

3rd Quarter Financial Results

(April 1 to December 31, 2018)

February 14, 2019



OBAYASHI CORPORATION

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Disclaimer: This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on February 14, 2019. It was translated into English and presented solely for the convenience of users who are not familiar with Japanese. If there is any discrepancy between Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" and this document, the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" will prevail. This document includes forward-looking statements based on the information available at the time the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" were released. Actual results may vary from the forward-looking statements contained herein due to various factors. Obayashi Corporation (non-consolidated) is called the "Company" in these materials. Since the second quarter of this fiscal year, "Summary of the Financial Results" and "Appendix to the Financial Results" were combined to this "Financial Results".

1 Summary of Financial Results

(Rounded down the nearest million yen)

(1) Consolidated Summary of Financial Results for the Nine Months Ended December 31, 2018

① Consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
Nine Months Ended December 31, 2018	1,482,513	8.1	106,550	7.8	113,076	7.8	79,175	4.5
Nine Months Ended December 31, 2017	1,370,802	2.8	98,883	1.8	104,862	2.4	75,763	7.4

(Note) Comprehensive income : [Nine Months Ended December 31, 2018] 57,053 million yen, (51.0)% ; [Nine Months Ended December 31, 2017] 116,406 million yen, 54.7%

	Profit attributable to owners of parent per Share (EPS)
	Yen
Nine Months Ended December 31, 2018	110.30
Nine Months Ended December 31, 2017	105.55

② Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share (BPS)	
	Yen in millions		Yen in millions		%	Yen		
As of December 31, 2018	2,217,788		748,114		32.4	1,001.14		
As of March 31, 2018	2,129,027		711,525		32.2	954.05		

(For reference) Equity (net assets less non-controlling interests) : [As of December 31, 2018] 718,458 million yen ; [As of March 31, 2018] 684,836 million yen

※ Partial Amendments to Accounting Standard for Tax Effect Accounting, etc. (ASBJ Statement No. 28, February 16, 2018) have been applied from the first quarter of this fiscal year . These figures include the impact of retrospective application for the previous fiscal year.

(2) Consolidated Forecast for Fiscal Year ending March 31, 2019 (April 1, 2018 - March 31, 2019)

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Profit attributable to owners of parent per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	
Full Year	1,970,000	3.6	139,000	0.9	144,500	0.4	98,000	5.8	136.56	

※ There have been no revisions to the consolidated forecasts for the full year.

(3) Non-consolidated Summary of Financial Results for the Nine Months Ended December 31, 2018

① Non-consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	
Nine Months Ended December 31, 2018	1,007,780	6.7	82,636	2.4	93,182	5.4	69,683	8.3	97.08	
Nine Months Ended December 31, 2017	944,258	(1.3)	80,730	2.6	88,386	2.9	64,314	0.0	89.60	

② Non-consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share (BPS)	
	Yen in millions		Yen in millions		%	Yen		
As of December 31, 2018	1,673,421		591,599		35.4	824.37		
As of March 31, 2018	1,582,902		568,221		35.9	791.59		

(Reference) Equity (net assets less non-controlling interests) : [As of December 31, 2018] 591,599 million yen ; [As of March 31, 2018] 568,221 million yen

※ Partial Amendments to Accounting Standard for Tax Effect Accounting, etc. (ASBJ Statement No. 28, February 16, 2018) have been applied from the first quarter of this fiscal year. These figures include the impact of retrospective application for the previous fiscal year.

(4) Non-consolidated Forecast Fiscal Year ending March 31, 2019 (April 1, 2018 - March 31, 2019)

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	
Full Year	1,330,000	2.8	111,000	1.2	121,000	2.7	84,000	4.1	117.05	

※ There have been no revisions to the non-consolidated forecasts for the full year.

(5) Dividends

	Dividend per Share					Total dividends paid (full year)	Dividend Payout Ratio (Consolidated)	Dividends-Net Assets Ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
		Yen		Yen	Yen	Yen in millions	%	%
FY ended Mar. 31, 2018	—	14.00	—	14.00	28.00	20,105	21.7	3.1
FY ending Mar. 31, 2019 (including Forecast)	—	14.00	—	14.00	28.00		20.5	

※ There have been no revisions to the forecasts for the full year.

2 Qualitative information

(1) Overview of consolidated business results

Consolidated net sales through the third quarter of fiscal year ending March 31, 2019 (from April 1 to December 31, 2018) were 1,482.5 billion yen, an increase of 111.7 billion yen (8.1%) from the same period in the previous fiscal year. This was mainly due to an increase in net sales in the building construction business. On the profit front, an increase in the gross profit on completed construction contracts was the main factor behind the increase in operating income to 106.5 billion yen, an increase of 7.6 billion yen (7.8%) year-on-year. Ordinary income increased to 113.0 billion yen, an increase of 8.2 billion yen (7.8%) year-on-year, and profit attributable to owners of parent rose to 79.1 billion yen, an increase of 3.4 billion yen (4.5%) over the first three quarters of the previous fiscal year.

(2) Overview of consolidated financial position

Total assets as of December 31, 2018 increased by 88.7 billion yen (4.2%) compared with the balance at the end of the previous fiscal year, to 2,217.7 billion yen. This was mainly due to seasonal factors that resulted in an increase in trade receivables related to construction contracts, which are the sum of “Notes and accounts receivable from completed construction contracts and other” and “Electronically recorded monetary claims,” and an increase in “Buildings and structures” and “Land” from the acquisition of commercial real estate, which more than compensated for the decline in “Investment securities” due to a decline in the market value of shares held.

Total liabilities as of December 31, 2018 increased by 52.1 billion yen (3.7%) compared with the balance at the end of the previous fiscal year, to 1,469.6 billion yen. This was mainly due to an increase in “Commercial papers” to meet the demand for funds. The balance of interest-bearing debt consequently rose to 315.5 billion yen, an increase of 38.8 billion yen (14.0%) from the end of the previous fiscal year.

Total net assets as of December 31, 2018 increased by 36.5 billion yen (5.1%) compared with the balance at the end of the previous fiscal year, to 748.1 billion yen. This resulted mainly from an increase in “Retained earnings” due to the recognition of profit attributable to owners of parent, despite the decline in “Valuation difference on available-for-sale securities.”

As a result, the equity ratio as of December 31, 2018 was 32.4%, up 0.2 percentage points from the end of the previous fiscal year.

(3) Consolidated forecasts for fiscal year ending March 31, 2019

The consolidated forecasts for the full year (ending March 31, 2019) have not been revised from the forecasts announced on November 12, 2018 when second quarter financial results were announced, based on a review at the time of the disclosure.

3 Financial Highlights

(1) Financial Results for the Nine Months Ended December 31, 2018 (YoY Comparison)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results April 1, 2017 - December 31, 2017		Results April 1, 2018 - December 31, 2018		Change	% Change	Results April 1, 2017 - December 31, 2017		Results April 1, 2018 - December 31, 2018		Change	% Change
Net sales of completed construction contracts	%	13,218	%	14,174	955	7.2	%	9,337	%	9,929	591	6.3
Building Construction		—		—	—	—		7,286		7,809	522	7.2
Civil Engineering		—		—	—	—		2,051		2,120	68	3.4
Gross profit on completed construction contracts	11.7	1,548	11.4	1,621	73	4.7	13.7	1,277	12.9	1,278	0	0.1
Building Construction		—		—	—	—	12.6	916	11.5	900	(15)	(1.7)
Civil Engineering		—		—	—	—	17.6	360	17.8	377	16	4.6
Net sales of real estate business and other		489		650	161	33.0		104		148	43	41.7
Gross profit on real estate business and other	30.3	148	25.4	165	17	11.7	26.7	27	27.3	40	12	44.7
Net sales		13,708		14,825	1,117	8.1		9,442		10,077	635	6.7
Gross profit	12.4	1,696	12.1	1,786	90	5.3	13.8	1,305	13.1	1,318	13	1.0
Selling, general and administrative expenses	5.2	707	4.9	721	13	2.0	5.3	497	4.9	492	(5)	(1.2)
(Personnel expenses)		426		415	(10)			296		274	(21)	
(Others)		281		305	24			201		217	15	
Operating income	7.2	988	7.2	1,065	76	7.8	8.5	807	8.2	826	19	2.4
Non-operating income		84		89	5	6.3		89		122	32	36.0
Non-operating expenses		24		24	(0)	(0.8)		13		16	3	25.6
(interests received/paid and dividend income - net)		56		62	6			75		110	35	
Ordinary income	7.6	1,048	7.6	1,130	82	7.8	9.4	883	9.2	931	47	5.4
Extraordinary income		37		16	(20)	(56.2)		31		50	19	61.9
Extraordinary loss		21		7	(13)	(64.5)		21		6	(15)	(70.5)
Income before income taxes	7.8	1,064	7.7	1,139	74	7.0	9.5	893	9.7	975	82	9.2
Total income taxes		292		325	33	11.3		250		279	28	11.5
Profit		772		814	41	5.4		—		—	—	—
Profit attributable to non-controlling interests (deduction)		15		22	7	50.9		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.5	757	5.3	791	34	4.5	6.8	643	6.9	696	53	8.3

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2017 - December 31, 2017		Results April 1, 2018 - December 31, 2018		Change	% Change	Results April 1, 2017 - December 31, 2017		Results April 1, 2018 - December 31, 2018		Change	% Change
Building Construction		9,831		9,746	(84)	(0.9)		6,872		6,093	(778)	(11.3)
(Domestic)		7,231		6,513	(718)	(9.9)		6,790		6,045	(745)	(11.0)
(Overseas)		2,599		3,233	633	24.4		81		48	(33)	(40.6)
Civil Engineering		3,252		2,718	(534)	(16.4)		2,175		1,709	(466)	(21.4)
(Domestic)		2,766		2,192	(573)	(20.7)		2,048		1,628	(419)	(20.5)
(Overseas)		486		525	39	8.1		127		80	(46)	(36.3)
Construction Total		13,084		12,464	(619)	(4.7)		9,047		7,802	(1,244)	(13.8)
(Domestic)		9,998		8,705	(1,292)	(12.9)		8,839		7,673	(1,165)	(13.2)
(Overseas)		3,085		3,758	673	21.8		208		129	(79)	(38.0)
Real Estate Business and Other		485		599	114	23.5		104		148	44	42.1
Total Orders received		13,569		13,064	(505)	(3.7)		9,152		7,951	(1,200)	(13.1)

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	March 31, 2018	December 31, 2018	Change	% Change	March 31, 2018	December 31, 2018	Change	% Change
Interest-bearing debt (except nonrecourse loans)	1,847	2,264	416	22.6	1,378	1,844	466	33.8
Nonrecourse loans	920	891	(28)	(3.1)	—	—	—	—
Total Interest-bearing debt	2,767	3,155	388	14.0	1,378	1,844	466	33.8

(2) Forecasts for Fiscal Year ending March 31, 2019 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2017 - March 31, 2018		Forecasts April 1, 2018 - March 31, 2019		Change	% Change	Results April 1, 2017 - March 31, 2018		Forecasts April 1, 2018 - March 31, 2019		Change	% Change
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 (Personnel expenses)	5.0	965	4.9	970	4	0.5	5.2	672	5.2	680	7	1.1
(Others)		570		560	(10)			388		380	(8)	
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 (interests received/paid and dividend income - net)		39		35	(4)	(10.7)		26		20	(6)	(24.4)
		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		20	(47)	(70.4)		63		20	(43)	(68.6)
Extraordinary loss		135		20	(115)	(85.2)		89		20	(69)	(77.7)
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

※ There have been no revisions to the forecasts from the consolidated forecasts previously announced on November 12, 2018.

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2017 - March 31, 2018		Forecasts April 1, 2018 - March 31, 2019		Change	% Change	Results April 1, 2017 - March 31, 2018		Forecasts April 1, 2018 - March 31, 2019		Change	% Change
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)

※ There have been no revisions to the forecasts from the consolidated forecasts previously announced on November 12, 2018.

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	March 31, 2018	Forecasts March 31, 2019	Change	% Change	March 31, 2018	Forecasts March 31, 2019	Change	% Change
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	—	—	—	—
Total Interest-bearing debt	2,767	2,700	(67)	(2.4)	1,378	1,400	21	1.6

※ There have been no revisions to the forecasts from the consolidated forecasts previously announced on November 12, 2018.

4 Operating Results and Forecasts for Reportable Segments

(1) Operating Results for the Nine Months Ended December 31, 2018 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results		Change	% Change	Results		Change	% Change	% Profit	
	April 1, 2017 - December 31, 2017	April 1, 2018 - December 31, 2018			April 1, 2017 - December 31, 2017	April 1, 2018 - December 31, 2018			% Profit	% Profit
Building Construction										
Domestic	734,479	805,583	71,104	9.7	8.3	60,684	7.6	61,225	541	0.9
Overseas	281,965	310,451	28,485	10.1	1.0	2,843	1.8	5,725	2,882	101.4
Subtotal	1,016,445	1,116,034	99,589	9.8	6.2	63,527	6.0	66,951	3,423	5.4
Civil Engineering										
Domestic	248,112	258,153	10,041	4.0	11.1	27,578	11.3	29,118	1,539	5.6
Overseas	57,318	43,242	(14,075)	(24.6)	0.8	440	2.0	854	414	94.1
Subtotal	305,430	301,396	(4,034)	(1.3)	9.2	28,018	9.9	29,972	1,954	7.0
Construction Total										
Domestic	982,592	1,063,737	81,145	8.3	9.0	88,262	8.5	90,343	2,081	2.4
Overseas	339,283	353,693	14,409	4.2	1.0	3,283	1.9	6,580	3,296	100.4
Subtotal	1,321,876	1,417,430	95,554	7.2	6.9	91,546	6.8	96,923	5,377	5.9
Real Estate Business and Other										
Real Estate Business	25,879	30,585	4,706	18.2	18.5	4,789	24.2	7,388	2,599	54.3
Other	23,046	34,497	11,450	49.7	11.1	2,547	6.5	2,237	(310)	(12.2)
Subtotal	48,926	65,083	16,156	33.0	15.0	7,337	14.8	9,626	2,288	31.2
Total	1,370,802	1,482,513	111,711	8.1	7.2	98,883	7.2	106,550	7,666	7.8

※ The figures in the table above show segment results. Consolidated net sales and operating income show the sales and operating income for external customers.

【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Results		Change	% Change	Results		Change	% Change	% Gross Profit	
	April 1, 2017 - December 31, 2017	April 1, 2018 - December 31, 2018			April 1, 2017 - December 31, 2017	April 1, 2018 - December 31, 2018			% Gross Profit	% Gross Profit
Building Construction										
Domestic	720,084	773,944	53,859	7.5	12.8	91,862	11.6	89,893	(1,968)	(2.1)
Overseas	8,553	6,971	(1,581)	(18.5)	(2.5)	(214)	2.3	159	373	—
Subtotal	728,637	780,916	52,278	7.2	12.6	91,648	11.5	90,052	(1,595)	(1.7)
Civil Engineering										
Domestic	181,165	195,440	14,275	7.9	18.7	33,855	18.3	35,837	1,981	5.9
Overseas	23,993	16,595	(7,397)	(30.8)	9.3	2,223	11.5	1,913	(310)	(13.9)
Subtotal	205,158	212,036	6,877	3.4	17.6	36,078	17.8	37,750	1,671	4.6
Construction Total										
Domestic	901,249	969,384	68,135	7.6	13.9	125,717	13.0	125,730	13	0.0
Overseas	32,546	23,567	(8,978)	(27.6)	6.2	2,009	8.8	2,072	63	3.1
Subtotal	933,795	992,952	59,156	6.3	13.7	127,726	12.9	127,803	76	0.1
Real Estate Business and Other										
Real Estate Business	10,463	14,828	4,365	41.7	26.7	2,793	27.3	4,042	1,249	44.7
Other										
Total	944,258	1,007,780	63,521	6.7	13.8	130,519	13.1	131,845	1,325	1.0

(2) Forecasts for Fiscal Year ending March 31, 2019 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results April 1, 2017 March 31, 2018	Forecasts April 1, 2018 March 31, 2019	Change	% Change	Results April 1, 2017 March 31, 2018		Forecasts April 1, 2018 March 31, 2019		Change	% Change
					% Profit		% 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
Subtotal	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)
Subtotal	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
Subtotal	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
Subtotal	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

※1 The figures in the table above show segment results. Consolidated net sales and operating income show the sales and operating income for external customers.

※2 There have been no revisions to the forecasts from the consolidated forecasts previously announced on November 12, 2018.

【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Results April 1, 2017 March 31, 2018	Forecasts April 1, 2018 March 31, 2019	Change	% Change	Results April 1, 2017 March 31, 2018		Forecasts April 1, 2018 March 31, 2019		Change	% Change
					% 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	—
Subtotal	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)
Subtotal	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)
Subtotal	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										
	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

※ There have been no revisions to the forecasts from the consolidated forecasts previously announced on November 12, 2018.

5 Non-consolidated Orders Received, Net Sales and Projects in Process

(1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	April 1, 2017 - December 31, 2017		April 1, 2018 - December 31, 2018		Change		Previous FY Results April 1, 2017 - March 31, 2018	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	53,280	5.8	12,205	1.5	(41,075)	(77.1)	52,877	4.0
Domestic Private	625,807	68.4	592,321	74.5	(33,486)	(5.4)	929,497	70.4
Domestic total	679,087	74.2	604,526	76.0	(74,561)	(11.0)	982,374	74.4
Overseas total	8,159	0.9	4,847	0.6	(3,311)	(40.6)	13,051	1.0
Subtotal	687,246	75.1	609,374	76.6	(77,872)	(11.3)	995,425	75.4
Civil Engineering								
Domestic Public	128,756	14.1	74,412	9.4	(54,344)	(42.2)	188,504	14.3
Domestic Private	76,058	8.3	88,416	11.1	12,358	16.2	105,461	8.0
Domestic total	204,814	22.4	162,828	20.5	(41,985)	(20.5)	293,966	22.3
Overseas total	12,718	1.4	8,095	1.0	(4,622)	(36.3)	13,726	1.0
Subtotal	217,533	23.8	170,924	21.5	(46,608)	(21.4)	307,692	23.3
Construction Total								
Domestic Public	182,036	19.9	86,617	10.9	(95,419)	(52.4)	241,382	18.3
Domestic Private	701,865	76.7	680,737	85.6	(21,127)	(3.0)	1,034,958	78.4
Domestic total	883,902	96.6	767,355	96.5	(116,546)	(13.2)	1,276,341	96.7
Overseas total	20,877	2.3	12,943	1.6	(7,934)	(38.0)	26,777	2.0
Subtotal	904,780	98.9	780,298	98.1	(124,481)	(13.8)	1,303,118	98.7
Real Estate Business and Other	10,463	1.1	14,873	1.9	4,409	42.1	17,657	1.3
Total	915,243	100	795,171	100	(120,071)	(13.1)	1,320,775	100

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	April 1, 2017 - December 31, 2017		April 1, 2018 - December 31, 2018		Change		Previous FY Results April 1, 2017 - March 31, 2018	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	83,867	8.9	50,259	5.0	(33,607)	(40.1)	100,721	7.8
Domestic Private	636,217	67.4	723,684	71.8	87,467	13.7	876,944	67.8
Domestic total	720,084	76.3	773,944	76.8	53,859	7.5	977,666	75.6
Overseas total	8,553	0.9	6,971	0.7	(1,581)	(18.5)	11,309	0.8
Subtotal	728,637	77.2	780,916	77.5	52,278	7.2	988,975	76.4
Civil Engineering								
Domestic Public	113,207	12.0	120,303	11.9	7,095	6.3	160,947	12.4
Domestic Private	67,957	7.2	75,136	7.5	7,179	10.6	93,944	7.3
Domestic total	181,165	19.2	195,440	19.4	14,275	7.9	254,891	19.7
Overseas total	23,993	2.5	16,595	1.6	(7,397)	(30.8)	32,538	2.5
Subtotal	205,158	21.7	212,036	21.0	6,877	3.4	287,429	22.2
Construction Total								
Domestic Public	197,075	20.9	170,563	16.9	(26,511)	(13.5)	261,669	20.2
Domestic Private	704,174	74.6	798,821	79.3	94,646	13.4	970,888	75.1
Domestic total	901,249	95.5	969,384	96.2	68,135	7.6	1,232,558	95.3
Overseas total	32,546	3.4	23,567	2.3	(8,978)	(27.6)	43,847	3.3
Subtotal	933,795	98.9	992,952	98.5	59,156	6.3	1,276,405	98.6
Real Estate Business and Other	10,463	1.1	14,828	1.5	4,365	41.7	17,657	1.4
Total	944,258	100	1,007,780	100	63,521	6.7	1,294,062	100

(3) Breakdown of Non-consolidated Projects in Process

(Yen in millions)

	December 31, 2017		December 31, 2018		Change		March 31, 2018	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	162,101	9.6	106,788	7.0	(55,312)	(34.1)	144,843	8.3
Domestic Private	1,037,629	61.6	969,229	63.4	(68,400)	(6.6)	1,100,592	63.3
Domestic total	1,199,730	71.2	1,076,017	70.4	(123,712)	(10.3)	1,245,435	71.6
Overseas total	12,386	0.7	12,398	0.8	11	0.1	14,522	0.8
Subtotal	1,212,117	71.9	1,088,416	71.2	(123,701)	(10.2)	1,259,958	72.4
Civil Engineering								
Domestic Public	297,923	17.7	264,041	17.3	(33,882)	(11.4)	309,932	17.8
Domestic Private	133,050	7.9	149,746	9.8	16,696	12.5	136,466	7.8
Domestic total	430,974	25.6	413,788	27.1	(17,186)	(4.0)	446,399	25.6
Overseas total	41,965	2.5	25,927	1.7	(16,037)	(38.2)	34,427	2.0
Subtotal	472,939	28.1	439,715	28.8	(33,223)	(7.0)	480,827	27.6
Construction Total								
Domestic Public	460,025	27.3	370,830	24.3	(89,194)	(19.4)	454,776	26.1
Domestic Private	1,170,679	69.5	1,118,975	73.2	(51,704)	(4.4)	1,237,059	71.1
Domestic total	1,630,705	96.8	1,489,806	97.5	(140,899)	(8.6)	1,691,835	97.2
Overseas total	54,352	3.2	38,326	2.5	(16,025)	(29.5)	48,950	2.8
Subtotal	1,685,057	100	1,528,132	100.0	(156,924)	(9.3)	1,740,785	100
Real Estate Business and Other	—	—	44	0.0	44	—	—	—
Total	1,685,057	100	1,528,176	100	(156,880)	(9.3)	1,740,785	100

6 Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2018	December 31, 2018	Change
Assets			
Current assets			
Cash and deposits	190,055	170,701	(19,354)
Notes and accounts receivable from completed construction contracts and other	760,371	837,377	77,006
Electronically recorded monetary claims	15,531	14,290	(1,241)
Short-term investment securities	4,615	7,026	2,411
Real estate for sale	11,682	10,458	(1,224)
Costs on uncompleted construction contracts	45,555	55,392	9,836
Costs on real estate business	25,416	28,493	3,076
Inventories for PFI and other projects	46,148	44,754	(1,393)
Other inventories	10,655	10,191	(463)
Accounts receivable	79,423	75,795	(3,628)
Other	18,695	56,052	37,356
Allowance for doubtful accounts	(160)	(150)	10
Total current assets	1,207,991	1,310,382	102,391
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	103,153	116,994	13,841
Machinery, vehicles, tools, furniture and fixtures	45,707	57,064	11,356
Land	351,060	355,574	4,514
Lease assets	259	295	36
Construction in progress	26,090	15,999	(10,090)
Total property, plant and equipment	526,270	545,928	19,658
Intangible assets	5,038	4,929	(108)
Investments and other assets			
Investment securities	372,308	338,700	(33,607)
Long-term loans receivable	876	1,757	880
Assets for retirement benefits	24	24	—
Deferred tax assets	1,206	1,370	163
Other	15,542	15,345	(196)
Allowance for doubtful accounts	(231)	(650)	(419)
Total investments and other assets	389,727	356,547	(33,179)
Total noncurrent assets	921,036	907,406	(13,630)
Total assets	2,129,027	2,217,788	88,761

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2018	December 31, 2018	Change
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	524,712	528,938	4,226
Electronically recorded obligations	133,770	151,340	17,570
Short-term loans payable	88,686	64,420	(24,265)
Current portion of nonrecourse loans	9,557	9,554	(2)
Commercial papers	—	40,000	40,000
Current portion of bonds	10,000	10,000	—
Lease obligations	90	92	2
Income taxes payable	29,695	5,255	(24,440)
Advances received on uncompleted construction contracts	110,534	137,472	26,938
Deposits received	103,408	119,852	16,444
Provision for warranties for completed construction	4,114	4,308	193
Provision for loss on construction contracts	5,209	1,914	(3,294)
Provision for loss on Antimonopoly Act	10,529	10,324	(204)
Other	88,528	71,275	(17,253)
Total current liabilities	1,118,835	1,154,751	35,915
Noncurrent liabilities			
Bonds payable	20,000	30,000	10,000
Long-term loans payable	66,038	82,002	15,963
Nonrecourse loans	82,446	79,595	(2,850)
Lease obligations	169	214	44
Deferred tax liabilities	34,654	26,901	(7,752)
Deferred tax liabilities for land revaluation	19,604	18,953	(650)
Provision for stock payments for directors	259	163	(96)
Provision for loss on real estate business and other	993	993	—
Provision for environmental measures	313	311	(2)
Liability for retirement benefits	49,473	50,482	1,009
Other	24,713	25,304	590
Total noncurrent liabilities	298,667	314,923	16,256
Total liabilities	1,417,502	1,469,674	52,172
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	43,135	42,540	(595)
Retained earnings	404,840	464,215	59,374
Treasury stock	(1,929)	(2,131)	(201)
Total shareholders' equity	503,798	562,376	58,577
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	159,159	133,156	(26,002)
Deferred gains (losses) on hedges	(1,643)	(171)	1,472
Revaluation reserve for land	19,518	19,214	(304)
Foreign currency translation adjustments	758	791	33
Retirement benefit asset and liability adjustments	3,244	3,091	(153)
Total accumulated other comprehensive income	181,037	156,082	(24,955)
Non-controlling interests	26,688	29,655	2,966
Total net assets	711,525	748,114	36,589
Total liabilities and net assets	2,129,027	2,217,788	88,761
(Reference)			
Interest-bearing debt balances	276,728	315,572	38,844

※ Partial Amendments to Accounting Standard for Tax Effect Accounting, etc. (ASBJ Statement No. 28, February 16, 2018) have been applied from the first quarter of this fiscal year. These figures include the impact of retrospective application for the previous fiscal year.

(2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2017 - December 31, 2017	April 1, 2018 - December 31, 2018	Change
Net sales			
Net sales of completed construction contracts	1,321,876	1,417,430	95,554
Net sales of real estate business and other	48,926	65,083	16,156
Total net sales	1,370,802	1,482,513	111,711
Cost of sales			
Cost of sales on completed construction contracts	1,167,064	1,255,299	88,235
Cost of sales on real estate business and other	34,118	48,546	14,427
Total cost of sales	1,201,182	1,303,845	102,663
Gross profit			
Gross profit on completed construction contracts	154,812	162,131	7,319
Gross profit on real estate business and other	14,808	16,537	1,728
Total gross profit	169,620	178,668	9,048
Selling, general and administrative expenses	70,736	72,118	1,381
Operating income	98,883	106,550	7,666
Non-operating income			
Interest income	1,206	886	(319)
Dividends income	6,057	6,799	741
Other	1,142	1,248	106
Total non-operating income	8,406	8,935	529
Non-operating expenses			
Interest expenses	1,581	1,387	(193)
Subsidiary stock acquisition-related cost	472	—	(472)
Other	373	1,021	647
Total non-operating expenses	2,427	2,408	(18)
Ordinary income	104,862	113,076	8,214
Extraordinary income			
Gain on sales of investing securities	3,135	1,482	(1,652)
Other	585	145	(439)
Total extraordinary income	3,720	1,628	(2,092)
Extraordinary loss			
Loss on retirement of noncurrent assets	305	244	(61)
Loss on sales of investment securities	—	236	236
Loss on liquidation of investment securities	—	167	167
Impairment loss	1,291	—	(1,291)
Other	512	101	(411)
Total extraordinary losses	2,109	748	(1,361)
Profit before income taxes	106,473	113,956	7,483
Income taxes-current	28,291	29,574	1,283
Income taxes-deferred	918	2,941	2,023
Total income taxes	29,209	32,516	3,306
Profit	77,263	81,439	4,176
Profit attributable to non-controlling interests	1,500	2,264	763
Profit attributable to owners of parent	75,763	79,175	3,412

(3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2017 - December 31, 2017	April 1, 2018 - December 31, 2018
Profit	77,263	81,439
Other comprehensive income		
Valuation difference on available-for-sale securities	37,291	(26,006)
Deferred gains (losses) on hedges	395	1,472
Foreign currency translation adjustment	1,172	310
Retirement benefit adjustment	251	(152)
Share of other comprehensive income of associates accounted for using equity method	32	(10)
Total other comprehensive income	39,142	(24,386)
Comprehensive income	116,406	57,053
Comprehensive income attributable to owners of parent	114,246	54,525
Comprehensive income attributable to non-controlling interests	2,159	2,528

7 Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2018	December 31, 2018	Change
Assets			
Current assets			
Cash and deposits	81,375	62,661	(18,714)
Notes receivable—trade	24,486	4,398	(20,087)
Electronically recorded monetary claims	11,962	11,322	(639)
Accounts receivable from completed construction contracts	540,130	638,006	97,875
Accounts receivable—real estate business and other	6,218	4,905	(1,313)
Short-term investment securities	30	173	143
Real estate for sale	3,667	3,580	(86)
Costs on uncompleted construction contracts	38,438	45,010	6,572
Costs on real estate business and other	4,084	4,867	782
Short-term loans receivable	21,430	34,865	13,435
Accounts receivable—other	78,132	70,313	(7,819)
Other	13,158	48,095	34,937
Allowance for doubtful accounts	(67)	(75)	(8)
Total current assets	823,048	928,125	105,077
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	50,868	55,189	4,320
Machinery, equipment and vehicles	5,044	9,362	4,318
Tools, furniture and fixtures	2,042	2,294	252
Land	186,665	184,550	(2,114)
Leased assets	23	14	(8)
Construction in progress	15,243	10,943	(4,299)
Total property, plant and equipment	259,886	262,354	2,467
Intangible assets	2,893	3,032	138
Investments and other assets			
Investment securities	360,677	326,337	(34,340)
Shares and investments in capital of subsidiaries and affiliates	56,775	59,659	2,883
Long-term loans receivable	67,835	83,221	15,386
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,870	1,898	28
Long-term accounts receivable	425	—	(425)
Other	10,040	9,486	(554)
Allowance for doubtful accounts	(552)	(695)	(142)
Total investments and other assets	497,073	479,908	(17,164)
Total noncurrent assets	759,853	745,295	(14,558)
Total assets	1,582,902	1,673,421	90,518

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2018	December 31, 2018	Change
Liabilities			
Current liabilities			
Notes payable—trade	17,506	23,436	5,929
Electronically recorded obligations	129,457	147,356	17,899
Accounts payable for construction contracts	351,144	367,339	16,195
Accounts payable—real estate and other	1,019	701	(317)
Short-term loans payable	60,395	36,712	(23,683)
Commercial papers	—	40,000	40,000
Current portion of bonds	10,000	10,000	—
Lease obligations	12	6	(5)
Accounts payable	17,238	4,436	(12,802)
Accrued expenses	18,158	12,250	(5,908)
Income taxes payable	27,244	4,544	(22,699)
Advances received on uncompleted construction contracts	70,321	85,900	15,579
Deposit received—real estate and other	1,851	2,024	173
Deposits received	95,252	110,481	15,228
Provision for warranties for completed construction	3,770	3,955	185
Provision for loss on construction contracts	3,744	920	(2,824)
Provision for loss on Antimonopoly Act	4,145	4,145	—
Deposits received from employees	24,601	25,965	1,363
Other	854	895	41
Total current liabilities	836,716	881,073	44,356
Noncurrent liabilities			
Bonds payable	20,000	30,000	10,000
Long-term loans payable	47,418	67,726	20,308
Lease obligations	14	8	(5)
Deferred tax liabilities	39,414	32,195	(7,219)
Deferred tax liabilities for land revaluation	16,266	15,615	(650)
Provision for retirement benefits	46,560	47,334	774
Provision for stock payments for directors	259	163	(96)
Provision for loss on real estate business and other	993	993	—
Provision for loss on business of subsidiaries and affiliates	2,842	1,528	(1,314)
Provision for environmental measures	248	247	(0)
Other	3,946	4,935	988
Total noncurrent liabilities	177,964	200,748	22,784
Total liabilities	1,014,681	1,081,822	67,141
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	2,603	2,559	(43)
General reserve	180,000	240,000	60,000
Retained earnings brought forward	100,841	90,767	(10,074)
Total retained earnings	297,882	347,764	49,881
Treasury stock	(1,929)	(2,131)	(201)
Total shareholders' equity	395,400	445,080	49,680
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	158,860	132,975	(25,884)
Deferred gains (losses) on hedges	106	(6)	(113)
Revaluation reserve for land	13,854	13,549	(304)
Total valuation and translation adjustments	172,821	146,518	(26,302)
Total net assets	568,221	591,599	23,377
Total liabilities and net assets	1,582,902	1,673,421	90,518
(Reference)			
Interest-bearing debt balances	137,813	184,438	46,624

※ Partial Amendments to Accounting Standard for Tax Effect Accounting, etc. (ASBJ Statement No. 28, February 16, 2018) have been applied from the first quarter of this fiscal year. These figures include the impact of retrospective application for the previous fiscal year.

(2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2017 - December 31, 2017	April 1, 2018 - December 31, 2018	Change
Net sales			
Net sales of completed construction contracts	933,795	992,952	59,156
Net sales of real estate business and other	10,463	14,828	4,365
Total net sales	944,258	1,007,780	63,521
Cost of sales			
Cost of sales on completed construction contracts	806,069	865,149	59,080
Cost of sales on real estate business and other	7,669	10,786	3,116
Total cost of sales	813,739	875,935	62,196
Gross profit			
Gross profit on completed construction contracts	127,726	127,803	76
Gross profit on real estate business and other	2,793	4,042	1,249
Total gross profit	130,519	131,845	1,325
Selling, general and administrative expenses	49,789	49,208	(581)
Operating income	80,730	82,636	1,906
Non-operating income			
Interest and dividend income	8,371	11,651	3,279
Other	613	564	(48)
Total non-operating income	8,985	12,215	3,230
Non-operating expenses			
Interest expenses	820	568	(252)
Provision of allowance for doubtful accounts	20	37	17
Other	489	1,064	575
Total non-operating expenses	1,329	1,670	341
Ordinary income	88,386	93,182	4,796
Extraordinary income			
Gain on sales of noncurrent assets	2	3,452	3,450
Gain on sales of investment securities	3,083	1,482	(1,600)
Other	31	111	80
Total extraordinary income	3,117	5,047	1,929
Extraordinary loss			
Loss on sales of investment securities	—	177	177
Loss on liquidation of investment securities	—	167	167
Loss on retirement of noncurrent assets	268	152	(115)
Impairment loss	1,291	—	(1,291)
Other	610	142	(468)
Total extraordinary losses	2,170	640	(1,530)
Profit before income taxes	89,333	97,589	8,255
Income taxes-current	23,717	24,367	649
Income taxes-deferred	1,301	3,538	2,237
Total income taxes	25,018	27,906	2,887
Profit	64,314	69,683	5,368