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August 8, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: OBAYASHI CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 1802
 URL: <https://www.obayashi.co.jp/en/>
 Representative: Toshimi Sato, Representative Director, President and CEO
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	523,763	(8.4)	15,798	3.1	18,396	(9.1)	18,070	(30.0)
June 30, 2024	571,791	17.3	15,327	267.8	20,236	117.2	25,800	291.4

Note: Comprehensive income For the three months ended June 30, 2025: 4,637 Millions of yen [(5.9)%]
 For the three months ended June 30, 2024: 4,925 Millions of yen [(89.2)%]

	Profit attributable to owners of parent per share (EPS)	Diluted profit per share
Three months ended	Yen	Yen
June 30, 2025	25.59	—
June 30, 2024	35.98	—

Note: Due to a change in accounting policy, results for three months ended June 30, 2024, have been re-presented retrospectively.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share (BPS)
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	2,880,973	1,166,316	38.8	1,591.09
March 31, 2025	3,042,778	1,210,201	38.1	1,628.88

Reference: Equity

As of June 30, 2025: 1,117,581 Millions of yen

As of March 31, 2025: 1,158,245 Millions of yen

Note: Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	40.00	—	41.00	81.00	57,911	39.9	5.0
Fiscal year ending March 31, 2026	—							
Fiscal year ending March 31, 2026 (Forecast)		41.00	—	41.00	82.00		57.0	

Note: Revisions to the forecast of cash dividends most recently announced: None

Due to a change in accounting policy, dividend payout ratio (consolidated) and ratio of dividends to net assets (consolidated) for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

3. Consolidated forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit attributable to owners of parent per share (EPS)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	2,560,000	(1.2)	122,000	(14.4)	126,000	(17.2)	100,000	(31.2)	143.86

Note: Revisions to the consolidated forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026), most recently announced: None

Year-on-year percentage changes are comparisons with the previous fiscal year's figures, which reflect retrospective application of a change in accounting policy.

Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: Yes
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

Refer to page 13 of the appendix, (3) Notes to the Consolidated Financial Statements "Notes Regarding Changes in Accounting Policies" for details.

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

June 30, 2025	721,509,646 shares
March 31, 2025	721,509,646 shares

(ii) Number of treasury shares at the end of the period

June 30, 2025	19,110,179 shares
March 31, 2025	10,439,266 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	706,249,614 shares
Three months ended June 30, 2024	716,998,589 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

1. The Company has resolved the matters concerning the acquisition of own shares pursuant to the provisions of Article 156 of the Companies Act of Japan, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act, at a meeting of Board of Directors held on August 8, 2025. The result of acquisition of own shares is reflected on the forecasts of profit attributable to owners of parent per share (EPS) for the fiscal year ending March 31, 2026.
2. Forward-looking statements and figures in this document are based on the information that the Company is able to obtain at the present point. Actual results may be different due to various factors.

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1. Overview of Operating Results and Financial Position

(1) Overview of operating results

Consolidated net sales for the first three months of the fiscal year ending March 31, 2026 (from April 1 to June 30, 2025), amounted to 523.7 billion yen, a decrease of 48.0 billion yen (8.4%) from the first three months of the previous fiscal year. This was mainly due to a decline in the domestic building construction business compared to the same period of the previous fiscal year, which benefited from large-scale project completions, and also due to new orders being strategically received in alignment with the current construction capacity.

In terms of profit and loss, operating income amounted to 15.7 billion yen, an increase of 0.4 billion yen (3.1%) from the same period of the previous fiscal year. This was mainly due to steady progress with the large number of projects in hand in the overseas civil engineering business and greater contribution from highly profitable construction projects, despite a decrease in net sales of completed construction contracts in the domestic building construction business. On the other hand, ordinary income amounted to 18.3 billion yen, a decrease of 1.8 billion yen (9.1%) year-on-year, mainly due to the absence of foreign exchange gains recorded in the same period of the previous fiscal year. Profit attributable to owners of parent amounted to 18.0 billion yen, a decrease of 7.7 billion yen (30.0%) year-on-year, mainly due to a decrease in the gain of the sale of cross-shareholdings.

(2) Overview of consolidated financial position

Total assets decreased by 161.8 billion yen (5.3%) compared with the balance at the end of the previous fiscal year, amounting to 2,880.9 billion yen as of June 30, 2025. This was mainly due to a decrease in trade receivables related to construction contracts (the sum of notes and accounts receivable from completed construction contracts and other and electronically recorded monetary claims), despite an increase in cash and deposits.

Total liabilities decreased by 117.9 billion yen (6.4%) compared with the balance at the end of the previous fiscal year, amounting to 1,714.6 billion yen as of June 30, 2025. This was mainly due to a decrease in trade payables related to construction costs (the sum of notes and accounts payable for construction contracts and other and electronically recorded obligations). The balance of interest-bearing debt decreased by 5.4 billion yen (1.5%) compared with the balance at the end of the previous fiscal year, amounting to 357.3 billion yen as of June 30, 2025.

Total net assets decreased by 43.8 billion yen (3.6%) compared with the balance at the end of the previous fiscal year, amounting to 1,166.3 billion yen as of June 30, 2025. This was mainly due to acquisition of treasury stocks, as well as a decrease in retained earnings resulting from the payment of dividends from surplus.

As a result, the equity ratio as of June 30, 2025, was 38.8%, up 0.7 percentage points from the end of the previous fiscal year.

(2) Financial Results for the Three Months Ended June 30, 2025 (Progress toward Forecasts Fiscal Year Ending March 31, 2026)

(Billions of yen)

	Consolidated					Non-consolidated				
	Results Three Months Ended June 30, 2025		Forecasts Fiscal Year Ending March 31, 2026		% Progress	Results Three Months Ended June 30, 2025		Forecasts Fiscal Year Ending March 31, 2026		% Progress
Net sales of completed construction contracts	%	496.3	%	2,400.0	20.7	%	294.4	%	1,502.5	19.6
Building construction		—		—	—		219.4		1,140.5	19.2
Civil engineering		—		—	—		75.0		362.0	20.7
Gross profit on completed construction contracts	9.8	48.5	10.5	251.0	19.3	10.3	30.3	11.3	169.5	17.9
Building construction		—		—	—	9.5	20.9	9.7	110.5	18.9
Civil engineering		—		—	—	12.6	9.4	16.3	59.0	16.0
Net sales of real estate business and other		27.3		160.0	17.1		9.4		27.5	34.4
Gross profit on real estate business and other	21.0	5.7	19.4	31.0	18.5	16.2	1.5	16.4	4.5	34.1
Net sales		523.7		2,560.0	20.5		303.9		1,530.0	19.9
Gross profit	10.4	54.3	11.0	282.0	19.3	10.5	31.9	11.4	174.0	18.3
Selling, general and administrative expenses	7.4	38.5	6.2	160.0	24.1	8.1	24.6	6.6	100.0	24.7
(Personnel expenses)		21.2		86.0			12.6		50.0	
(Others)		17.2		74.0			12.0		50.0	
Operating income	3.0	15.7	4.8	122.0	12.9	2.4	7.2	4.8	74.0	9.8
Non-operating income		4.2		11.0	38.5		32.9		51.0	64.6
Non-operating expenses		1.6		7.0	23.3		0.8		3.0	29.9
Ordinary income	3.5	18.3	4.9	126.0	14.6	12.9	39.2	8.0	122.0	32.2
Extraordinary income		8.9		23.0	38.9		8.8		23.0	38.6
Extraordinary loss		0.0		4.0	1.6		0.0		3.0	0.2
Income before income taxes	5.2	27.2	5.7	145.0	18.8	15.8	48.1	9.3	142.0	33.9
Total income taxes		8.6		41.5	20.9		6.3		30.0	21.0
Profit		18.5		103.5	17.9		—		—	—
Profit attributable to non-controlling interests (deduction)		0.5		3.5	14.5		—		—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	3.5	18.0	3.9	100.0	18.1	13.8	41.8	7.3	112.0	37.4

Note: There have been no revisions to the forecasts previously announced on May 13, 2025.

Orders Received

(Billions of yen)

	Consolidated				Non-consolidated		
	Results Three Months Ended June 30, 2025	Forecasts Fiscal Year Ending March 31, 2026	% Progress		Results Three Months Ended June 30, 2025	Forecasts Fiscal Year Ending March 31, 2026	% Progress
Building construction	409.7	1,720.0	23.8		176.7	1,170.0	15.1
Domestic	175.1	1,205.0	14.5		175.7	1,160.0	15.2
Overseas	234.5	515.0	45.5		0.9	10.0	9.9
Civil engineering	168.4	870.0	19.4		46.2	333.0	13.9
Domestic	65.0	385.0	16.9		45.4	300.0	15.1
Overseas	103.3	485.0	21.3		0.8	33.0	2.6
Construction total	578.1	2,590.0	22.3		223.0	1,503.0	14.8
Domestic	240.2	1,590.0	15.1		221.1	1,460.0	15.1
Overseas	337.8	1,000.0	33.8		1.8	43.0	4.3
Real estate business and other	43.9	110.0	39.9		9.4	27.0	35.1
Total orders received	622.0	2,700.0	23.0		232.4	1,530.0	15.2

Note: There have been no revisions to the forecasts previously announced on May 13, 2025.

(3) Forecasts for the Fiscal Year Ending March 31, 2026 (YoY Comparison)

(Billions of yen)

(Billions of yen)

	Consolidated						Non-consolidated					
	Results Fiscal Year Ended March 31, 2025		Forecasts Fiscal Year Ending March 31, 2026		Change	% Change	Results Fiscal Year Ended March 31, 2025		Forecasts Fiscal Year Ending March 31, 2026		Change	% Change
Net sales of completed construction contracts	%	2,467.7	%	2,400.0	(67.7)	(2.7)	%	1,636.3	%	1,502.5	(133.8)	(8.2)
Building construction		—		—	—	—		1,297.7		1,140.5	(157.2)	(12.1)
Civil engineering		—		—	—	—		338.6		362.0	23.3	6.9
Gross profit on completed construction contracts	10.8	265.4	10.5	251.0	(14.4)	(5.4)	11.0	179.9	11.3	169.5	(10.4)	(5.8)
Building construction		—		—	—	—	9.1	118.0	9.7	110.5	(7.5)	(6.4)
Civil engineering		—		—	—	—	18.3	61.9	16.3	59.0	(2.9)	(4.7)
Net sales of real estate business and other		123.0		160.0	36.9	30.1		24.3		27.5	3.1	13.1
Gross profit on real estate business and other	24.4	29.9	19.4	31.0	1.0	3.4	20.1	4.8	16.4	4.5	(0.3)	(7.8)
Net sales		2,590.7		2,560.0	(30.7)	(1.2)		1,660.6		1,530.0	(130.6)	(7.9)
Gross profit	11.4	295.3	11.0	282.0	(13.3)	(4.5)	11.1	184.8	11.4	174.0	(10.8)	(5.9)
Selling, general and administrative expenses	5.9	152.9	6.2	160.0	7.0	4.6	5.7	95.4	6.6	100.0	4.5	4.8
(Personnel expenses)		81.8		86.0	4.1			47.5		50.0	2.4	
(Others)		71.0		74.0	2.9			47.9		50.0	2.0	
Operating income	5.5	142.4	4.8	122.0	(20.4)	(14.4)	5.4	89.4	4.8	74.0	(15.4)	(17.2)
Non-operating income		15.7		11.0	(4.7)	(30.2)		14.0		51.0	36.9	262.5
Non-operating expenses		6.0		7.0	0.9	16.7		4.8		3.0	(1.8)	(37.7)
Ordinary income	5.9	152.2	4.9	126.0	(26.2)	(17.2)	5.9	98.6	8.0	122.0	23.3	23.6
Extraordinary income		69.0		23.0	(46.0)	(66.7)		69.1		23.0	(46.1)	(66.7)
Extraordinary loss		11.4		4.0	(7.4)	(64.9)		7.3		3.0	(4.3)	(59.2)
Income before income taxes	8.1	209.8	5.7	145.0	(64.8)	(30.9)	9.7	160.4	9.3	142.0	(18.4)	(11.5)
Total income taxes		60.2		41.5	(18.7)	(31.1)		44.7		30.0	(14.7)	(32.9)
Profit		149.6		103.5	(46.1)	(30.8)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		4.2		3.5	(0.7)	(17.8)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.6	145.3	3.9	100.0	(45.3)	(31.2)	7.0	115.7	7.3	112.0	(3.7)	(3.2)

Notes: 1. There have been no revisions to the forecasts previously announced on May 13, 2025.

2. Due to a change in accounting policy, consolidated results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

Orders Received

(Billions of yen)

	Consolidated				Non-consolidated			
	Results Fiscal Year Ended March 31, 2025	Forecasts Fiscal Year Ending March 31, 2026	Change	% Change	Results Fiscal Year Ended March 31, 2025	Forecasts Fiscal Year Ending March 31, 2026	Change	% Change
Building construction	2,031.6	1,720.0	(311.6)	(15.3)	1,516.2	1,170.0	(346.2)	(22.8)
Domestic	1,554.5	1,205.0	(349.5)	(22.5)	1,510.8	1,160.0	(350.8)	(23.2)
Overseas	477.0	515.0	37.9	7.9	5.4	10.0	4.5	82.8
Civil engineering	1,130.2	870.0	(260.2)	(23.0)	503.8	333.0	(170.8)	(33.9)
Domestic	533.4	385.0	(148.4)	(27.8)	456.8	300.0	(156.8)	(34.3)
Overseas	596.8	485.0	(111.8)	(18.7)	46.9	33.0	(13.9)	(29.8)
Construction total	3,161.8	2,590.0	(571.8)	(18.1)	2,020.0	1,503.0	(517.0)	(25.6)
Domestic	2,087.9	1,590.0	(497.9)	(23.8)	1,967.6	1,460.0	(507.6)	(25.8)
Overseas	1,073.9	1,000.0	(73.9)	(6.9)	52.4	43.0	(9.4)	(18.0)
Real estate business and other	154.7	110.0	(44.7)	(28.9)	24.3	27.0	2.6	11.1
Total orders received	3,316.6	2,700.0	(616.6)	(18.6)	2,044.4	1,530.0	(514.4)	(25.2)

Notes: 1. There have been no revisions to the forecasts previously announced on May 13, 2025.

2. Due to a change in accounting policy, consolidated results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

Interest-bearing Debt Balances

(Billions of yen)

Interest-bearing Debt Balances

(Millions or yen)

	Consolidated				Non-consolidated			
	Results As of March 31, 2025	Forecasts As of March 31, 2026	Change	% Change	Results As of March 31, 2025	Forecasts As of March 31, 2026	Change	% Change
Interest-bearing debt (except nonrecourse loans)	285.2	250.0	(35.2)	(12.3)	178.4	150.0	(28.4)	(15.9)
Nonrecourse loans	77.5	70.0	(7.5)	(9.7)	—	—	—	—
Total interest-bearing debt	362.7	320.0	(42.7)	(11.8)	178.4	150.0	(28.4)	(15.9)

Note: There have been no revisions to the forecasts previously announced on May 13, 2025.

3. Breakdown of Net Sales and Operating Income/Gross Profit for Domestic/Overseas Segments

(1) Operating Results for the Three Months Ended June 30, 2025 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results Three Months Ended June 30, 2024	Results Three Months Ended June 30, 2025	Change	% Change	Results Three Months Ended June 30, 2024		Results Three Months Ended June 30, 2025		Change	% Change
					% Profit		% Profit			
<u>Building Construction</u>										
Domestic	298,221	227,294	(70,926)	(23.8)	2.1	6,130	2.2	5,001	(1,128)	(18.4)
Overseas	118,489	114,835	(3,654)	(3.1)	1.5	1,794	2.5	2,896	1,102	61.4
Subtotal	416,710	342,129	(74,580)	(17.9)	1.9	7,924	2.3	7,897	(26)	(0.3)
<u>Civil Engineering</u>										
Domestic	87,940	90,317	2,376	2.7	4.1	3,620	3.4	3,081	(538)	(14.9)
Overseas	46,500	63,945	17,444	37.5	1.8	828	3.6	2,276	1,447	174.6
Subtotal	134,441	154,262	19,820	14.7	3.3	4,449	3.5	5,358	908	20.4
<u>Construction Total</u>										
Domestic	386,161	317,612	(68,549)	(17.8)	2.5	9,750	2.5	8,082	(1,667)	(17.1)
Overseas	164,990	178,780	13,789	8.4	1.6	2,623	2.9	5,172	2,549	97.2
Subtotal	551,152	496,392	(54,759)	(9.9)	2.2	12,373	2.7	13,255	881	7.1
<u>Real Estate Business and Other</u>										
Real Estate Business	9,233	10,448	1,214	13.2	23.6	2,176	13.8	1,440	(735)	(33.8)
Other	11,405	16,922	5,516	48.4	6.8	777	6.5	1,102	324	41.7
Subtotal	20,639	27,370	6,731	32.6	14.3	2,954	9.3	2,542	(411)	(13.9)
Total	571,791	523,763	(48,028)	(8.4)	2.7	15,327	3.0	15,798	470	3.1

Notes: 1. Consolidated net sales and operating income show the sales and operating income for external customers.

2. Due to a change in accounting policy, results for three months ended June 30, 2024, have been re-presented retrospectively.

【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Results Three Months Ended June 30, 2024	Results Three Months Ended June 30, 2025	Change	% Change	Results Three Months Ended June 30, 2024		Results Three Months Ended June 30, 2025		Change	% Change
					% Gross Profit		% Gross Profit			
<u>Building Construction</u>										
Domestic	289,450	217,549	(71,900)	(24.8)	7.2	20,818	9.4	20,481	(336)	(1.6)
Overseas	3,532	1,891	(1,640)	(46.4)	1.1	37	23.3	441	403	—
Subtotal	292,982	219,441	(73,540)	(25.1)	7.1	20,855	9.5	20,922	67	0.3
<u>Civil Engineering</u>										
Domestic	67,377	71,015	3,638	5.4	13.5	9,096	12.5	8,886	(210)	(2.3)
Overseas	8,359	4,005	(4,354)	(52.1)	12.2	1,022	14.1	565	(456)	(44.7)
Subtotal	75,736	75,020	(715)	(0.9)	13.4	10,118	12.6	9,451	(667)	(6.6)
<u>Construction Total</u>										
Domestic	356,827	288,565	(68,261)	(19.1)	8.4	29,914	10.2	29,367	(547)	(1.8)
Overseas	11,891	5,896	(5,994)	(50.4)	8.9	1,059	17.1	1,006	(53)	(5.0)
Subtotal	368,719	294,462	(74,256)	(20.1)	8.4	30,974	10.3	30,374	(600)	(1.9)
Real Estate Business and Other	4,771	9,470	4,698	98.5	18.4	878	16.2	1,533	654	74.6
Total	373,490	303,932	(69,557)	(18.6)	8.5	31,852	10.5	31,907	54	0.2

(2) Forecasts for the Fiscal Year Ending March 31, 2026 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results Fiscal Year Ended March 31, 2025	Forecasts Fiscal Year Ending March 31, 2026	Change	% Change	Results Fiscal Year Ended March 31, 2025		Forecasts Fiscal Year Ending March 31, 2026		Change	% Change
					% Profit		% Profit			
<u>Building Construction</u>										
Domestic	1,337,171	1,180,000	(157,171)	(11.8)	4.7	62,784	4.4	51,500	(11,284)	(18.0)
Overseas	477,879	495,000	17,120	3.6	2.7	12,810	1.6	8,000	(4,810)	(37.6)
Subtotal	1,815,050	1,675,000	(140,050)	(7.7)	4.2	75,595	3.6	59,500	(16,095)	(21.3)
<u>Civil Engineering</u>										
Domestic	402,252	420,000	17,747	4.4	10.1	40,576	8.5	35,500	(5,076)	(12.5)
Overseas	250,459	305,000	54,540	21.8	3.2	8,006	2.6	8,000	(6)	(0.1)
Subtotal	652,712	725,000	72,287	11.1	7.4	48,583	6.0	43,500	(5,083)	(10.5)
<u>Construction Total</u>										
Domestic	1,739,423	1,600,000	(139,423)	(8.0)	5.9	103,361	5.4	87,000	(16,361)	(15.8)
Overseas	728,339	800,000	71,660	9.8	2.9	20,817	2.0	16,000	(4,817)	(23.1)
Subtotal	2,467,763	2,400,000	(67,763)	(2.7)	5.0	124,178	4.3	103,000	(21,178)	(17.1)
<u>Real Estate Business and Other</u>										
Real Estate Business	72,712	97,000	24,287	33.4	22.1	16,071	18.0	17,500	1,428	8.9
Other	50,289	63,000	12,710	25.3	4.4	2,219	2.4	1,500	(719)	(32.4)
Subtotal	123,001	160,000	36,998	30.1	14.9	18,291	11.9	19,000	708	3.9
Total	2,590,765	2,560,000	(30,765)	(1.2)	5.5	142,469	4.8	122,000	(20,469)	(14.4)

- Notes: 1. Consolidated net sales and operating income show the sales and operating income for external customers.
2. There have been no revisions to the forecasts previously announced on May 13, 2025.
3. Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Results Fiscal Year Ended March 31, 2025	Forecasts Fiscal Year Ending March 31, 2026	Change	% Change	Results Fiscal Year Ended March 31, 2025		Forecasts Fiscal Year Ending March 31, 2026		Change	% Change
					% Gross Profit		% Gross Profit			
<u>Building Construction</u>										
Domestic	1,290,917	1,130,000	(160,917)	(12.5)	9.1	117,800	9.7	110,000	(7,800)	(6.6)
Overseas	6,798	10,500	3,701	54.4	3.5	236	4.8	500	263	111.7
Subtotal	1,297,716	1,140,500	(157,216)	(12.1)	9.1	118,036	9.7	110,500	(7,536)	(6.4)
<u>Civil Engineering</u>										
Domestic	309,199	330,000	20,800	6.7	18.8	58,235	17.1	56,500	(1,735)	(3.0)
Overseas	29,433	32,000	2,566	8.7	12.6	3,696	7.8	2,500	(1,196)	(32.4)
Subtotal	338,632	362,000	23,367	6.9	18.3	61,931	16.3	59,000	(2,931)	(4.7)
<u>Construction Total</u>										
Domestic	1,600,117	1,460,000	(140,117)	(8.8)	11.0	176,035	11.4	166,500	(9,535)	(5.4)
Overseas	36,231	42,500	6,268	17.3	10.9	3,932	7.1	3,000	(932)	(23.7)
Subtotal	1,636,348	1,502,500	(133,848)	(8.2)	11.0	179,968	11.3	169,500	(10,468)	(5.8)
Real Estate Business and Other	24,313	27,500	3,186	13.1	20.1	4,881	16.4	4,500	(381)	(7.8)
Total	1,660,662	1,530,000	(130,662)	(7.9)	11.1	184,849	11.4	174,000	(10,849)	(5.9)

Note: There have been no revisions to the forecasts previously announced on May 13, 2025.

4. Breakdown of Non-consolidated Orders Received, Net Sales and Projects in Process

(1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	Results Three Months Ended June 30, 2024		Results Three Months Ended June 30, 2025		Change		Results Fiscal Year Ended March 31, 2025	
		% of Total		% of Total		% Change		% of Total
<u>Building Construction</u>								
Domestic Public	41,352	12.1	1,901	0.8	(39,450)	(95.4)	91,098	4.5
Domestic Private	197,768	57.8	173,865	74.8	(23,903)	(12.1)	1,419,714	69.4
Domestic Total	239,120	69.9	175,767	75.6	(63,353)	(26.5)	1,510,813	73.9
Overseas	2,660	0.8	992	0.4	(1,667)	(62.7)	5,471	0.3
Subtotal	241,780	70.7	176,759	76.0	(65,021)	(26.9)	1,516,284	74.2
<u>Civil Engineering</u>								
Domestic Public	38,389	11.2	29,278	12.6	(9,110)	(23.7)	270,528	13.2
Domestic Private	26,179	7.7	16,124	6.9	(10,054)	(38.4)	186,296	9.1
Domestic Total	64,568	18.9	45,403	19.5	(19,164)	(29.7)	456,825	22.3
Overseas	30,697	9.0	864	0.4	(29,832)	(97.2)	46,986	2.3
Subtotal	95,265	27.9	46,268	19.9	(48,997)	(51.4)	503,811	24.6
<u>Construction Total</u>								
Domestic Public	79,741	23.3	31,180	13.4	(48,560)	(60.9)	361,627	17.7
Domestic Private	223,947	65.5	189,990	81.7	(33,957)	(15.2)	1,606,010	78.5
Domestic Total	303,689	88.8	221,170	95.1	(82,518)	(27.2)	1,967,638	96.2
Overseas	33,357	9.8	1,857	0.8	(31,500)	(94.4)	52,457	2.6
Subtotal	337,046	98.6	223,027	95.9	(114,018)	(33.8)	2,020,096	98.8
Real Estate Business and Other	4,769	1.4	9,470	4.1	4,700	98.6	24,309	1.2
Total	341,815	100	232,497	100	(109,317)	(32.0)	2,044,406	100

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	Results Three Months Ended June 30, 2024		Results Three Months Ended June 30, 2025		Change		Results Fiscal Year Ended March 31, 2025	
		% of Total		% of Total		% Change		% of Total
<u>Building Construction</u>								
Domestic Public	17,723	4.7	9,260	3.1	(8,462)	(47.7)	73,304	4.4
Domestic Private	271,726	72.8	208,288	68.5	(63,438)	(23.3)	1,217,612	73.3
Domestic Total	289,450	77.5	217,549	71.6	(71,900)	(24.8)	1,290,917	77.7
Overseas	3,532	0.9	1,891	0.6	(1,640)	(46.4)	6,798	0.4
Subtotal	292,982	78.4	219,441	72.2	(73,540)	(25.1)	1,297,716	78.1
<u>Civil Engineering</u>								
Domestic Public	37,993	10.2	49,235	16.2	11,241	29.6	192,208	11.6
Domestic Private	29,383	7.9	21,780	7.2	(7,603)	(25.9)	116,991	7.0
Domestic Total	67,377	18.1	71,015	23.4	3,638	5.4	309,199	18.6
Overseas	8,359	2.2	4,005	1.3	(4,354)	(52.1)	29,433	1.8
Subtotal	75,736	20.3	75,020	24.7	(715)	(0.9)	338,632	20.4
<u>Construction Total</u>								
Domestic Public	55,716	14.9	58,495	19.3	2,779	5.0	265,512	16.0
Domestic Private	301,110	80.7	230,069	75.7	(71,041)	(23.6)	1,334,604	80.3
Domestic Total	356,827	95.6	288,565	95.0	(68,261)	(19.1)	1,600,117	96.3
Overseas	11,891	3.1	5,896	1.9	(5,994)	(50.4)	36,231	2.2
Subtotal	368,719	98.7	294,462	96.9	(74,256)	(20.1)	1,636,348	98.5
Real Estate Business and Other	4,771	1.3	9,470	3.1	4,698	98.5	24,313	1.5
Total	373,490	100	303,932	100	(69,557)	(18.6)	1,660,662	100

(3) Breakdown of Non-consolidated Projects in Process

(Yen in millions)

	Results As of June 30, 2024		Results As of June 30, 2025		Change		Results As of March 31, 2025	
		% of Total		% of Total		% Change		% of Total
<u>Building Construction</u>								
Domestic Public	144,674	6.1	144,783	5.3	108	0.1	138,840	5.0
Domestic Private	1,495,933	63.3	1,724,266	63.7	228,333	15.3	1,771,992	63.8
Domestic Total	1,640,607	69.4	1,869,050	69.0	228,442	13.9	1,910,832	68.8
Overseas	14,922	0.6	13,568	0.5	(1,354)	(9.1)	14,467	0.5
Sub-total	1,655,530	70.0	1,882,618	69.5	227,088	13.7	1,925,300	69.3
<u>Civil Engineering</u>								
Domestic Public	398,185	16.8	456,153	16.9	57,968	14.6	476,109	17.1
Domestic Private	190,782	8.1	257,636	9.5	66,854	35.0	263,292	9.5
Domestic Total	588,967	24.9	713,789	26.4	124,822	21.2	739,401	26.6
Overseas	119,426	5.1	111,501	4.1	(7,924)	(6.6)	114,642	4.1
Subtotal	708,394	30.0	825,291	30.5	116,897	16.5	854,044	30.7
<u>Construction Total</u>								
Domestic Public	542,859	22.9	600,936	22.2	58,077	10.7	614,949	22.1
Domestic Private	1,686,715	71.4	1,981,903	73.2	295,187	17.5	2,035,284	73.3
Domestic Total	2,229,575	94.3	2,582,840	95.4	353,264	15.8	2,650,234	95.4
Overseas	134,349	5.7	125,070	4.6	(9,279)	(6.9)	129,110	4.6
Subtotal	2,363,924	100.0	2,707,910	100	343,985	14.6	2,779,344	100
Real Estate Business and Other	2	0.0	—	—	(2)	(100.0)	—	—
Total	2,363,926	100	2,707,910	100	343,983	14.6	2,779,344	100

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2025	June 30, 2025	Change
Assets			
Current assets			
Cash and deposits	394,728	456,843	62,114
Notes and accounts receivable from completed construction contracts and other	1,139,624	891,016	(248,607)
Electronically recorded monetary claims	15,172	17,790	2,618
Short-term investment securities	11,410	11,269	(141)
Real estate for sale	31,301	30,080	(1,220)
Costs on uncompleted construction contracts	38,399	54,258	15,858
Costs on real estate business	38,006	40,789	2,782
Inventories for PFI and other projects	3,141	2,717	(424)
Other inventories	16,013	14,922	(1,091)
Accounts receivable	96,954	81,419	(15,534)
Other	32,132	53,167	21,034
Allowance for doubtful accounts	(7,425)	(6,198)	1,226
Total current assets	1,809,460	1,648,076	(161,383)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	207,945	208,214	268
Machinery, vehicles, tools, furniture and fixtures	81,664	81,570	(94)
Land	424,354	430,231	5,877
Lease assets	6,001	5,794	(207)
Construction in progress	17,611	18,929	1,317
Total property, plant and equipment	737,577	744,739	7,161
Intangible assets	37,116	35,061	(2,054)
Investments and other assets			
Investment securities	311,557	308,853	(2,703)
Long-term loans receivable	2,812	2,761	(51)
Deferred tax assets	3,031	2,617	(414)
Assets for retirement benefits	8,718	8,609	(109)
Other	132,675	130,426	(2,249)
Allowance for doubtful accounts	(171)	(171)	0
Total investments and other assets	458,624	453,096	(5,528)
Total noncurrent assets	1,233,318	1,232,897	(421)
Total assets	3,042,778	2,880,973	(161,804)

(Yen in millions)

	March 31, 2025	June 30, 2025	Change
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	678,719	551,829	(126,890)
Electronically recorded obligations	95,232	102,862	7,629
Short-term loans payable	97,532	94,160	(3,371)
Current portion of nonrecourse loans	9,496	9,512	16
Current portion of bonds	—	16	16
Lease obligations	2,709	2,442	(267)
Income taxes payable	49,085	11,059	(38,025)
Advances received on uncompleted construction contracts	193,434	224,355	30,920
Deposits received	177,156	201,745	24,589
Provision for warranties for completed construction	3,333	3,244	(89)
Provision for loss on construction contracts	16,726	12,583	(4,142)
Other	129,931	127,082	(2,849)
Total current liabilities	1,453,358	1,340,894	(112,463)
Noncurrent liabilities			
Bonds payable	60,091	60,075	(16)
Long-term loans payable	127,589	127,366	(223)
Nonrecourse loans	68,056	66,212	(1,844)
Lease obligations	8,160	7,688	(472)
Deferred tax liabilities	14,558	11,883	(2,674)
Deferred tax liabilities for land revaluation	18,124	18,124	—
Provision for stock payments for directors	686	686	—
Liability for retirement benefits	52,095	51,892	(203)
Other	29,855	29,833	(21)
Total noncurrent liabilities	379,218	373,762	(5,456)
Total liabilities	1,832,577	1,714,657	(117,919)
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	41,328	41,328	—
Retained earnings	852,429	841,305	(11,123)
Treasury stock	(14,828)	(32,882)	(18,053)
Total shareholders' equity	936,681	907,504	(29,177)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	126,640	124,990	(1,650)
Deferred gains (losses) on hedges	15,268	14,737	(531)
Revaluation reserve for land	21,545	21,545	—
Foreign currency translation adjustments	53,831	44,650	(9,181)
Retirement benefit asset and liability adjustments	4,277	4,153	(123)
Total accumulated other comprehensive income	221,563	210,077	(11,486)
Non-controlling interests	51,956	48,735	(3,221)
Total net assets	1,210,201	1,166,316	(43,885)
Total liabilities and net assets	3,042,778	2,880,973	(161,804)
(Reference)			
Interest-bearing debt balances	362,765	357,342	(5,423)

Note: Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income			(Yen in millions)
	April 1, 2024 - June 30, 2024	April 1, 2025 - June 30, 2025	Change
Net sales			
Net sales of completed construction contracts	551,152	496,392	(54,759)
Net sales of real estate business and other	20,639	27,370	6,731
Total net sales	571,791	523,763	(48,028)
Cost of sales			
Cost of sales on completed construction contracts	505,149	447,828	(57,321)
Cost of sales on real estate business and other	15,073	21,620	6,547
Total cost of sales	520,223	469,449	(50,773)
Gross profit			
Gross profit on completed construction contracts	46,002	48,563	2,561
Gross profit on real estate business and other	5,565	5,749	184
Total gross profit	51,568	54,313	2,745
Selling, general and administrative expenses	36,240	38,515	2,274
Operating income	15,327	15,798	470
Non-operating income			
Interest income	965	1,056	90
Dividends income	3,205	2,813	(391)
Foreign exchange gains	1,786	—	(1,786)
Other	247	361	114
Total non-operating income	6,205	4,232	(1,973)
Non-operating expenses			
Interest expenses	1,087	1,235	147
Other	208	398	189
Total non-operating expenses	1,296	1,633	337
Ordinary income	20,236	18,396	(1,839)
Extraordinary income			
Gain on sales of investment securities	16,714	8,585	(8,129)
Other	98	353	254
Total extraordinary income	16,813	8,938	(7,874)
Extraordinary loss	49	63	14
Profit before income taxes	37,000	27,271	(9,728)
Income taxes-current	13,374	9,674	(3,700)
Income taxes-deferred	(2,831)	(980)	1,850
Total income taxes	10,543	8,693	(1,849)
Profit	26,456	18,578	(7,878)
Profit attributable to non-controlling interests	656	507	(148)
Profit attributable to owners of parent	25,800	18,070	(7,730)

Note: Due to a change in accounting policy, results for the three months ended June 30, 2024, have been re-presented retrospectively.

Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2024 - June 30, 2024	April 1, 2025 - June 30, 2025
Profit	26,456	18,578
Other comprehensive income		
Valuation difference on available-for-sale securities	(35,765)	(1,649)
Deferred gains (losses) on hedges	2,195	(991)
Foreign currency translation adjustment	11,537	(11,884)
Retirement benefit adjustment	(172)	(122)
Share of other comprehensive income of associates accounted for using equity method	674	707
Total other comprehensive income	(21,531)	(13,940)
Comprehensive income	4,925	4,637
Comprehensive income attributable to owners of parent	3,650	6,583
Comprehensive income attributable to non-controlling interests	1,275	(1,946)

Note: Due to a change in accounting policy, results for the three months ended June 30, 2024, have been re-presented retrospectively.

(3) Notes to the Consolidated Financial Statements

Notes Regarding Changes in Accounting Policies:

Change to the method for translating revenues and expenses of overseas subsidiaries and others

The revenues and expenses of the Company's overseas subsidiaries and others were previously translated into Japanese yen using the spot exchange rate at each subsidiary's reporting date. However, effective from the beginning of the first quarter of the current consolidated fiscal year, the Company has changed the method of translation to the average exchange rate during the reporting period.

This change was made in consideration of the increasing significance of net sales and profit or loss from overseas subsidiaries and others as the Company's overseas business expand, as well as recent exchange rate fluctuations. The new method aims to mitigate the impact of short-term exchange rate volatility on profit or loss during the applicable reporting period and to more appropriately reflect the performance of overseas subsidiaries and others in the consolidated financial statements over the course of the fiscal year.

This change in accounting policy has been applied retrospectively. Consolidated financial statements for the first quarter of the previous fiscal year and consolidated financial statements for the previous fiscal year have been restated to reflect this retrospective application.

As a result of the retrospective application, compared to the figures before the change, net sales in the first quarter of the previous fiscal year decreased by 2,914 million yen, operating income decreased by 45 million yen, ordinary income decreased by 63 million yen, and profit attributable to owners of parent decreased by 47 million yen and profit attributable to owners of parent per share (EPS) has decreased by 0.07 yen, respectively. In addition, retained earnings as of the end of the previous consolidated fiscal year decreased by 696 million yen, and foreign currency translation adjustments increased by an identical amount.

Note that the cumulative effect amount for consolidated fiscal years prior to the beginning of the previous consolidated fiscal year was immaterial, and therefore retrospective application for those periods was not performed.

Consolidated Segment Information:

(a) Reportable Segment Information (Net Sales and Income)

For the Three Months Ended June 30, 2024

(Yen in millions)

	Reporting segment						Others *1	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Real Estate	Subtotal		
Net sales								
Sales to third parties	298,221	118,489	87,940	46,500	9,233	560,386	11,405	571,791
Intersegment sales and transfers	4,667	21	3,632	—	213	8,535	3,002	11,537
Segment sales	302,888	118,511	91,573	46,500	9,447	568,921	14,407	583,329
Operating income								
Operating income from sales to third parties *2	6,130	1,794	3,620	828	2,176	14,549	777	15,327
Intersegment operating income and transfers	168	(41)	(32)	—	(7)	87	(7)	79
Segment income	6,298	1,752	3,588	828	2,168	14,636	769	15,406

*1 Businesses that cannot be classified into the reportable segments are shown as others. These include PFI (Private Finance Initiative), renewable energy, finance and other businesses.

*2 Operating income from sales to third parties was computed by subtracting intersegment operating income and transfers from segment income. The total operating income from sales to third parties equals to operating income as shown in the consolidated statements of income.

For the Three Months Ended June 30, 2025

(Yen in millions)

	Reporting segment						Others *1	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Real Estate	Subtotal		
Net sales								
Sales to third parties	227,294	114,835	90,317	63,945	10,448	506,840	16,922	523,763
Intersegment sales and transfers	4,910	10	3,170	—	205	8,296	3,353	11,649
Segment sales	232,204	114,845	93,487	63,945	10,654	515,137	20,275	535,412
Operating income								
Operating income from sales to third parties *2	5,001	2,896	3,081	2,276	1,440	14,696	1,102	15,798
Intersegment operating income and transfers	178	(363)	(38)	352	(7)	122	(16)	105
Segment income	5,179	2,533	3,043	2,629	1,432	14,818	1,085	15,903

*1 Businesses that cannot be classified into the reportable segments are shown as others. These include PFI (Private Finance Initiative), renewable energy, finance and other businesses.

*2 Operating income from sales to third parties was computed by subtracting intersegment operating income and transfers from segment income. The total operating income from sales to third parties equals to operating income as shown in the consolidated statements of income.

*3 As described in "Notes Regarding Changes in Accounting Policies," the revenues and expenses of the Company's overseas subsidiaries and others were previously translated into Japanese yen using the spot exchange rate at each subsidiary's reporting date. However, effective from the beginning of the first quarter of the current consolidated fiscal year, the Company has changed the method of translation to the average exchange rate during the reporting period.

As a result of the retrospective application, compared to the figures before the change, segment sales in the first quarter of the previous fiscal year decreased by 2,021 million yen in the overseas building construction, 870 million yen in the overseas civil engineering, and 21 million yen in the real estate, while segment income decreased by 25 million yen in the overseas building construction, 3 million yen in the overseas civil engineering, and 16 million yen in the real estate, respectively.

(b) Reconciliation of Difference between Total Reportable Segment Income (loss) and the Amount as Shown in the Consolidated Statements of Income

(Yen in millions)

Income	April 1, 2024 - June 30, 2024	April 1, 2025 - June 30, 2025
Total reportable segment	14,636	14,818
Income from others	769	1,085
Elimination of intersegment transactions	(79)	(105)
Operating income in the consolidated statements of income	15,327	15,798

Notes Regarding Significant Changes in Shareholders' Equity:

At the Board of Directors dated February 10, 2025, the Company resolved to acquire its own shares, setting an upper limit of 20,000,000 shares of its common shares and a maximum total amount of share acquisition costs of 30.0 billion yen. During the first quarter of the current consolidated fiscal year, the Company acquired 8,670,200 of its common shares.

As a result, the amount of treasury stock increased by 18,052 million yen during the first quarter of the current consolidated fiscal year.

Notes Regarding Assumption of Going Concern:

There are no applicable items.

Notes Regarding Consolidated Statements of Cash Flows:

No quarterly consolidated statements of cash flows have been prepared for the first quarter of the current consolidated fiscal year. Depreciation and amortization (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first quarter of the current consolidated fiscal year are as follows:

(Yen in millions)

	April 1, 2024 - June 30, 2024	April 1, 2025 - June 30, 2025
Depreciation and amortization	7,411	8,550
Amortization of goodwill	495	424

Significant Subsequent Events:

Acquisition of Own Shares

The Company, at a meeting of the Board of Directors held on August 8, 2025, resolved on matters concerning the acquisition of its own shares pursuant to Article 156 of the Companies Act of Japan, as applied under Article 165, Paragraph 3 of the same Act.

1. Reason for the Acquisition of Own Shares

In the Addendum to Obayashi Group Medium-Term Business Plan 2022, the Company aims to pursue management that emphasizes capital efficiency and to promote sustainable profit growth through growth strategies. In addition, the Company has set the level of necessary equity at one trillion yen and aims to achieve a return on equity (ROE) of 10% by the final year of the current medium-term business plan (FY2026, ending March 31, 2027) by implementing a strategic capital policy.

The Company plans to acquire its own shares on a scale of 100.0 billion yen by the end of FY2026. In June 2025, it completed the acquisition of its own shares totaling 30.0 billion yen.

Based on a comprehensive analysis of factors including the Group's solid performance, investment plan, reduction of cross-shareholdings as planned, and stable financial situation, the Company has now resolved to acquire 40.0 billion yen of its own shares.

2. Details of Matters Related to the Acquisition

(1) Class of shares to be acquired	Common shares
(2) Total number of shares to be acquired	25,000,000 shares (maximum) (3.6% of the total number of issued shares [excluding treasury shares])
(3) Total amount of share acquisition costs	¥ 40,000,000,000 (maximum)
(4) Acquisition period	From August 12, 2025, to December 30, 2025
(5) Method of acquisition	Purchase on the Tokyo Stock Exchange
(6) Others	All shares to be acquired, as outlined above, will be cancelled by a resolution of the Board of Directors in accordance with Article 178 of the Companies Act.

Cancellation of Treasury Shares

The Company, at a meeting of the Board of Directors held on August 8, 2025, resolved to cancel treasury shares acquired based on the resolution of the Board of Directors dated February 10, 2025, pursuant to Article 178 of the Companies Act.

1. Class of shares to be cancelled	Common shares
2. Number of shares to be cancelled	14,558,600 shares (2.0% of the total number of issued shares before the cancellation)
3. Date of cancellation	August 29, 2025 (Scheduled)

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2025	June 30, 2025	Change
Assets			
Current assets			
Cash and deposits	194,430	260,856	66,425
Notes receivable—trade	313	1,251	938
Electronically recorded monetary claims	12,945	15,259	2,314
Accounts receivable from completed construction contracts	848,985	610,879	(238,105)
Accounts receivable—real estate business and other	6,393	3,940	(2,452)
Short-term investment securities	10	—	(10)
Real estate for sale	2,116	2,117	0
Costs on uncompleted construction contracts	35,998	51,786	15,787
Costs on real estate business and other	6,992	5,190	(1,801)
Short-term loans receivable	46,819	47,721	902
Accounts receivable—other	84,799	64,335	(20,464)
Other	25,832	66,182	40,350
Allowance for doubtful accounts	(96)	(70)	26
Total current assets	1,265,541	1,129,452	(136,089)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	69,510	64,853	(4,657)
Machinery, equipment and vehicles	17,042	18,279	1,237
Tools, furniture and fixtures	3,742	4,057	314
Land	183,219	173,267	(9,952)
Leased assets	7	5	(1)
Construction in progress	11,289	13,877	2,587
Total property, plant and equipment	284,812	274,341	(10,471)
Intangible assets	7,902	8,006	104
Investments and other assets			
Investment securities	278,270	275,081	(3,188)
Shares and investments in capital of subsidiaries and affiliates	283,746	279,016	(4,729)
Long-term loans receivable	3,511	3,456	(55)
Claims provable in bankruptcy, claims provable in rehabilitation and other	610	610	—
Prepaid pensions cost	2,542	2,507	(35)
Other	9,023	9,109	86
Allowance for doubtful accounts	(683)	(683)	—
Total investments and other assets	577,019	569,097	(7,922)
Total noncurrent assets	869,735	851,445	(18,289)
Total assets	2,135,276	1,980,897	(154,379)

	March 31, 2025	June 30, 2025	Change
Liabilities			
Current liabilities			
Notes payable—trade	4,556	3,199	(1,357)
Electronically recorded obligations	98,463	108,051	9,588
Accounts payable for construction contracts	513,317	390,879	(122,437)
Accounts payable—real estate and other	1,869	1,423	(446)
Short-term loans payable	67,111	65,599	(1,512)
Lease obligations	4	3	(1)
Accounts payable	33,651	5,887	(27,763)
Accrued expenses	23,754	35,270	11,515
Income taxes payable	41,594	7,881	(33,713)
Advances received on uncompleted construction contracts	124,776	149,013	24,236
Deposit received—real estate and other	4,953	3,156	(1,796)
Deposits received	164,784	188,414	23,630
Provision for warranties for completed construction	2,734	2,672	(62)
Provision for loss on construction contracts	15,061	11,376	(3,685)
Deposits received from employees	25,255	24,496	(759)
Other	4,554	1,045	(3,508)
Total current liabilities	1,126,442	998,370	(128,071)
Noncurrent liabilities			
Bonds payable	60,000	60,000	—
Long-term loans payable	51,352	52,537	1,185
Lease obligations	3	3	(0)
Deferred tax liabilities	6,580	4,623	(1,956)
Deferred tax liabilities for land revaluation	14,696	14,696	—
Provision for retirement benefits	43,614	43,361	(252)
Provision for stock payments for directors	686	686	—
Provision for loss on business of subsidiaries and affiliates	3,312	3,289	(22)
Other	5,944	5,751	(192)
Total noncurrent liabilities	186,189	184,949	(1,239)
Total liabilities	1,312,632	1,183,320	(129,311)
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	2,217	2,207	(10)
General reserve	460,000	460,000	—
Retained earnings brought forward	118,583	113,279	(5,304)
Total retained earnings	595,239	589,925	(5,314)
Treasury stock	(14,828)	(32,882)	(18,053)
Total shareholders' equity	679,857	656,490	(23,367)
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	126,467	124,767	(1,699)
Revaluation reserve for land	16,318	16,318	—
Total valuation and translation adjustments	142,786	141,086	(1,699)
Total net assets	822,644	797,576	(25,067)
Total liabilities and net assets	2,135,276	1,980,897	(154,379)
(Reference)			
Interest-bearing debt balances	178,463	178,136	(327)

(2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2024 - June 30, 2024	April 1, 2025 - June 30, 2025	Change
Net sales			
Net sales of completed construction contracts	368,719	294,462	(74,256)
Net sales of real estate business and other	4,771	9,470	4,698
Total net sales	373,490	303,932	(69,557)
Cost of sales			
Cost of sales on completed construction contracts	337,744	264,088	(73,656)
Cost of sales on real estate business and other	3,893	7,936	4,043
Total cost of sales	341,637	272,025	(69,612)
Gross profit			
Gross profit on completed construction contracts	30,974	30,374	(600)
Gross profit on real estate business and other	878	1,533	654
Total gross profit	31,852	31,907	54
Selling, general and administrative expenses	23,362	24,671	1,308
Operating income	8,489	7,236	(1,253)
Non-operating income			
Interest and dividend income	5,972	32,269	26,297
Other	1,799	678	(1,121)
Total non-operating income	7,771	32,948	25,176
Non-operating expenses			
Interest expenses	241	334	93
Other	145	561	415
Total non-operating expenses	387	895	508
Ordinary income	15,874	39,288	23,414
Extraordinary income			
Gain on sales of investment securities	16,705	8,585	(8,120)
Other	0	301	301
Total extraordinary income	16,706	8,886	(7,819)
Extraordinary loss	15	5	(9)
Profit before income taxes	32,565	48,169	15,604
Income taxes-current	11,472	7,484	(3,987)
Income taxes-deferred	(3,033)	(1,178)	1,854
Total income taxes	8,438	6,305	(2,133)
Profit	24,126	41,863	17,737