

Appendix to the Financial Statements

for 1st Quarter of FY2017 Ending March 2018

August 8, 2017



OBAYASHI CORPORATION

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Disclaimer: This "Appendix to the Financial Statements", English version of the Japanese "Kessan Setsumei Shiryo" disclosed at the Tokyo Stock Exchange on August 8, 2017 was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Setsumei Shiryo" and this document, Japanese "Kessan Setsumei Shiryo" will prevail. This document includes forward-looking statements based on the information available at the time of the release of Japanese "Kessan Setsumei Shiryo". Due to various factors, the actual results may vary from the forward-looking statements contained herein. Obayashi Corporation (non-consolidated) is called the "Company" hereinafter.

1 Summary information (Consolidated・Non-consolidated)

(Rounded down to the nearest million yen)

(1) Consolidated First Quarter Results for FY2017 ending March 2018 (April 1, 2017 - June 30, 2017)

① Consolidated Business Results

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

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%
1st Quarter of FY2017	439,044	9.2	24,897	8.3	27,121	16.0	18,976	19.0
1st Quarter of FY2016	402,052	2.7	22,986	54.1	23,375	32.3	15,949	45.3

(Note) Comprehensive income : [1Q/FY2017] 36,659 million yen,—% ; [1Q/FY2016] (10,342) million yen,—%

	Profit attributable to owners of parent per Share
	(Unit: yen)
1st Quarter of FY2017	26.44
1st Quarter of FY2016	22.22

② Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(Unit: million yen)	(Unit: million yen)	%	(Unit: yen)
At June 30,2017	1,990,351	646,554	31.1	861.12
At March 31,2017	2,015,996	644,076	29.5	827.77

(For reference) Equity (net assets less non-controlling interests) : [At June 30, 2017] 618,096 million yen ; [At March 31, 2017] 594,160 million yen

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

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

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

* The consolidated forecasts were not revised in this first quarter.

(3) Non-consolidated First Quarter Results for FY2017 ending March 2018 (April 1, 2017 - June 30, 2017)

① Non-consolidated Business Results

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

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: yen)
1st Quarter of FY2017	308,843	9.9	19,227	10.6	22,955	20.7	16,974	20.7	23.65
1st Quarter of FY2016	281,030	3.1	17,382	87.3	19,022	45.9	14,068	51.1	19.60

② Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(Unit: million yen)	(Unit: million yen)	%	(Unit: yen)
At June 30,2017	1,502,781	513,006	34.1	714.71
At March 31,2017	1,504,594	492,354	32.7	685.94

(Reference) Equity (net assets less non-controlling interests) : [At June 30, 2017] 513,006 million yen ; [At March 31, 2017] 492,354 million yen

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

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

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

* The consolidated forecasts were not revised in this first quarter.

(5) Dividends

	Dividend per Share (Unit : yen)					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			
FY2016 ended Mar. 2017	—	9.00	—	19.00	28.00	(Unit: million yen) 20,105	% 21.3	% 3.6
FY2017 ending Mar. 2018 (including Forecasts)	—	14.00	—	14.00	28.00			

* The consolidated forecasts were not revised in this first quarter.

2 Financial highlights (Consolidated·Non-consolidated)

(1) Results for 1Q of FY2017 (in comparison with 1Q/FY2016 results)

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-1Q/FY2016 April 1, 2016 - June 30, 2016		Result-1Q/FY2017 April 1, 2017 - June 30, 2017		Variance	Variance rate (%)	Result-1Q/FY2016 April 1, 2016 - June 30, 2016		Result-1Q/FY2017 April 1, 2017 - June 30, 2017		Variance	Variance rate (%)
Net sales of completed construction contracts	%	3,861	%	4,231	369	9.6	%	2,780	%	3,056	275	9.9
Building Construction		—		—	—	—		2,108		2,392	283	13.5
Civil Engineering		—		—	—	—		672		664	(7)	(1.2)
Gross profit on completed construction contracts	10.5	403	10.3	435	31	7.9	11.5	321	11.6	354	33	10.3
Building Construction		—		—	—	—	10.7	224	10.6	253	28	12.9
Civil Engineering		—		—	—	—	14.3	96	15.1	100	4	4.3
Net sales of real estate business and other		159		159	0	0.1		29		32	2	7.4
Gross profit on real estate business and other	29.2	46	31.3	49	3	7.0	35.5	10	24.2	7	(2)	(26.8)
Net sales		4,020		4,390	369	9.2		2,810		3,088	278	9.9
Gross profit	11.2	450	11.1	485	35	7.8	11.8	331	11.7	361	30	9.1
Selling, general and administrative expenses	5.5	220	5.4	236	16	7.3	5.6	157	5.5	169	11	7.5
(Personnel expenses)		129		145	16			90		104	13	
(Others)		91		91	(0)			67		65	(2)	
Operating Income	5.7	229	5.7	248	19	8.3	6.2	173	6.2	192	18	10.6
Non-operating income		31		33	1	6.3		40		41	1	4.2
Non-operating expenses		27		10	(16)	(60.4)		23		4	(19)	(81.0)
(interests received/paid and dividend income - net)		22		24	2			35		37	2	
Ordinary income	5.8	233	6.2	271	37	16.0	6.8	190	7.4	229	39	20.7
Extraordinary income		2		0	(1)	(63.2)		1		0	(1)	(98.3)
Extraordinary loss		0		4	4	724.8		0		2	2	609.3
Income before income taxes	5.9	235	6.1	267	32	13.6	6.8	191	7.3	226	35	18.3
Total income taxes		66		72	5	8.0		51		57	6	11.7
Profit		168		195	26	15.8		—		—	—	—
Profit attributable to non-controlling interests (deduction)		8		5	(3)	(40.6)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	4.0	159	4.3	189	30	19.0	5.0	140	5.5	169	29	20.7

Orders received

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-1Q/FY2016 April 1, 2016 - June 30, 2016		Result-1Q/FY2017 April 1, 2017 - June 30, 2017		Variance	Variance rate (%)	Result-1Q/FY2016 April 1, 2016 - June 30, 2016		Result-1Q/FY2017 April 1, 2017 - June 30, 2017		Variance	Variance rate (%)
Building Construction		2,727		2,685	(42)	(1.5)		2,044		2,126	81	4.0
(Domestic)		2,050		2,247	196	9.6		2,019		2,119	100	5.0
(Overseas)		677		438	(238)	(35.3)		24		6	(18)	(73.6)
Civil Engineering		875		1,064	189	21.6		573		852	278	48.6
(Domestic)		745		1,042	296	39.8		554		849	295	53.3
(Overseas)		129		22	(107)	(83.0)		18		2	(16)	(88.2)
Construction Total		3,603		3,749	146	4.1		2,617		2,978	360	13.8
(Domestic)		2,796		3,289	493	17.6		2,574		2,969	395	15.4
(Overseas)		806		460	(346)	(42.9)		43		8	(34)	(79.9)
Real Estate Business and Other		320		159	(161)	(50.4)		30		32	1	5.9
Total orders received		3,923		3,909	(14)	(0.4)		2,647		3,010	362	13.7

Interest-bearing debt balances

(Unit: 100 million yen)

	Consolidated					Non-consolidated				
	March 31, 2017	June 30, 2017	Variance	Variance rate (%)	March 31, 2017	June 30, 2017	Variance	Variance rate (%)		
Interest-bearing debt (except nonrecourse loans)	2,003	2,097	94	4.7	1,439	1,557	118	8.2		
Nonrecourse loans	730	787	57	7.9	—	—	—	—		
Interest-bearing debt total	2,733	2,885	151	5.5	1,439	1,557	118	8.2		

Note: The non-consolidated quarterly financial statements were prepared in accordance with the Japanese accounting standard for quarterly financial statements, although they are not subject to the disclosure legally required by the related authorities.

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

(Unit: 100 million yen)

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

Note: Forecasts for 2Q (cumulative) of FY2017 were not revised from the ones announced on May 10, 2017.

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

Orders received

(Unit: 100 million yen)

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

Note: Forecasts for 2Q (cumulative) of FY2017 were not revised from the ones announced on May 10, 2017.

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

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

(Unit: 100 million yen)

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

Note: Full year forecasts for FY2017 were not revised from the ones announced on May 10, 2017.
The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin".
Due to various factors, the actual results may vary from the forecasts.

Orders received

(Unit: 100 million yen)

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

Note: Full year forecasts for FY2017 were not revised from the ones announced on May 10, 2017.
The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin".
Due to various factors, the actual results may vary from the forecasts.

Interest-bearing debt balances

(Unit: 100 million yen)

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

Note: Forecasts at the end of FY2017 were not revised from the ones announced on May 10, 2017.
The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin".
Due to various factors, the actual results may vary from the forecasts.

3 Results and forecasts for net sales, operating income and gross profit (Consolidated·Non-consolidated)
 (1) Results for 1Q of FY2017 (incomparison with 1Q/2016 results)

[Consolidated]

(Unit: million yen)

	Consolidated Net Sales				Consolidated Operating Income					
	1Q / FY2016 Result April 1, 2016 - June 30, 2016 (A)	1Q / FY2017 Result April 1, 2017 - June 30, 2017 (B)	Variance (B) - (A)	Variance rate (%)	1Q / FY2016 Result April 1, 2016 - June 30, 2016 (C)		1Q / FY2017 Result April 1, 2017 - June 30, 2017 (D)		Variance (D) - (C)	Variance rate (%)
					% Gross Profit		% Gross Profit			
Building Construction					6.3	13,591	6.2	14,969	1,378	10.1
Domestic	214,439	241,378	26,938	12.6	1.4	1,110	1.4	1,226	115	10.4
Overseas	79,827	86,721	6,893	8.6	5.0	14,701	4.9	16,195	1,494	10.2
Sub-total	294,266	328,099	33,832	11.5						
Civil Engineering					8.7	6,640	8.4	6,344	(296)	(4.5)
Domestic	76,463	75,945	(518)	(0.7)	(3.6)	(557)	(0.5)	(102)	455	—
Overseas	15,399	19,056	3,657	23.7	6.6	6,082	6.6	6,242	159	2.6
Sub-total	91,863	95,001	3,138	3.4						
Construction Total					7.0	20,231	6.7	21,314	1,082	5.3
Domestic	290,902	317,323	26,420	9.1	0.6	552	1.1	1,124	571	103.3
Overseas	95,227	105,778	10,550	11.1	5.4	20,784	5.3	22,438	1,653	8.0
Sub-total	386,129	423,101	36,971	9.6						
Real Estate Business and Other					20.2	1,666	16.3	1,213	(452)	(27.1)
Real Estate Business	8,256	7,470	(785)	(9.5)	7.0	536	14.7	1,245	709	132.3
Other	7,666	8,472	806	10.5	13.8	2,202	15.4	2,459	257	11.7
Sub-total	15,922	15,943	21	0.1	5.7	22,986	5.7	24,897	1,910	8.3
Total	402,052	439,044	36,992	9.2						

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

[Non-consolidated]

(Unit: million yen)

	Net Sales				Gross Profit					
	1Q / FY2016 Result April 1, 2016 - June 30, 2016 (A)	1Q / FY2017 Result April 1, 2017 - June 30, 2017 (B)	Variance (B) - (A)	Variance rate (%)	1Q / FY2016 Result April 1, 2016 - June 30, 2016 (C)		1Q / FY2017 Result April 1, 2017 - June 30, 2017 (D)		Variance (D) - (C)	Variance rate (%)
					% Gross Profit		% Gross Profit			
Building Construction					11.0	22,854	10.7	25,315	2,461	10.8
Domestic	207,709	235,914	28,204	13.6	(12.3)	(385)	1.4	45	430	—
Overseas	3,136	3,317	181	5.8	10.7	22,468	10.6	25,360	2,891	12.9
Sub-total	210,846	239,231	28,385	13.5						
Civil Engineering					15.6	9,353	16.3	9,261	(92)	(1.0)
Domestic	60,101	56,852	(3,248)	(5.4)	4.1	288	8.3	796	507	175.8
Overseas	7,102	9,558	2,455	34.6	14.3	9,642	15.1	10,057	414	4.3
Sub-total	67,203	66,410	(792)	(1.2)						
Construction Total					12.0	32,207	11.8	34,576	2,368	7.4
Domestic	267,810	292,766	24,955	9.3	(0.9)	(96)	6.5	841	938	—
Overseas	10,239	12,876	2,636	25.8	11.5	32,111	11.6	35,418	3,306	10.3
Sub-total	278,050	305,642	27,592	9.9						
Real Estate Business and Other					35.5	1,058	24.2	775	(283)	(26.8)
Real Estate Business	2,980	3,200	220	7.4	11.8	33,170	11.7	36,193	3,023	9.1
Other										
Sub-total										
Total	281,030	308,843	27,812	9.9						

(2) Forecasts for 2Q (Cumulative) of FY2017 (incomparison with 2Q/2016 results)

【Consolidated】

(Unit: million yen)

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

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

Forecasts for 2Q (cumulative) of FY2017 were not revised from the ones announced on May 10, 2017.

The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin".

Due to various factors, the actual results may vary from the forecasts.

【Non-consolidated】

(Unit: million yen)

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

Note: Forecasts for 2Q (cumulative) of FY2017 were not revised from the ones announced on May 10, 2017.

The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin".

Due to various factors, the actual results may vary from the forecasts.

(3) Forecasts for FY2017 (incomparison with FY2016 results)

【Consolidated】

(Unit: million yen)

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

Note: Above were the forecasts related to segment information. Consolidated net sales and consolidated operating income show the amount of net sales for external customers and operating income on net sales for external customers respectively.
Full year forecasts for FY2017 were not revised from the ones announced on May 10, 2017.
The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin".
Due to various factors, the actual results may vary from the forecasts.

【Non-consolidated】

(Unit: million yen)

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

Note: Full year forecasts for FY2017 were not revised from the ones announced on May 10, 2017.
The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin".
Due to various factors, the actual results may vary from the forecasts.

4 Non-consolidated orders received, net sales and carried-forward
 (1) Breakdown of non-consolidated orders received

(Unit: million yen)

	1Q/FY2016 April 1, 2016 - June 30, 2016		1Q/FY2017 April 1, 2017 - June 30, 2017		Variance		Previous FY Results April 1, 2016 - March 31, 2017	
		%		%		% variance		%
Building Construction								
Domestic Public	2,752	1.0	39,090	13.0	36,337	—	110,868	8.1
Domestic Private	199,193	75.3	172,859	57.4	(26,333)	(13.2)	937,239	68.6
Domestic total	201,945	76.3	211,950	70.4	10,004	5.0	1,048,108	76.7
Overseas total	2,482	0.9	655	0.2	(1,827)	(73.6)	4,569	0.3
Sub-total	204,428	77.2	212,605	70.6	8,177	4.0	1,052,677	77.0
Civil Engineering								
Domestic Public	24,307	9.2	54,705	18.1	30,397	125.1	162,455	11.9
Domestic Private	31,147	11.7	30,291	10.1	(856)	(2.8)	112,793	8.3
Domestic total	55,455	20.9	84,996	28.2	29,541	53.3	275,248	20.2
Overseas total	1,878	0.8	221	0.1	(1,656)	(88.2)	20,456	1.5
Sub-total	57,333	21.7	85,217	28.3	27,884	48.6	295,705	21.7
Construction Total								
Domestic Public	27,059	10.2	93,795	31.1	66,735	246.6	273,323	20.0
Domestic Private	230,341	87.0	203,150	67.5	(27,190)	(11.8)	1,050,033	76.9
Domestic total	257,401	97.2	296,946	98.6	39,545	15.4	1,323,357	96.9
Overseas total	4,360	1.7	876	0.3	(3,483)	(79.9)	25,025	1.8
Sub-total	261,761	98.9	297,822	98.9	36,061	13.8	1,348,382	98.7
Real Estate Business and Other	3,021	1.1	3,200	1.1	178	5.9	18,179	1.3
Total	264,783	100	301,023	100	36,240	13.7	1,366,562	100

(2) Breakdown of non-consolidated net sales

(Unit: million yen)

	1Q/FY2016 April 1, 2016 - June 30, 2016		1Q/FY2017 April 1, 2017 - June 30, 2017		Variance		Previous FY Results April 1, 2016 - March 31, 2017	
		%		%		% variance		%
Building Construction								
Domestic Public	11,917	4.2	17,712	5.7	5,794	48.6	62,816	4.8
Domestic Private	195,791	69.7	218,202	70.7	22,410	11.4	914,601	70.1
Domestic total	207,709	73.9	235,914	76.4	28,204	13.6	977,417	74.9
Overseas total	3,136	1.1	3,317	1.1	181	5.8	14,110	1.1
Sub-total	210,846	75.0	239,231	77.5	28,385	13.5	991,527	76.0
Civil Engineering								
Domestic Public	38,737	13.8	35,391	11.5	(3,346)	(8.6)	163,506	12.6
Domestic Private	21,363	7.6	21,461	6.9	97	0.5	95,650	7.3
Domestic total	60,101	21.4	56,852	18.4	(3,248)	(5.4)	259,157	19.9
Overseas total	7,102	2.5	9,558	3.1	2,455	34.6	35,201	2.7
Sub-total	67,203	23.9	66,410	21.5	(792)	(1.2)	294,358	22.6
Construction Total								
Domestic Public	50,655	18.0	53,103	17.2	2,447	4.8	226,323	17.4
Domestic Private	217,155	77.3	239,663	77.6	22,507	10.4	1,010,251	77.4
Domestic total	267,810	95.3	292,766	94.8	24,955	9.3	1,236,575	94.8
Overseas total	10,239	3.6	12,876	4.2	2,636	25.8	49,311	3.8
Sub-total	278,050	98.9	305,642	99.0	27,592	9.9	1,285,886	98.6
Real Estate Business and Other	2,980	1.1	3,200	1.0	220	7.4	18,179	1.4
Total	281,030	100	308,843	100	27,812	9.9	1,304,065	100

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

(Unit: million yen)

	At June 30, 2016		At June 30, 2017		Variance		At the end of Previous FY (March 31, 2017)	
		%		%		% variance		%
Building Construction								
Domestic Public	135,470	8.3	214,066	12.5	78,595	58.0	192,688	11.2
Domestic Private	1,028,802	62.9	1,002,697	58.8	(26,105)	(2.5)	1,048,039	61.1
Domestic total	1,164,273	71.2	1,216,763	71.3	52,490	4.5	1,240,727	72.3
Overseas total	21,667	1.3	10,118	0.6	(11,549)	(53.3)	12,780	0.8
Sub-total	1,185,940	72.5	1,226,881	71.9	40,940	3.5	1,253,508	73.1
Civil Engineering								
Domestic Public	268,996	16.4	301,689	17.7	32,692	12.2	282,375	16.5
Domestic Private	117,590	7.2	133,779	7.8	16,188	13.8	124,949	7.3
Domestic total	386,587	23.6	435,468	25.5	48,881	12.6	407,324	23.8
Overseas total	62,759	3.9	43,902	2.6	(18,857)	(30.0)	53,239	3.1
Sub-total	449,347	27.5	479,371	28.1	30,024	6.7	460,564	26.9
Construction Total								
Domestic Public	404,467	24.7	515,755	30.2	111,288	27.5	475,063	27.7
Domestic Private	1,146,393	70.1	1,136,476	66.6	(9,917)	(0.9)	1,172,988	68.4
Domestic total	1,550,860	94.8	1,652,232	96.8	101,371	6.5	1,648,052	96.1
Overseas total	84,427	5.2	54,020	3.2	(30,406)	(36.0)	66,020	3.9
Sub-total	1,635,288	100.0	1,706,253	100.0	70,965	4.3	1,714,072	100.0
Real Estate Business and Other	41	0.0	—	—	41.0	(100.0)	—	—
Total	1,635,329	100	1,706,253	100	70,923	4.3	1,714,072	100

5 Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheets

(Unit : million yen)

	March 31, 2017	June 30, 2017	Variance
Assets			
Current assets			
Cash and deposits	194,585	177,361	(17,224)
Notes and accounts receivable from completed construction contracts and other	720,361	661,799	(58,562)
Electronically recorded monetary claims	21,075	12,987	(8,087)
Short-term investment securities	2,519	2,273	(245)
Real estate for sale	16,739	17,802	1,063
Costs on uncompleted construction contracts	39,881	46,024	6,142
Costs on real estate business	24,200	23,832	(367)
Inventories for PFI and other projects	42,406	40,731	(1,675)
Other inventories	7,872	10,000	2,128
Deferred tax assets	17,443	18,190	747
Accounts receivable-other	78,009	71,806	(6,202)
Other	16,694	24,390	7,695
Allowance for doubtful accounts	(142)	(119)	23
Total current assets	1,181,645	1,107,081	(74,564)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	92,587	93,042	455
Machinery, vehicles, tools, furniture and fixtures, net	29,554	41,723	12,169
Land	308,241	329,558	21,317
Lease assets, net	228	226	(1)
Construction in progress	28,986	24,302	(4,684)
Total property, plant and equipment	459,597	488,854	29,256
Intangible assets	6,558	5,026	(1,531)
Investments and other assets			
Investment securities	346,245	368,268	22,022
Long-term loans receivable	2,024	1,981	(43)
Assets for retirement benefits	68	68	—
Deferred tax assets	1,987	2,020	32
Other	18,118	17,299	(818)
Allowance for doubtful accounts	(249)	(247)	2
Total investments and other assets	368,194	389,390	21,195
Total noncurrent assets	834,350	883,270	48,920
Total assets	2,015,996	1,990,351	(25,644)

(1) Consolidated quarterly balance sheets

(Unit : million yen)

	March 31, 2017	June 30, 2017	Variance
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	485,408	455,721	(29,686)
Electronically recorded obligations	150,289	134,880	(15,409)
Short-term loans payable	89,498	83,459	(6,039)
Current portion of nonrecourse loans	6,832	6,313	(518)
Commercial papers	—	20,000	20,000
Current portion of bonds	25,000	25,000	—
Lease obligations	85	83	(1)
Income taxes payable	30,533	9,266	(21,267)
Deferred tax liabilities	402	390	(12)
Advances received on uncompleted construction contracts	106,541	112,719	6,178
Deposits received	102,707	104,869	2,162
Provision for warranties for completed construction	3,048	3,106	58
Provision for loss on construction contracts	7,751	6,910	(840)
Other	70,585	77,373	6,787
Total current liabilities	1,078,684	1,040,094	(38,589)
Noncurrent liabilities			
Bonds payable	30,000	20,000	(10,000)
Long-term loans payable	55,836	61,282	5,446
Nonrecourse loans	66,192	72,465	6,272
Lease obligations	126	131	4
Deferred tax liabilities	46,956	54,122	7,165
Deferred tax liabilities for land revaluation	21,091	21,082	(8)
Provision for stock payments for directors	301	301	—
Provision for loss on real estate business and other	993	993	—
Provision for environmental measures	616	613	(2)
Liability for retirement benefits	51,029	51,469	439
Other	20,091	21,240	1,149
Total noncurrent liabilities	293,235	303,702	10,467
Total liabilities	1,371,919	1,343,797	(28,122)
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	41,752	43,188	1,436
Retained earnings	334,957	340,293	5,336
Treasury stock	(1,964)	(1,966)	(1)
Total shareholders' equity	432,497	439,268	6,770
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	140,246	157,279	17,032
Deferred gains (losses) on hedges	(283)	(37)	246
Revaluation reserve for land	20,435	20,432	(2)
Foreign currency translation adjustments	(365)	(561)	(196)
Retirement benefit asset and liability adjustments	1,629	1,715	86
Total accumulated other comprehensive income	161,662	178,828	17,165
Non-controlling interests	49,916	28,457	(21,459)
Total net assets	644,076	646,554	2,477
Total liabilities and net assets	2,015,996	1,990,351	(25,644)
(Reference)			
Interest-bearing debt balances	273,359	288,520	15,160

(2) Consolidated quarterly statements of income

(Unit : million yen)

	1Q / FY2016 From April 1, 2016 to June 30, 2016	1Q / FY2017 From April 1, 2017 to June 30, 2017	Variance
Net sales			
Net sales of completed construction contracts	386,129	423,101	36,971
Net sales of real estate business and other	15,922	15,943	21
Total net sales	402,052	439,044	36,992
Cost of sales			
Cost of sales on completed construction contracts	345,738	379,520	33,782
Cost of sales on real estate business and other	11,265	10,960	(304)
Total cost of sales	357,003	390,481	33,477
Gross profit			
Gross profit on completed construction contracts	40,391	43,580	3,189
Gross profit on real estate business and other	4,656	4,982	325
Total gross profit	45,048	48,563	3,514
Selling, general and administrative expenses	22,061	23,665	1,604
Operating income	22,986	24,897	1,910
Non-operating income			
Interest income	471	440	(31)
Dividends income	2,408	2,543	135
Other	225	317	91
Total non-operating income	3,106	3,301	194
Non-operating expenses			
Interest expenses	632	528	(103)
Subsidiary stock acquisition-related cost	—	351	351
Other	2,085	196	(1,888)
Total non-operating expenses	2,717	1,076	(1,640)
Ordinary income	23,375	27,121	3,746
Extraordinary income	219	80	(138)
Extraordinary loss	56	462	406
Profit before income taxes	23,539	26,740	3,201
Income taxes-current	6,138	8,530	2,392
Income taxes-deferred	557	(1,297)	(1,854)
Total income taxes	6,695	7,232	537
Profit	16,843	19,507	2,663
Profit attributable to non-controlling interests	893	530	(363)
Profit attributable to owners of parent	15,949	18,976	3,026

6 Non-consolidated quarterly financial statements
 (1) Non-consolidated quarterly balance sheets

(Unit : million yen)

	March 31, 2017	June 30, 2017	Variance
Assets			
Current assets			
Cash and deposits	73,814	52,645	(21,168)
Notes receivable-trade	7,363	3,396	(3,966)
Electronically recorded monetary claims	18,650	10,483	(8,167)
Accounts receivable from completed construction contracts	546,087	502,770	(43,316)
Accounts receivable-real estate business and other	5,163	2,564	(2,599)
Short-term investment securities	36	36	—
Real estate for sale	3,713	3,680	(33)
Costs on uncompleted construction contracts	35,304	40,040	4,736
Costs on real estate business and other	3,105	4,075	970
Short-term loans receivable	35,180	46,019	10,838
Deferred tax assets	15,049	15,918	868
Accounts receivable-other	74,506	68,497	(6,009)
Other	11,763	19,112	7,349
Allowance for doubtful accounts	(67)	(62)	5
Total current assets	829,672	769,179	(60,493)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures, net	44,553	43,896	(656)
Machinery, equipment and vehicles, net	3,103	3,277	173
Tools, furniture and fixtures, net	1,517	1,639	122
Land	179,524	188,515	8,990
Leased assets	22	18	(3)
Construction in progress	9,238	13,332	4,093
Total property, plant and equipment	237,959	250,678	12,718
Intangible assets	2,979	2,724	(254)
Investments and other assets			
Investment securities	333,441	357,948	24,506
Shares and investments in capital of subsidiaries and affiliates	26,731	51,071	24,340
Long-term loans receivable	58,465	58,406	(58)
Claims provable in bankruptcy, claims provable in rehabilitation and other	245	255	10
Long-term accounts receivable	5,590	3,126	(2,463)
Other	9,880	9,758	(121)
Allowance for doubtful accounts	(370)	(368)	2
Total investments and other assets	433,982	480,198	46,215
Total noncurrent assets	674,922	733,601	58,679
Total assets	1,504,594	1,502,781	(1,813)

(1) Non-consolidated quarterly balance sheets

(Unit : million yen)

	March 31, 2017	June 30, 2017	Variance
Liabilities			
Current liabilities			
Notes payable-trade	24,780	22,419	(2,360)
Electronically recorded obligations	141,102	137,494	(3,607)
Accounts payable for construction contracts	325,548	300,315	(25,233)
Accounts payable-real estate and other	1,458	771	(686)
Short-term loans payable	57,762	54,085	(3,677)
Commercial papers	—	20,000	20,000
Current portion of bonds	25,000	25,000	—
Lease obligations	13	13	(0)
Accounts payable	11,912	7,029	(4,883)
Accrued expenses	13,604	23,669	10,064
Income taxes payable	27,513	8,159	(19,353)
Advances received on uncompleted construction contracts	73,149	75,918	2,768
Deposit received-real estate and other	1,390	1,696	306
Deposits received	95,884	97,599	1,715
Provision for warranties for completed construction	2,652	2,717	65
Provision for loss on construction contracts	6,456	5,867	(589)
Deposits received from employees	22,943	22,685	(257)
Other	949	964	14
Total current liabilities	832,122	806,408	(25,713)
Noncurrent liabilities			
Bonds payable	30,000	20,000	(10,000)
Long-term loans payable	31,172	36,712	5,539
Lease obligations	10	6	(3)
Deferred tax liabilities	49,181	56,449	7,268
Deferred tax liabilities for land revaluation	16,675	16,667	(8)
Provision for retirement benefits	45,777	46,265	488
Provision for stock payments for directors	301	301	—
Provision for loss on real estate business and other	993	993	—
Provision for loss on business of subsidiaries and affiliates	2,306	2,264	(41)
Provision for environmental measures	548	545	(2)
Other	3,151	3,160	8
Total noncurrent liabilities	180,117	183,366	3,248
Total liabilities	1,012,240	989,775	(22,465)
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus			
Legal capital surplus	41,694	41,694	—
Total capital surpluses	41,694	41,694	—
Retained earnings			
Legal retained earnings	14,438	14,438	—
Other retained earnings			
Reserve for advanced depreciation of noncurrent assets	2,667	2,651	(16)
General reserve	110,000	180,000	70,000
Retained earnings brought forward	112,863	46,229	(66,633)
Total retained earnings	239,969	243,319	3,350
Treasury stock	(1,964)	(1,966)	(1)
Total shareholders' equity	337,451	340,800	3,348
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	140,103	157,128	17,025
Deferred gains (losses) on hedges	11	309	297
Revaluation reserve for land	14,787	14,767	(19)
Total valuation and translation adjustments	154,902	172,206	17,303
Total net assets	492,354	513,006	20,652
Total liabilities and net assets	1,504,594	1,502,781	(1,813)
(Reference)			
Interest-bearing debt balances	143,935	155,797	11,861

(2) Non-consolidated quarterly statements of income

(Unit : million yen)

	FY2016 From April 1, 2016 to June 30, 2016	FY2017 From April 1, 2017 to June 30, 2017	Variance
Net sales			
Net sales of completed construction contracts	278,050	305,642	27,592
Net sales of real estate business and other	2,980	3,200	220
Total net sales	281,030	308,843	27,812
Cost of sales			
Cost of sales on completed construction contracts	245,938	270,224	24,286
Cost of sales on real estate business and other	1,921	2,425	503
Total cost of sales	247,860	272,649	24,789
Gross profit			
Gross profit on completed construction contracts	32,111	35,418	3,306
Gross profit on real estate business and other	1,058	775	(283)
Total gross profit	33,170	36,193	3,023
Selling, general and administrative expenses	15,787	16,966	1,178
Operating income (loss)	17,382	19,227	1,844
Non-operating income			
Interest and dividend income	3,907	4,063	156
Other	101	115	13
Total non-operating income	4,008	4,179	170
Non-operating expenses			
Interest expenses	347	287	(60)
Provision of allowance for doubtful accounts	1	1	—
Foreign exchange losses	1,915	—	(1,915)
Other	104	162	58
Total non-operating expenses	2,368	450	(1,917)
Ordinary income	19,022	22,955	3,932
Extraordinary income	198	3	(195)
Extraordinary loss	37	269	231
Profit before income taxes	19,183	22,689	3,506
Income taxes-current	4,504	6,926	2,422
Income taxes-deferred	610	(1,211)	(1,822)
Total income taxes	5,114	5,715	600
Profit	14,068	16,974	2,905