

# 4th Quarter Financial Results

(April 1, 2018 to March 31, 2019)

May 13, 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 May 13, 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 fiscal year ended March 31, 2019, "Summary of the Financial Results" and "Appendix to the Financial Results" were combined to this "Financial Results".

# 1 Summary of Financial Results

(Rounded down to the nearest million yen)

## (1) Consolidated Financial Results for Fiscal Year Ended March 31, 2019

### 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	%
FY Ended March 31, 2019	2,039,685	7.3	155,480	12.8	163,054	13.3	113,155	22.1
FY Ended March 31, 2018	1,900,655	1.5	137,800	3.0	143,951	2.7	92,662	(1.9)

(Note) Comprehensive income : [FY Ended March 31, 2019] 107,691 million yen, (7.4)% ; [FY Ended March 31, 2018] 116,274 million yen, (17.1)%

	Profit attributable to owners of parent per Share (EPS)	Net Income Shareholders' Equity Ratio (ROE)	Ordinary Income-Total Assets Ratio	Operating Income-Net Sales Ratio
FY Ended March 31, 2019	157.65	15.6	7.5	7.6
FY Ended March 31, 2018	129.09	14.5	6.9	7.3

(For reference) Share of profit (loss) of entities accounted for using equity method : [FY Ended March 31, 2019] 408 million yen ; [FY Ended March 31, 2018] 602 million yen

### ② Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
As of March 31, 2019	2,214,512	798,149	34.7	1,071.49
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 March 31, 2019] 768,944 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 fiscal year ended March 31, 2019. These figures include the impact of retrospective application for the previous fiscal year.

### ③ Consolidated Cash Flows

	From operating activities	From investment activities	From financing activities	Cash and cash equivalents at FY end
FY Ended March 31, 2019	44,203	(45,302)	(24,823)	157,699
FY Ended March 31, 2018	114,034	(71,289)	(54,548)	184,783

## (2) Consolidated Forecast for Fiscal Year ending March 31, 2020

(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)	
Full Year	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	%
	2,030,000	(0.5)	150,000	(3.5)	156,500	(4.0)	110,000	(2.8)	153.28	

## (3) Non-consolidated Financial Results for Fiscal Year Ended March 31, 2019

### 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	%
FY Ended March 31, 2019	1,398,286	8.1	123,266	12.3	135,714	15.2	98,435	22.0	137.14	
FY Ended March 31, 2018	1,294,062	(0.8)	109,727	1.4	117,850	1.1	80,677	(4.1)	112.39	

### ② Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
As of March 31, 2019	1,700,931	637,248	37.5	887.98
As of March 31, 2018	1,582,902	568,221	35.9	791.59

(Reference) Equity (net assets less non-controlling interests) : [As of March 31, 2019] 637,248 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 fiscal year ended March 31, 2019. These figures include the impact of retrospective application for the previous fiscal year.

## (4) Non-consolidated Forecast for Fiscal Year ending March 31, 2020

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)	
Full Year	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	%
	1,378,000	(1.5)	113,500	(7.9)	123,000	(9.4)	89,500	(9.1)	124.71	

## (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			
FY ended March 31, 2018	—	14.00	—	14.00	28.00	20,105	21.7	3.1
FY ended March 31, 2019	—	14.00	—	18.00	32.00	22,977	20.3	3.2
FY ending March 31, 2020 (including Forecast)	—	16.00	—	16.00	32.00		20.9	

## 2 Qualitative Information

We would first like to offer our deepest apologies for having caused our shareholders and all other stakeholders great concern as a result of the incident involving violation of the Antimonopoly Act in the bids for the Chuo Shinkansen maglev line construction project.

The Obayashi Group recognizes the seriousness of this incident and intends to implement even stricter compliance to prevent recurrence, based on recommendations received from a third-party committee and work to restore trust in the company. We would appreciate your understanding and support.

### 1) Overview of consolidated business results

#### (1) Consolidated performance for fiscal year ended March 31, 2019

During fiscal year ended March 31, 2019, the Japanese economy continued its gradual recovery owing to growth in private sector capital investment, despite uncertainty over the direction of the global economy and other factors.

Orders in the domestic construction market remained firm and were generally strong for both public and private-sector construction.

Amid these conditions, our consolidated net sales for fiscal year ended March 31, 2019 amounted to 2,039.6 billion yen, an increase of 139.0 billion yen (7.3%) from the previous fiscal year. This was primarily due to an increase in net sales from the construction business of the Company and group subsidiaries. On the earnings front, an increase in gross profit on completed construction contracts as a result of higher net sales in the construction business led to an increase in operating income of 17.6 billion yen (12.8%) over the previous year to 155.4 billion yen. Ordinary income increased by 19.1 billion yen (13.3%) year-on-year to 163.0 billion yen, and profit attributable to owners of parent increased by 20.4 billion yen (22.1%) year-on-year to 113.1 billion yen.

The Obayashi Group consolidated performance by business segment for fiscal year ended March 31, 2019 was as follows:

#### a. Construction business

Consolidated construction orders received increased by 98.9 billion yen (5.6%) over the previous year to 1,873.7 billion yen, due to growth in the domestic building construction business for Obayashi Corporation and growth in the overseas building construction business for group subsidiaries. More specifically, orders received in the domestic building construction business were 1,103.9 billion yen; the overseas building construction business, 365.2 billion yen; the domestic civil engineering business, 322.2 billion yen; and the overseas civil engineering business, 82.3 billion yen.

Non-consolidated orders received rose by 2.8 billion yen (0.2%) from the previous fiscal year to 1,305.9 billion yen. More specifically, building construction orders increased 48.9 billion yen (4.9%) year-on-year to 1,044.3 billion yen and civil engineering orders decreased by 46.0 billion yen (15.0%) to 261.6 billion yen year-on-year.

Consolidated net sales for the construction business increased by 124.5 billion yen (6.8%) from the previous fiscal year to 1,945.5 billion yen, primarily due to an increase in net sales in the Company's domestic building construction and the overseas building construction business of group subsidiaries. More specifically, net sales for domestic building construction were 1,126.5 billion yen; for overseas building construction, 408.7 billion yen; for domestic civil engineering, 351.3 billion yen; and for overseas civil engineering, 58.8 billion yen. Operating income increased by 15.5 billion yen (12.3%) to 142.2 billion yen from the previous fiscal year, mainly due to an increase in gross profit on completed construction contracts as a result of higher net sales in the construction business.

Non-consolidated net sales increased by 100.2 billion yen (7.9%) over the previous year to 1,376.6 billion yen. More specifically, net sales for building construction rose by 96.2 billion yen (9.7%) to 1,085.2 billion yen and net sales for civil engineering rose by 4.0 billion yen (1.4%) to 291.4 billion yen.

b. Real estate business

In the real estate business, improved occupancy rates in rental properties led to growth in net sales of 4.5 billion yen (10.2%) over the previous fiscal year to 49.1 billion yen. Operating income increased by 1.9 billion yen (23.2%) year-on-year to 10.5 billion yen.

c. Other businesses

Consolidated net sales of other businesses increased by 9.9 billion yen (28.2%) to 45.0 billion yen and operating income increased by 0.1 billion yen (4.0%) to 2.6 billion yen from the previous fiscal year, primarily due to growth in sales in private finance initiatives.

(2) Outlook for consolidated performance for fiscal year ending March 31, 2020

Consolidated performance for fiscal year ending March 31, 2020 is expected to be as follows:

- Orders received, 1,965.0 billion yen  
(of which real estate business and other will contribute 85.0 billion yen)
- Net sales, 2,030.0 billion yen  
(of which real estate business and other will contribute 125.0 billion yen)
- Operating income, 150.0 billion yen
- Ordinary income, 156.5 billion yen
- Profit attributable to owners of parent, 110.0 billion yen

2) Overview of consolidated financial position

Total assets as of March 31, 2019 increased by 85.4 billion yen (4.0%) compared with the balance at the end of the previous fiscal year, to 2,214.5 billion yen. This was mainly due to 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 purchase of real estate for business use, 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 March 31, 2019 decreased by 1.1 billion yen (0.1%) to 1,416.3 billion yen compared with the balance at the end of the previous fiscal year. This was mainly due to a decrease in “Short-term loans payable,” which more than compensated for the increase in trade payables related to construction costs which are the sum of “Notes and accounts payable for construction contracts and other” and “Electronically recorded obligations”. Consequently, the consolidated balance of interest-bearing debt as of March 31, 2019 decreased by 4.5 billion yen (1.6%) to 272.2 billion yen compared with the balance at the end of the previous fiscal year.

Total net assets as of December 31, 2019 increased by 86.6 billion yen (12.2%) compared with the balance at the end of the previous fiscal year to 798.1 billion yen. This resulted mainly from an increase in “Retained earnings” due to the recognition of profit attributable to owners of parent.

As a result, the equity ratio as of March 31, 2019 was 34.7%, up 2.5 percentage points from the end of the previous fiscal year.

3) Overview of consolidated cash flows

During fiscal year ended March 31, 2019, net cash provided by operating activities amounted to 44.2 billion yen, primarily due to a steady increase in net cash inflow in domestic construction business (net cash provided by operating activities amounted to 114.0 billion yen in the previous fiscal year). Net cash used in investment activities amounted to 45.3 billion yen, primarily due to purchase of real estate for business use (net cash used in investment activities amounted to 71.2 billion yen in the previous fiscal year). Net cash used in financing activities amounted to 24.8 billion, primarily due to payment of dividends and repayment of loans (net cash used in financing activities amounted to 54.5 billion yen in the previous fiscal year).

Consequently, cash and cash equivalents as of March 31, 2019 decreased by 27.0 billion yen to 157.6 billion yen compared with the balance at the end of the previous fiscal year.

4) Basic policy regarding the allocation of profits and dividend payout plan for fiscal years ended March 31, 2019 and March 31, 2020

The Company’s profit allocation policy is to sustain stable dividend payouts to our shareholders over the long term for a target payout ratio of 20% to 30%, provide shareholders with returns commensurate with the Group’s performance,

and also consider the purchase of treasury stock. In doing so, we will take into account the need to enhance internal reserves to further strengthen the Company's financial base, develop technologies, and make capital investments for the future.

For fiscal year ended March 31, 2019, the Company expects to declare an annual dividend of 32 yen per share (an increase of 4 yen per share over the previous fiscal year, a dividend payout ratio of 20.3%). Accordingly, deduction of the midterm dividend of 14 yen will result in an expected year-end dividend of 18 yen per share.

For fiscal year ending March 31, 2020, the Company projects a dividend of 16 yen per share both for the midterm and year-end dividends, bringing the total annual dividend to 32 yen per share (a dividend payout ratio of 20.9%).

## 2. Basic view on selection of the accounting standards

The Obayashi Group intends to prepare consolidated financial statements according to the Japanese generally accepted accounting principles. We have taken into account the comparability of consolidated financial statements in different periods and comparisons between companies.

We also intend to respond appropriately to the adoption of IFRS upon collective consideration of conditions in Japan and overseas.

### 3 Financial Highlights

#### (1) Financial Results for Fiscal Year Ended March 31, 2019 (YoY Comparison)

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	Results April 1, 2017 - March 31, 2018	Results April 1, 2018 - March 31, 2019	Change	% Change	Results April 1, 2017 - March 31, 2018	Results April 1, 2018 - March 31, 2019	Change	% Change
Net sales of completed construction contracts	% 18,209	% 19,455	1,245	6.8	% 12,764	% 13,766	1,002	7.9
Building Construction	—	—	—	—	9,889	10,852	962	9.7
Civil Engineering	—	—	—	—	2,874	2,914	40	1.4
Gross profit on completed construction contracts	11.7 2,125	11.9 2,311	185	8.7	13.6 1,739	13.5 1,853	113	6.5
Building Construction	—	—	—	—	12.6 1,244	12.2 1,326	81	6.5
Civil Engineering	—	—	—	—	17.2 494	18.1 527	32	6.5
Net sales of real estate business and other	797	941	144	18.1	176	215	39	22.3
Gross profit on real estate business and other	27.2 217	24.3 228	11	5.3	17.1 30	24.7 53	23	76.7
<b>Net sales</b>	<b>19,006</b>	<b>20,396</b>	<b>1,390</b>	<b>7.3</b>	<b>12,940</b>	<b>13,982</b>	<b>1,042</b>	<b>8.1</b>
Gross profit	12.3 2,343	12.5 2,540	197	8.4	13.7 1,769	13.6 1,906	136	7.7
Selling, general and administrative expenses	5.0 965	4.9 985	20	2.1	5.2 672	4.8 673	1	0.1
(Personnel expenses)	570	562	(8)		388	367	(20)	
(Others)	394	423	28		284	306	21	
<b>Operating income</b>	<b>7.3 1,378</b>	<b>7.6 1,554</b>	<b>176</b>	<b>12.8</b>	<b>8.5 1,097</b>	<b>8.8 1,232</b>	<b>135</b>	<b>12.3</b>
Non-operating income	100	107	6	6.9	107	148	40	38.0
Non-operating expenses	39	31	(7)	(18.5)	26	24	(2)	(8.7)
(interests received/paid and dividend income - net)	69	75	6		94	131	36	
<b>Ordinary income</b>	<b>7.6 1,439</b>	<b>8.0 1,630</b>	<b>191</b>	<b>13.3</b>	<b>9.1 1,178</b>	<b>9.7 1,357</b>	<b>178</b>	<b>15.2</b>
Extraordinary income	67	28	(39)	(57.9)	63	61	(2)	(3.4)
Extraordinary loss	135	12	(122)	(90.6)	89	26	(63)	(70.8)
Income before income taxes	7.2 1,372	8.1 1,646	274	20.0	8.9 1,152	10.0 1,392	240	20.8
Total income taxes	423	482	59	14.0	345	408	62	18.1
Profit	948	1,163	214	22.6	—	—	—	—
Profit attributable to non-controlling interests (deduction)	22	32	9	44.6	—	—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>4.9 926</b>	<b>5.5 1,131</b>	<b>204</b>	<b>22.1</b>	<b>6.2 806</b>	<b>7.0 984</b>	<b>177</b>	<b>22.0</b>

#### Orders Received

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	Results April 1, 2017 - March 31, 2018	Results April 1, 2018 - March 31, 2019	Change	% Change	Results April 1, 2017 - March 31, 2018	Results April 1, 2018 - March 31, 2019	Change	% Change
Building Construction	13,312	14,692	1,379	10.4	9,954	10,443	489	4.9
Domestic	10,167	11,039	871	8.6	9,823	10,387	563	5.7
Overseas	3,144	3,652	507	16.2	130	55	(74)	(57.1)
Civil Engineering	4,434	4,045	(389)	(8.8)	3,076	2,616	(460)	(15.0)
Domestic	3,876	3,222	(654)	(16.9)	2,939	2,444	(495)	(16.9)
Overseas	558	823	264	47.5	137	171	34	25.3
Construction Total	17,747	18,737	989	5.6	13,031	13,059	28	0.2
Domestic	14,044	14,261	217	1.5	12,763	12,831	68	0.5
Overseas	3,702	4,475	772	20.9	267	227	(39)	(14.9)
Real Estate Business and Other	1,054	851	(202)	(19.2)	176	216	39	22.6
<b>Total Orders received</b>	<b>18,801</b>	<b>19,588</b>	<b>787</b>	<b>4.2</b>	<b>13,207</b>	<b>13,275</b>	<b>68</b>	<b>0.5</b>

#### Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	March 31, 2018	March 31, 2019	Change	% Change	March 31, 2018	March 31, 2019	Change	% Change
Interest-bearing debt (except nonrecourse loans)	1,847	1,830	(16)	(0.9)	1,378	1,500	121	8.8
Nonrecourse loans	920	891	(28)	(3.1)	—	—	—	—
<b>Total Interest-bearing debt</b>	<b>2,767</b>	<b>2,722</b>	<b>(45)</b>	<b>(1.6)</b>	<b>1,378</b>	<b>1,500</b>	<b>121</b>	<b>8.8</b>

**(2) Financial Results for Fiscal Year Ended March 31, 2019 (Comparison with the latest forecast)**

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	Forecasts announced on February 14, 2019	Results April 1, 2018 - March 31, 2019	Change	% Change	Forecasts announced on February 14, 2019	Results April 1, 2018 - March 31, 2019	Change	% Change
Net sales of completed construction contracts	18,730	19,455	725	3.9	13,100	13,766	666	5.1
Building Construction	—	—	—	—	10,200	10,852	652	6.4
Civil Engineering	—	—	—	—	2,900	2,914	14	0.5
Gross profit on completed construction contracts	2,135	2,311	176	8.3	1,740	1,853	113	6.5
Building Construction	—	—	—	—	1,270	1,326	56	4.4
Civil Engineering	—	—	—	—	470	527	57	12.1
Net sales of real estate business and other	970	941	(28)	(2.9)	200	215	15	8.0
Gross profit on real estate business and other	225	228	3	1.6	50	53	3	6.5
<b>Net sales</b>	<b>19,700</b>	<b>20,396</b>	<b>696</b>	<b>3.5</b>	<b>13,300</b>	<b>13,982</b>	<b>682</b>	<b>5.1</b>
Gross profit	2,360	2,540	180	7.6	1,790	1,906	116	6.5
Selling, general and administrative expenses	970	985	15	1.6	680	673	(6)	(0.9)
(Personnel expenses)	560	562	2		380	367	(12)	
(Others)	410	423	13		300	306	6	
<b>Operating income</b>	<b>1,390</b>	<b>1,554</b>	<b>164</b>	<b>11.9</b>	<b>1,110</b>	<b>1,232</b>	<b>122</b>	<b>11.1</b>
Non-operating income	90	107	17	19.7	120	148	28	23.9
Non-operating expenses	35	31	(3)	(8.7)	20	24	4	20.8
(interests received/paid and dividend income - net)	60	75	15		110	131	21	
<b>Ordinary income</b>	<b>1,445</b>	<b>1,630</b>	<b>185</b>	<b>12.8</b>	<b>1,210</b>	<b>1,357</b>	<b>147</b>	<b>12.2</b>
Extraordinary income	20	28	8	42.4	20	61	41	207.6
Extraordinary loss	20	12	(7)	(36.7)	20	26	6	31.1
Income before income taxes	1,445	1,646	201	13.9	1,210	1,392	182	15.1
Total income taxes	445	482	37	8.5	370	408	38	10.3
Profit	1,000	1,163	163	16.4	—	—	—	—
Profit attributable to non-controlling interests (deduction)	20	32	12	60.7	—	—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>980</b>	<b>1,131</b>	<b>151</b>	<b>15.5</b>	<b>840</b>	<b>984</b>	<b>144</b>	<b>17.2</b>

**Orders Received**

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	Forecasts announced on February 14, 2019	Results April 1, 2018 - March 31, 2019	Change	% Change	Forecasts announced on February 14, 2019	Results April 1, 2018 - March 31, 2019	Change	% Change
Building Construction	13,900	14,692	792	5.7	9,800	10,443	643	6.6
Domestic	10,400	11,039	639	6.1	9,800	10,387	587	6.0
Overseas	3,500	3,652	152	4.4	—	55	55	—
Civil Engineering	4,550	4,045	(504)	(11.1)	3,100	2,616	(483)	(15.6)
Domestic	3,600	3,222	(377)	(10.5)	2,700	2,444	(255)	(9.5)
Overseas	950	823	(126)	(13.4)	400	171	(228)	(57.0)
Construction Total	18,450	18,737	287	1.6	12,900	13,059	159	1.2
Domestic	14,000	14,261	261	1.9	12,500	12,831	331	2.7
Overseas	4,450	4,475	25	0.6	400	227	(172)	(43.0)
Real Estate Business and Other	850	851	1	0.2	200	216	16	8.2
Total Orders received	19,300	19,588	288	1.5	13,100	13,275	175	1.3

**Interest-bearing Debt Balances**

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	Forecasts announced on February 14, 2019	March 31, 2019	Change	% Change	Forecasts announced on February 14, 2019	March 31, 2019	Change	% Change
Interest-bearing debt (except nonrecourse loans)	1,700	1,830	130	7.7	1,400	1,500	100	7.1
Nonrecourse loans	1,000	891	(108)	(10.8)	—	—	—	—
Total Interest-bearing debt	2,700	2,722	22	0.8	1,400	1,500	100	7.1



### (3) Forecasts for Fiscal Year ending March 31, 2020 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2018 - March 31, 2019		Forecasts April 1, 2019 - March 31, 2020		Change	% Change	Results April 1, 2018 - March 31, 2019		Forecasts April 1, 2019 - March 31, 2020		Change	% Change
	%		%				%		%			
Net sales of completed construction contracts		19,455		19,050	(405)	(2.1)		13,766		13,550	(216)	(1.6)
Building Construction		—		—	—	—		10,852		10,800	(52)	(0.5)
Civil Engineering		—		—	—	—		2,914		2,750	(164)	(5.6)
Gross profit on completed construction contracts	11.9	2,311	11.8	2,255	(56)	(2.4)	13.5	1,853	13.1	1,775	(78)	(4.2)
Building Construction		—		—	—	—	12.2	1,326	12.0	1,300	(26)	(2.0)
Civil Engineering		—		—	—	—	18.1	527	17.3	475	(52)	(9.9)
Net sales of real estate business and other		941		1,250	308	32.7		215		230	14	6.5
Gross profit on real estate business and other	24.3	228	19.6	245	16	7.1	24.7	53	23.9	55	1	3.3
<b>Net sales</b>		<b>20,396</b>		<b>20,300</b>	<b>(96)</b>	<b>(0.5)</b>		<b>13,982</b>		<b>13,780</b>	<b>(202)</b>	<b>(1.5)</b>
Gross profit	12.5	2,540	12.3	2,500	(40)	(1.6)	13.6	1,906	13.3	1,830	(76)	(4.0)
Selling, general and administrative expenses	4.9	985	4.9	1,000	14	1.5	4.8	673	5.1	695	21	3.2
(Personnel expenses)		562		570	7			367		380	13	
(Others)		423		430	6			306		314	8	
<b>Operating income</b>	<b>7.6</b>	<b>1,554</b>	<b>7.4</b>	<b>1,500</b>	<b>(54)</b>	<b>(3.5)</b>	<b>8.8</b>	<b>1,232</b>	<b>8.2</b>	<b>1,135</b>	<b>(97)</b>	<b>(7.9)</b>
Non-operating income		107		90	(17)	(16.4)		148		110	(38)	(26.0)
Non-operating expenses		31		25	(6)	(21.8)		24		15	(9)	(37.9)
(interests received/paid and dividend income - net)		75		65	(10)			131		100	(31)	
<b>Ordinary income</b>	<b>8.0</b>	<b>1,630</b>	<b>7.7</b>	<b>1,565</b>	<b>(65)</b>	<b>(4.0)</b>	<b>9.7</b>	<b>1,357</b>	<b>8.9</b>	<b>1,230</b>	<b>(127)</b>	<b>(9.4)</b>
Extraordinary income		28		30	1	5.4		61		30	(31)	(51.2)
Extraordinary loss		12		—	(12)	(100.0)		26		—	(26)	(100.0)
Income before income taxes	8.1	1,646	7.9	1,595	(51)	(3.1)	10.0	1,392	9.1	1,260	(132)	(9.5)
Total income taxes		482		465	(17)	(3.7)		408		365	(43)	(10.6)
Profit		1,163		1,130	(33)	(2.9)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		32		30	(2)	(6.7)		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>5.5</b>	<b>1,131</b>	<b>5.4</b>	<b>1,100</b>	<b>(31)</b>	<b>(2.8)</b>	<b>7.0</b>	<b>984</b>	<b>6.5</b>	<b>895</b>	<b>(89)</b>	<b>(9.1)</b>

### Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2018 - March 31, 2019		Forecasts April 1, 2019 - March 31, 2020		Change	% Change	Results April 1, 2018 - March 31, 2019		Forecasts April 1, 2019 - March 31, 2020		Change	% Change
Building Construction		14,692		14,400	(292)	(2.0)		10,443		10,200	(243)	(2.3)
Domestic		11,039		10,900	(139)	(1.3)		10,387		10,200	(187)	(1.8)
Overseas		3,652		3,500	(152)	(4.2)		55		—	(55)	(100.0)
Civil Engineering		4,045		4,400	354	8.8		2,616		3,100	483	18.5
Domestic		3,222		3,500	277	8.6		2,444		2,620	175	7.2
Overseas		823		900	76	9.4		171		480	308	179.1
Construction Total		18,737		18,800	62	0.3		13,059		13,300	240	1.8
Domestic		14,261		14,400	138	1.0		12,831		12,820	(11)	(0.1)
Overseas		4,475		4,400	(75)	(1.7)		227		480	252	110.6
Real Estate Business and Other		851		850	(1)	(0.2)		216		230	13	6.3
Total Orders received		19,588		19,650	61	0.3		13,275		13,530	254	1.9

### Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	March 31, 2019	Forecasts March 31, 2020	Change	% Change	March 31, 2019	Forecasts March 31, 2020	Change	% Change
Interest-bearing debt (except nonrecourse loans)	1,830	1,700	(130)	(7.1)	1,500	1,400	(100)	(6.7)
Nonrecourse loans	891	900	8	0.9	—	—	—	—
Total Interest-bearing debt	2,722	2,600	(122)	(4.5)	1,500	1,400	(100)	(6.7)

## 4 Operating Results and Forecasts for Reportable Segments

### (1) Operating Results for Fiscal Year Ended March 31, 2019 (YoY Comparison)

**[Consolidated]**

(Yen in millions)

	Net Sales				Operating Income					
	Results April 1, 2017 - March 31, 2018	Results April 1, 2018 - March 31, 2019	Change	% Change	Results April 1, 2017 - March 31, 2018		Results April 1, 2018 - March 31, 2019		Change	% Change
					% Profit		% Profit			
<b>Building Construction</b>										
Domestic	1,014,371	1,126,556	112,184	11.1	8.3	83,944	8.3	93,704	9,760	11.6
Overseas	383,995	408,715	24,719	6.4	0.8	2,964	1.7	6,763	3,798	128.1
Subtotal	1,398,366	1,535,271	136,904	9.8	6.2	86,909	6.5	100,467	13,558	15.6
<b>Civil Engineering</b>										
Domestic	346,119	351,372	5,253	1.5	11.1	38,283	11.3	39,782	1,498	3.9
Overseas	76,461	58,870	(17,591)	(23.0)	1.9	1,446	3.3	1,969	522	36.1
Subtotal	422,580	410,242	(12,337)	(2.9)	9.4	39,730	10.2	41,751	2,021	5.1
<b>Construction Total</b>										
Domestic	1,360,490	1,477,929	117,438	8.6	9.0	122,228	9.0	133,487	11,259	9.2
Overseas	460,456	467,585	7,128	1.5	1.0	4,411	1.9	8,732	4,320	98.0
Subtotal	1,820,947	1,945,514	124,567	6.8	7.0	126,639	7.3	142,219	15,580	12.3
<b>Real Estate Business and Other</b>										
Real Estate Business	44,566	49,105	4,539	10.2	19.3	8,600	21.6	10,597	1,997	23.2
Other	35,141	45,064	9,922	28.2	7.3	2,561	5.9	2,663	101	4.0
Subtotal	79,708	94,170	14,461	18.1	14.0	11,161	14.1	13,260	2,099	18.8
<b>Total</b>	<b>1,900,655</b>	<b>2,039,685</b>	<b>139,029</b>	<b>7.3</b>	<b>7.3</b>	<b>137,800</b>	<b>7.6</b>	<b>155,480</b>	<b>17,679</b>	<b>12.8</b>

※ 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 April 1, 2017 - March 31, 2018	Results April 1, 2018 - March 31, 2019	Change	% Change	Results April 1, 2017 - March 31, 2018		Results April 1, 2018 - March 31, 2019		Change	% Change
					% Gross Profit		% Gross Profit			
<b>Building Construction</b>										
Domestic	977,666	1,076,398	98,732	10.1	12.8	124,652	12.3	132,599	7,946	6.4
Overseas	11,309	8,843	(2,465)	(21.8)	(1.5)	(167)	0.0	0	168	—
Subtotal	988,975	1,085,242	96,266	9.7	12.6	124,485	12.2	132,600	8,115	6.5
<b>Civil Engineering</b>										
Domestic	254,891	269,380	14,488	5.7	18.0	45,799	18.1	48,813	3,013	6.6
Overseas	32,538	22,065	(10,472)	(32.2)	11.3	3,690	17.6	3,888	198	5.4
Subtotal	287,429	291,446	4,016	1.4	17.2	49,490	18.1	52,701	3,211	6.5
<b>Construction Total</b>										
Domestic	1,232,558	1,345,779	113,221	9.2	13.8	170,452	13.5	181,412	10,960	6.4
Overseas	43,847	30,909	(12,937)	(29.5)	8.0	3,522	12.6	3,889	367	10.4
Subtotal	1,276,405	1,376,688	100,283	7.9	13.6	173,975	13.5	185,302	11,327	6.5
<b>Real Estate Business and Other</b>										
Real Estate Business	17,657	21,597	3,940	22.3	17.1	3,013	24.7	5,325	2,312	76.7
Subtotal	17,657	21,597	3,940	22.3	17.1	3,013	24.7	5,325	2,312	76.7
<b>Total</b>	<b>1,294,062</b>	<b>1,398,286</b>	<b>104,223</b>	<b>8.1</b>	<b>13.7</b>	<b>176,988</b>	<b>13.6</b>	<b>190,628</b>	<b>13,639</b>	<b>7.7</b>

(2) Forecasts for Fiscal Year ending March 31, 2020 (YoY Comparison)

**[Consolidated]**

(Yen in millions)

	Net Sales				Operating Income					
	Results April 1, 2018 - March 31, 2019	Forecasts April 1, 2019 - March 31, 2020	Change	% Change	Results April 1, 2018 - March 31, 2019		Forecasts April 1, 2019 - March 31, 2020		Change	% Change
					% Profit		% Profit			
<b>Building Construction</b>										
Domestic	1,126,556	1,116,000	(10,556)	(0.9)	8.3	93,704	8.2	91,000	(2,704)	(2.9)
Overseas	408,715	372,000	(36,715)	(9.0)	1.7	6,763	1.7	6,500	(263)	(3.9)
Subtotal	1,535,271	1,488,000	(47,271)	(3.1)	6.5	100,467	6.6	97,500	(2,967)	(3.0)
<b>Civil Engineering</b>										
Domestic	351,372	347,000	(4,372)	(1.2)	11.3	39,782	10.4	36,000	(3,782)	(9.5)
Overseas	58,870	70,000	11,129	18.9	3.3	1,969	0.7	500	(1,469)	(74.6)
Subtotal	410,242	417,000	6,757	1.6	10.2	41,751	8.8	36,500	(5,251)	(12.6)
<b>Construction Total</b>										
Domestic	1,477,929	1,463,000	(14,929)	(1.0)	9.0	133,487	8.7	127,000	(6,487)	(4.9)
Overseas	467,585	442,000	(25,585)	(5.5)	1.9	8,732	1.6	7,000	(1,732)	(19.8)
Subtotal	1,945,514	1,905,000	(40,514)	(2.1)	7.3	142,219	7.0	134,000	(8,219)	(5.8)
<b>Real Estate Business and Other</b>										
Real Estate Business	49,105	60,000	10,894	22.2	21.6	10,597	21.7	13,000	2,402	22.7
Other	45,064	65,000	19,935	44.2	5.9	2,663	4.6	3,000	336	12.7
Subtotal	94,170	125,000	30,829	32.7	14.1	13,260	12.8	16,000	2,739	20.7
<b>Total</b>	<b>2,039,685</b>	<b>2,030,000</b>	<b>(9,685)</b>	<b>(0.5)</b>	<b>7.6</b>	<b>155,480</b>	<b>7.4</b>	<b>150,000</b>	<b>(5,480)</b>	<b>(3.5)</b>

※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.

**[Non-consolidated]**

(Yen in millions)

	Net Sales				Gross Profit					
	Results April 1, 2018 - March 31, 2019	Forecasts April 1, 2019 - March 31, 2020	Change	% Change	Results April 1, 2018 - March 31, 2019		Forecasts April 1, 2019 - March 31, 2020		Change	% Change
					% Gross Profit		% Gross Profit			
<b>Building Construction</b>										
Domestic	1,076,398	1,075,000	(1,398)	(0.1)	12.3	132,599	12.1	130,000	(2,599)	(2.0)
Overseas	8,843	5,000	(3,843)	(43.5)	0.0	0	—	—	(0)	(100.0)
Subtotal	1,085,242	1,080,000	(5,242)	(0.5)	12.2	132,600	12.0	130,000	(2,600)	(2.0)
<b>Civil Engineering</b>										
Domestic	269,380	255,000	(14,380)	(5.3)	18.1	48,813	17.8	45,500	(3,313)	(6.8)
Overseas	22,065	20,000	(2,065)	(9.4)	17.6	3,888	10.0	2,000	(1,888)	(48.6)
Subtotal	291,446	275,000	(16,446)	(5.6)	18.1	52,701	17.3	47,500	(5,201)	(9.9)
<b>Construction Total</b>										
Domestic	1,345,779	1,330,000	(15,779)	(1.2)	13.5	181,412	13.2	175,500	(5,912)	(3.3)
Overseas	30,909	25,000	(5,909)	(19.1)	12.6	3,889	8.0	2,000	(1,889)	(48.6)
Subtotal	1,376,688	1,355,000	(21,688)	(1.6)	13.5	185,302	13.1	177,500	(7,802)	(4.2)
<b>Real Estate Business and Other</b>										
Real Estate Business	21,597	23,000	1,402	6.5	24.7	5,325	23.9	5,500	174	3.3
<b>Total</b>	<b>1,398,286</b>	<b>1,378,000</b>	<b>(20,286)</b>	<b>(1.5)</b>	<b>13.6</b>	<b>190,628</b>	<b>13.3</b>	<b>183,000</b>	<b>(7,628)</b>	<b>(4.0)</b>

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

### (1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	April 1, 2017 - March 31, 2018		April 1, 2018 - March 31, 2019		Change	
		% of Total		% of Total		% Change
<u>Building Construction</u>						
Domestic Public	52,877	4.0	18,264	1.4	(34,612)	(65.5)
Domestic Private	929,497	70.4	1,020,474	76.9	90,977	9.8
Domestic total	982,374	74.4	1,038,739	78.3	56,364	5.7
Overseas total	13,051	1.0	5,594	0.4	(7,456)	(57.1)
Subtotal	995,425	75.4	1,044,333	78.7	48,907	4.9
<u>Civil Engineering</u>						
Domestic Public	188,504	14.3	132,353	10.0	(56,151)	(29.8)
Domestic Private	105,461	8.0	112,067	8.4	6,605	6.3
Domestic total	293,966	22.3	244,420	18.4	(49,545)	(16.9)
Overseas total	13,726	1.0	17,198	1.3	3,472	25.3
Subtotal	307,692	23.3	261,618	19.7	(46,073)	(15.0)
<u>Construction Total</u>						
Domestic Public	241,382	18.3	150,617	11.4	(90,764)	(37.6)
Domestic Private	1,034,958	78.4	1,132,541	85.3	97,582	9.4
Domestic total	1,276,341	96.7	1,283,159	96.7	6,818	0.5
Overseas total	26,777	2.0	22,792	1.7	(3,984)	(14.9)
Subtotal	1,303,118	98.7	1,305,952	98.4	2,833	0.2
Real Estate Business and Other	17,657	1.3	21,641	1.6	3,984	22.6
Total	1,320,775	100	1,327,594	100	6,818	0.5

### (2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	April 1, 2017 - March 31, 2018		April 1, 2018 - March 31, 2019		Change	
		% of Total		% of Total		% Change
<u>Building Construction</u>						
Domestic Public	100,721	7.8	68,791	4.9	(31,930)	(31.7)
Domestic Private	876,944	67.8	1,007,606	72.1	130,662	14.9
Domestic total	977,666	75.6	1,076,398	77.0	98,732	10.1
Overseas total	11,309	0.8	8,843	0.6	(2,465)	(21.8)
Subtotal	988,975	76.4	1,085,242	77.6	96,266	9.7
<u>Civil Engineering</u>						
Domestic Public	160,947	12.4	168,204	12.0	7,256	4.5
Domestic Private	93,944	7.3	101,176	7.2	7,231	7.7
Domestic total	254,891	19.7	269,380	19.2	14,488	5.7
Overseas total	32,538	2.5	22,065	1.6	(10,472)	(32.2)
Subtotal	287,429	22.2	291,446	20.8	4,016	1.4
<u>Construction Total</u>						
Domestic Public	261,669	20.2	236,995	16.9	(24,673)	(9.4)
Domestic Private	970,888	75.1	1,108,783	79.3	137,894	14.2
Domestic total	1,232,558	95.3	1,345,779	96.2	113,221	9.2
Overseas total	43,847	3.3	30,909	2.2	(12,937)	(29.5)
Subtotal	1,276,405	98.6	1,376,688	98.4	100,283	7.9
Real Estate Business and Other	17,657	1.4	21,597	1.6	3,940	22.3
Total	1,294,062	100	1,398,286	100	104,223	8.1

### (3) Breakdown of Non-consolidated Projects in Process

(Yen in millions)

	March 31, 2018		March 31, 2019		Change	
		% of Total		% of Total		% Change
<u>Building Construction</u>						
Domestic Public	144,843	8.3	94,316	5.6	(50,527)	(34.9)
Domestic Private	1,100,592	63.3	1,113,459	66.7	12,867	1.2
Domestic total	1,245,435	71.6	1,207,776	72.3	(37,659)	(3.0)
Overseas total	14,522	0.8	11,273	0.7	(3,249)	(22.4)
Subtotal	1,259,958	72.4	1,219,049	73.0	(40,909)	(3.2)
<u>Civil Engineering</u>						
Domestic Public	309,932	17.8	274,081	16.4	(35,850)	(11.6)
Domestic Private	136,466	7.8	147,357	8.8	10,891	8.0
Domestic total	446,399	25.6	421,439	25.2	(24,959)	(5.6)
Overseas total	34,427	2.0	29,560	1.8	(4,867)	(14.1)
Subtotal	480,827	27.6	451,000	27.0	(29,827)	(6.2)
<u>Construction Total</u>						
Domestic Public	454,776	26.1	368,398	22.0	(86,378)	(19.0)
Domestic Private	1,237,059	71.1	1,260,817	75.5	23,758	1.9
Domestic total	1,691,835	97.2	1,629,215	97.5	(62,619)	(3.7)
Overseas total	48,950	2.8	40,833	2.5	(8,116)	(16.6)
Subtotal	1,740,785	100	1,670,049	100.0	(70,736)	(4.1)
Real Estate Business and Other	—	—	44	0.0	44	—
Total	1,740,785	100	1,670,093	100	(70,692)	(4.1)

## 6 Main Projects

### (1) Orders received

Owner	Project Name
Shirokane 1-chome North Eastern Area Urban Redevelopment Association	Shirokane 1-chome Eastern Northern Area Class 1 Urban Redevelopment Project, Public Facilities Construction
SMFL MIRAI Partners Co., Ltd Miraca Holdings Inc.	Miraca HD Akiruno Project, Lab and R&D Facilities Construction Project
Ministry of the Environment	Interim Storage Facilities (Okuma Section 5) Soil Storage Facilities Construction Project FY2018
Kyushu Railway Company	(Tentative name) Kumamoto Station Building Construction Project
Tokyo Women's Medical University	(Tentative name) Tokyo Women's Medical University Medical Center East Relocation Project
Mandai Park Development Pte Ltd	New Bird Park (Working Name) (Singapore) ※

※ Undertaken by Obayashi Singapore.

### (2) Completed projects

Owner	Project Name
Urban Renaissance Agency (Independent Administrative Agency), East Japan Rental Housing Office	OTEMACHI PLACE EAST TOWER Construction Project
MUFG Bank, Ltd.	MUFG Bank, Ltd. Osaka Bldg. Reconstruction Project
Nippon Life Insurance Company Obayashi Corporation	NIPPON LIFE HAMAMATSUCHO CREA TOWER Construction Project
West Nippon Expressway Company Limited	Shin-Meishin Expressway Kobe JCT Construction Project
Aomori Prefecture	Shin-Aomori Prefectural Comprehensive Athletic Park Athletics Stadium Construction Project
New York State University Construction Fund	Stony Brook Hospital Building Construction Project (U.S.A) ※

※ Undertaken by E.W. Howell. (Subsidiary of Obayashi USA)

### (3) Projects in Process

Owner	Project Name
Toranomon 1-chome Area Urban Redevelopment Association	Toranomon 1-chome Area Class 1 Urban Redevelopment Project, Public Facilities Construction
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	(Tentative name) Kanda Nishikicho 2-chome Construction Project
Mizuho Financial Group, Inc. Japanese Bankers Association MITSUBISHI ESTATE CO., LTD.	(Tentative name) Marunouchi 1-3 Construction Project
Plenary Properties Merced	UC MERCED 2020 EXPANSION (U.S.A) ※

※ Undertaken by Webcor. (Subsidiary of Obayashi USA)

## 7 Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2018	March 31, 2019	Change
<b>Assets</b>			
Current assets			
Cash and deposits	190,055	<b>168,698</b>	(21,356)
Notes and accounts receivable from completed construction contracts and other	760,371	<b>859,096</b>	98,725
Electronically recorded monetary claims	15,531	<b>11,895</b>	(3,636)
Short-term investment securities	4,615	<b>6,980</b>	2,364
Real estate for sale	11,682	<b>12,209</b>	527
Costs on uncompleted construction contracts	45,555	<b>35,369</b>	(10,185)
Costs on real estate business	25,416	<b>22,163</b>	(3,253)
Inventories for PFI and other projects	46,148	<b>44,108</b>	(2,039)
Other inventories	10,655	<b>9,734</b>	(920)
Accounts receivable	79,423	<b>92,554</b>	13,131
Other	18,695	<b>20,204</b>	1,508
Allowance for doubtful accounts	(160)	<b>(150)</b>	10
<b>Total current assets</b>	<b>1,207,991</b>	<b>1,282,866</b>	<b>74,874</b>
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	103,153	<b>125,103</b>	21,950
Machinery, vehicles, tools, furniture and fixtures	45,707	<b>55,746</b>	10,038
Land	351,060	<b>355,925</b>	4,865
Lease assets	259	<b>289</b>	30
Construction in progress	26,090	<b>7,493</b>	(18,596)
<b>Total property, plant and equipment</b>	<b>526,270</b>	<b>544,558</b>	<b>18,288</b>
Intangible assets	5,038	<b>4,997</b>	(41)
Investments and other assets			
Investment securities	372,308	<b>360,627</b>	(11,680)
Long-term loans receivable	876	<b>1,767</b>	890
Assets for retirement benefits	24	<b>13</b>	(11)
Deferred tax assets	1,206	<b>1,761</b>	554
Other	15,542	<b>18,130</b>	2,588
Allowance for doubtful accounts	(231)	<b>(210)</b>	20
<b>Total investments and other assets</b>	<b>389,727</b>	<b>382,090</b>	<b>(7,637)</b>
<b>Total noncurrent assets</b>	<b>921,036</b>	<b>931,646</b>	<b>10,609</b>
<b>Total assets</b>	<b>2,129,027</b>	<b>2,214,512</b>	<b>85,484</b>

## (1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2018	March 31, 2019	Change
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable for construction contracts and other	524,712	<b>551,181</b>	26,469
Electronically recorded obligations	133,770	<b>119,956</b>	(13,813)
Short-term loans payable	88,686	<b>58,713</b>	(29,972)
Current portion of nonrecourse loans	9,557	<b>10,079</b>	522
Current portion of bonds	10,000	<b>10,000</b>	—
Lease obligations	90	<b>103</b>	13
Income taxes payable	29,695	<b>24,790</b>	(4,904)
Advances received on uncompleted construction contracts	110,534	<b>116,424</b>	5,890
Deposits received	103,408	<b>108,952</b>	5,544
Provision for warranties for completed construction	4,114	<b>4,365</b>	250
Provision for loss on construction contracts	5,209	<b>1,968</b>	(3,241)
Provision for loss on Antimonopoly Act	10,529	<b>10,324</b>	(204)
Other	88,528	<b>78,324</b>	(10,203)
<b>Total current liabilities</b>	<b>1,118,835</b>	<b>1,095,184</b>	(23,651)
Noncurrent liabilities			
Bonds payable	20,000	<b>30,000</b>	10,000
Long-term loans payable	66,038	<b>84,347</b>	18,309
Nonrecourse loans	82,446	<b>79,076</b>	(3,369)
Lease obligations	169	<b>200</b>	31
Deferred tax liabilities	34,654	<b>30,667</b>	(3,986)
Deferred tax liabilities for land revaluation	19,604	<b>18,953</b>	(650)
Provision for stock payments for directors	259	<b>381</b>	121
Provision for loss on real estate business and other	993	<b>993</b>	—
Provision for environmental measures	313	<b>274</b>	(39)
Liability for retirement benefits	49,473	<b>50,809</b>	1,336
Other	24,713	<b>25,472</b>	758
<b>Total noncurrent liabilities</b>	<b>298,667</b>	<b>321,178</b>	22,511
<b>Total liabilities</b>	<b>1,417,502</b>	<b>1,416,362</b>	(1,139)
<b>Net assets</b>			
Shareholders' equity			
Capital stock	57,752	<b>57,752</b>	—
Capital surplus	43,135	<b>42,540</b>	(595)
Retained earnings	404,840	<b>498,195</b>	93,354
Treasury stock	(1,929)	<b>(2,132)</b>	(202)
<b>Total shareholders' equity</b>	<b>503,798</b>	<b>596,355</b>	92,556
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	159,159	<b>150,115</b>	(9,044)
Deferred gains (losses) on hedges	(1,643)	<b>1,113</b>	2,757
Revaluation reserve for land	19,518	<b>19,214</b>	(304)
Foreign currency translation adjustments	758	<b>(33)</b>	(791)
Retirement benefit asset and liability adjustments	3,244	<b>2,178</b>	(1,066)
<b>Total accumulated other comprehensive income</b>	<b>181,037</b>	<b>172,588</b>	(8,448)
Non-controlling interests	26,688	<b>29,204</b>	2,515
<b>Total net assets</b>	<b>711,525</b>	<b>798,149</b>	86,623
<b>Total liabilities and net assets</b>	<b>2,129,027</b>	<b>2,214,512</b>	85,484
<b>(Reference)</b>			
Interest-bearing debt balances	276,728	<b>272,218</b>	(4,509)

\* 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 fiscal year ended March 31, 2019. These figures include the impact of retrospective application for the previous fiscal year.



## (2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2017 - March 31, 2018	April 1, 2018 - March 31, 2019	Change
<b>Net sales</b>			
Net sales of completed construction contracts	1,820,947	<b>1,945,514</b>	124,567
Net sales of real estate business and other	79,708	<b>94,170</b>	14,461
Total net sales	1,900,655	<b>2,039,685</b>	139,029
<b>Cost of sales</b>			
Cost of sales on completed construction contracts	1,608,353	<b>1,714,360</b>	106,007
Cost of sales on real estate business and other	57,998	<b>71,301</b>	13,302
Total cost of sales	1,666,351	<b>1,785,661</b>	119,309
<b>Gross profit</b>			
Gross profit on completed construction contracts	212,593	<b>231,154</b>	18,560
Gross profit on real estate business and other	21,709	<b>22,869</b>	1,159
Total gross profit	234,303	<b>254,023</b>	19,719
Selling, general and administrative expenses	96,502	<b>98,542</b>	2,039
Operating income	137,800	<b>155,480</b>	17,679
<b>Non-operating income</b>			
Interest income	1,534	<b>1,221</b>	(312)
Dividends income	7,538	<b>8,198</b>	659
Other	997	<b>1,348</b>	351
Total non-operating income	10,070	<b>10,768</b>	698
<b>Non-operating expenses</b>			
Interest expenses	2,097	<b>1,836</b>	(261)
Foreign exchange losses	671	—	(671)
Subsidiary stock acquisition-related cost	472	—	(472)
Other	677	<b>1,359</b>	681
Total non-operating expenses	3,919	<b>3,195</b>	(723)
Ordinary income	143,951	<b>163,054</b>	19,102
<b>Extraordinary income</b>			
Gain on sales of investing securities	6,120	<b>2,539</b>	(3,580)
Other	637	<b>307</b>	(330)
Total extraordinary income	6,758	<b>2,847</b>	(3,911)
<b>Extraordinary loss</b>			
Loss on sales of investment securities	13	<b>660</b>	647
Loss on retirement of noncurrent assets	398	<b>282</b>	(115)
Loss on liquidation of investment securities	—	<b>167</b>	167
Other	13,088	<b>154</b>	(12,934)
Total extraordinary losses	13,500	<b>1,265</b>	(12,234)
Profit before income taxes	137,209	<b>164,635</b>	27,425
Income taxes-current	47,290	<b>48,968</b>	1,678
Income taxes-deferred	(4,966)	<b>(703)</b>	4,263
Total income taxes	42,323	<b>48,265</b>	5,941
Profit	94,886	<b>116,370</b>	21,484
Profit attributable to non-controlling interests	2,223	<b>3,214</b>	991
Profit attributable to owners of parent	92,662	<b>113,155</b>	20,492

### (3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2017 - March 31, 2018	April 1, 2018 - March 31, 2019
Profit	94,886	116,370
Other comprehensive income		
Valuation difference on available-for-sale securities	18,858	(9,046)
Deferred gains (losses) on hedges	(1,356)	2,757
Foreign currency translation adjustment	2,241	(1,312)
Retirement benefit adjustment	1,611	(1,066)
Share of other comprehensive income of associates accounted for using equity method	33	(10)
Total other comprehensive income	21,387	(8,678)
Comprehensive income	116,274	107,691
Comprehensive income attributable to owners of parent	112,954	104,856
Comprehensive income attributable to non-controlling interests	3,319	2,835

#### (4) Consolidated Statements of Cash Flows

(Yen in millions)

	April 1, 2017 - March 31, 2018	April 1, 2018 - March 31, 2019	Change
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes	137,209	<b>164,635</b>	27,425
Depreciation and amortization	14,659	<b>17,672</b>	3,012
Increase (decrease) in allowance for doubtful accounts	0	<b>(30)</b>	(30)
Increase (decrease) in provision for loss on construction contracts	(2,510)	<b>(3,218)</b>	(707)
Increase (decrease) in provision for loss on Antimonopoly Act	10,092	<b>(204)</b>	(10,296)
Increase (decrease) in liability for retirement benefits	734	<b>(186)</b>	(920)
Interest and dividends income	(9,073)	<b>(9,420)</b>	(346)
Interest expenses	2,097	<b>1,836</b>	(261)
Loss (gain) on sales of short-term and long term investment securities	(6,107)	<b>(1,873)</b>	4,233
Decrease (increase) in notes and accounts receivable—trade	(36,264)	<b>(97,996)</b>	(61,731)
Decrease (increase) in costs on uncompleted construction contracts	(5,620)	<b>9,977</b>	15,597
Decrease (increase) in inventories	874	<b>3,622</b>	2,748
Decrease (increase) in inventories for PFI and other projects	(3,727)	<b>2,039</b>	5,767
Decrease (increase) in other assets	413	<b>(16,408)</b>	(16,821)
Increase (decrease) in notes and accounts payable—trade	24,054	<b>15,550</b>	(8,504)
Increase (decrease) in advances received on uncompleted construction contracts	4,077	<b>6,653</b>	2,575
Increase (decrease) in other liabilities	20,657	<b>(2,918)</b>	(23,576)
Other, net	2,448	<b>602</b>	(1,845)
Subtotal	154,015	<b>90,334</b>	(63,681)
Interest and dividends income received	9,225	<b>9,609</b>	383
Interest expenses	(2,163)	<b>(1,841)</b>	322
Income taxes (paid) refund	(47,042)	<b>(53,898)</b>	(6,855)
Net cash provided by (used in) operating activities	114,034	<b>44,203</b>	(69,830)
<b>Net cash provided by (used in) investing activities</b>			
Payments into time deposits	(3,313)	<b>(29,417)</b>	(26,104)
Proceeds from withdrawal of time deposits	—	<b>22,972</b>	22,972
Purchase of property, plant and equipment and intangible assets	(71,965)	<b>(36,552)</b>	35,412
Proceeds from sales of property, plant and equipment and intangible assets	4,629	<b>423</b>	(4,205)
Purchase of short-term and long term investment securities	(7,411)	<b>(10,782)</b>	(3,370)
Proceeds from sales and redemption of short-term and long term investment securities	10,108	<b>7,913</b>	(2,194)
Payments of loans receivable	(145)	<b>(129)</b>	15
Collection of loans receivable	291	<b>270</b>	(20)
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	(71,289)	<b>(45,302)</b>	25,987
<b>Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	(5,963)	<b>(26,640)</b>	(20,676)
Repayments of lease obligations	(99)	<b>(107)</b>	(8)
Proceeds from long-term loans payable	31,000	<b>36,354</b>	5,354
Repayment of long-term loans payable	(17,177)	<b>(20,630)</b>	(3,452)
Proceeds from nonrecourse loans payable	19,066	<b>6,924</b>	(12,142)
Payment of nonrecourse loans payable	(7,016)	<b>(9,771)</b>	(2,755)
Proceeds from issuance of bonds	—	<b>20,000</b>	20,000
Redemption of bonds	(25,000)	<b>(10,000)</b>	15,000
Cash dividends paid	(23,696)	<b>(20,105)</b>	3,590
Cash dividends paid to non-controlling interests	(1,100)	<b>(814)</b>	285
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(24,552)	—	24,552
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	<b>267</b>	267
Other, net	(8)	<b>(298)</b>	(290)
Net cash provided by (used in) financing activities	(54,548)	<b>(24,823)</b>	29,725
Effect of exchange rate change on cash and cash equivalents	2,391	<b>(1,162)</b>	(3,553)
Net increase (decrease) in cash and cash equivalents	(9,412)	<b>(27,083)</b>	(17,671)
Cash and cash equivalents at beginning of period	194,195	<b>184,783</b>	(9,412)
Cash and cash equivalents at end of period	184,783	<b>157,699</b>	(27,083)

## 8 Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2018	March 31, 2019	Change
<b>Assets</b>			
Current assets			
Cash and deposits	81,375	<b>53,879</b>	(27,496)
Notes receivable—trade	24,486	<b>2,922</b>	(21,564)
Electronically recorded monetary claims	11,962	<b>8,371</b>	(3,590)
Accounts receivable from completed construction contracts	540,130	<b>678,744</b>	138,613
Accounts receivable—real estate business and other	6,218	<b>7,597</b>	1,378
Short-term investment securities	30	<b>143</b>	113
Real estate for sale	3,667	<b>3,576</b>	(90)
Costs on uncompleted construction contracts	38,438	<b>29,821</b>	(8,617)
Costs on real estate business and other	4,084	<b>4,843</b>	759
Short-term loans receivable	21,430	<b>34,621</b>	13,191
Accounts receivable—other	78,132	<b>88,136</b>	10,003
Other	13,158	<b>18,454</b>	5,296
Allowance for doubtful accounts	(67)	<b>(79)</b>	(12)
Total current assets	823,048	<b>931,032</b>	107,984
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	50,868	<b>63,843</b>	12,975
Machinery, equipment and vehicles	5,044	<b>8,824</b>	3,780
Tools, furniture and fixtures	2,042	<b>2,503</b>	461
Land	186,665	<b>184,551</b>	(2,114)
Leased assets	23	<b>13</b>	(9)
Construction in progress	15,243	<b>2,070</b>	(13,172)
Total property, plant and equipment	259,886	<b>261,807</b>	1,920
Intangible assets	2,893	<b>3,137</b>	243
Investments and other assets			
Investment securities	360,677	<b>348,474</b>	(12,202)
Shares and investments in capital of subsidiaries and affiliates	56,775	<b>59,660</b>	2,884
Long-term loans receivable	67,835	<b>86,375</b>	18,539
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,870	<b>1,930</b>	59
Long-term accounts receivable	425	<b>—</b>	(425)
Other	10,040	<b>9,308</b>	(732)
Allowance for doubtful accounts	(552)	<b>(795)</b>	(243)
Total investments and other assets	497,073	<b>504,954</b>	7,881
Total noncurrent assets	759,853	<b>769,898</b>	10,044
Total assets	1,582,902	<b>1,700,931</b>	118,029

## (1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2018	March 31, 2019	Change
<b>Liabilities</b>			
Current liabilities			
Notes payable—trade	17,506	14,924	(2,582)
Electronically recorded obligations	129,457	121,424	(8,032)
Accounts payable for construction contracts	351,144	402,701	51,557
Accounts payable—real estate and other	1,019	921	(97)
Short-term loans payable	60,395	36,726	(23,669)
Current portion of bonds	10,000	10,000	—
Lease obligations	12	6	(5)
Accounts payable	17,238	5,500	(11,738)
Accrued expenses	18,158	18,408	250
Income taxes payable	27,244	23,802	(3,441)
Advances received on uncompleted construction contracts	70,321	79,471	9,149
Deposit received—real estate and other	1,851	1,933	82
Deposits received	95,252	100,855	5,603
Provision for warranties for completed construction	3,770	3,972	202
Provision for loss on construction contracts	3,744	1,105	(2,639)
Provision for loss on Antimonopoly Act	4,145	4,145	—
Deposits received from employees	24,601	25,514	913
Other	854	970	116
<b>Total current liabilities</b>	<b>836,716</b>	<b>852,385</b>	<b>15,668</b>
Noncurrent liabilities			
Bonds payable	20,000	30,000	10,000
Long-term loans payable	47,418	73,282	25,864
Lease obligations	14	8	(5)
Deferred tax liabilities	39,414	36,785	(2,629)
Deferred tax liabilities for land revaluation	16,266	15,615	(650)
Provision for retirement benefits	46,560	46,320	(239)
Provision for stock payments for directors	259	381	121
Provision for loss on real estate business and other	993	993	—
Provision for loss on business of subsidiaries and affiliates	2,842	2,736	(105)
Provision for environmental measures	248	247	(0)
Other	3,946	4,927	980
<b>Total noncurrent liabilities</b>	<b>177,964</b>	<b>211,297</b>	<b>33,333</b>
<b>Total liabilities</b>	<b>1,014,681</b>	<b>1,063,683</b>	<b>49,002</b>
<b>Net assets</b>			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus			
Legal capital surplus	41,694	41,694	—
<b>Total capital surpluses</b>	<b>41,694</b>	<b>41,694</b>	<b>—</b>
Retained earnings			
Legal retained earnings	14,438	14,438	—
Other retained earnings			
Reserve for advanced depreciation of noncurrent assets	2,603	2,545	(58)
General reserve	180,000	240,000	60,000
Retained earnings brought forward	100,841	119,533	18,692
<b>Total retained earnings</b>	<b>297,882</b>	<b>376,516</b>	<b>78,633</b>
Treasury stock	(1,929)	(2,132)	(202)
<b>Total shareholders' equity</b>	<b>395,400</b>	<b>473,831</b>	<b>78,431</b>
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	158,860	149,866	(8,994)
Deferred gains (losses) on hedges	106	—	(105)
Revaluation reserve for land	13,854	13,549	(304)
<b>Total valuation and translation adjustments</b>	<b>172,821</b>	<b>163,416</b>	<b>(9,404)</b>
<b>Total net assets</b>	<b>568,221</b>	<b>637,248</b>	<b>69,026</b>
<b>Total liabilities and net assets</b>	<b>1,582,902</b>	<b>1,700,931</b>	<b>118,029</b>
<b>(Reference)</b>			
Interest-bearing debt balances	137,813	150,008	12,194

※ 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 fiscal year ended March 31, 2019. 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 - March 31, 2018	April 1, 2018 - March 31, 2019	Change
<b>Net sales</b>			
Net sales of completed construction contracts	1,276,405	<b>1,376,688</b>	100,283
Net sales of real estate business and other	17,657	<b>21,597</b>	3,940
<b>Total net sales</b>	<b>1,294,062</b>	<b>1,398,286</b>	104,223
<b>Cost of sales</b>			
Cost of sales on completed construction contracts	1,102,430	<b>1,191,386</b>	88,955
Cost of sales on real estate business and other	14,644	<b>16,272</b>	1,628
<b>Total cost of sales</b>	<b>1,117,074</b>	<b>1,207,658</b>	90,583
<b>Gross profit</b>			
Gross profit on completed construction contracts	173,975	<b>185,302</b>	11,327
Gross profit on real estate business and other	3,013	<b>5,325</b>	2,312
<b>Total gross profit</b>	<b>176,988</b>	<b>190,628</b>	13,639
Selling, general and administrative expenses	67,261	<b>67,361</b>	100
<b>Operating income</b>	<b>109,727</b>	<b>123,266</b>	13,539
<b>Non-operating income</b>			
Interest and dividend income	10,483	<b>13,878</b>	3,395
Other	286	<b>984</b>	697
<b>Total non-operating income</b>	<b>10,770</b>	<b>14,863</b>	4,093
<b>Non-operating expenses</b>			
Interest expenses	1,041	<b>760</b>	(280)
Provision of allowance for doubtful accounts	52	<b>67</b>	15
Foreign exchange losses	686	—	(686)
Other	866	<b>1,587</b>	720
<b>Total non-operating expenses</b>	<b>2,646</b>	<b>2,415</b>	(231)
<b>Ordinary income</b>	<b>117,850</b>	<b>135,714</b>	17,864
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	3	<b>3,495</b>	3,491
Gain on sales of investment securities	6,069	<b>2,539</b>	(3,529)
Other	297	<b>116</b>	(180)
<b>Total extraordinary income</b>	<b>6,370</b>	<b>6,151</b>	(219)
<b>Extraordinary loss</b>			
Loss on business of subsidiaries and affiliates	2,256	<b>1,672</b>	(583)
Loss on sales of investment securities	—	<b>586</b>	586
Provision for loss on Antimonopoly Act	4,145	—	(4,145)
Other	2,583	<b>362</b>	(2,221)
<b>Total extraordinary losses</b>	<b>8,985</b>	<b>2,622</b>	(6,363)
<b>Profit before income taxes</b>	<b>115,236</b>	<b>139,244</b>	24,008
Income taxes — current	37,957	<b>40,096</b>	2,138
Income taxes — deferred	(3,398)	<b>712</b>	4,111
<b>Total income taxes</b>	<b>34,558</b>	<b>40,809</b>	6,250
<b>Profit</b>	<b>80,677</b>	<b>98,435</b>	17,757