

# FY2023 Financial Results

(April 1, 2023 to March 31, 2024)

May 13, 2024



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### Disclaimer:

This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on May 13, 2024. It was translated into English and presented solely for the convenience of users who are not familiar with Japanese. If there is any discrepancy between Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" and this document, the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" will prevail. This document includes forward-looking statements based on the information available at the time the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" were released. Actual results may vary from the forward-looking statements contained herein due to various factors. Obayashi Corporation (non-consolidated) is called the "Company" in these materials.

# 1 Summary of Financial Results

## (1) Consolidated Financial Results

### ① Consolidated Business Results

(Percentages indicate the percentage year on year change)

Fiscal Year Ended	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
March 31, 2024	2,325,162	17.2	79,381	(15.4)	91,515	(9.2)	75,059	(3.4)
March 31, 2023	1,983,888	3.2	93,800	128.5	100,802	102.2	77,671	98.5

(Note) Comprehensive income : [Fiscal Year Ended March 31, 2024] 189,756 million yen, 155.6% ; [Fiscal Year Ended March 31, 2023] 74,244 million yen, 52.9%

Fiscal Year Ended	Profit Attributable to Owners of Parent per Share (EPS)	Net Income Shareholders' Equity Ratio (ROE)	Ordinary Income-Total Assets Ratio	Operating Income-Net Sales Ratio
	Yen	%	%	%
March 31, 2024	104.69	7.0	3.3	3.4
March 31, 2023	108.34	8.0	4.0	4.7

(For reference) Share of profit (loss) of entities accounted for using equity method : [Fiscal Year Ended March 31, 2024] 1,226 million yen ; [Fiscal Year Ended March 31, 2023] 470 million yen

### ② Consolidated Financial Position

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
	Yen in millions	Yen in millions	%	Yen
March 31, 2024	3,017,047	1,194,810	38.2	1,606.18
March 31, 2023	2,609,929	1,035,881	38.2	1,390.77

(For reference) Equity (net assets less non-controlling interests) : [As of March 31, 2024] 1,151,630 million yen ; [As of March 31, 2023] 997,109 million yen

### ③ Consolidated Cash Flows

Fiscal Year Ended	From Operating Activities	From Investment Activities	From Financing Activities	Cash and Cash Equivalents at FY end
	Yen in millions	Yen in millions	Yen in millions	Yen in millions
March 31, 2024	50,399	(84,471)	(51,922)	326,688
March 31, 2023	228,456	(101,610)	22,118	405,633

## (2) Consolidated Forecast for FY2024

(Percentages indicate the percentage year on year change)

Fiscal Year Ending March 31, 2025	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Profit Attributable to Owners of Parent per Share (EPS)
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
	2,510,000	7.9	93,000	17.2	98,000	7.1	87,000	15.9	121.34

## (3) Non-consolidated Financial Results

### ① Non-consolidated Business Results

(Percentages indicate the percentage year on year change)

Fiscal Year Ended	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
March 31, 2024	1,582,199	14.1	43,323	(27.7)	55,400	(22.2)	49,650	(20.6)	69.25
March 31, 2023	1,387,028	0.9	59,945	-	71,178	263.8	62,558	232.0	87.26

### ② Non-consolidated Financial Position

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
	Yen in millions	Yen in millions	%	Yen
March 31, 2024	2,225,321	866,231	38.9	1,208.13
March 31, 2023	1,943,098	758,739	39.0	1,058.29

(Reference) Equity (net assets less non-controlling interests) : [As of March 31, 2024] 866,231 million yen ; [As of March 31, 2023] 758,739 million yen

## (4) Non-consolidated Forecast for FY2024

(Percentages indicate the percentage year on year change)

Fiscal Year Ending March 31, 2025	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
	1,610,000	1.8	53,500	23.5	63,500	14.6	68,000	37.0	94.84

## (5) Dividends

Fiscal Year Ended	Dividend per Share					Total Dividends Paid (Full year)	Dividend Payout Ratio (Consolidated)	Dividends-Net Assets Ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
March 31, 2023	—	21.00	—	21.00	42.00	30,157	38.8	3.1
March 31, 2024	—	21.00	—	54.00	75.00	53,845	71.6	5.0
March 31, 2025 (Including Forecast)	—	40.00	—	40.00	80.00		65.9	

## 2 Qualitative Information

### (1) Overview of consolidated business results

#### Consolidated performance for fiscal year ended March 31, 2024 (FY2023)

In FY2023, the Japanese economy continued its gradual recovery, given the upturn in consumer spending and improvement in corporate profits as economic and social activities returned to normal. The gradual recovery in the economy is expected to continue under the improvement in employment and personal income, however, there are concerns about a downturn in the economy due to exchange rate fluctuations caused by changes in domestic and foreign monetary policies and soaring raw material and energy prices, which require continued close monitoring.

In the domestic construction market, although there are concerns about a decline in companies' capital investments due to exchange rate fluctuations and soaring raw material prices, the environment for orders is expected to remain firm for the time being, backed by an increase in private-sector construction based on the government's policy to strengthen supply chains for specific critical products and steady orders for public works projects.

Under such circumstances, the Obayashi Group's consolidated net sales amounted to 2,325.1 billion yen, an increase of 341.2 billion yen (17.2%) from the previous fiscal year, due to the progress in large-scale projects in the domestic and overseas building construction businesses.

As for profit and loss, although gross profit on completed construction contracts increased due to higher sales, operating income resulted in 79.3 billion yen, a decrease of 14.4 billion yen (15.4%) from the previous fiscal year. Ordinary income was 91.5 billion yen, a decrease of 9.2 billion yen (9.2%), and profit attributable to owners of parent was 75.0 billion yen, a decrease of 2.6 billion yen (3.4%). This was mainly due to a decrease in gross profit on real estate business and other in reaction to the recording of a gain on a sale of large-scale properties in the previous fiscal year, the recording of allowance for doubtful accounts in the overseas civil engineering business of a subsidiary, and increases in selling, general and administrative expenses due to higher personnel expenses from base pay raise and in technology-related investment.

The Obayashi Group consolidated performance by business segment for FY2023 was as follows:

#### Construction business

Consolidated construction orders received increased by 247.6 billion yen (11.8%) from the previous fiscal year to 2,355.0 billion yen due to increases in domestic building construction and overseas civil engineering of subsidiaries. More specifically, orders received for domestic building construction were 1,236.9 billion yen; for overseas building construction, 520.3 billion yen; for domestic civil engineering, 423.1 billion yen; and for overseas civil engineering, 174.5 billion yen.

Non-consolidated orders received increased by 120.2 billion yen (8.3%) from the previous fiscal year to 1,575.1 billion yen. More specifically, orders received for building construction projects increased 86.5 billion yen (7.8%) year-on-year to 1,198.5 billion yen and for civil engineering projects increased by 33.6 billion yen (9.8%) to 376.6 billion yen.

Consolidated net sales for the construction business increased by 359.0 billion yen (19.4%) from the previous fiscal year to 2,206.7 billion yen, mainly due to the progress in large-scale construction projects in the domestic and overseas building construction businesses. More specifically, net sales for domestic building construction were 1,264.1 billion yen; for overseas building construction, 457.8 billion yen; for domestic civil engineering, 369.3 billion yen; and for overseas civil engineering, 115.3 billion yen.

Operating income decreased by 4.9 billion yen (7.6%) to 59.7 billion yen from the previous fiscal year, mainly due to a decline of construction gross profit margin by recording a provision for loss on construction contracts in the non-consolidated domestic building construction projects in the current and previous fiscal years, and the recording of allowance for doubtful accounts in the overseas civil engineering business of a subsidiary.

Non-consolidated net sales increased by 207.7 billion yen (15.4%) from the previous fiscal year to 1,555.8 billion yen. More specifically, building construction sales increased by 188.6 billion yen (17.9%) year-on-year to 1,240.2 billion yen and civil engineering sales increased by 19.0 billion yen (6.4%) year-on-year to 315.6 billion yen.

## Real estate business

Net sales from the real estate business decreased by 16.9 billion yen (20.3%) to 66.8 billion yen from the previous fiscal year, and operating income decreased by 8.6 billion yen (32.1%) to 18.2 billion yen. These were mainly in reaction to loss of gains on the sale of a large-scale property held by the Company in the previous fiscal year.

## Other businesses

Net sales from other businesses decreased by 0.8 billion yen (1.6%) to 51.5 billion yen from the previous fiscal year and operating income decreased by 0.8 billion yen (37.8%) to 1.3 billion yen.

<Consolidated net sales and operating income (loss) by segment>

(Yen in millions)

Segment	Construction Business					Real Estate Business	Other Businesses	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Total Construction Business			
Net Sales	1,264,181	457,818	369,367	115,396	2,206,764	66,888	51,509	2,325,162
Operating Income (Loss)	24,204	12,942	26,389	(3,782)	59,754	18,277	1,349	79,381

## **Outlook for consolidated performance for FY2024**

The outlook for consolidated performance in FY2024 is as follows: 2,520.0 billion yen in orders received (including 120.0 billion yen from the real estate and other businesses), 2,510.0 billion yen in net sales (including 135.0 billion yen from the real estate and other businesses), 93.0 billion yen in operating income, 98.0 billion yen in ordinary income, and 87.0 billion yen in profit attributable to owners of parent.

## **(2) Overview of consolidated financial position**

Total assets as of March 31, 2024 increased by 407.1 billion yen (15.6%) compared with the balance at the end of the previous fiscal year, to 3,017.0 billion yen. This was mainly due to an increase 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”) and also an increase in “Investment securities” due to the rises in the prices of shares held as cross-shareholdings, while “Cash and deposits” declined.

Total liabilities as of March 31, 2024 increased by 248.1 billion yen (15.8%) compared with the balance at the end of the previous fiscal year, to 1,822.2 billion yen. This was mainly due to increases 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 as of March 31, 2024 decreased by 14.0 billion yen (4.2%) compared with the balance at the end of the previous fiscal year, to 323.8 billion yen, due to a decrease in “Bonds payable.”

Total net assets as of March 31, 2024 increased by 158.9 billion yen (15.3%) compared with the balance at the end of the previous fiscal year, to 1,194.8 billion yen. This was mainly due to increases in “Retained earnings” from the recognition of profit attributable to owners of parent and in “Valuation difference on available-for-sale securities.”

As a result, the equity ratio as of March 31, 2024 was 38.2%, unchanged from the end of the previous fiscal year.

## **(3) Overview of consolidated cash flows**

During FY2023, net cash provided by operating activities amounted to 50.3 billion yen, primarily due to a balance of the domestic construction business being low year-on-year (net cash provided by operating activities was 228.4 billion yen in the previous fiscal year). Net cash used in investing activities amounted to 84.4 billion yen, primarily due to the purchase of commercial real estate (net cash used in investing activities was 101.6 billion yen in the previous fiscal year). Net cash used in financing activities amounted to 51.9 billion yen, primarily due to the payment of dividends and redemption of bonds (net cash provided by financing activities was 22.1 billion yen in the previous fiscal year).

Consequently, cash and cash equivalents as of March 31, 2024 decreased by 78.9 billion yen to 326.6 billion yen compared with the balance at the end of the previous fiscal year.

#### (4) Basic policy regarding the allocation of profits and dividend payout plan for FY2023 and FY2024

Aiming to enhance its corporate value, the Company will strengthen investment in human resources, digital transformation (DX), technology, and enhancement of productivity and create sustainable profits to continue to fulfill the social mission of the construction industry where a decline in the number of engineers and workers is expected while giving top priority to the safety and quality. In addition, the Company will primarily carry out timely and proactive growth investments in fields where it can establish a competitive advantage and increase profits. From the point of improving capital efficiency, the Company will implement strategic shareholder returns by setting investment capital for each business according to the growth of the construction business and related businesses of the Group and set the necessary equity amount after examining the capital structure of each business.

For annual dividends, the Company established a policy that sets a dividend on equity ratio (DOE) of around 5%, with a priority on maintaining long-term stable dividends.

< Reference: Annual dividends based on DOE of around 5%>  
DOE 5% = [(Equity as of the end of the previous fiscal year + Equity as of the end of the current fiscal year) / 2] × 5%  
→ Target for total annual dividends (interim + year-end)

In addition to annual dividends, the Company will execute flexible shareholder returns by using various ways such as special dividends and acquisition of own shares, according to necessary equity and profit status (comprehensive decision-making will be made in consideration of the profitability and financial status of the Group, price-to-book ratio, and other factors).

In addition, the Company will review the DOE target in line with the medium- to long-term improvement of the profit level.

Based on this policy, the Company plans to pay a year-end dividend of 54 yen per share for the current fiscal year. As a result, the annual dividend, including the interim dividend of 21 yen per share, will be 75 yen per share (DOE 5.0%, consolidated payout ratio: 71.6%). Please refer to the “Notice Concerning Dividends from Surplus” separately released on May 13, 2024.

For the next fiscal year, the Company plans to pay an interim and year-end dividend of 40 yen per share, for a total annual dividend of 80 yen per share, based on the performance forecast for the relevant fiscal year, calculated at a DOE of around 5%.

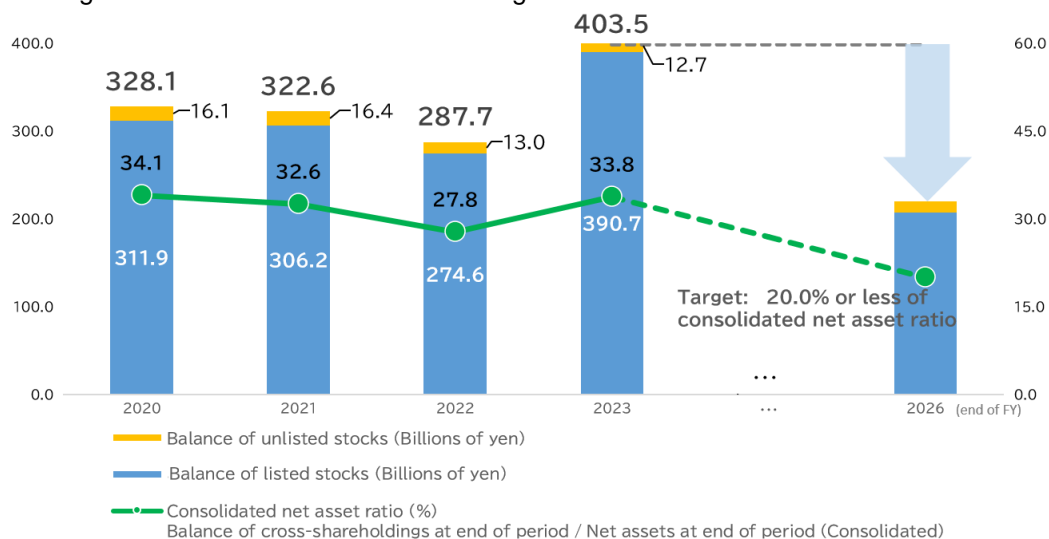
#### (5) Policy regarding cross-shareholdings

The Company owns shares in its customers’ businesses (cross-shareholdings) to maintain and strengthen business relationships with the customers. The Company reviews the significance of owning shares in each company by regularly reporting to the Board of Directors on valuation gains/losses, and collective consideration of indicators of profitability such as capital cost and return on business from maintaining and strengthening the business relationship with a company. The Company verifies the economic rationale for owning shares over the medium and long term, and sells shares as needed when the business significance of owning the shares has weakened.

The Medium-Term Business Plan 2022 states that the Company will proceed further on reassessment of the significance of owning shares and overall investment efficiency for the Company. The Company has reduced cross-shareholdings, aiming to bring the ratio of cross-shareholdings to 20% or less of consolidated net assets as soon as possible before the end of March 2027. However, the amount of cross-shareholdings has increased as of the end of the fiscal year ended March 31, 2024, compared with the balance at the end of the fiscal year ended March 31, 2021, given the recent rise in the stock market. Going forward, the Company will proceed with further sales of cross-shareholdings and will strive to reduce such shares to 20% or less of consolidated net assets by the end of March 2027.

To enhance its corporate value, the Company will strengthen investments in human resources, DX, technology, investments to expand production capacity, and growth investments in fields where it can establish a competitive advantage. From the point of improving capital efficiency, the Company will implement strategic shareholder returns by setting the necessary equity amount according to the growth of the Group's businesses. Proceeds from the sale of cross-shareholdings will be used for these investments or shareholder returns.

<Changes in Balance of Cross-Shareholdings and Consolidated Net Asset Ratio >



<Changes in Sale of Cross-Shareholdings (Consolidated) >

(Billions of yen)

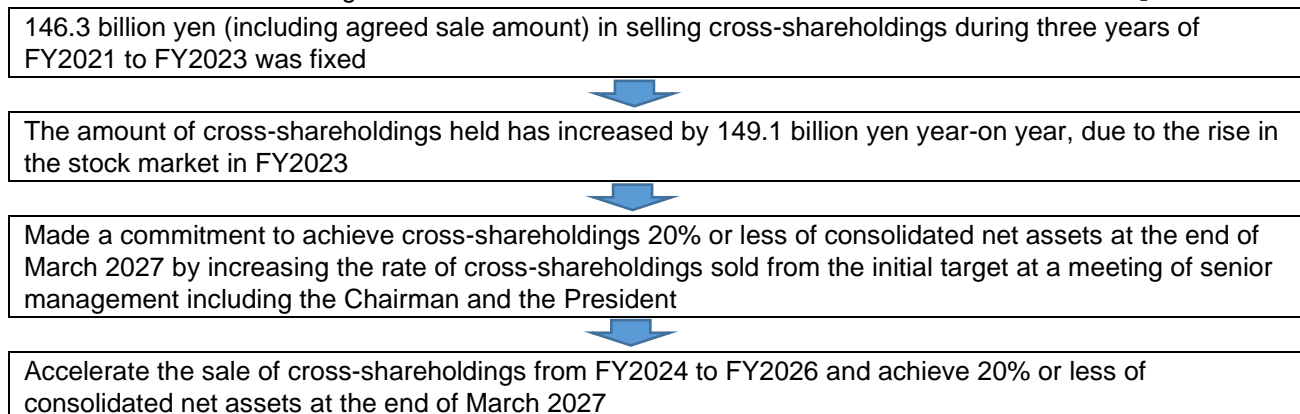
	FY2021	FY2022	FY2023
Amount sold	16.9	24.6	33.1
Cumulative amount sold from FY2021	16.9	41.5	74.6
Cumulative amount sold + Agreed sale amount	—	56.3	146.3

<Factors Behind Changes in the Balance of Cross-Shareholdings (Consolidated) >

(Billions of yen)

	Balance
Mar. 31, 2023	287.7
Amount sold from Apr. to Mar. 2024	(33.1)
An increase due to rises in share prices	149.1
Other (Impairment loss on unlisted stocks, etc.)	(0.2)
Mar. 31, 2024	403.5
[Agreed sale amount included above]	[71.6]

**【To achieve cross-shareholdings 20% or less of consolidated net assets at the end of March 2027】**



### **3 Basic View on Selection of the Accounting Standards**

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

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



## 4 Financial Highlights

### (1) Financial Results for FY2023 (YoY Comparison)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results		Results		Change	% Change	Results		Results		Change	% Change
	Fiscal Year Ended		Fiscal Year Ended				Fiscal Year Ended		Fiscal Year Ended			
	%		%			%		%				
Net sales of completed construction contracts		18,476		22,067	3,590	19.4		13,481		15,558	2,077	15.4
Building construction		—		—	—	—		10,515		12,402	1,886	17.9
Civil engineering		—		—	—	—		2,965		3,156	190	6.4
Gross profit on completed construction contracts	9.6	1,778	8.6	1,888	109	6.2	9.9	1,331	8.2	1,269	(61)	(4.7)
Building construction		—		—	—	—	8.3	878	6.3	783	(94)	(10.8)
Civil engineering		—		—	—	—	15.3	453	15.4	485	32	7.2
Net sales of real estate business and other		1,362		1,183	(178)	(13.1)		389		263	(125)	(32.3)
Gross profit on real estate business and other	28.4	386	26.0	307	(79)	(20.5)	34.4	133	19.7	51	(81)	(61.1)
<b>Net sales</b>		<b>19,838</b>		<b>23,251</b>	<b>3,412</b>	<b>17.2</b>		<b>13,870</b>		<b>15,821</b>	<b>1,951</b>	<b>14.1</b>
Gross profit	10.9	2,165	9.4	2,196	30	1.4	10.6	1,464	8.3	1,321	(143)	(9.8)
Selling, general and administrative expenses	6.2	1,227	6.0	1,402	174	14.2	6.3	865	5.6	887	22	2.6
(Personnel expenses)		645		704	58			411		428	16	
(Others)		581		697	115			453		459	6	
<b>Operating income</b>	<b>4.7</b>	<b>938</b>	<b>3.4</b>	<b>793</b>	<b>(144)</b>	<b>(15.4)</b>	<b>4.3</b>	<b>599</b>	<b>2.7</b>	<b>433</b>	<b>(166)</b>	<b>(27.7)</b>
Non-operating income		113		166	53	46.6		137		139	1	1.0
Non-operating expenses		43		45	1	4.0		25		18	(7)	(27.9)
<b>Ordinary income</b>	<b>5.1</b>	<b>1,008</b>	<b>3.9</b>	<b>915</b>	<b>(92)</b>	<b>(9.2)</b>	<b>5.1</b>	<b>711</b>	<b>3.5</b>	<b>554</b>	<b>(157)</b>	<b>(22.2)</b>
Extraordinary income		146		241	94	64.9		140		253	112	80.3
Extraordinary loss		17		85	68	393.2		10		114	104	962.3
Income before income taxes	5.7	1,137	4.6	1,071	(66)	(5.8)	6.1	841	4.4	692	(149)	(17.7)
Total income taxes		338		299	(39)	(11.6)		215		195	(19)	(9.3)
Profit		798		771	(26)	(3.4)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		21		21	(0)	(3.1)		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>3.9</b>	<b>776</b>	<b>3.2</b>	<b>750</b>	<b>(26)</b>	<b>(3.4)</b>	<b>4.5</b>	<b>625</b>	<b>3.1</b>	<b>496</b>	<b>(129)</b>	<b>(20.6)</b>

### Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results		Results		Change	% Change	Results		Results		Change	% Change
	Fiscal Year Ended		Fiscal Year Ended				Fiscal Year Ended		Fiscal Year Ended			
Building construction		16,128		17,573	1,444	9.0		11,120		11,985	865	7.8
Domestic		11,242		12,369	1,127	10.0		10,931		11,948	1,017	9.3
Overseas		4,885		5,203	317	6.5		189		37	(151)	(80.2)
Civil engineering		4,945		5,977	1,031	20.9		3,429		3,766	336	9.8
Domestic		3,607		4,231	624	17.3		2,801		3,280	479	17.1
Overseas		1,338		1,745	407	30.4		628		485	(143)	(22.8)
Construction total		21,073		23,550	2,476	11.8		14,549		15,751	1,202	8.3
Domestic		14,849		16,601	1,751	11.8		13,732		15,229	1,496	10.9
Overseas		6,224		6,949	725	11.6		817		522	(294)	(36.0)
Real estate business and other		1,149		1,580	431	37.5		389		263	(125)	(32.3)
Total orders received		22,222		25,130	2,907	13.1		14,938		16,015	1,076	7.2

### Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results		Results		Change	% Change	Results		Results		Change	% Change
	As of		As of				As of		As of			
Interest-bearing debt (except nonrecourse loans)		2,612		2,497	(114)	(4.4)		1,946		1,778	(168)	(8.6)
Nonrecourse loans		766		741	(25)	(3.4)		—		—	—	—
Total interest-bearing debt		3,379		3,238	(140)	(4.2)		1,946		1,778	(168)	(8.6)

**(2) Financial Results for FY2023 (Comparison with the latest forecast announced on February 5, 2024)**

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Forecasts Announced on February 5, 2024		Results Fiscal Year Ended March 31, 2024		Change	% Change	Forecasts Announced on February 5, 2024		Results Fiscal Year Ended March 31, 2024		Change	% Change
Net sales of completed construction contracts	%	21,600	%	22,067	467	2.2	%	15,410	%	15,558	148	1.0
Building construction		—		—	—	—		12,480		12,402	(77)	(0.6)
Civil engineering		—		—	—	—		2,930		3,156	226	7.7
Gross profit on completed construction contracts	8.1	1,750	8.6	1,888	138	7.9	8.0	1,240	8.2	1,269	29	2.3
Building construction		—		—	—	—	6.9	865	6.3	783	(81)	(9.4)
Civil engineering		—		—	—	—	12.8	375	15.4	485	110	29.5
Net sales of real estate business and other		1,200		1,183	(16)	(1.3)		340		263	(76)	(22.5)
Gross profit on real estate business and other	22.1	265	26.0	307	42	16.1	20.6	70	19.7	51	(18)	(25.7)
<b>Net sales</b>		<b>22,800</b>		<b>23,251</b>	<b>451</b>	<b>2.0</b>		<b>15,750</b>		<b>15,821</b>	<b>71</b>	<b>0.5</b>
Gross profit	8.8	2,015	9.4	2,196	181	9.0	8.3	1,310	8.3	1,321	11	0.8
Selling, general and administrative expenses	5.6	1,275	6.0	1,402	127	10.0	5.6	880	5.6	887	7	0.9
(Personnel expenses)		670		704	34			430		428	(1)	
(Others)		605		697	92			450		459	9	
<b>Operating income</b>	<b>3.2</b>	<b>740</b>	<b>3.4</b>	<b>793</b>	<b>53</b>	<b>7.3</b>	<b>2.7</b>	<b>430</b>	<b>2.7</b>	<b>433</b>	<b>3</b>	<b>0.8</b>
Non-operating income		90		166	76	85.5		90		139	49	54.6
Non-operating expenses		40		45	5	14.0		15		18	3	22.7
<b>Ordinary income</b>	<b>3.5</b>	<b>790</b>	<b>3.9</b>	<b>915</b>	<b>125</b>	<b>15.8</b>	<b>3.2</b>	<b>505</b>	<b>3.5</b>	<b>554</b>	<b>49</b>	<b>9.7</b>
Extraordinary income		160		241	81	50.8		180		253	73	40.7
Extraordinary loss		60		85	25	42.4		60		114	54	91.4
Income before income taxes	3.9	890	4.6	1,071	181	20.3	4.0	625	4.4	692	67	10.8
Total income taxes		270		299	29	10.8		175		195	20	11.9
Profit		620		771	151	24.5		—		—	—	—
Profit attributable to non-controlling interests (deduction)		30		21	(8)	(29.3)		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>2.6</b>	<b>590</b>	<b>3.2</b>	<b>750</b>	<b>160</b>	<b>27.2</b>	<b>2.9</b>	<b>450</b>	<b>3.1</b>	<b>496</b>	<b>46</b>	<b>10.3</b>

**Orders Received**

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Forecasts Announced on February 5, 2024		Results Fiscal Year Ended March 31, 2024		Change	% Change	Forecasts Announced on February 5, 2024		Results Fiscal Year Ended March 31, 2024		Change	% Change
Building construction		15,250		17,573	2,323	15.2		10,900		11,985	1,085	10.0
Domestic		11,320		12,369	1,049	9.3		10,700		11,948	1,248	11.7
Overseas		3,930		5,203	1,273	32.4		200		37	(162)	(81.3)
Civil engineering		5,100		5,977	877	17.2		3,300		3,766	466	14.1
Domestic		3,750		4,231	481	12.9		2,900		3,280	380	13.1
Overseas		1,350		1,745	395	29.3		400		485	85	21.4
Construction total		20,350		23,550	3,200	15.7		14,200		15,751	1,551	10.9
Domestic		15,070		16,601	1,531	10.2		13,600		15,229	1,629	12.0
Overseas		5,280		6,949	1,669	31.6		600		522	(77)	(12.9)
Real estate business and other		1,000		1,580	580	58.0		340		263	(76)	(22.5)
Total orders received		21,350		25,130	3,780	17.7		14,540		16,015	1,475	10.1

**Interest-bearing Debt Balances**

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Forecasts Announced on February 5, 2024		Results As of March 31, 2024		Change	% Change	Forecasts Announced on February 5, 2024		Results As of March 31, 2024		Change	% Change
Interest-bearing debt (except nonrecourse loans)		2,500		2,497	(2)	(0.1)		1,800		1,778	(21)	(1.2)
Nonrecourse loans		900		741	(158)	(17.6)		—		—	—	—
Total interest-bearing debt		3,400		3,238	(161)	(4.7)		1,800		1,778	(21)	(1.2)

### (3) Forecasts for FY2024 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results Fiscal Year Ended March 31, 2024		Forecasts Fiscal Year Ending March 31, 2025		Change	% Change	Results Fiscal Year Ended March 31, 2024		Forecasts Fiscal Year Ending March 31, 2025		Change	% Change
	%		%				%		%			
Net sales of completed construction contracts		22,067		23,750	1,682	7.6		15,558		15,850	291	1.9
Building construction		—		—	—	—		12,402		12,650	247	2.0
Civil engineering		—		—	—	—		3,156		3,200	43	1.4
Gross profit on completed construction contracts	8.6	1,888	8.8	2,100	211	11.2	8.2	1,269	9.1	1,450	180	14.3
Building construction		—		—	—	—	6.3	783	7.9	1,005	221	28.3
Civil engineering		—		—	—	—	15.4	485	13.9	445	(40)	(8.3)
Net sales of real estate business and other		1,183		1,350	166	14.0		263		250	(13)	(5.1)
Gross profit on real estate business and other	26.0	307	21.5	290	(17)	(5.7)	19.7	51	14.0	35	(16)	(32.7)
<b>Net sales</b>		<b>23,251</b>		<b>25,100</b>	<b>1,848</b>	<b>7.9</b>		<b>15,821</b>		<b>16,100</b>	<b>278</b>	<b>1.8</b>
Gross profit	9.4	2,196	9.5	2,390	193	8.8	8.3	1,321	9.2	1,485	163	12.4
Selling, general and administrative expenses	6.0	1,402	5.8	1,460	57	4.1	5.6	887	5.9	950	62	7.0
(Personnel expenses)		704		760	55			428		455	26	
(Others)		697		700	2			459		495	35	
<b>Operating income</b>	<b>3.4</b>	<b>793</b>	<b>3.7</b>	<b>930</b>	<b>136</b>	<b>17.2</b>	<b>2.7</b>	<b>433</b>	<b>3.3</b>	<b>535</b>	<b>101</b>	<b>23.5</b>
Non-operating income		166		105	(61)	(37.1)		139		115	(24)	(17.4)
Non-operating expenses		45		55	9	20.6		18		15	(3)	(18.5)
<b>Ordinary income</b>	<b>3.9</b>	<b>915</b>	<b>3.9</b>	<b>980</b>	<b>64</b>	<b>7.1</b>	<b>3.5</b>	<b>554</b>	<b>3.9</b>	<b>635</b>	<b>80</b>	<b>14.6</b>
Extraordinary income		241		350	108	45.0		253		350	96	38.2
Extraordinary loss		85		30	(55)	(64.9)		114		30	(84)	(73.9)
Income before income taxes	4.6	1,071	5.2	1,300	228	21.4	4.4	692	5.9	955	262	37.9
Total income taxes		299		395	95	32.0		195		275	79	40.4
Profit		771		905	133	17.3		—		—	—	—
Profit attributable to non-controlling interests (deduction)		21		35	13	65.1		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>3.2</b>	<b>750</b>	<b>3.5</b>	<b>870</b>	<b>119</b>	<b>15.9</b>	<b>3.1</b>	<b>496</b>	<b>4.2</b>	<b>680</b>	<b>183</b>	<b>37.0</b>

### Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results Fiscal Year Ended March 31, 2024		Forecasts Fiscal Year Ending March 31, 2025		Change	% Change	Results Fiscal Year Ended March 31, 2024		Forecasts Fiscal Year Ending March 31, 2025		Change	% Change
Building construction		17,573		16,950			(623)	(3.5)		11,985		
Domestic		12,369		13,550	1,180	9.5		11,948		13,000	1,051	8.8
Overseas		5,203		3,400	(1,803)	(34.7)		37		100	62	166.9
Civil engineering		5,977		7,050	1,072	17.9		3,766		3,400	(366)	(9.7)
Domestic		4,231		3,800	(431)	(10.2)		3,280		2,950	(330)	(10.1)
Overseas		1,745		3,250	1,504	86.2		485		450	(35)	(7.3)
Construction total		23,550		24,000	449	1.9		15,751		16,500	748	4.7
Domestic		16,601		17,350	748	4.5		15,229		15,950	720	4.7
Overseas		6,949		6,650	(299)	(4.3)		522		550	27	5.2
Real estate business and other		1,580		1,200	(380)	(24.1)		263		250	(13)	(5.2)
Total orders received		25,130		25,200	69	0.3		16,015		16,750	734	4.6

### Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results As of March 31, 2024		Forecasts As of March 31, 2025		Change	% Change	Results As of March 31, 2024		Forecasts As of March 31, 2025		Change	% Change
Interest-bearing debt (except nonrecourse loans)		2,497		3,200			702	28.1		1,778		
Nonrecourse loans		741		800	58	7.9		—		—	—	—
Total interest-bearing debt		3,238		4,000	761	23.5		1,778		2,200	421	23.7

## 5 Operating Results and Forecasts for Reportable Segments

### (1) Operating Results for FY2023 (YoY Comparison)

#### 【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results Fiscal Year Ended March 31, 2023	Results Fiscal Year Ended March 31, 2024	Change	% Change	Results Fiscal Year Ended March 31, 2023		Results Fiscal Year Ended March 31, 2024		Change	% Change
					% Profit		% Profit			
<b>Building Construction</b>										
Domestic	1,056,407	1,264,181	207,773	19.7	3.2	34,326	1.9	24,204	(10,121)	(29.5)
Overseas	343,894	457,818	113,923	33.1	1.5	5,179	2.8	12,942	7,763	149.9
Subtotal	1,400,302	1,722,000	321,697	23.0	2.8	39,505	2.2	37,147	(2,358)	(6.0)
<b>Civil Engineering</b>										
Domestic	343,464	369,367	25,903	7.5	6.3	21,744	7.1	26,389	4,645	21.4
Overseas	103,921	115,396	11,475	11.0	3.3	3,451	(3.3)	(3,782)	(7,234)	—
Subtotal	447,385	484,764	37,378	8.4	5.6	25,196	4.7	22,607	(2,589)	(10.3)
<b>Construction Total</b>										
Domestic	1,399,872	1,633,549	233,676	16.7	4.0	56,070	3.1	50,594	(5,476)	(9.8)
Overseas	447,815	573,215	125,399	28.0	1.9	8,631	1.6	9,160	529	6.1
Subtotal	1,847,688	2,206,764	359,076	19.4	3.5	64,702	2.7	59,754	(4,947)	(7.6)
<b>Real Estate Business and Other</b>										
Real Estate Business	83,875	66,888	(16,987)	(20.3)	32.1	26,928	27.3	18,277	(8,650)	(32.1)
Other	52,324	51,509	(814)	(1.6)	4.1	2,170	2.6	1,349	(820)	(37.8)
Subtotal	136,200	118,398	(17,801)	(13.1)	21.4	29,098	16.6	19,626	(9,471)	(32.5)
<b>Total</b>	<b>1,983,888</b>	<b>2,325,162</b>	<b>341,274</b>	<b>17.2</b>	<b>4.7</b>	<b>93,800</b>	<b>3.4</b>	<b>79,381</b>	<b>(14,418)</b>	<b>(15.4)</b>

※ Consolidated net sales and operating income show the sales and operating income for external customers.

#### 【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Results Fiscal Year Ended March 31, 2023	Results Fiscal Year Ended March 31, 2024	Change	% Change	Results Fiscal Year Ended March 31, 2023		Results Fiscal Year Ended March 31, 2024		Change	% Change
					% Gross Profit		% Gross Profit			
<b>Building Construction</b>										
Domestic	1,048,587	1,234,232	185,644	17.7	8.3	87,235	6.3	78,246	(8,989)	(10.3)
Overseas	2,965	6,000	3,034	102.3	19.1	565	1.8	107	(457)	(81.0)
Subtotal	1,051,553	1,240,232	188,679	17.9	8.3	87,801	6.3	78,354	(9,446)	(10.8)
<b>Civil Engineering</b>										
Domestic	266,237	286,591	20,353	7.6	15.7	41,794	15.8	45,263	3,468	8.3
Overseas	30,323	29,020	(1,303)	(4.3)	11.6	3,511	11.3	3,289	(221)	(6.3)
Subtotal	296,561	315,612	19,050	6.4	15.3	45,306	15.4	48,553	3,247	7.2
<b>Construction Total</b>										
Domestic	1,314,825	1,520,823	205,998	15.7	9.8	129,030	8.1	123,510	(5,520)	(4.3)
Overseas	33,289	35,021	1,731	5.2	12.2	4,076	9.7	3,397	(679)	(16.7)
Subtotal	1,348,115	1,555,844	207,729	15.4	9.9	133,107	8.2	126,907	(6,199)	(4.7)
<b>Real Estate Business and Other</b>										
Real Estate Business	38,913	26,354	(12,558)	(32.3)	34.4	13,368	19.7	5,199	(8,169)	(61.1)
Other										
<b>Total</b>	<b>1,387,028</b>	<b>1,582,199</b>	<b>195,170</b>	<b>14.1</b>	<b>10.6</b>	<b>146,476</b>	<b>8.3</b>	<b>132,107</b>	<b>(14,368)</b>	<b>(9.8)</b>

## (2) Forecasts for FY2024 (YoY Comparison)

### 【Consolidated】

(Yen in millions)

	Net Sales			
	Results Fiscal Year Ended March 31, 2024	Forecasts Fiscal Year Ending March 31, 2025	Change	% Change
<u>Building Construction</u>				
Domestic	1,264,181	1,310,000	45,818	3.6
Overseas	457,818	460,000	2,181	0.5
Subtotal	1,722,000	1,770,000	47,999	2.8
<u>Civil Engineering</u>				
Domestic	369,367	370,000	632	0.2
Overseas	115,396	235,000	119,603	103.6
Subtotal	484,764	605,000	120,235	24.8
<u>Construction Total</u>				
Domestic	1,633,549	1,680,000	46,450	2.8
Overseas	573,215	695,000	121,784	21.2
Subtotal	2,206,764	2,375,000	168,235	7.6
<u>Real Estate Business and Other</u>				
Real Estate Business	66,888	81,000	14,111	21.1
Other	51,509	54,000	2,490	4.8
Subtotal	118,398	135,000	16,601	14.0
<b>Total</b>	<b>2,325,162</b>	<b>2,510,000</b>	<b>184,837</b>	<b>7.9</b>

Operating Income						
	Results Fiscal Year Ended March 31, 2024		Forecasts Fiscal Year Ending March 31, 2025		Change	% Change
	% Profit		% Profit			
	1.9	24,204	3.4	44,000	19,795	81.8
	2.8	12,942	1.5	7,000	(5,942)	(45.9)
	2.2	37,147	2.9	51,000	13,852	37.3
	7.1	26,389	5.7	21,000	(5,389)	(20.4)
	(3.3)	(3,782)	1.9	4,500	8,282	—
	4.7	22,607	4.2	25,500	2,892	12.8
	3.1	50,594	3.9	65,000	14,405	28.5
	1.6	9,160	1.7	11,500	2,339	25.5
	2.7	59,754	3.2	76,500	16,745	28.0
	27.3	18,277	17.3	14,000	(4,277)	(23.4)
	2.6	1,349	4.6	2,500	1,150	85.3
	16.6	19,626	12.2	16,500	(3,126)	(15.9)
	3.4	79,381	3.7	93,000	13,618	17.2

※ Consolidated net sales and operating income show the sales and operating income for external customers.

### 【Non-consolidated】

(Yen in millions)

	Net Sales			
	Results Fiscal Year Ended March 31, 2024	Forecasts Fiscal Year Ending March 31, 2025	Change	% Change
<u>Building Construction</u>				
Domestic	1,234,232	1,260,000	25,767	2.1
Overseas	6,000	5,000	(1,000)	(16.7)
Subtotal	1,240,232	1,265,000	24,767	2.0
<u>Civil Engineering</u>				
Domestic	286,591	285,000	(1,591)	(0.6)
Overseas	29,020	35,000	5,979	20.6
Subtotal	315,612	320,000	4,387	1.4
<u>Construction Total</u>				
Domestic	1,520,823	1,545,000	24,176	1.6
Overseas	35,021	40,000	4,978	14.2
Subtotal	1,555,844	1,585,000	29,155	1.9
Real Estate Business and Other	26,354	25,000	(1,354)	(5.1)
<b>Total</b>	<b>1,582,199</b>	<b>1,610,000</b>	<b>27,800</b>	<b>1.8</b>

Gross Profit						
	Results Fiscal Year Ended March 31, 2024		Forecasts Fiscal Year Ending March 31, 2025		Change	% Change
	% Gross Profit		% Gross Profit			
	6.3	78,246	8.0	100,300	22,053	28.2
	1.8	107	4.0	200	92	85.8
	6.3	78,354	7.9	100,500	22,145	28.3
	15.8	45,263	14.7	42,000	(3,263)	(7.2)
	11.3	3,289	7.1	2,500	(789)	(24.0)
	15.4	48,553	13.9	44,500	(4,053)	(8.3)
	8.1	123,510	9.2	142,300	18,789	15.2
	9.7	3,397	6.8	2,700	(697)	(20.5)
	8.2	126,907	9.1	145,000	18,092	14.3
	19.7	5,199	14.0	3,500	(1,699)	(32.7)
	8.3	132,107	9.2	148,500	16,392	12.4

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

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

(Yen in millions)

	Results Fiscal Year Ended March 31, 2023		Results Fiscal Year Ended March 31, 2024		Change	
		% of Total		% of Total		% Change
<b>Building Construction</b>						
Domestic Public	80,786	5.4	72,891	4.6	(7,895)	(9.8)
Domestic Private	1,012,315	67.8	1,121,934	70.1	109,619	10.8
Domestic Total	1,093,102	73.2	1,194,826	74.7	101,724	9.3
Overseas	18,909	1.3	3,746	0.2	(15,163)	(80.2)
<b>Subtotal</b>	<b>1,112,012</b>	<b>74.5</b>	<b>1,198,572</b>	<b>74.9</b>	<b>86,560</b>	<b>7.8</b>
<b>Civil Engineering</b>						
Domestic Public	146,915	9.8	213,329	13.3	66,414	45.2
Domestic Private	133,214	8.9	114,748	7.2	(18,466)	(13.9)
Domestic Total	280,130	18.7	328,078	20.5	47,947	17.1
Overseas	62,845	4.2	48,542	3.0	(14,302)	(22.8)
<b>Subtotal</b>	<b>342,975</b>	<b>22.9</b>	<b>376,621</b>	<b>23.5</b>	<b>33,645</b>	<b>9.8</b>
<b>Construction Total</b>						
Domestic Public	227,702	15.2	286,221	17.9	58,519	25.7
Domestic Private	1,145,530	76.7	1,236,683	77.3	91,152	8.0
Domestic Total	1,373,232	91.9	1,522,904	95.2	149,671	10.9
Overseas	81,754	5.5	52,289	3.2	(29,465)	(36.0)
<b>Subtotal</b>	<b>1,454,987</b>	<b>97.4</b>	<b>1,575,194</b>	<b>98.4</b>	<b>120,206</b>	<b>8.3</b>
Real Estate Business and Other	38,910	2.6	26,358	1.6	(12,551)	(32.3)
<b>Total</b>	<b>1,493,898</b>	<b>100</b>	<b>1,601,552</b>	<b>100</b>	<b>107,654</b>	<b>7.2</b>

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

(Yen in millions)

	Results Fiscal Year Ended March 31, 2023		Results Fiscal Year Ended March 31, 2024		Change	
		% of Total		% of Total		% Change
<b>Building Construction</b>						
Domestic Public	94,961	6.8	73,169	4.6	(21,792)	(22.9)
Domestic Private	953,626	68.8	1,161,063	73.4	207,436	21.8
Domestic Total	1,048,587	75.6	1,234,232	78.0	185,644	17.7
Overseas	2,965	0.2	6,000	0.4	3,034	102.3
<b>Subtotal</b>	<b>1,051,553</b>	<b>75.8</b>	<b>1,240,232</b>	<b>78.4</b>	<b>188,679</b>	<b>17.9</b>
<b>Civil Engineering</b>						
Domestic Public	144,904	10.5	155,748	9.8	10,844	7.5
Domestic Private	121,333	8.7	130,843	8.3	9,509	7.8
Domestic Total	266,237	19.2	286,591	18.1	20,353	7.6
Overseas	30,323	2.2	29,020	1.8	(1,303)	(4.3)
<b>Subtotal</b>	<b>296,561</b>	<b>21.4</b>	<b>315,612</b>	<b>19.9</b>	<b>19,050</b>	<b>6.4</b>
<b>Construction Total</b>						
Domestic Public	239,865	17.3	228,917	14.4	(10,948)	(4.6)
Domestic Private	1,074,959	77.5	1,291,906	81.7	216,946	20.2
Domestic Total	1,314,825	94.8	1,520,823	96.1	205,998	15.7
Overseas	33,289	2.4	35,021	2.2	1,731	5.2
<b>Subtotal</b>	<b>1,348,115</b>	<b>97.2</b>	<b>1,555,844</b>	<b>98.3</b>	<b>207,729</b>	<b>15.4</b>
Real Estate Business and Other	38,913	2.8	26,354	1.7	(12,558)	(32.3)
<b>Total</b>	<b>1,387,028</b>	<b>100</b>	<b>1,582,199</b>	<b>100</b>	<b>195,170</b>	<b>14.1</b>

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

(Yen in millions)

	Results As of March 31, 2023		Results As of March 31, 2024		Change	
		% of Total		% of Total		% Change
<b>Building Construction</b>						
Domestic Public	121,322	5.1	121,045	5.1	(277)	(0.2)
Domestic Private	1,609,020	67.7	1,569,891	65.5	(39,128)	(2.4)
Domestic Total	1,730,343	72.8	1,690,937	70.6	(39,405)	(2.3)
Overseas	18,048	0.8	15,794	0.7	(2,254)	(12.5)
<b>Subtotal</b>	<b>1,748,392</b>	<b>73.6</b>	<b>1,706,732</b>	<b>71.3</b>	<b>(41,660)</b>	<b>(2.4)</b>
<b>Civil Engineering</b>						
Domestic Public	340,208	14.3	397,789	16.6	57,581	16.9
Domestic Private	210,080	8.8	193,986	8.1	(16,094)	(7.7)
Domestic Total	550,289	23.1	591,775	24.7	41,486	7.5
Overseas	77,567	3.3	97,089	4.0	19,522	25.2
<b>Subtotal</b>	<b>627,856</b>	<b>26.4</b>	<b>688,865</b>	<b>28.7</b>	<b>61,009</b>	<b>9.7</b>
<b>Construction Total</b>						
Domestic Public	461,530	19.4	518,834	21.7	57,303	12.4
Domestic Private	1,819,101	76.5	1,763,878	73.6	(55,222)	(3.0)
Domestic Total	2,280,632	95.9	2,282,713	95.3	2,080	0.1
Overseas	95,616	4.1	112,884	4.7	17,268	18.1
<b>Subtotal</b>	<b>2,376,248</b>	<b>100</b>	<b>2,395,597</b>	<b>100.0</b>	<b>19,349</b>	<b>0.8</b>
Real Estate Business and Other	—	—	4	0.0	4	—
<b>Total</b>	<b>2,376,248</b>	<b>100</b>	<b>2,395,601</b>	<b>100</b>	<b>19,353</b>	<b>0.8</b>

## 7 Main Projects

### (1) Orders Received

Client	Project Name
Mitsui Fudosan Residential Co., Ltd.	Sasazuka Station South Exit East District Development Project
Japan Racing Association	Hanshin Racecourse Stand Refreshment Project (Second Term)
West Nippon Expressway Company Limited Keihan Real Estate Co., Ltd.	Maizuru-Wakasa Expressway Mikunidake Tunnel Construction Project
University of California, San Francisco	UCSF Health Helen Diller Hospital (U.S.A.)*

\* Undertaken by WEBCOR (Subsidiary of Obayashi USA)

### (2) Completed Projects

Client	Project Name
(Tentative name) Minato Mirai 21 Central District 53 Block Development JV	YOKOHAMA SYMPHOSTAGE Construction Project
Kyushu Railway Company	JR Nagasaki Station Building Construction Project
Japan Post Real Estate Co., Ltd.	GOTANDA JP BUILDING Construction Project
Toyo University	Toyo University Asaka Campus Construction Project
Dohoku Fuyoku LLC	Kawanishi Wind Farm Construction Project
FARGLORY DOME CO., LTD.	Taipei Dome New Construction (Taiwan)*

\* Undertaken by TAIWAN OBAYASHI and OBAYASHI Joint Venture

### (3) Projects in Process

Client	Project Name
East Japan Railway Company	TAKANAWA GATEWAY CITY THE LINKPILLAR 1 NORTH/SOUTH THE LINKPILLAR 2
Kansai Airports	Kansai International Airport (KIX) Terminal 1 (T1) Renovation Project
Mitsubishi Estate Co., Ltd. Osaka Gas Urban Development Co., Ltd. ORIX Real Estate Corporation Kanden Realty & Development Co., Ltd. Sekisui House, Ltd. Takenaka Corporation Hankyu Corporation Umekita Development SPC	(Tentative name) Umekita 2nd Project Development, Construction of South Block Lease Building and North Block Lease Building
Yodoyabashi Station West Area Category 1 Urban Redevelopment	Yodoyabashi Station West Area Category 1 Urban Redevelopment
Land Transport Authority (LTA)	Contract CR202 Design and Construction of Bored Tunnel between Fairways Drive and Sin Ming Walk and Associated Works (Singapore)
San Francisco Public Utilities Commission (SFPUC)	Southeast Water Pollution Control Plant Biosolids Digester Facilities Project (U.S.A.)*

\* Undertaken by WEBCOR (Subsidiary of Obayashi USA)



## 8 Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2023	March 31, 2024	Change
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits	419,405	<b>339,188</b>	(80,216)
Notes and accounts receivable from completed construction contracts and other	832,939	<b>1,036,514</b>	203,575
Electronically recorded monetary claims	21,189	<b>40,717</b>	19,528
Short-term investment securities	7,285	<b>8,430</b>	1,144
Real estate for sale	15,874	<b>15,236</b>	(638)
Costs on uncompleted construction contracts	35,428	<b>40,121</b>	4,692
Costs on real estate business	30,405	<b>35,530</b>	5,124
Inventories for PFI and other projects	6,610	<b>4,847</b>	(1,762)
Other inventories	12,120	<b>15,788</b>	3,667
Accounts receivable	98,866	<b>127,323</b>	28,456
Other	25,572	<b>32,709</b>	7,136
Allowance for doubtful accounts	(147)	<b>(7,270)</b>	(7,123)
<b>Total current assets</b>	<b>1,505,551</b>	<b>1,689,137</b>	<b>183,585</b>
<b>Noncurrent assets</b>			
<b>Property, plant and equipment</b>			
Buildings and structures	142,968	<b>191,208</b>	48,239
Machinery, vehicles, tools, furniture and fixtures	79,252	<b>80,155</b>	903
Land	408,031	<b>413,163</b>	5,131
Lease assets	4,823	<b>5,175</b>	352
Construction in progress	57,470	<b>46,212</b>	(11,257)
<b>Total property, plant and equipment</b>	<b>692,545</b>	<b>735,914</b>	<b>43,369</b>
Intangible assets	17,932	<b>36,465</b>	18,533
<b>Investments and other assets</b>			
Investment securities	306,570	<b>422,583</b>	116,012
Long-term loans receivable	1,312	<b>2,637</b>	1,324
Deferred tax assets	5,137	<b>3,256</b>	(1,881)
Assets for retirement benefits	2,900	<b>7,482</b>	4,582
Other	78,148	<b>119,721</b>	41,572
Allowance for doubtful accounts	(170)	<b>(152)</b>	17
<b>Total investments and other assets</b>	<b>393,899</b>	<b>555,529</b>	<b>161,629</b>
<b>Total noncurrent assets</b>	<b>1,104,377</b>	<b>1,327,910</b>	<b>223,532</b>
<b>Total assets</b>	<b>2,609,929</b>	<b>3,017,047</b>	<b>407,118</b>

(Yen in millions)

	March 31, 2023	March 31, 2024	Change
<b>Assets</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Notes and accounts payable for construction contracts and other	526,734	<b>676,252</b>	149,517
Electronically recorded obligations	145,520	<b>144,615</b>	(905)
Short-term loans payable	67,170	<b>68,142</b>	971
Current portion of nonrecourse loans	8,611	<b>8,252</b>	(359)
Current portion of bonds	20,000	<b>10,000</b>	(10,000)
Lease obligations	1,425	<b>2,105</b>	679
Income taxes payable	22,375	<b>10,398</b>	(11,976)
Advances received on uncompleted construction contracts	132,979	<b>191,909</b>	58,930
Deposits received	158,487	<b>202,026</b>	43,538
Provision for warranties for completed construction	3,004	<b>3,155</b>	151
Provision for loss on construction contracts	43,205	<b>33,149</b>	(10,055)
Other	96,919	<b>83,510</b>	(13,409)
<b>Total current liabilities</b>	<b>1,226,434</b>	<b>1,433,517</b>	<b>207,082</b>
<b>Noncurrent liabilities</b>			
Bonds payable	50,000	<b>40,107</b>	(9,893)
Long-term loans payable	124,051	<b>131,507</b>	7,455
Nonrecourse loans	68,087	<b>65,875</b>	(2,211)
Lease obligations	5,018	<b>6,915</b>	1,897
Deferred tax liabilities	4,053	<b>47,051</b>	42,998
Deferred tax liabilities for land revaluation	18,421	<b>17,931</b>	(489)
Provision for stock payments for directors	599	<b>625</b>	26
Provision for environmental measures	23	<b>23</b>	—
Liability for retirement benefits	51,835	<b>51,914</b>	79
Other	25,522	<b>26,765</b>	1,243
<b>Total noncurrent liabilities</b>	<b>347,613</b>	<b>388,719</b>	<b>41,106</b>
<b>Total liabilities</b>	<b>1,574,048</b>	<b>1,822,236</b>	<b>248,188</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Capital stock	57,752	<b>57,752</b>	—
Capital surplus	41,962	<b>42,002</b>	39
Retained earnings	728,087	<b>773,841</b>	45,754
Treasury stock	(2,754)	<b>(2,711)</b>	43
<b>Total shareholders' equity</b>	<b>825,047</b>	<b>870,884</b>	<b>45,836</b>
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities	118,057	<b>205,623</b>	87,566
Deferred gains (losses) on hedges	10,130	<b>15,341</b>	5,211
Revaluation reserve for land	23,627	<b>22,777</b>	(850)
Foreign currency translation adjustments	18,437	<b>32,304</b>	13,866
Retirement benefit asset and liability adjustments	1,808	<b>4,698</b>	2,890
<b>Total accumulated other comprehensive income</b>	<b>172,061</b>	<b>280,745</b>	<b>108,684</b>
<b>Non-controlling interests</b>	<b>38,772</b>	<b>43,180</b>	<b>4,408</b>
<b>Total net assets</b>	<b>1,035,881</b>	<b>1,194,810</b>	<b>158,929</b>
<b>Total liabilities and net assets</b>	<b>2,609,929</b>	<b>3,017,047</b>	<b>407,118</b>
<b>(Reference)</b>			
Interest-bearing debt balances	337,921	<b>323,884</b>	(14,036)

## (2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024	Change
<b>Net sales</b>			
Net sales of completed construction contracts	1,847,688	<b>2,206,764</b>	359,076
Net sales of real estate business and other	136,200	<b>118,398</b>	(17,801)
<b>Total net sales</b>	<b>1,983,888</b>	<b>2,325,162</b>	<b>341,274</b>
<b>Cost of sales</b>			
Cost of sales on completed construction contracts	1,669,814	<b>2,017,917</b>	348,103
Cost of sales on real estate business and other	97,504	<b>87,643</b>	(9,860)
<b>Total cost of sales</b>	<b>1,767,318</b>	<b>2,105,560</b>	<b>338,242</b>
<b>Gross profit</b>			
Gross profit on completed construction contracts	177,873	<b>188,846</b>	10,972
Gross profit on real estate business and other	38,695	<b>30,755</b>	(7,940)
<b>Total gross profit</b>	<b>216,569</b>	<b>219,602</b>	<b>3,032</b>
Selling, general and administrative expenses	122,769	<b>140,220</b>	17,451
<b>Operating income</b>	<b>93,800</b>	<b>79,381</b>	<b>(14,418)</b>
<b>Non-operating income</b>			
Interest income	1,125	<b>3,136</b>	2,010
Dividends income	7,377	<b>7,969</b>	591
Foreign exchange gains	1,849	<b>3,439</b>	1,589
Other	1,031	<b>2,148</b>	1,116
<b>Total non-operating income</b>	<b>11,384</b>	<b>16,693</b>	<b>5,308</b>
<b>Non-operating expenses</b>			
Interest expenses	2,485	<b>3,530</b>	1,045
Other	1,897	<b>1,028</b>	(868)
<b>Total non-operating expenses</b>	<b>4,382</b>	<b>4,559</b>	<b>176</b>
<b>Ordinary income</b>	<b>100,802</b>	<b>91,515</b>	<b>(9,286)</b>
<b>Extraordinary income</b>			
Gain on sales of investment securities	14,388	<b>23,874</b>	9,486
Other	247	<b>257</b>	10
<b>Total extraordinary income</b>	<b>14,636</b>	<b>24,132</b>	<b>9,496</b>
<b>Extraordinary loss</b>			
Impairment loss	287	<b>4,832</b>	4,544
Loss on retirement of noncurrent assets	229	<b>1,213</b>	984
Loss on valuation of other investments	—	<b>1,064</b>	1,064
Loss on valuation of investment securities	784	<b>1,042</b>	257
Other	429	<b>388</b>	(41)
<b>Total extraordinary losses</b>	<b>1,732</b>	<b>8,541</b>	<b>6,809</b>
Profit before income taxes	113,706	<b>107,106</b>	(6,600)
Income taxes-current	35,533	<b>27,656</b>	(7,877)
Income taxes-deferred	(1,685)	<b>2,270</b>	3,956
<b>Total income taxes</b>	<b>33,848</b>	<b>29,926</b>	<b>(3,921)</b>
Profit	79,858	<b>77,179</b>	(2,679)
Profit attributable to non-controlling interests	2,187	<b>2,119</b>	(67)
<b>Profit attributable to owners of parent</b>	<b>77,671</b>	<b>75,059</b>	<b>(2,611)</b>

### (3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024
Profit	79,858	77,179
Other comprehensive income		
Valuation difference on available-for-sale securities	(18,167)	87,537
Deferred gains (losses) on hedges	1,217	5,110
Foreign currency translation adjustment	12,093	16,879
Retirement benefit adjustment	(1,078)	2,889
Share of other comprehensive income of associates accounted for using equity method	320	160
<b>Total other comprehensive income</b>	<b>(5,614)</b>	<b>112,577</b>
<b>Comprehensive income</b>	<b>74,244</b>	<b>189,756</b>
Comprehensive income attributable to owners of parent	68,610	184,593
Comprehensive income attributable to non-controlling interests	5,633	5,162

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

(Yen in millions)

	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024	Change
Net cash provided by (used in) operating activities			
Income before income taxes	113,706	107,106	(6,600)
Depreciation and amortization	23,941	27,117	3,176
Impairment loss	287	4,832	4,544
Increase (decrease) in allowance for doubtful accounts	(24)	7,103	7,128
Increase (decrease) in provision for loss on construction contracts	(9,976)	(10,200)	(223)
Increase (decrease) in liability for retirement benefits	2,185	496	(1,688)
Loss (gain) on valuation of short-term and long term investment securities	784	1,042	257
Interest and dividends income	(8,503)	(11,105)	(2,602)
Interest expenses	2,485	3,530	1,045
Loss (gain) on sales of short-term and long term investment securities	(14,185)	(24,026)	(9,841)
Loss on valuation of other investments	—	1,064	1,064
Decrease (increase) in notes and accounts receivable—trade	74,694	(193,800)	(268,494)
Decrease (increase) in costs on uncompleted construction contracts	8,411	(2,578)	(10,989)
Decrease (increase) in inventories	14,120	2,503	(11,616)
Decrease (increase) in inventories for PFI and other projects	3,517	1,762	(1,754)
Decrease (increase) in other assets	(19,920)	(32,829)	(12,909)
Increase (decrease) in notes and accounts payable—trade	29,257	125,767	96,510
Increase (decrease) in advances received on uncompleted construction contracts	(7,692)	47,242	54,935
Increase (decrease) in other liabilities	34,904	27,663	(7,240)
Other, net	(1,408)	(545)	862
Subtotal	246,583	82,145	(164,437)
Interest and dividends income received	8,676	11,045	2,368
Interest expenses	(2,438)	(3,634)	(1,195)
Income taxes (paid) refund	(24,365)	(39,157)	(14,792)
Net cash provided by (used in) operating activities	228,456	50,399	(178,056)
Net cash provided by (used in) investing activities			
Payments into time deposits	(11,369)	(17,622)	(6,253)
Proceeds from withdrawal of time deposits	14,996	19,837	4,840
Purchase of property, plant and equipment and intangible assets	(96,589)	(78,391)	18,197
Proceeds from sales of property, plant and equipment and intangible assets	839	1,224	384
Purchase of short-term and long term investment securities	(7,511)	(7,006)	505
Proceeds from sales and redemption of short-term and long term investment securities	26,644	40,026	13,381
Payments of loans receivable	(363)	(289)	74
Collection of loans receivable	36	30	(5)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,350)	(14,452)	(10,102)
Other, net	(23,943)	(27,826)	(3,883)
Net cash provided by (used in) investing activities	(101,610)	(84,471)	17,139
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	701	5,843	5,141
Repayments of lease obligations	(392)	(518)	(125)
Proceeds from long-term loans payable	47,660	20,682	(26,977)
Repayment of long-term loans payable	(19,626)	(20,756)	(1,129)
Proceeds from nonrecourse loans payable	7,938	5,140	(2,798)
Payment of nonrecourse loans payable	(14,299)	(10,580)	3,718
Proceeds from issuance of bonds	30,000	—	(30,000)
Redemption of bonds	—	(20,000)	(20,000)
Purchase of treasury shares	(3)	(110)	(107)
Cash dividends paid	(26,567)	(30,155)	(3,588)
Cash dividends paid to non-controlling interests	(2,131)	(1,460)	671
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,160)	(5)	1,154
Net cash provided by (used in) financing activities	22,118	(51,922)	(74,040)
Effect of exchange rate change on cash and cash equivalents	7,351	7,048	(303)
Net increase (decrease) in cash and cash equivalents	156,316	(78,945)	(235,261)
Cash and cash equivalents at beginning of period	249,317	405,633	156,316
Cash and cash equivalents at end of period	405,633	326,688	(78,945)

## (5) Consolidated Segment Information

### Reportable Segment Information (Net Sales and Income) FY2022 (April 1, 2022 – March 31, 2023)

(Yen in millions)

	Reporting segment						Others *1	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Real Estate	Subtotal		
<b>Net sales</b>								
Sales to third parties	1,056,407	343,894	343,464	103,921	83,875	1,931,564	52,324	1,983,888
Intersegment sales and transfers	39,452	84	16,195	—	1,175	56,908	10,220	67,129
Segment sales	1,095,860	343,979	359,660	103,921	85,051	1,988,472	62,545	2,051,017
<b>Operating income</b>								
Operating income from sales to third parties *2	34,326	5,179	21,744	3,451	26,928	91,630	2,170	93,800
Intersegment operating income and transfers	1,748	(187)	(97)	—	(56)	1,407	(32)	1,375
Segment income	36,075	4,992	21,646	3,451	26,871	93,037	2,138	95,175

\*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 Assets are not allocated to reportable segments.

### Reportable Segment Information (Net Sales and Income) FY2023 (April 1, 2023 – March 31, 2024)

(Yen in millions)

	Reporting segment						Others *1	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Real Estate	Subtotal		
<b>Net sales</b>								
Sales to third parties	1,264,181	457,818	369,367	115,396	66,888	2,273,653	51,509	2,325,162
Intersegment sales and transfers	37,001	83	15,465	—	900	53,449	11,151	64,601
Segment sales	1,301,182	457,901	384,832	115,396	67,789	2,327,102	62,661	2,389,764
<b>Operating income and loss</b>								
Operating income and loss from sales to third parties *2	24,204	12,942	26,389	(3,782)	18,277	78,032	1,349	79,381
Intersegment operating income and transfers	2,658	(182)	(163)	—	(1,017)	1,294	(31)	1,262
Segment income and loss	26,863	12,759	26,226	(3,782)	17,260	79,326	1,317	80,644

\*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 and loss from sales to third parties" was computed by subtracting "Intersegment operating income and transfers" from "Segment income and loss."

The total "Operating income and loss from sales to third parties" equals to "Operating income" as shown in the consolidated statements of income.

3 Assets are not allocated to reportable segments.

## **(6) Notes on the Consolidated Financial Statements**

### **Change of Presentation Method:**

#### **Notes to Consolidated Statements of Income**

“Loss on sales of investment securities” and “Loss on sales of noncurrent assets”, which were separately presented under extraordinary loss in the previous consolidated fiscal year, are included in “Other” in the current consolidated fiscal year due to their decreased monetary importance. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, ¥203 million presented as “Loss on sales of investment securities” and ¥193 million of “Loss on sales of noncurrent assets” under extraordinary loss in the consolidated statement of income for the previous fiscal year has been reclassified as “Other”.

#### **Notes to Consolidated Statements of Cash Flows**

“Loss (gain) on sales of noncurrent assets” which were separately presented under cash flows from operating activities in the previous consolidated fiscal year, are included in “Other” in the current consolidated fiscal year due to their decreased monetary importance. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, ¥41 million of “Loss (gain) on sales of noncurrent assets” under cash flows from operating activities in the consolidated statements of cash flows for the previous fiscal year has been reclassified as “Other”.

## 9 Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2023	March 31, 2024	Change
<b>Assets</b>			
Current assets			
Cash and deposits	272,172	173,279	(98,893)
Notes receivable—trade	7,117	3,024	(4,093)
Electronically recorded monetary claims	18,176	37,442	19,265
Accounts receivable from completed construction contracts	602,057	753,643	151,585
Accounts receivable—real estate business and other	5,315	5,270	(45)
Short-term investment securities	69	15	(53)
Real estate for sale	2,936	2,216	(720)
Costs on uncompleted construction contracts	31,667	34,300	2,633
Costs on real estate business and other	2,755	4,198	1,443
Short-term loans receivable	66,644	55,024	(11,620)
Accounts receivable—other	89,008	116,229	27,221
Other	21,076	53,964	32,888
Allowance for doubtful accounts	(75)	(92)	(17)
<b>Total current assets</b>	<b>1,118,922</b>	<b>1,238,517</b>	<b>119,595</b>
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	58,892	71,950	13,058
Machinery, equipment and vehicles	8,330	15,125	6,794
Tools, furniture and fixtures	3,679	3,592	(87)
Land	174,430	175,677	1,247
Leased assets	13	6	(6)
Construction in progress	21,323	12,108	(9,214)
<b>Total property, plant and equipment</b>	<b>266,671</b>	<b>278,462</b>	<b>11,791</b>
Intangible assets	7,384	8,325	941
Investments and other assets			
Investment securities	291,510	407,382	115,872
Shares and investments in capital of subsidiaries and affiliates	202,912	246,990	44,078
Long-term loans receivable	46,430	35,300	(11,129)
Claims provable in bankruptcy, claims provable in rehabilitation and other	650	620	(30)
Prepaid pensions cost	370	1,318	947
Other	9,432	9,099	(332)
Allowance for doubtful accounts	(1,185)	(696)	489
<b>Total investments and other assets</b>	<b>550,120</b>	<b>700,016</b>	<b>149,895</b>
<b>Total noncurrent assets</b>	<b>824,175</b>	<b>986,804</b>	<b>162,628</b>
<b>Total assets</b>	<b>1,943,098</b>	<b>2,225,321</b>	<b>282,223</b>



(Yen in millions)

	March 31, 2023	March 31, 2024	Change
<b>Liabilities</b>			
Current liabilities			
Notes payable—trade	10,265	7,552	(2,712)
Electronically recorded obligations	144,248	145,335	1,086
Accounts payable for construction contracts	388,976	504,725	115,748
Accounts payable—real estate and other	1,496	1,808	312
Short-term loans payable	44,199	39,449	(4,750)
Current portion of bonds	20,000	10,000	(10,000)
Lease obligations	7	5	(1)
Accounts payable	20,007	4,195	(15,811)
Accrued expenses	17,066	17,819	752
Income taxes payable	18,466	4,792	(13,673)
Advances received on uncompleted construction contracts	95,994	130,298	34,303
Deposit received—real estate and other	2,529	2,486	(42)
Deposits received	148,512	186,910	38,398
Provision for warranties for completed construction	2,453	2,824	371
Provision for loss on construction contracts	43,154	32,932	(10,222)
Deposits received from employees	27,205	26,379	(825)
Other	1,230	1,393	162
<b>Total current liabilities</b>	<b>985,813</b>	<b>1,118,909</b>	<b>133,095</b>
Noncurrent liabilities			
Bonds payable	50,000	40,000	(10,000)
Long-term loans payable	80,432	88,373	7,941
Lease obligations	7	1	(5)
Deferred tax liabilities	194	41,980	41,785
Deferred tax liabilities for land revaluation	15,030	14,592	(438)
Provision for retirement benefits	43,580	43,954	373
Provision for stock payments for directors	599	625	26
Provision for loss on business of subsidiaries and affiliates	3,418	5,204	1,785
Other	5,282	5,450	168
<b>Total noncurrent liabilities</b>	<b>198,545</b>	<b>240,181</b>	<b>41,636</b>
<b>Total liabilities</b>	<b>1,184,358</b>	<b>1,359,090</b>	<b>174,731</b>
<b>Net assets</b>			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus			
Legal capital surplus	41,694	41,694	—
<b>Total capital surpluses</b>	<b>41,694</b>	<b>41,694</b>	<b>—</b>
Retained earnings			
Legal retained earnings	14,438	14,438	—
Other retained earnings			
Reserve for advanced depreciation of noncurrent assets	2,328	2,287	(40)
General reserve	435,000	460,000	25,000
Retained earnings brought forward	74,105	69,557	(4,547)
<b>Total retained earnings</b>	<b>525,871</b>	<b>546,283</b>	<b>20,411</b>
Treasury stock	(2,754)	(2,711)	43
<b>Total shareholders' equity</b>	<b>622,563</b>	<b>643,018</b>	<b>20,454</b>
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	117,796	205,396	87,599
Deferred gains (losses) on hedges	0	355	355
Revaluation reserve for land	18,377	17,460	(917)
<b>Total valuation and translation adjustments</b>	<b>136,175</b>	<b>223,212</b>	<b>87,037</b>
<b>Total net assets</b>	<b>758,739</b>	<b>866,231</b>	<b>107,491</b>
<b>Total liabilities and net assets</b>	<b>1,943,098</b>	<b>2,225,321</b>	<b>282,223</b>
<b>(Reference)</b>			
Interest-bearing debt balances	194,631	177,822	(16,809)

## (2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2022 - March 31, 2023	April 1, 2023 - March 31, 2024	Change
<b>Net sales</b>			
Net sales of completed construction contracts	1,348,115	<b>1,555,844</b>	207,729
Net sales of real estate business and other	38,913	<b>26,354</b>	(12,558)
<b>Total net sales</b>	<b>1,387,028</b>	<b>1,582,199</b>	<b>195,170</b>
<b>Cost of sales</b>			
Cost of sales on completed construction contracts	1,215,007	<b>1,428,937</b>	213,929
Cost of sales on real estate business and other	25,544	<b>21,155</b>	(4,389)
<b>Total cost of sales</b>	<b>1,240,552</b>	<b>1,450,092</b>	<b>209,539</b>
<b>Gross profit</b>			
Gross profit on completed construction contracts	133,107	<b>126,907</b>	(6,199)
Gross profit on real estate business and other	13,368	<b>5,199</b>	(8,169)
<b>Total gross profit</b>	<b>146,476</b>	<b>132,107</b>	<b>(14,368)</b>
Selling, general and administrative expenses	86,530	<b>88,783</b>	2,253
<b>Operating income</b>	<b>59,945</b>	<b>43,323</b>	<b>(16,621)</b>
<b>Non-operating income</b>			
Interest and dividend income	12,404	<b>10,523</b>	(1,880)
Foreign exchange gains	733	<b>2,592</b>	1,859
Other	647	<b>800</b>	153
<b>Total non-operating income</b>	<b>13,784</b>	<b>13,916</b>	<b>132</b>
<b>Non-operating expenses</b>			
Interest expenses	938	<b>883</b>	(55)
Provision of allowance for doubtful accounts	42	<b>5</b>	(36)
Bad debts expenses	10	<b>—</b>	(10)
Other	1,560	<b>951</b>	(609)
<b>Total non-operating expenses</b>	<b>2,551</b>	<b>1,840</b>	<b>(711)</b>
<b>Ordinary income</b>	<b>71,178</b>	<b>55,400</b>	<b>(15,778)</b>
<b>Extraordinary income</b>			
Gain on sales of investment securities	14,040	<b>23,415</b>	9,375
Other	4	<b>1,902</b>	1,897
<b>Total extraordinary income</b>	<b>14,045</b>	<b>25,318</b>	<b>11,273</b>
<b>Extraordinary loss</b>			
Loss on business of subsidiaries and affiliates	451	<b>5,514</b>	5,062
Impairment loss	29	<b>3,486</b>	3,457
Other	599	<b>2,483</b>	1,883
<b>Total extraordinary losses</b>	<b>1,081</b>	<b>11,484</b>	<b>10,403</b>
<b>Profit before income taxes</b>	<b>84,142</b>	<b>69,235</b>	<b>(14,907)</b>
Income taxes-current	24,851	<b>16,836</b>	(8,014)
Income taxes-deferred	(3,266)	<b>2,748</b>	6,015
<b>Total income taxes</b>	<b>21,584</b>	<b>19,585</b>	<b>(1,999)</b>
<b>Profit</b>	<b>62,558</b>	<b>49,650</b>	<b>(12,908)</b>