Accounts receivable-other	71,059	78,009	6,949
Other	17,800	16,694	(1,106)
Allowance for doubtful accounts	(157)	(142)	14
Total current assets	1,128,768	1,181,645	52,877
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	92,265	92,587	322
Machinery, vehicles, tools, furniture and fixtures, net	30,985	29,554	(1,430)
Land	305,588	308,241	2,652
Lease assets, net	225	228	2
Construction in progress	12,539	28,986	16,447
Total property, plant and equipment	441,604	459,597	17,993
Intangible assets	6,404	6,558	153
Investments and other assets			
Investment securities	342,021	346,245	4,223
Long-term loans receivable	2,170	2,024	(146)
Assets for retirement benefits	68	68	0
Deferred tax assets	2,029	1,987	(41)
Other	29,107	18,118	(10,989)
Allowance for doubtful accounts	(266)	(249)	16
Total investments and other assets	375,130	368,194	(6,936)
Total noncurrent assets	823,139	834,350	11,211
Deferred assets	0	—	(0)
Total assets	1,951,907	2,015,996	64,088

(1) Consolidated balance sheets

(Unit : million yen)

	March 31, 2016	March 31, 2017	Variance
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	486,533	485,408	(1,124)
Electronically recorded obligations	122,697	150,289	27,592
Short-term loans payable	150,465	89,498	(60,966)
Current portion of nonrecourse loans	6,858	6,832	(25)
Current portion of bonds	10,000	25,000	15,000
Lease obligations	78	85	6
Income taxes payable	17,856	30,533	12,676
Deferred tax liabilities	514	402	(112)
Advances received on uncompleted construction contracts	122,802	106,541	(16,261)
Deposits received	76,454	102,707	26,253
Provision for warranties for completed construction	2,491	3,048	556
Provision for loss on construction contracts	12,808	7,751	(5,056)
Other	63,639	70,585	6,946
Total current liabilities	1,073,200	1,078,684	5,483
Noncurrent liabilities			
Bonds payable	55,000	30,000	(25,000)
Long-term loans payable	51,000	55,836	4,836
Nonrecourse loans	73,015	66,192	(6,823)
Lease obligations	131	126	(4)
Deferred tax liabilities	41,830	46,956	5,126
Deferred tax liabilities for land revaluation	21,313	21,091	(222)
Provision for stock payments for directors	209	301	91
Provision for loss on real estate business and other	993	993	—
Provision for environmental measures	882	616	(266)
Liability for retirement benefits	52,126	51,029	(1,097)
Other	20,546	20,091	(455)
Total noncurrent liabilities	317,049	293,235	(23,813)
Total liabilities	1,390,249	1,371,919	(18,330)
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	41,752	41,752	(0)
Retained earnings	255,750	334,957	79,206
Treasury stock	(1,958)	(1,964)	(6)
Total shareholders' equity	353,297	432,497	79,200
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	140,328	140,246	(81)
Deferred gains (losses) on hedges	(47)	(283)	(235)
Revaluation reserve for land	20,937	20,435	(502)
Foreign currency translation adjustments	822	(365)	(1,188)
Retirement benefit asset and liability adjustments	760	1,629	869
Total accumulated other comprehensive income	162,801	161,662	(1,138)
Non-controlling interests	45,559	49,916	4,356
Total net assets	561,658	644,076	82,418
Total liabilities and net assets	1,951,907	2,015,996	64,088
(Reference)			
Interest-bearing debt balances	346,339	273,359	(72,979)

(2) Consolidated statements of income

(Unit : million yen)

	FY2015 From April 1, 2015 to March 31, 2016	FY2016 From April 1, 2016 to March 31, 2017	Variance
Net sales			
Net sales of completed construction contracts	1,695,752	1,802,525	106,772
Net sales of real estate business and other	82,081	70,195	(11,885)
Total net sales	<u>1,777,834</u>	<u>1,872,721</u>	<u>94,887</u>
Cost of sales			
Cost of sales on completed construction contracts	1,524,582	1,596,705	72,123
Cost of sales on real estate business and other	60,199	51,082	(9,117)
Total cost of sales	<u>1,584,782</u>	<u>1,647,787</u>	<u>63,005</u>
Gross profit			
Gross profit on completed construction contracts	171,170	205,820	34,649
Gross profit on real estate business and other	21,881	19,113	(2,768)
Total gross profit	<u>193,052</u>	<u>224,933</u>	<u>31,881</u>
Selling, general and administrative expenses	<u>86,671</u>	<u>91,191</u>	<u>4,519</u>
Operating income	<u>106,380</u>	<u>133,742</u>	<u>27,361</u>
Non-operating income			
Interest income	2,278	1,917	(361)
Dividends income	6,932	6,940	7
Other	874	835	(39)
Total non-operating income	<u>10,086</u>	<u>9,693</u>	<u>(393)</u>
Non-operating expenses			
Interest expenses	2,674	2,442	(232)
Foreign exchange losses	2,291	462	(1,829)
Other	293	424	131
Total non-operating expenses	<u>5,258</u>	<u>3,329</u>	<u>(1,929)</u>
Ordinary income	<u>111,208</u>	<u>140,106</u>	<u>28,898</u>
Extraordinary income			
Gain on sales of investing securities	2,961	3,081	120
Gain on sales of noncurrent assets	1,520	516	(1,004)
Other	100	362	262
Total extraordinary income	<u>4,582</u>	<u>3,960</u>	<u>(621)</u>
Extraordinary loss			
Impairment loss	2,826	562	(2,263)
Loss on retirement of noncurrent assets	525	267	(258)
Loss on sales of noncurrent assets	632	169	(462)
Compensation for damage	3,500	—	(3,500)
Other	1,051	77	(973)
Total extraordinary losses	<u>8,535</u>	<u>1,076</u>	<u>(7,458)</u>
Income before income taxes	<u>107,255</u>	<u>142,990</u>	<u>35,735</u>
Income taxes-current	<u>20,875</u>	<u>37,692</u>	<u>16,817</u>
Income taxes-deferred	<u>16,622</u>	<u>4,782</u>	<u>(11,839)</u>
Total income taxes	<u>37,497</u>	<u>42,475</u>	<u>4,977</u>
Profit	<u>69,757</u>	<u>100,515</u>	<u>30,757</u>
Profit attributable to non-controlling interests	<u>6,320</u>	<u>6,013</u>	<u>(307)</u>
Profit attributable to owners of parent	<u>63,437</u>	<u>94,501</u>	<u>31,064</u>

(3) Consolidated statements of cash flows

(Unit : million yen)

	FY2015 From April 1, 2015 to March 31, 2016	FY2016 From April 1, 2016 to March 31, 2017	Variance
Net cash provided by (used in) operating activities			
Income before income taxes	107,255	142,990	35,735
Depreciation and amortization	14,476	14,981	505
Impairment loss	2,826	562	(2,263)
Increase (decrease) in allowance for doubtful accounts	(25)	(30)	(4)
Increase (decrease) in provision for loss on construction contracts	87	(5,005)	(5,092)
Increase (decrease) in liability for retirement benefits	(2,020)	160	2,180
Interest and dividends income	(9,211)	(8,857)	354
Interest expenses	2,674	2,442	(232)
Loss (gain) on sales of noncurrent assets	(888)	(346)	541
Loss (gain) on sales of short-term and long term investment securities	(2,941)	(3,080)	(138)
Decrease (increase) in notes and accounts receivable—trade	(29,365)	(20,740)	8,624
Decrease (increase) in costs on uncompleted construction contracts	1,979	(1,539)	(3,519)
Decrease (increase) in inventories	(10,034)	(995)	9,038
Decrease (increase) in inventories for PFI and other projects	5,998	3,107	(2,890)
Decrease (increase) in other assets	35,091	4,432	(30,659)
Increase (decrease) in notes and accounts payable—trade	(15,900)	29,433	45,334
Increase (decrease) in advances received on uncompleted construction contracts	25,555	(14,029)	(39,585)
Increase (decrease) in other liabilities	516	34,696	34,180
Other, net	1,441	180	(1,260)
Subtotal	127,514	178,360	50,845
Interest and dividends income received	9,447	9,041	(406)
Interest expenses	(2,608)	(2,530)	78
Income taxes (paid) refund	(9,373)	(25,978)	(16,605)
Net cash provided by (used in) operating activities	124,980	158,892	33,912
Net cash provided by (used in) investing activities			
Purchase of property, plant and equipment and intangible assets	(59,148)	(39,755)	19,392
Proceeds from sales of property, plant and equipment and intangible assets	3,904	3,044	(860)
Purchase of short-term and long term investment securities	(6,568)	(6,253)	314
Proceeds from sales and redemption of short-term and long term investment securities	13,659	5,425	(8,233)
Payments of loans receivable	(227)	(362)	(134)
Collection of loans receivable	169	379	210
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(62)	—	62
Other, net	242	(362)	(605)
Net cash provided by (used in) investing activities	(48,029)	(37,884)	10,145
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	2,614	(23,512)	(26,126)
Net increase (decrease) in commercial papers	(18,000)	—	18,000
Repayments of lease obligations	(109)	(93)	16
Proceeds from long-term loans payable	9,747	21,700	11,952
Repayment of long-term loans payable	(25,843)	(53,417)	(27,574)
Proceeds from nonrecourse loans payable	5,366	9	(5,357)
Payment of nonrecourse loans payable	(8,509)	(6,858)	1,651
Redemption of bonds	(25,000)	(10,000)	15,000
Cash dividends paid	(7,899)	(15,797)	(7,898)
Cash dividends paid to non-controlling interests	(979)	(1,188)	(209)
Other, net	(353)	(6)	347
Net cash provided by (used in) financing activities	(68,967)	(89,165)	(20,198)
Effect of exchange rate change on cash and cash equivalents	(5,788)	(2,449)	3,338
Net increase (decrease) in cash and cash equivalents	2,195	29,392	27,197
Cash and cash equivalents at beginning of period	162,607	164,802	2,195
Cash and cash equivalents at end of period	164,802	194,195	29,392

7 Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Unit : million yen)

	March 31, 2016	March 31, 2017	Variance
Assets			
Current assets			
Cash and deposits	61,643	73,814	12,170
Notes receivable-trade	7,512	7,363	(149)
Electronically recorded monetary claims	6,328	18,650	12,322
Accounts receivable from completed construction contracts	537,677	546,087	8,410
Accounts receivable-real estate business and other	4,906	5,163	257
Short-term investment securities	36	36	0
Real estate for sale	3,959	3,713	(245)
Costs on uncompleted construction contracts	32,449	35,304	2,854
Costs on real estate business and other	1,664	3,105	1,441
Short-term loans receivable	21,195	35,180	13,985
Deferred tax assets	15,522	15,049	(472)
Accounts receivable-other	64,608	74,506	9,898
Other	10,547	11,763	1,216
Allowance for doubtful accounts	(62)	(67)	(5)
Total current assets	767,990	829,672	61,682
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	36,679	44,553	7,873
Machinery, equipment and vehicles, net	2,911	3,103	192
Tools, furniture and fixtures, net	1,518	1,517	(1)
Land	160,684	179,524	18,840
Leased assets	30	22	(8)
Construction in progress	5,476	9,238	3,762
Total property, plant and equipment	207,301	237,959	30,658
Intangible assets	3,115	2,979	(136)
Investments and other assets			
Investment securities	332,535	333,441	906
Shares and investments in capital of subsidiaries and affiliates	25,352	26,731	1,378
Investments in other securities of subsidiaries and affiliates	20,989	—	(20,989)
Long-term loans receivable	58,210	58,465	254
Claims provable in bankruptcy, claims provable in rehabilitation and other	200	245	45
Long-term accounts receivable	15,489	5,590	(9,899)
Other	10,386	9,880	(506)
Allowance for doubtful accounts	(329)	(370)	(41)
Total investments and other assets	462,833	433,982	(28,851)
Total noncurrent assets	673,250	674,922	1,671
Total assets	1,441,241	1,504,594	63,353

(1) Non-consolidated balance sheets

(Unit : million yen)

	March 31, 2016	March 31, 2017	Variance
Liabilities			
Current liabilities			
Notes payable-trade	22,348	24,780	2,432
Electronically recorded obligations	121,166	141,102	19,936
Accounts payable for construction contracts	329,212	325,548	(3,663)
Accounts payable-real estate and other	1,328	1,458	129
Short-term loans payable	112,521	57,762	(54,758)
Current portion of bonds	10,000	25,000	15,000
Lease obligations	13	13	0
Accounts payable	8,817	11,912	3,095
Accrued expenses	12,767	13,604	836
Income taxes payable	14,191	27,513	13,322
Advances received on uncompleted construction contracts	96,952	73,149	(23,803)
Deposit received-real estate and other	937	1,390	452
Deposits received	68,796	95,884	27,087
Provision for warranties for completed construction	1,988	2,652	664
Provision for loss on construction contracts	11,040	6,456	(4,584)
Deposits received from employees	22,220	22,943	722
Other	1,146	949	(196)
Total current liabilities	<u>835,449</u>	<u>832,122</u>	<u>(3,326)</u>
Noncurrent liabilities			
Bonds payable	55,000	30,000	(25,000)
Long-term loans payable	14,628	31,172	16,544
Lease obligations	18	10	(8)
Deferred tax liabilities	42,331	49,181	6,849
Deferred tax liabilities for land revaluation	16,897	16,675	(221)
Provision for retirement benefits	45,431	45,777	346
Provision for stock payments for directors	209	301	91
Provision for loss on real estate business and other	1,060	993	(67)
Provision for loss on business of subsidiaries and affiliates	653	2,306	1,653
Provision for environmental measures	812	548	(263)
Other	4,611	3,151	(1,460)
Total noncurrent liabilities	<u>181,653</u>	<u>180,117</u>	<u>(1,535)</u>
Total liabilities	<u>1,017,102</u>	<u>1,012,240</u>	<u>(4,862)</u>
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus			
Legal capital surplus	41,694	41,694	—
Total capital surpluses	<u>41,694</u>	<u>41,694</u>	<u>—</u>
Retained earnings			
Legal retained earnings	14,438	14,438	—
Other retained earnings			
Reserve for advanced depreciation of noncurrent assets	2,738	2,667	(71)
General reserve	70,000	110,000	40,000
Retained earnings brought forward	83,940	112,863	28,923
Total retained earnings	<u>171,116</u>	<u>239,969</u>	<u>68,852</u>
Treasury stock	<u>(1,958)</u>	<u>(1,964)</u>	<u>(6)</u>
Total shareholders' equity	<u>268,605</u>	<u>337,451</u>	<u>68,846</u>
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	140,219	140,103	(116)
Deferred gains (losses) on hedges	21	11	(9)
Revaluation reserve for land	15,291	14,787	(504)
Total valuation and translation adjustments	<u>155,533</u>	<u>154,902</u>	<u>(630)</u>
Total net assets	<u>424,138</u>	<u>492,354</u>	<u>68,215</u>
Total liabilities and net assets	<u>1,441,241</u>	<u>1,504,594</u>	<u>63,353</u>
(Reference)			
Interest-bearing debt balances	192,149	143,935	(48,213)

(2) Non-consolidated statements of income

(Unit : million yen)

	FY2015 From April 1, 2015 to March 31, 2016	FY2016 From April 1, 2016 to March 31, 2017	Variance
Net sales			
Net sales of completed construction contracts	1,206,375	1,285,886	79,511
Net sales of real estate business and other	28,723	18,179	(10,543)
Total net sales	1,235,098	1,304,065	68,967
Cost of sales			
Cost of sales on completed construction contracts	1,075,622	1,119,144	43,522
Cost of sales on real estate business and other	22,372	13,043	(9,329)
Total cost of sales	1,097,995	1,132,187	34,192
Gross profit			
Gross profit on completed construction contracts	130,752	166,741	35,989
Gross profit on real estate business and other	6,350	5,136	(1,214)
Total gross profit	137,103	171,878	34,774
Selling, general and administrative expenses	60,751	63,656	2,904
Operating income (loss)	76,351	108,221	31,870
Non-operating income			
Interest and dividend income	10,384	10,270	(113)
Other	436	459	22
Total non-operating income	10,820	10,729	(91)
Non-operating expenses			
Interest expenses	1,511	1,317	(194)
Provision of allowance for doubtful accounts	38	45	6
Bad debts expenses	0	—	(0)
Foreign exchange losses	2,252	410	(1,842)
Other	552	646	94
Total non-operating expenses	4,356	2,420	(1,935)
Ordinary income	82,816	116,530	33,714
Extraordinary income			
Gain on liquidation of subsidiaries and affiliates	—	6,100	6,100
Gain on sales of investment securities	2,892	3,044	151
Gain on sales of noncurrent assets	544	407	(136)
Other	58	215	157
Total extraordinary income	3,495	9,768	6,272
Extraordinary loss			
Loss on business of subsidiaries and affiliates	919	4,671	3,752
Compensation for damage	3,500	—	(3,500)
Other	3,543	359	(3,184)
Total extraordinary losses	7,963	5,031	(2,931)
Income before income taxes	78,348	121,267	42,919
Income taxes-current	11,546	29,966	18,420
Income taxes-deferred	16,072	7,155	(8,916)
Total income taxes	27,618	37,122	9,503
Profit	50,729	84,145	33,415