

Appendix to the Financial Statements

FY2017 Ended March 2018



May 14, 2018

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 14, 2018 was translated into English and 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 FY2017 (April 1, 2017 - March 31, 2018)

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)	%
FY2017 (full year)	1,900,655	1.5	137,800	3.0	143,951	2.7	92,662	(1.9)
FY2016 (full year)	1,872,721	5.3	133,742	25.7	140,106	26.0	94,501	49.0

(Note) Comprehensive income : [FY2017] 116,274 million yen, 17.1% ; [FY2016] 99,307 million yen, 366.0%

	Profit attributable to owners of parent per Share	Net Income Shareholders' Equity Ratio (ROE)	Ordinary Income-Total Assets Ratio	Operating Income-Net Sales Ratio
	(Unit: yen)	%	%	%
FY2017 (full year)	129.09	14.5	6.9	7.3
FY2016 (full year)	131.66	17.0	7.1	7.1

(For reference) Share of profit (loss) of entities accounted for using equity method : [FY2017] 602 million yen ; [FY2016] 425 million yen

② Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
	(Unit: million yen)	(Unit: million yen)	%	(Unit: yen)
At March 31, 2018	2,148,861	711,525	31.9	954.05
At March 31, 2017	2,015,996	644,076	29.5	827.77

(For reference) Equity (net assets less non-controlling interests) : [FY2017] 684,836 million yen ; [FY2016] 594,160 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)
FY2017 (full year)	114,034	(71,289)	(54,548)	184,783
FY2016 (full year)	158,892	(37,884)	(89,165)	194,195

(2) Consolidated Forecast for FY2018 (April 1, 2018 - March 31, 2019)

(% 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		Profit attributable to owners of parent per Share
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: yen)
Half Year	960,000	4.6	65,000	4.2	68,000	3.0	46,000	(4.9)	64.08
Full Year	1,970,000	3.6	139,000	0.9	144,500	0.4	98,000	5.8	136.52

(3) Summary of Non-consolidated Full Year Results for FY2017 (April 1, 2017 - March 31, 2018)

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)	
FY2017 (full year)	1,294,062	(0.8)	109,727	1.4	117,850	1.1	80,677	(4.1)	112.39
FY2016 (full year)	1,304,065	5.6	108,221	41.7	116,530	40.7	84,145	65.9	117.23

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, 2018	1,600,355	568,221	35.5	791.59
At March 31, 2017	1,504,594	492,354	32.7	685.94

(For Reference) Equity (net assets less non-controlling interests) : [FY2017] 568,221 million yen ; [FY2016] 492,354 million yen

(4) Non-consolidated Forecast for FY2018 (April 1, 2018 - March 31, 2019)

(% 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)	
Half Year	649,000	1.4	53,000	5.1	59,000	5.7	41,000	(0.2)	57.12
Full Year	1,330,000	2.8	111,000	1.2	121,000	2.7	84,000	4.1	117.02

(5) Dividends

	Dividend per Share (Unit : yen)					Total dividends paid (full year)	Dividends Payout Ratio (Consolidated)	Dividends-Net Assets Ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
FY2016	—	9.00	—	19.00	28.00	(Unit: million yen) 20,105	% 21.3	% 3.6
FY2017	—	14.00	—	14.00	28.00	20,105	21.7	3.1
FY2018 (Forecast)	—	14.00	—	14.00	28.00		20.5	

2 Financial highlights (Consolidated•Non-consolidated)
(1) FY2017 results (in comparison with FY2016 results)

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-FY2016 April 1, 2016 - March 31, 2017	Result-FY2017 April 1, 2017 - March 31, 2018	Variance	Variance rate (%)		Result-FY2016 April 1, 2016 - March 31, 2017	Result-FY2017 April 1, 2017 - March 31, 2018	Variance	Variance rate (%)			
Net sales of completed construction contracts	%	18,025	%	18,209	184	1.0	%	12,858	%	12,764	(94)	(0.7)
Building Construction		—		—	—	—		9,915		9,889	(25)	(0.3)
Civil Engineering		—		—	—	—		2,943		2,874	(69)	(2.4)
Gross profit on completed construction contracts	11.4	2,058	11.7	2,125	67	3.3	13.0	1,667	13.6	1,739	72	4.3
Building Construction		—		—	—	—	12.0	1,194	12.6	1,244	50	4.2
Civil Engineering		—		—	—	—	16.1	472	17.2	494	22	4.7
Net sales of real estate business and other		701		797	95	13.6		181		176	(5)	(2.9)
Gross profit on real estate business and other	27.2	191	27.2	217	25	13.6	28.3	51	17.1	30	(21)	(41.3)
Net sales		18,727		19,006	279	1.5		13,040		12,940	(100)	(0.8)
Gross profit	12.0	2,249	12.3	2,343	93	4.2	13.2	1,718	13.7	1,769	51	3.0
Selling, general and administrative expenses	4.9	911	5.0	965	53	5.8	4.9	636	5.2	672	36	5.7
(Personnel expenses)		522		570	47			351		388	36	
(Others)		389		394	5			285		284	(0)	
Operating Income	7.1	1,337	7.3	1,378	40	3.0	8.3	1,082	8.5	1,097	15	1.4
Non-operating income		96		100	3	3.9		107		107	0	0.4
Non-operating expenses		33		39	5	17.7		24		26	2	9.4
(interests received/paid and dividend income - net)		64		69	5			89		94	4	
Ordinary income	7.5	1,401	7.6	1,439	38	2.7	8.9	1,165	9.1	1,178	13	1.1
Extraordinary income		39		67	27	70.6		97		63	(33)	(34.8)
Extraordinary loss		10		135	124	—		50		89	39	78.6
Income before income taxes	7.6	1,429	7.2	1,372	(57)	(4.0)	9.3	1,212	8.9	1,152	(60)	(5.0)
Total income taxes		424		423	(1)	(0.4)		371		345	(25)	(6.9)
Profit		1,005		948	(56)	(5.6)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		60		22	(37)	(63.0)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.0	945	4.9	926	(18)	(1.9)	6.5	841	6.2	806	(34)	(4.1)

Orders received

(Unit: 100 million yen)

	Consolidated					Non-consolidated				
	Result-FY2016 April 1, 2016 - March 31, 2017	Result-FY2017 April 1, 2017 - March 31, 2018	Variance	Variance rate (%)		Result-FY2016 April 1, 2016 - March 31, 2017	Result-FY2017 April 1, 2017 - March 31, 2018	Variance	Variance rate (%)	
Building Construction	16,137	13,312	(2,825)	(17.5)		10,526	9,954	(572)	(5.4)	
(Domestic)	10,588	10,167	(420)	(4.0)		10,481	9,823	(657)	(6.3)	
(Overseas)	5,549	3,144	(2,404)	(43.3)		45	130	84	185.6	
Civil Engineering	4,387	4,434	47	1.1		2,957	3,076	119	4.1	
(Domestic)	3,659	3,876	217	5.9		2,752	2,939	187	6.8	
(Overseas)	727	558	(169)	(23.3)		204	137	(67)	(32.9)	
Construction Total	20,525	17,747	(2,777)	(13.5)		13,483	13,031	(452)	(3.4)	
(Domestic)	14,248	14,044	(203)	(1.4)		13,233	12,763	(470)	(3.6)	
(Overseas)	6,276	3,702	(2,573)	(41.0)		250	267	17	7.0	
Real Estate Business and Other	927	1,054	126	13.6		181	176	(5)	(2.9)	
Total orders received	21,452	18,801	(2,651)	(12.4)		13,665	13,207	(457)	(3.4)	

Interest-bearing debt balances

(Unit: 100 million yen)

	Consolidated				Non-consolidated			
	March 31, 2017	March 31, 2018	Variance	Variance rate (%)	March 31, 2017	March 31, 2018	Variance	Variance rate (%)
Interest-bearing debt (except nonrecourse loans)	2,003	1,847	(156)	(7.8)	1,439	1,378	(61)	(4.3)
Nonrecourse loans	730	920	189	26.0	—	—	—	—
Interest-bearing debt total	2,733	2,767	33	1.2	1,439	1,378	(61)	(4.3)

(2) FY2017 results (in comparison with the latest forecast announced on February 13)

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Forecast announced on February 13		Result-FY2017 April 1, 2017 - March 31, 2018		Variance	Variance rate (%)	Forecast announced on February 13		Result-FY2017 April 1, 2017 - March 31, 2018		Variance	Variance rate (%)
Net sales of completed construction contracts	%	18,320	%	18,209	(110)	(0.6)	%	13,050	%	12,764	(285)	(2.2)
┌ Building Construction		—		—	—	—		9,950		9,889	(60)	(0.6)
└ Civil Engineering		—		—	—	—		3,100		2,874	(225)	(7.3)
Gross profit on completed construction contracts	11.2	2,060	11.7	2,125	65	3.2	12.8	1,675	13.6	1,739	64	3.9
┌ Building Construction		—		—	—	—	12.4	1,230	12.6	1,244	14	1.2
└ Civil Engineering		—		—	—	—	14.4	445	17.2	494	49	11.2
Net sales of real estate business and other		830		797	(32)	(4.0)		200		176	(23)	(11.7)
Gross profit on real estate business and other	26.5	220	27.2	217	(2)	(1.3)	25.0	50	17.1	30	(19)	(39.7)
Net sales		19,150		19,006	(143)	(0.7)		13,250		12,940	(309)	(2.3)
Gross profit	11.9	2,280	12.3	2,343	63	2.8	13.0	1,725	13.7	1,769	44	2.6
Selling, general and administrative expenses	4.9	935	5.0	965	30	3.2	4.9	655	5.2	672	17	2.7
(Personnel expenses)		535		570	35			365		388	23	
(Others)		400		394	(5)			290		284	(5)	
Operating income	7.0	1,345	7.3	1,378	33	2.5	8.1	1,070	8.5	1,097	27	2.5
Non-operating income		90		100	10	11.9		100		107	7	7.7
Non-operating expenses		35		39	4	12.0		20		26	6	32.3
(interests received/paid and dividend income - net)		55		69	14			83		94	11	
Ordinary income	7.3	1,400	7.6	1,439	39	2.8	8.7	1,150	9.1	1,178	28	2.5
Extraordinary income		40		67	27	69.0		30		63	33	112.4
Extraordinary loss		—		135	135	—		—		89	89	—
Income before income taxes	7.5	1,440	7.2	1,372	(67)	(4.7)	8.9	1,180	8.9	1,152	(27)	(2.3)
Total income taxes		440		423	(16)	(3.8)		360		345	(14)	(4.0)
Profit		1,000		948	(51)	(5.1)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		50		22	(27)	(55.5)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.0	950	4.9	926	(23)	(2.5)	6.2	820	6.2	806	(13)	(1.6)

Orders received

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Forecast announced on February 13		Result-FY2017 April 1, 2017 - March 31, 2018		Variance	Variance rate (%)	Forecast announced on February 13		Result-FY2017 April 1, 2017 - March 31, 2018		Variance	Variance rate (%)
Building Construction		13,600		13,312	(287)	(2.1)		9,900		9,954	54	0.5
(Domestic)		10,300		10,167	(132)	(1.3)		9,900		9,823	(76)	(0.8)
(Overseas)		3,300		3,144	(155)	(4.7)		—		130	130	—
Civil Engineering		4,200		4,434	234	5.6		2,900		3,076	176	6.1
(Domestic)		3,300		3,876	576	17.5		2,500		2,939	439	17.6
(Overseas)		900		558	(341)	(38.0)		400		137	(262)	(65.7)
Construction Total		17,800		17,747	(52)	(0.3)		12,800		13,031	231	1.8
(Domestic)		13,600		14,044	444	3.3		12,400		12,763	363	2.9
(Overseas)		4,200		3,702	(497)	(11.8)		400		267	(132)	(33.1)
Real Estate Business and Other		800		1,054	254	31.8		200		176	(23)	(11.7)
Total orders received		18,600		18,801	201	1.1		13,000		13,207	207	1.6

Interest-bearing debt balances

(Unit: 100 million yen)

	Consolidated				Non-consolidated			
	Forecast announced on February 13	March 31, 2018	Variance	Variance rate (%)	Forecast announced on February 13	March 31, 2018	Variance	Variance rate (%)
Interest-bearing debt (except nonrecourse loans)	1,800	1,847	47	2.6	1,400	1,378	(21)	(1.6)
Nonrecourse loans	900	920	20	2.2	—	—	—	—
Interest-bearing debt total	2,700	2,767	67	2.5	1,400	1,378	(21)	(1.6)

(3) Forecasts for FY2018 (in comparison with FY2017 results)

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-FY2017 April 1, 2017 - March 31, 2018	Forecast-FY2018 April 1, 2018 - March 31, 2019	Variance	Variance rate (%)		Result-FY2017 April 1, 2017 - March 31, 2018	Forecast-FY2018 April 1, 2018 - March 31, 2019	Variance	Variance rate (%)			
Net sales of completed construction contracts	%	18,209	%	18,730	520	2.9	%	12,764	%	13,100	335	2.6
Building Construction		—		—	—	—	9,889		10,200	310	3.1	
Civil Engineering		—		—	—	—	2,874		2,900	25	0.9	
Gross profit on completed construction contracts	11.7	2,125	11.4	2,135	9	0.4	13.6	1,739	13.3	1,740	0	0.0
Building Construction		—		—	—	—	12.6	1,244	12.5	1,270	25	2.0
Civil Engineering		—		—	—	—	17.2	494	16.2	470	(24)	(5.0)
Net sales of real estate business and other		797		970	172	21.7		176		200	23	13.3
Gross profit on real estate business and other	27.2	217	23.2	225	7	3.6	17.1	30	25.0	50	19	65.9
Net sales		19,006		19,700	693	3.6		12,940		13,300	359	2.8
Gross profit	12.3	2,343	12.0	2,360	16	0.7	13.7	1,769	13.5	1,790	20	1.1
Selling, general and administrative expenses	5.0	965	4.9	970	4	0.5	5.2	672	5.2	680	7	1.1
(Personnel expenses)		570		560	(10)			388		380	(8)	
(Others)		394		410	15			284		300	15	
Operating Income	7.3	1,378	7.1	1,390	11	0.9	8.5	1,097	8.3	1,110	12	1.2
Non-operating income		100		90	(10)	(10.6)		107		120	12	11.4
Non-operating expenses		39		35	(4)	(10.7)		26		20	(6)	(24.4)
(interests received/paid and dividend income - net)		69		60	(9)			94		110	15	
Ordinary income	7.6	1,439	7.3	1,445	5	0.4	9.1	1,178	9.1	1,210	31	2.7
Extraordinary income		67		—	(67)	(100.0)		63		—	(63)	(100.0)
Extraordinary loss		135		—	(135)	(100.0)		89		—	(89)	(100.0)
Income before income taxes	7.2	1,372	7.3	1,445	72	5.3	8.9	1,152	9.1	1,210	57	5.0
Total income taxes		423		445	21	5.1		345		370	24	7.1
Profit		948		1,000	51	5.4		—		—	—	—
Profit attributable to non-controlling interests (deduction)		22		20	(2)	(10.0)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	4.9	926	5.0	980	53	5.8	6.2	806	6.3	840	33	4.1

Orders received

(Unit: 100 million yen)

	Consolidated					Non-consolidated				
	Result-FY2017 April 1, 2017 - March 31, 2018	Forecast-FY2018 April 1, 2018 - March 31, 2019	Variance	Variance rate (%)		Result-FY2017 April 1, 2017 - March 31, 2018	Forecast-FY2018 April 1, 2018 - March 31, 2019	Variance	Variance rate (%)	
Building Construction	13,312	13,900	587	4.4		9,954	9,800	(154)	(1.5)	
(Domestic)	10,167	10,400	232	2.3		9,823	9,800	(23)	(0.2)	
(Overseas)	3,144	3,500	355	11.3		130	—	(130)	(100.0)	
Civil Engineering	4,434	4,550	115	2.6		3,076	3,100	23	0.7	
(Domestic)	3,876	3,600	(276)	(7.1)		2,939	2,700	(239)	(8.2)	
(Overseas)	558	950	391	70.2		137	400	262	191.4	
Construction Total	17,747	18,450	702	4.0		13,031	12,900	(131)	(1.0)	
(Domestic)	14,044	14,000	(44)	(0.3)		12,763	12,500	(263)	(2.1)	
(Overseas)	3,702	4,450	747	20.2		267	400	132	49.4	
Real Estate Business and Other	1,054	850	(204)	(19.4)		176	200	23	13.3	
Total orders received	18,801	19,300	498	2.7		13,207	13,100	(107)	(0.8)	

Interest-bearing debt balances

(Unit: 100 million yen)

	Consolidated					Non-consolidated				
	March 31, 2018	Forecast-FY2018 March 31, 2019	Variance	Variance rate (%)		March 31, 2018	Forecast-FY2018 March 31, 2019	Variance	Variance rate (%)	
Interest-bearing debt (except nonrecourse loans)	1,847	1,700	(147)	(8.0)		1,378	1,400	21	1.6	
Nonrecourse loans	920	1,000	79	8.7		—	—	—	—	
Interest-bearing debt total	2,767	2,700	(67)	(2.4)		1,378	1,400	21	1.6	

(4) Forecasts for 2Q (Cumulative) of FY2018 (in comparison with 2Q/FY2017 results)

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-2Q/FY2017 April 1, 2017 - September 30, 2017		Forecast-2Q/FY2018 April 1, 2018 - September 30, 2018		Variance	Variance rate (%)	Result-2Q/FY2017 April 1, 2017 - September 30, 2017		Forecast-2Q/FY2018 April 1, 2018 - September 30, 2018		Variance	Variance rate (%)
%		%		%				%				
Net sales of completed construction contracts		8,834		9,150	315	3.6		6,334		6,400	65	1.0
Building Construction		—		—	—	—		4,971		4,880	(91)	(1.8)
Civil Engineering		—		—	—	—		1,363		1,520	156	11.5
Gross profit on completed construction contracts	11.2	989	11.1	1,020	30	3.1	12.9	819	13.1	840	20	2.4
Building Construction		—		—	—	—	11.9	591	12.3	600	8	1.5
Civil Engineering		—		—	—	—	16.8	228	15.8	240	11	4.9
Net sales of real estate business and other		340		450	109	32.2		67		90	22	32.5
Gross profit on real estate business and other	30.8	104	22.2	100	(4)	(4.6)	25.6	17	22.2	20	2	15.1
Net sales		9,174		9,600	425	4.6		6,402		6,490	87	1.4
Gross profit	11.9	1,094	11.7	1,120	25	2.4	13.1	837	13.3	860	22	2.7
Selling, general and administrative expenses	5.1	470	4.9	470	(0)	(0.1)	5.2	333	5.1	330	(3)	(1.0)
(Personnel expenses)		288		270	(18)			204		190	(14)	
(Others)		181		200	18			128		140	11	
Operating Income	6.8	623	6.8	650	26	4.2	7.9	504	8.2	530	25	5.1
Non-operating income		54		45	(9)	(17.6)		62		70	7	11.8
Non-operating expenses		17		15	(2)	(15.7)		8		10	1	15.3
(interests received/paid and dividend income - net)		36		30	(6)			52		65	12	
Ordinary income	7.2	660	7.1	680	19	3.0	8.7	558	9.1	590	31	5.7
Extraordinary income		25		—	(25)	(100.0)		20		—	(20)	(100.0)
Extraordinary loss		7		—	(7)	(100.0)		8		—	(8)	(100.0)
Income before income taxes	7.4	678	7.1	680	1	0.2	8.9	569	9.1	590	20	3.6
Total income taxes		186		210	23	12.4		158		180	21	13.4
Profit		491		470	(21)	(4.4)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		8		10	1	24.7		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.3	483	4.8	460	(23)	(4.9)	6.4	410	6.3	410	(0)	(0.2)

Orders received

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-2Q/FY2017 April 1, 2017 - September 30, 2017		Forecast-2Q/FY2018 April 1, 2018 - September 30, 2018		Variance	Variance rate (%)	Result-2Q/FY2017 April 1, 2017 - September 30, 2017		Forecast-2Q/FY2018 April 1, 2018 - September 30, 2018		Variance	Variance rate (%)
Building Construction		6,277		6,700	422	6.7		4,306		4,300	(6)	(0.1)
(Domestic)		4,518		4,600	81	1.8		4,231		4,300	68	1.6
(Overseas)		1,759		2,100	340	19.4		74		—	(74)	(100.0)
Civil Engineering		2,250		2,300	49	2.2		1,707		1,600	(107)	(6.3)
(Domestic)		2,094		1,800	(294)	(14.1)		1,593		1,400	(193)	(12.1)
(Overseas)		155		500	344	221.7		114		200	85	75.2
Construction Total		8,527		9,000	472	5.5		6,013		5,900	(113)	(1.9)
(Domestic)		6,613		6,400	(213)	(3.2)		5,824		5,700	(124)	(2.1)
(Overseas)		1,914		2,600	685	35.8		188		200	11	5.9
Real Estate Business and Other		316		400	83	26.2		67		100	32	47.2
Total orders received		8,844		9,400	555	6.3		6,081		6,000	(81)	(1.3)

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

(1) FY2017 results (in comparison with FY2016 results)

[Consolidated]

(Unit: million yen)

	Consolidated Net Sales				Consolidated Operating Income					
	FY2016 Full Year Result April 1, 2016 - March 31, 2017	FY2017 Full Year Result April 1, 2017 - March 31, 2018	Variance (B) - (A)	Variance rate (%)	FY2016 Full Year Result April 1, 2016 - March 31, 2017		FY2017 Full Year Result April 1, 2017 - March 31, 2018		Variance (D) - (C)	Variance rate (%)
	(A)	(B)			% Gross Profit	(C)	% Gross Profit	(D)		
Building Construction										
Domestic	1,020,378	1,014,371	(6,007)	(0.6)	8.1	82,633	8.3	83,944	1,310	1.6
Overseas	367,980	383,995	16,015	4.4	1.3	4,880	0.8	2,964	(1,915)	(39.3)
Sub-total	1,388,358	1,398,366	10,008	0.7	6.3	87,514	6.2	86,909	(604)	(0.7)
Civil Engineering										
Domestic	332,374	346,119	13,744	4.1	12.0	40,033	11.1	38,283	(1,750)	(4.4)
Overseas	81,792	76,461	(5,331)	(6.5)	(3.9)	(3,182)	1.9	1,446	4,628	—
Sub-total	414,166	422,580	8,413	2.0	8.9	36,851	9.4	39,730	2,878	7.8
Construction Total										
Domestic	1,352,753	1,360,490	7,737	0.6	9.1	122,667	9.0	122,228	(439)	(0.4)
Overseas	449,772	460,456	10,684	2.4	0.4	1,698	1.0	4,411	2,713	159.8
Sub-total	1,802,525	1,820,947	18,421	1.0	6.9	124,365	7.0	126,639	2,273	1.8
Real Estate Business and Other										
Real Estate Business	38,795	44,566	5,770	14.9	18.5	7,180	19.3	8,600	1,419	19.8
Other	31,400	35,141	3,741	11.9	7.0	2,196	7.3	2,561	365	16.6
Sub-total	70,195	79,708	9,512	13.6	13.4	9,377	14.0	11,161	1,784	19.0
Total	1,872,721	1,900,655	27,934	1.5	7.1	133,742	7.3	137,800	4,058	3.0

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

[Non-consolidated]

(Unit: million yen)

	Net Sales				Gross Profit					
	FY2016 Full Year Result April 1, 2016 - March 31, 2017	FY2017 Full Year Result April 1, 2017 - March 31, 2018	Variance (B) - (A)	Variance rate (%)	FY2016 Full Year Result April 1, 2016 - March 31, 2017		FY2017 Full Year Result April 1, 2017 - March 31, 2018		Variance (D) - (C)	Variance rate (%)
	(A)	(B)			% Gross Profit	(C)	% Gross Profit	(D)		
Building Construction										
Domestic	977,417	977,666	248	0.0	12.2	119,665	12.8	124,652	4,987	4.2
Overseas	14,110	11,309	(2,801)	(19.9)	(1.5)	(209)	(1.5)	(167)	41	—
Sub-total	991,527	988,975	(2,552)	(0.3)	12.0	119,455	12.6	124,485	5,029	4.2
Civil Engineering										
Domestic	259,157	254,891	(4,265)	(1.6)	18.0	46,579	18.0	45,799	(779)	(1.7)
Overseas	35,201	32,538	(2,662)	(7.6)	2.0	706	11.3	3,690	2,983	422.1
Sub-total	294,358	287,429	(6,928)	(2.4)	16.1	47,285	17.2	49,490	2,204	4.7
Construction Total										
Domestic	1,236,575	1,232,558	(4,017)	(0.3)	13.4	166,244	13.8	170,452	4,208	2.5
Overseas	49,311	43,847	(5,463)	(11.1)	1.0	497	8.0	3,522	3,024	608.1
Sub-total	1,285,886	1,276,405	(9,480)	(0.7)	13.0	166,741	13.6	173,975	7,233	4.3
Real Estate Business and Other										
Real Estate Business	18,179	17,657	(522)	(2.9)	28.3	5,136	17.1	3,013	(2,123)	(41.3)
Other					13.2	171,878	13.7	176,988	5,109	3.0
Total	1,304,065	1,294,062	(10,003)	(0.8)						

(2) Forecasts for FY2018 (in comparison with FY2017 results)

(Unit: million yen)

【Consolidated】

	Consolidated Net Sales				Consolidated Operating Income						
	FY2017 Full Year Result April 1, 2017 March 31, 2018 (A)	FY2018 Full Year Forecast April 1, 2018 March 31, 2019 (B)	Variance (B) - (A)	Variance rate (%)	FY2017 Full Year Result April 1, 2017 March 31, 2018 (C)		FY2018 Full Year Forecast April 1, 2018 March 31, 2019 (D)		Variance (D) - (C)	Variance rate (%)	
	% Gross Profit				% Gross Profit		% Gross Profit				
Building Construction											
Domestic	1,014,371	1,059,000	44,628	4.4	8.3	83,944	8.0	84,500	555	0.7	
Overseas	383,995	394,000	10,004	2.6	0.8	2,964	1.4	5,500	2,535	85.5	
Sub-total	1,398,366	1,453,000	54,633	3.9	6.2	86,909	6.2	90,000	3,090	3.6	
Civil Engineering											
Domestic	346,119	350,000	3,880	1.1	11.1	38,283	10.1	35,500	(2,783)	(7.3)	
Overseas	76,461	70,000	(6,461)	(8.5)	1.9	1,446	0.7	500	(946)	(65.4)	
Sub-total	422,580	420,000	(2,580)	(0.6)	9.4	39,730	8.6	36,000	(3,730)	(9.4)	
Construction Total											
Domestic	1,360,490	1,409,000	48,509	3.6	9.0	122,228	8.5	120,000	(2,228)	(1.8)	
Overseas	460,456	464,000	3,543	0.8	1.0	4,411	1.3	6,000	1,588	36.0	
Sub-total	1,820,947	1,873,000	52,052	2.9	7.0	126,639	6.7	126,000	(639)	(0.5)	
Real Estate Business and Other											
Real Estate Business	44,566	51,500	6,933	15.6	19.3	8,600	19.4	10,000	1,399	16.3	
Other	35,141	45,500	10,358	29.5	7.3	2,561	6.6	3,000	438	17.1	
Sub-total	79,708	97,000	17,291	21.7	14.0	11,161	13.4	13,000	1,838	16.5	
Total	1,900,655	1,970,000	69,344	3.6	7.3	137,800	7.1	139,000	1,199	0.9	

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

【Non-consolidated】

(Unit: million yen)

	Net Sales				Gross Profit						
	FY2017 Full Year Result April 1, 2017 March 31, 2018 (A)	FY2018 Full Year Forecast April 1, 2018 March 31, 2019 (B)	Variance (B) - (A)	Variance rate (%)	FY2017 Full Year Result April 1, 2017 March 31, 2018 (C)		FY2018 Full Year Forecast April 1, 2018 March 31, 2019 (D)		Variance (D) - (C)	Variance rate (%)	
	% Gross Profit				% Gross Profit		% Gross Profit				
Building Construction											
Domestic	977,666	1,015,000	37,333	3.8	12.8	124,652	12.5	127,000	2,347	1.9	
Overseas	11,309	5,000	(6,309)	(55.8)	(1.5)	(167)	—	—	167	—	
Sub-total	988,975	1,020,000	31,024	3.1	12.6	124,485	12.5	127,000	2,514	2.0	
Civil Engineering											
Domestic	254,891	260,000	5,108	2.0	18.0	45,799	17.1	44,500	(1,299)	(2.8)	
Overseas	32,538	30,000	(2,538)	(7.8)	11.3	3,690	8.3	2,500	(1,190)	(32.3)	
Sub-total	287,429	290,000	2,570	0.9	17.2	49,490	16.2	47,000	(2,490)	(5.0)	
Construction Total											
Domestic	1,232,558	1,275,000	42,441	3.4	13.8	170,452	13.5	171,500	1,047	0.6	
Overseas	43,847	35,000	(8,847)	(20.2)	8.0	3,522	7.1	2,500	(1,022)	(29.0)	
Sub-total	1,276,405	1,310,000	33,594	2.6	13.6	173,975	13.3	174,000	24	0.0	
Real Estate Business and Other											
Real Estate Business	17,657	20,000	2,342	13.3	17.1	3,013	25.0	5,000	1,986	65.9	
Sub-total	17,657	20,000	2,342	13.3	17.1	3,013	25.0	5,000	1,986	65.9	
Total	1,294,062	1,330,000	35,937	2.8	13.7	176,988	13.5	179,000	2,011	1.1	

(3) Forecasts for 2Q (Cumulative) of FY2018 (in comparison with 2Q/FY2017 results)

(Unit: million yen)

【Consolidated】

	Consolidated Net Sales				Consolidated Operating Income					
	2Q / FY2017 Result April 1, 2017 September 30, 2017		2Q / FY2018 Forecast April 1, 2018 September 30, 2018		2Q / FY2017 Result April 1, 2017 September 30, 2017		2Q / FY2018 Forecast April 1, 2018 September 30, 2018		Variance (D) - (C)	Variance rate (%)
	(A)		(B)		(C)		(D)			
	% Gross Profit	(C)	% Gross Profit	(D)	(D) - (C)	(D) - (C)				
Building Construction										
Domestic	504,695	505,000	304	0.1	7.7	38,978	7.6	38,500	(478)	(1.2)
Overseas	180,226	204,000	23,773	13.2	0.7	1,257	1.7	3,500	2,242	178.3
Sub-total	684,921	709,000	24,078	3.5	5.9	40,236	5.9	42,000	1,763	4.4
Civil Engineering										
Domestic	161,712	174,000	12,287	7.6	10.2	16,479	9.8	17,000	520	3.2
Overseas	36,796	32,000	(4,796)	(13.0)	0.5	165	—	—	(165)	(100.0)
Sub-total	198,509	206,000	7,490	3.8	8.4	16,644	8.3	17,000	355	2.1
Construction Total										
Domestic	666,407	679,000	12,592	1.9	8.3	55,457	8.2	55,500	42	0.1
Overseas	217,023	236,000	18,976	8.7	0.7	1,423	1.5	3,500	2,076	145.9
Sub-total	883,430	915,000	31,569	3.6	6.4	56,881	6.4	59,000	2,118	3.7
Real Estate Business and Other										
Real Estate Business	18,160	18,000	(160)	(0.9)	19.2	3,491	25.0	4,500	1,008	28.9
Other	15,871	27,000	11,128	70.1	12.6	1,992	5.6	1,500	(492)	(24.7)
Sub-total	34,032	45,000	10,967	32.2	16.1	5,484	13.3	6,000	515	9.4
Total	917,463	960,000	42,536	4.6	6.8	62,366	6.8	65,000	2,633	4.2

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

【Non-consolidated】

(Unit: million yen)

	Net Sales				Gross Profit					
	2Q / FY2017 Result April 1, 2017 September 30, 2017		2Q / FY2018 Forecast April 1, 2018 September 30, 2018		2Q / FY2017 Result April 1, 2017 September 30, 2017		2Q / FY2018 Forecast April 1, 2018 September 30, 2018		Variance (D) - (C)	Variance rate (%)
	(A)		(B)		(C)		(D)			
	% Gross Profit	(C)	% Gross Profit	(D)	(D) - (C)	(D) - (C)				
Building Construction										
Domestic	491,077	485,000	(6,077)	(1.2)	12.1	59,379	12.4	60,000	620	1.0
Overseas	6,037	3,000	(3,037)	(50.3)	(4.2)	(253)	—	—	253	—
Sub-total	497,115	488,000	(9,115)	(1.8)	11.9	59,125	12.3	60,000	874	1.5
Civil Engineering										
Domestic	119,073	135,000	15,926	13.4	17.8	21,224	16.7	22,500	1,275	6.0
Overseas	17,304	17,000	(304)	(1.8)	9.5	1,644	8.8	1,500	(144)	(8.8)
Sub-total	136,378	152,000	15,621	11.5	16.8	22,868	15.8	24,000	1,131	4.9
Construction Total										
Domestic	610,151	620,000	9,848	1.6	13.2	80,603	13.3	82,500	1,896	2.4
Overseas	23,342	20,000	(3,342)	(14.3)	6.0	1,391	7.5	1,500	108	7.8
Sub-total	633,493	640,000	6,506	1.0	12.9	81,994	13.1	84,000	2,005	2.4
Real Estate Business and Other										
Real Estate Business	6,793	9,000	2,206	32.5	25.6	1,738	22.2	2,000	261	15.1
Sub-total	640,287	649,000	8,712	1.4	13.1	83,733	13.3	86,000	2,266	2.7

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

(1) Breakdown of non-consolidated orders received

(Unit: million yen)

	FY2016 April 1, 2016 - March 31, 2017		FY2017 April 1, 2017 - March 31, 2018		Variance	
		%		%		% variance
Building Construction						
Domestic Public	110,868	8.1	52,877	4.0	(57,991)	(52.3)
Domestic Private	937,239	68.6	929,497	70.4	(7,741)	(0.8)
Domestic total	1,048,108	76.7	982,374	74.4	(65,733)	(6.3)
Overseas total	4,569	0.3	13,051	1.0	8,481	185.6
Sub-total	1,052,677	77.0	995,425	75.4	(57,251)	(5.4)
Civil Engineering						
Domestic Public	162,455	11.9	188,504	14.3	26,049	16.0
Domestic Private	112,793	8.3	105,461	8.0	(7,332)	(6.5)
Domestic total	275,248	20.2	293,966	22.3	18,717	6.8
Overseas total	20,456	1.5	13,726	1.0	(6,730)	(32.9)
Sub-total	295,705	21.7	307,692	23.3	11,987	4.1
Construction Total						
Domestic Public	273,323	20.0	241,382	18.3	(31,941)	(11.7)
Domestic Private	1,050,033	76.9	1,034,958	78.4	(15,074)	(1.4)
Domestic total	1,323,357	96.9	1,276,341	96.7	(47,015)	(3.6)
Overseas total	25,025	1.8	26,777	2.0	1,751	7.0
Sub-total	1,348,382	98.7	1,303,118	98.7	(45,264)	(3.4)
Real Estate Business and Other	18,179	1.3	17,657	1.3	(522)	(2.9)
Total	1,366,562	100	1,320,775	100	(45,786)	(3.4)

(2) Breakdown of non-consolidated net sales

(Unit: million yen)

	FY2016 April 1, 2016 - March 31, 2017		FY2017 April 1, 2017 - March 31, 2018		Variance	
		%		%		% variance
Building Construction						
Domestic Public	62,816	4.8	100,721	7.8	37,905	60.3
Domestic Private	914,601	70.1	876,944	67.8	(37,656)	(4.1)
Domestic total	977,417	74.9	977,666	75.6	248	0.0
Overseas total	14,110	1.1	11,309	0.8	(2,801)	(19.9)
Sub-total	991,527	76.0	988,975	76.4	(2,552)	(0.3)
Civil Engineering						
Domestic Public	163,506	12.6	160,947	12.4	(2,559)	(1.6)
Domestic Private	95,650	7.3	93,944	7.3	(1,706)	(1.8)
Domestic total	259,157	19.9	254,891	19.7	(4,265)	(1.6)
Overseas total	35,201	2.7	32,538	2.5	(2,662)	(7.6)
Sub-total	294,358	22.6	287,429	22.2	(6,928)	(2.4)
Construction Total						
Domestic Public	226,323	17.4	261,669	20.2	35,345	15.6
Domestic Private	1,010,251	77.4	970,888	75.1	(39,362)	(3.9)
Domestic total	1,236,575	94.8	1,232,558	95.3	(4,017)	(0.3)
Overseas total	49,311	3.8	43,847	3.3	(5,463)	(11.1)
Sub-total	1,285,886	98.6	1,276,405	98.6	(9,480)	(0.7)
Real Estate Business and Other	18,179	1.4	17,657	1.4	(522)	(2.9)
Total	1,304,065	100	1,294,062	100	(10,003)	(0.8)

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

(Unit: million yen)

	At March 31, 2017		At March 31, 2018		Variance	
		%		%		% variance
Building Construction						
Domestic Public	192,688	11.2	144,843	8.3	(47,844)	(24.8)
Domestic Private	1,048,039	61.1	1,100,592	63.3	52,552	5.0
Domestic total	1,240,727	72.3	1,245,435	71.6	4,708	0.4
Overseas total	12,780	0.8	14,522	0.8	1,741	13.6
Sub-total	1,253,508	73.1	1,259,958	72.4	6,450	0.5
Civil Engineering						
Domestic Public	282,375	16.5	309,932	17.8	27,557	9.8
Domestic Private	124,949	7.3	136,466	7.8	11,517	9.2
Domestic total	407,324	23.8	446,399	25.6	39,074	9.6
Overseas total	53,239	3.1	34,427	2.0	(18,812)	(35.3)
Sub-total	460,564	26.9	480,827	27.6	20,262	4.4
Construction Total						
Domestic Public	475,063	27.7	454,776	26.1	(20,286)	(4.3)
Domestic Private	1,172,988	68.4	1,237,059	71.1	64,070	5.5
Domestic total	1,648,052	96.1	1,691,835	97.2	43,783	2.7
Overseas total	66,020	3.9	48,950	2.8	(17,070)	(25.9)
Sub-total	1,714,072	100	1,740,785	100	26,712	1.6
Real Estate Business and Other	—	—	—	—	—	—
Total	1,714,072	100	1,740,785	100	26,712	1.6

5 Consolidated orders received, completed and carried-forward projects

(1) Orders received

Owner	Project Names
SUMITOMO CORPORATION	(Tenative name) Kanda Nishikicho 2-chome Construction Project
Mizuho Financial Group, Inc. Japanese Bankers Association MITSUBISHI ESTATE CO., LTD.	(Tenative name) Marunouchi 1-3 Construction Project
Higashiogishima property Special Purpose Company	(Tenative name) Higashiogishima Logistics Facilities Construction Project
Sumitomo Realty & Development Co., Ltd.	(Tenative name) Umeda Sonezaki Construction Project
Ministry of the Environment	Interim Storage Facilities (Okuma Section 3) Soil Storage Facilities Constructon Project FY2017
San Francisco Public Utilities Commission (SFPUC)	Southeast Water Pollution Control Plant Biosolids Digester Facilities Project (U.S.A) ※

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

(2) Completed projects

Owner	Project Names
Akasaka 1-chome Area Urban Redevelopment Association	AKASAKA INTERCITY AIR Construction Project
Nihonbashi 2-chome Area Urban Redevelopment Association	TAIYO LIFE NIHONBASHI BUILDING Construction Project
Teikyo University	Teikyo University Hachioji Campus SORATIO SQUARE Construction Project
The New Zealand Transport Agency	Waterview Connection Tunnels and Great North Road Interchange (New Zealand)
Fuyo General Lease Co.,Ltd.	PRIMETREE AKAIKE Construction Project
Ophir-Rochor Commercial Pte. Ltd. Ophir-Rochor Hotel Pte. Ltd. Ophir-Rochor Residential Pte. Ltd.	DUO – OPHIR-ROCHOR MIXED DEVELOPMENT (Singapore) ※

※ Undertaken by Obayashi Singapore Private Limited.

(3) Carried-forward projects

Owner	Project Names
Toranomon 1-chome Area Urban Redevelopment Association	Toranomon 1-chome Area Class 1 Urban Redevelopment Project, Public Facilities Construction
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
Nam Ngiep 1 Power Co., Ltd.	Nam Ngiep 1 Hydropower Project (Laos)
SUMITOMO CORPORATION	(Tenative name) Kanda Nishikicho 2-chome Construction Project
Plenary Properties Merced	UC MERCED 2020 EXPANSION (U.S.A) ※

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

6 Consolidated financial statements

(1) Consolidated balance sheets

(Unit : million yen)

	March 31, 2017	March 31, 2018	Variance
Assets			
Current assets			
Cash and deposits	194,585	190,055	(4,530)
Notes and accounts receivable from completed construction contracts and other	720,361	760,371	40,009
Electronically recorded monetary claims	21,075	15,531	(5,543)
Short-term investment securities	2,519	4,615	2,096
Real estate for sale	16,739	11,682	(5,057)
Costs on uncompleted construction contracts	39,881	45,555	5,674
Costs on real estate business	24,200	25,416	1,216
Inventories for PFI and other projects	42,406	46,148	3,741
Other inventories	7,872	10,655	2,783
Deferred tax assets	17,443	20,381	2,938
Accounts receivable-other	78,009	79,423	1,413
Other	16,694	18,695	2,001
Allowance for doubtful accounts	(142)	(160)	(17)
Total current assets	1,181,645	1,228,372	46,727
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	92,587	103,153	10,565
Machinery, vehicles, tools, furniture and fixtures, net	29,554	45,707	16,153
Land	308,241	351,060	42,818
Lease assets, net	228	259	31
Construction in progress	28,986	26,090	(2,896)
Total property, plant and equipment	459,597	526,270	66,672
Intangible assets	6,558	5,038	(1,519)
Investments and other assets			
Investment securities	346,245	372,308	26,062
Long-term loans receivable	2,024	876	(1,147)
Assets for retirement benefits	68	24	(43)
Deferred tax assets	1,987	659	(1,328)
Other	18,118	15,542	(2,576)
Allowance for doubtful accounts	(249)	(231)	18
Total investments and other assets	368,194	389,179	20,985
Total noncurrent assets	834,350	920,488	86,138
Total assets	2,015,996	2,148,861	132,865

(1) Consolidated balance sheets

(Unit : million yen)

	March 31, 2017	March 31, 2018	Variance
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	485,408	524,712	39,303
Electronically recorded obligations	150,289	133,770	(16,519)
Short-term loans payable	89,498	88,686	(812)
Current portion of nonrecourse loans	6,832	9,557	2,724
Current portion of bonds	25,000	10,000	(15,000)
Lease obligations	85	90	4
Income taxes payable	30,533	29,695	(838)
Deferred tax liabilities	402	70	(332)
Advances received on uncompleted construction contracts	106,541	110,534	3,992
Deposits received	102,707	103,408	701
Provision for warranties for completed construction	3,048	4,114	1,066
Provision for loss on construction contracts	7,751	5,209	(2,541)
Provision for loss on Antimonopoly Act	436	10,529	10,092
Other	70,149	88,528	18,378
Total current liabilities	1,078,684	1,118,905	40,221
Noncurrent liabilities			
Bonds payable	30,000	20,000	(10,000)
Long-term loans payable	55,836	66,038	10,202
Nonrecourse loans	66,192	82,446	16,254
Lease obligations	126	169	42
Deferred tax liabilities	46,956	54,417	7,461
Deferred tax liabilities for land revaluation	21,091	19,604	(1,486)
Provision for stock payments for directors	301	259	(41)
Provision for loss on real estate business and other	993	993	—
Provision for environmental measures	616	313	(302)
Liability for retirement benefits	51,029	49,473	(1,556)
Other	20,091	24,713	4,622
Total noncurrent liabilities	293,235	318,430	25,195
Total liabilities	1,371,919	1,437,336	65,416
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	41,752	43,135	1,382
Retained earnings	334,957	404,840	69,883
Treasury stock	(1,964)	(1,929)	35
Total shareholders' equity	432,497	503,798	71,300
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	140,246	159,159	18,913
Deferred gains (losses) on hedges	(283)	(1,643)	(1,360)
Revaluation reserve for land	20,435	19,518	(916)
Foreign currency translation adjustments	(365)	758	1,123
Retirement benefit asset and liability adjustments	1,629	3,244	1,615
Total accumulated other comprehensive income	161,662	181,037	19,375
Non-controlling interests	49,916	26,688	(23,227)
Total net assets	644,076	711,525	67,448
Total liabilities and net assets	2,015,996	2,148,861	132,865
(Reference)			
Interest-bearing debt balances	273,359	276,728	3,368

(2) Consolidated statements of income

(Unit : million yen)

	FY2016 From April 1, 2016 to March 31, 2017	FY2017 From April 1, 2017 to March 31, 2018	Variance
Net sales			
Net sales of completed construction contracts	1,802,525	1,820,947	18,421
Net sales of real estate business and other	70,195	79,708	9,512
Total net sales	1,872,721	1,900,655	27,934
Cost of sales			
Cost of sales on completed construction contracts	1,596,705	1,608,353	11,647
Cost of sales on real estate business and other	51,082	57,998	6,916
Total cost of sales	1,647,787	1,666,351	18,564
Gross profit			
Gross profit on completed construction contracts	205,820	212,593	6,773
Gross profit on real estate business and other	19,113	21,709	2,596
Total gross profit	224,933	234,303	9,369
Selling, general and administrative expenses			
	91,191	96,502	5,311
Operating income			
	133,742	137,800	4,058
Non-operating income			
Interest income	1,917	1,534	(382)
Dividends income	6,940	7,538	598
Other	835	997	161
Total non-operating income	9,693	10,070	377
Non-operating expenses			
Interest expenses	2,442	2,097	(344)
Foreign exchange losses	462	671	209
Subsidiary stock acquisition-related cost	—	472	472
Other	424	677	252
Total non-operating expenses	3,329	3,919	590
Ordinary income			
	140,106	143,951	3,845
Extraordinary income			
Gain on sales of investing securities	3,081	6,120	3,039
Other	879	637	(241)
Total extraordinary income	3,960	6,758	2,797
Extraordinary loss			
Provision for loss on Antimonopoly Act	—	10,529	10,529
Impairment loss	562	1,769	1,206
Other	514	1,201	687
Total extraordinary losses	1,076	13,500	12,423
Profit before income taxes			
	142,990	137,209	(5,780)
Income taxes-current			
	37,692	47,290	9,598
Income taxes-deferred			
	4,782	(4,966)	(9,749)
Total income taxes			
	42,475	42,323	(151)
Profit			
	100,515	94,886	(5,629)
Profit attributable to non-controlling interests			
	6,013	2,223	(3,790)
Profit attributable to owners of parent			
	94,501	92,662	(1,838)

(3) Consolidated statements of cash flows

(Unit : million yen)

	FY2016 From April 1, 2016 to March 31, 2017	FY2017 From April 1, 2017 to March 31, 2018	Variance
Net cash provided by (used in) operating activities			
Income before income taxes	142,990	137,209	(5,780)
Depreciation and amortization	14,981	14,659	(322)
Impairment loss	562	1,769	1,206
Increase (decrease) in allowance for doubtful accounts	(30)	0	30
Increase (decrease) in provision for loss on construction contracts	(5,005)	(2,510)	2,495
Increase (decrease) in provision for loss on Antimonopoly Act	(295)	10,092	10,388
Increase (decrease) in liability for retirement benefits	160	734	573
Interest and dividends income	(8,857)	(9,073)	(215)
Interest expenses	2,442	2,097	(344)
Loss (gain) on sales of noncurrent assets	(346)	(466)	(119)
Loss (gain) on sales of short-term and long term investment securities	(3,080)	(6,107)	(3,026)
Decrease (increase) in notes and accounts receivable—trade	(20,740)	(36,264)	(15,524)
Decrease (increase) in costs on uncompleted construction contracts	(1,539)	(5,620)	(4,080)
Decrease (increase) in inventories	(995)	874	1,870
Decrease (increase) in inventories for PFI and other projects	3,107	(3,727)	(6,835)
Decrease (increase) in other assets	4,432	413	(4,018)
Increase (decrease) in notes and accounts payable—trade	29,433	24,054	(5,379)
Increase (decrease) in advances received on uncompleted construction contracts	(14,029)	4,077	18,107
Increase (decrease) in other liabilities	34,991	20,657	(14,334)
Other, net	180	1,145	965
Subtotal	178,360	154,015	(24,344)
Interest and dividends income received	9,041	9,225	184
Interest expenses	(2,530)	(2,163)	366
Income taxes (paid) refund	(25,978)	(47,042)	(21,063)
Net cash provided by (used in) operating activities	158,892	114,034	(44,857)
Net cash provided by (used in) investing activities			
Payments into time deposits	(362)	(3,313)	(2,950)
Purchase of property, plant and equipment and intangible assets	(39,755)	(71,965)	(32,209)
Proceeds from sales of property, plant and equipment and intangible assets	3,044	4,629	1,585
Purchase of short-term and long term investment securities	(6,253)	(7,411)	(1,158)
Proceeds from sales and redemption of short-term and long term investment securities	5,425	10,108	4,683
Payments of loans receivable	(362)	(145)	216
Collection of loans receivable	379	291	(88)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(3,483)	(3,483)
Other, net	—	1	1
Net cash provided by (used in) investing activities	(37,884)	(71,289)	(33,404)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	(23,512)	(5,963)	17,548
Repayments of lease obligations	(93)	(99)	(5)
Proceeds from long-term loans payable	21,700	31,000	9,300
Repayment of long-term loans payable	(53,417)	(17,177)	36,240
Proceeds from nonrecourse loans payable	9	19,066	19,057
Payment of nonrecourse loans payable	(6,858)	(7,016)	(158)
Redemption of bonds	(10,000)	(25,000)	(15,000)
Cash dividends paid	(15,797)	(23,696)	(7,898)
Cash dividends paid to non-controlling interests	(1,188)	(1,100)	88
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(24,552)	(24,552)
Other, net	(6)	(8)	(2)
Net cash provided by (used in) financing activities	(89,165)	(54,548)	34,616
Effect of exchange rate change on cash and cash equivalents	(2,449)	2,391	4,840
Net increase (decrease) in cash and cash equivalents	29,392	(9,412)	(38,805)
Cash and cash equivalents at beginning of period	164,802	194,195	29,392
Cash and cash equivalents at end of period	194,195	184,783	(9,412)

7 Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Unit : million yen)

	March 31, 2017	March 31, 2018	Variance
Assets			
Current assets			
Cash and deposits	73,814	81,375	7,561
Notes receivable-trade	7,363	24,486	17,123
Electronically recorded monetary claims	18,650	11,962	(6,688)
Accounts receivable from completed construction contracts	546,087	540,130	(5,956)
Accounts receivable-real estate business and other	5,163	6,218	1,055
Short-term investment securities	36	30	(6)
Real estate for sale	3,713	3,667	(46)
Costs on uncompleted construction contracts	35,304	38,438	3,134
Costs on real estate business and other	3,105	4,084	978
Short-term loans receivable	35,180	21,430	(13,750)
Deferred tax assets	15,049	17,452	2,402
Accounts receivable-other	74,506	78,132	3,626
Other	11,763	13,158	1,394
Allowance for doubtful accounts	(67)	(67)	—
Total current assets	829,672	840,501	10,828
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	44,553	50,868	6,315
Machinery, equipment and vehicles	3,103	5,044	1,940
Tools, furniture and fixtures, net	1,517	2,042	525
Land	179,524	186,665	7,140
Leased assets	22	23	1
Construction in progress	9,238	15,243	6,004
Total property, plant and equipment	237,959	259,886	21,927
Intangible assets	2,979	2,893	(85)
Investments and other assets			
Investment securities	333,441	360,677	27,236
Shares and investments in capital of subsidiaries and affiliates	26,731	56,775	30,044
Long-term loans receivable	58,465	67,835	9,370
Claims provable in bankruptcy, claims provable in rehabilitation and other	245	1,870	1,625
Long-term accounts receivable	5,590	425	(5,164)
Other	9,880	10,040	160
Allowance for doubtful accounts	(370)	(552)	(181)
Total investments and other assets	433,982	497,073	63,090
Total noncurrent assets	674,922	759,853	84,931
Total assets	1,504,594	1,600,355	95,760

(1) Non-consolidated balance sheets

(Unit : million yen)

	March 31, 2017	March 31, 2018	Variance
Liabilities			
Current liabilities			
Notes payable-trade	24,780	17,506	(7,273)
Electronically recorded obligations	141,102	129,457	(11,645)
Accounts payable for construction contracts	325,548	351,144	25,595
Accounts payable-real estate and other	1,458	1,019	(438)
Short-term loans payable	57,762	60,395	2,632
Current portion of bonds	25,000	10,000	(15,000)
Lease obligations	13	12	(1)
Accounts payable	11,912	17,238	5,325
Accrued expenses	13,604	18,158	4,554
Income taxes payable	27,513	27,244	(269)
Advances received on uncompleted construction contracts	73,149	70,321	(2,828)
Deposit received-real estate and other	1,390	1,851	460
Deposits received	95,884	95,252	(631)
Provision for warranties for completed construction	2,652	3,770	1,118
Provision for loss on construction contracts	6,456	3,744	(2,712)
Provision for loss on Antimonopoly Act	—	4,145	4,145
Deposits received from employees	22,943	24,601	1,658
Other	949	854	(95)
Total current liabilities	832,122	836,716	4,594
Noncurrent liabilities			
Bonds payable	30,000	20,000	(10,000)
Long-term loans payable	31,172	47,418	16,245
Lease obligations	10	14	3
Deferred tax liabilities	49,181	56,867	7,686
Deferred tax liabilities for land revaluation	16,675	16,266	(409)
Provision for retirement benefits	45,777	46,560	783
Provision for stock payments for directors	301	259	(41)
Provision for loss on real estate business and other	993	993	—
Provision for loss on business of subsidiaries and affiliates	2,306	2,842	536
Provision for environmental measures	548	248	(299)
Other	3,151	3,946	795
Total noncurrent liabilities	180,117	195,416	15,299
Total liabilities	1,012,240	1,032,133	19,893
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus			
Legal capital surplus	41,694	41,694	—
Total capital surpluses	41,694	41,694	—
Retained earnings			
Legal retained earnings	14,438	14,438	—
Other retained earnings			
Reserve for advanced depreciation of noncurrent assets	2,667	2,603	(64)
General reserve	110,000	180,000	70,000
Retained earnings brought forward	112,863	100,841	(12,022)
Total retained earnings	239,969	297,882	57,913
Treasury stock	(1,964)	(1,929)	35
Total shareholders' equity	337,451	395,400	57,948
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	140,103	158,860	18,756
Deferred gains (losses) on hedges	11	106	94
Revaluation reserve for land	14,787	13,854	(932)
Total valuation and translation adjustments	154,901	172,821	17,918
Total net assets	492,354	568,221	75,867
Total liabilities and net assets	1,504,594	1,600,355	95,760
(Reference)			
Interest-bearing debt balances	143,935	137,813	(6,122)

(2) Non-consolidated statements of income

(Unit : million yen)

	FY2016 From April 1, 2016 to March 31, 2017	FY2017 From April 1, 2017 to March 31, 2018	Variance
Net sales			
Net sales of completed construction contracts	1,285,886	1,276,405	(9,480)
Net sales of real estate business and other	18,179	17,657	(522)
Total net sales	1,304,065	1,294,062	(10,003)
Cost of sales			
Cost of sales on completed construction contracts	1,119,144	1,102,430	(16,714)
Cost of sales on real estate business and other	13,043	14,644	1,600
Total cost of sales	1,132,187	1,117,074	(15,113)
Gross profit			
Gross profit on completed construction contracts	166,741	173,975	7,233
Gross profit on real estate business and other	5,136	3,013	(2,123)
Total gross profit	171,878	176,988	5,109
Selling, general and administrative expenses	63,656	67,261	3,604
Operating income	108,221	109,727	1,505
Non-operating income			
Interest and dividend income	10,270	10,483	213
Other	459	286	(172)
Total non-operating income	10,729	10,770	40
Non-operating expenses			
Interest expenses	1,317	1,041	(275)
Provision of allowance for doubtful accounts	45	52	6
Foreign exchange losses	410	686	275
Other	646	866	219
Total non-operating expenses	2,420	2,646	226
Ordinary income	116,530	117,850	1,319
Extraordinary income			
Gain on sales of investment securities	3,044	6,069	3,025
Gain on liquidation of subsidiaries and affiliates	6,100	—	(6,100)
Other	623	301	(322)
Total extraordinary income	9,768	6,370	(3,397)
Extraordinary loss			
Provision for loss on Antimonopoly Act	—	4,145	4,145
Loss on business of subsidiaries and affiliates	4,671	2,256	(2,414)
Impairment loss	15	1,683	1,667
Other	344	900	556
Total extraordinary losses	5,031	8,985	3,954
Profit before income taxes	121,267	115,236	(6,031)
Income taxes-current	29,966	37,957	7,990
Income taxes-deferred	7,155	(3,398)	(10,554)
Total income taxes	37,122	34,558	(2,563)
Profit	84,145	80,677	(3,467)