

1st Quarter Financial Results

(April 1, 2022 to June 30, 2022)

August 10, 2022



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Disclaimer: This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on August 10, 2022. 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 for the Three Months Ended June 30, 2022

① Consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
Three Months Ended June 30, 2022	410,331	(6.0)	8,434	(41.7)	12,992	(26.4)	11,279	(8.2)
Three Months Ended June 30, 2021	436,414	5.1	14,478	(26.6)	17,648	(21.3)	12,293	(46.0)

(Note) Comprehensive income : [Three Months Ended June 30, 2022] 23,358 million yen, 21.9% ; [Three Months Ended June 30, 2021] 19,166 million yen, (26.4%)

	Profit attributable to owners of parent per Share (EPS)
	Yen
Three Months Ended June 30, 2022	15.73
Three Months Ended June 30, 2021	17.13

② Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share (BPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	%
As of June 30, 2022	2,470,878		1,000,051		39.1		1,346.19	
As of March 31, 2022	2,422,085		988,913		39.5		1,333.10	

(For reference) Equity (net assets less non-controlling interests) : [As of June 30, 2022] 965,074 million yen ; [As of March 31, 2022] 955,691 million yen

(2) Consolidated Forecast for Fiscal Year Ending March 31, 2023

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Profit attributable to owners of parent per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	%
Full Year	2,050,000	6.6	100,000	143.6	104,000	108.6	76,000	94.2	106.01	

※ There have been no revisions to the forecasts previously announced on May 12, 2022

(3) Non-consolidated Financial Results for the Three Months Ended June 30, 2022

① Non-consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	%
Three Months Ended June 30, 2022	295,089	(6.3)	3,960	(45.9)	9,965	(16.9)	10,231	12.7	14.27	
Three Months Ended June 30, 2021	314,783	15.0	7,314	(41.1)	11,988	(34.9)	9,076	(51.6)	12.65	

② Non-consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share (BPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	%
As of June 30, 2022	1,864,538		741,005		39.7		1,033.63	
As of March 31, 2022	1,844,400		740,713		40.2		1,033.22	

(Reference) Equity (net assets less non-controlling interests) : [As of June 30, 2022] 741,005 million yen ; [As of March 31, 2022] 740,713 million yen

(4) Non-consolidated Forecast for Fiscal Year Ending March 31, 2023

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	%
Full Year	1,417,000	3.1	65,000	-	74,000	278.3	57,500	205.1	80.21	

※ There have been no revisions to the forecasts previously announced on May 12, 2022

(5) Dividends

	Dividend per Share					Total dividends paid (full year)	Dividend Payout Ratio (Consolidated)	Dividends-Net Assets Ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
FY ended Mar. 31, 2022	—	Yen 16.00	—	Yen 16.00	Yen 32.00	22,977	58.7	2.4
FY ending Mar. 31, 2023 (including Forecast)	—	21.00	—	21.00	42.00		39.6	

※ There have been no revisions to the forecasts previously announced on May 12, 2022

2 Qualitative Information

(1) Overview of consolidated business results

Consolidated net sales for the first three months of the fiscal year under review (from April 1 to June 30, 2022) were 413.0 billion yen, a decrease of 26 billion yen (6.0%) from the first quarter of the previous fiscal year. This was primarily due to a drop in net sales in the building construction business despite an increase in net sales in the civil engineering and real estate businesses. Meanwhile, gross profit on completed construction contracts declined, among other things, mainly due to a decrease in construction profit margins with a decline in net sales and the progress in unprofitable projects for which provision for loss on construction contracts was posted in the previous fiscal year in the domestic building construction business. As a result, operating income came to 8.4 billion yen, a decrease of 6.0 billion yen (41.7%) from the same period in the previous fiscal year, ordinary income to 12.9 billion yen, a decrease of 4.6 billion yen (26.4%), and profit attributable to owners of parent to 11.2 billion yen, a decrease of 1.0 billion yen (8.2%).

(2) Overview of consolidated financial position

Total assets as of June 30, 2022 increased by 48.7 billion yen (2.0%) compared with the balance at the end of the previous fiscal year (March 31, 2022) to 2,470.8 billion yen. This was mainly due to increases in “Cash and deposits” and property, plant and equipment including “Land” particularly as a result of the acquisition of commercial real estate, while trade receivables related to construction contracts (total of “Notes and accounts receivable from completed construction contracts and other” and “Electronically recorded monetary claims”) declined.

Total liabilities as of June 30, 2022 increased by 37.6 billion yen (2.6%) compared with the balance at the end of the previous fiscal year to 1,470.8 billion yen. This was mainly attributable to an increase in interest-bearing debt including “Bonds payable” and “Long-term loans payable,” while trade payables related to construction costs (total of “Notes and accounts payable for construction contracts and other” and “Electronically recorded obligations”) declined. The balance of interest-bearing debt increased by 79.9 billion yen (28.5%) compared with the balance at the end of the previous fiscal year to 360.4 billion yen.

Total net assets as of June 30, 2022 increased by 11.1 billion yen (1.1%) compared with the balance at the end of the previous fiscal year to 1000.0 billion yen. This was mainly due to increases in “Deferred gains (losses) on hedges” and “Foreign currency translation adjustments” resulting from the depreciation of the yen.

As a result, the equity ratio as of June 30, 2022 was 39.1%, down 0.4 percentage points from the end of the previous fiscal year.

(3) Consolidate forecasts for fiscal year ending March 31, 2023

Consolidated forecasts for the full year (fiscal year ending March 31, 2023) have not been revised from those announced when financial results were announced on May 12, 2022.

(4) Reduction of cross-shareholdings

The Company holds shares in its business partners for the purpose of maintaining and strengthening the business relationship with customers (hereinafter referred to as “cross-shareholdings”). In terms of the significance of holding them, it reports the loss or gain on valuation of securities to the Board of Directors on a regular basis, and verifies the medium- to long-term economic rationality by comprehensively taking into consideration profitability evaluation criteria such as capital cost and business return from maintaining and strengthening the business relationship. Shares that have been found, upon verification, to have weakened in terms of the significance of holding for business purposes are sold by the Company.

In the Medium-Term Business Plan 2022, the Company took further forward the review of the significance of having cross-shareholdings and investment efficiency and decided to sell approximately 150.0 billion yen worth of shares in total starting in the fiscal year ended March 31, 2022, capping its limit to 20% of consolidated net assets as early as possible by the end of March 2027 (Shares in listed and unlisted companies sold in the fiscal year ended March 31, 2022: 16.9

billion yen on a consolidated market value basis).

The Company, in order to make use of the proceedings from the sale of cross-shareholdings to improve its corporate value, plans to effectively utilize them for investment in fields that contribute to its continuous growth, also taking into consideration the medium- to long-term growth potential in addition to investment aimed at acquiring stable investment income.

3 Financial Highlights

(1) Financial Results for the Three Months Ended June 30, 2022 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2021 June 30, 2021	Results April 1, 2022 June 30, 2022	Change	% Change		Results April 1, 2021 June 30, 2021	Results April 1, 2022 June 30, 2022	Change	% Change			
Net sales of completed construction contracts	%	4,136	%	3,868	(267)	(6.5)	%	3,107	%	2,910	(196)	(6.3)
Building Construction		—		—	—	—		2,458		2,222	(236)	(9.6)
Civil Engineering		—		—	—	—		648		688	39	6.1
Gross profit on completed construction contracts	8.5	350	8.1	312	(37)	(10.7)	8.3	256	8.0	233	(22)	(8.9)
Building Construction		—		—	—	—	8.0	197	5.9	132	(65)	(33.1)
Civil Engineering		—		—	—	—	9.1	58	14.7	101	42	71.8
Net sales of real estate business and other		227		234	6	3.1		40		40	(0)	(0.2)
Gross profit on real estate business and other	27.8	63	26.4	61	(1)	(2.1)	23.6	9	28.3	11	1	19.7
Net sales		4,364		4,103	(260)	(6.0)		3,147		2,950	(196)	(6.3)
Gross profit	9.5	413	9.1	374	(39)	(9.4)	8.5	266	8.3	245	(21)	(7.9)
Selling, general and administrative expenses	6.2	269	7.0	290	21	8.0	6.2	192	7.0	205	12	6.5
(Personnel expenses)		145		154	9			95		101	5	
(Others)		123		135	12			97		103	6	
Operating Income	3.3	144	2.1	84	(60)	(41.7)	2.3	73	1.3	39	(33)	(45.9)
Non-operating income		37		53	16	43.2		49		64	14	29.1
Non-operating expenses		5		7	2	39.4		3		4	1	38.7
Ordinary income	4.0	176	3.2	129	(46)	(26.4)	3.8	119	3.4	99	(20)	(16.9)
Extraordinary income		1		33	32	—		0		33	32	—
Extraordinary loss		4		4	(0)	(2.5)		4		2	(1)	(33.9)
Income before income taxes	4.0	172	3.9	158	(13)	(8.0)	3.7	116	4.4	129	13	11.9
Total income taxes		46		42	(3)	(8.0)		25		27	2	9.1
Profit		126		116	(10)	(8.1)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		3		3	(0)	(1.2)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	2.8	122	2.7	112	(10)	(8.2)	2.9	90	3.5	102	11	12.7

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated			
	Results April 1, 2021 June 30, 2021	Results April 1, 2022 June 30, 2022	Change	% Change		Results April 1, 2021 June 30, 2021	Results April 1, 2022 June 30, 2022	Change	% Change
Building Construction	3,112	2,949	(163)	(5.2)		2,113	2,069	(43)	(2.1)
Domestic	2,225	1,936	(288)	(13.0)		2,110	1,876	(234)	(11.1)
Overseas	887	1,012	125	14.2		2	193	190	—
Civil Engineering	1,350	824	(525)	(38.9)		1,002	443	(559)	(55.8)
Domestic	1,259	575	(684)	(54.3)		1,001	426	(574)	(57.4)
Overseas	90	248	158	175.0		1	16	14	829.7
Construction Total	4,463	3,774	(688)	(15.4)		3,116	2,513	(603)	(19.4)
Domestic	3,485	2,512	(973)	(27.9)		3,111	2,302	(809)	(26.0)
Overseas	977	1,261	284	29.1		4	210	205	—
Real Estate Business and Other	173	138	(35)	(20.2)		40	40	(0)	(0.1)
Total Orders received	4,637	3,913	(724)	(15.6)		3,157	2,553	(603)	(19.1)

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	March 31, 2022	June 30, 2022	Change	% Change	March 31, 2022	June 30, 2022	Change	% Change
Interest-bearing debt (except nonrecourse loans)	1,973	2,782	808	41.0	1,551	2,129	578	37.3
Nonrecourse loans	830	821	(9)	(1.1)	—	—	—	—
Total Interest-bearing debt	2,804	3,604	799	28.5	1,551	2,129	578	37.3

(2) Financial Results for the Three Months Ended June 30, 2021 (Progress toward Full-Year Forecasts)

(Yen in 100 millions)

	Consolidated				Non-consolidated					
	Results April 1, 2022 June 30, 2022	Forecasts April 1, 2022 - March 31, 2023	% Progress		Results April 1, 2022 June 30, 2022	Forecasts April 1, 2022 - March 31, 2023	% Progress			
Net sales of completed construction contracts	%	3,868	%	19,150	20.2	%	2,910	%	13,820	21.1
[Building Construction		—		—	—		2,222		10,820	20.5
Civil Engineering		—		—	—		688		3,000	22.9
Gross profit on completed construction contracts	8.1	312	9.6	1,830	17.1	8.0	233	9.8	1,360	17.2
[Building Construction		—		—	—		5.9		945	14.0
Civil Engineering		—		—	—		14.7		415	24.4
Net sales of real estate business and other		234		1,350	17.4		40		350	11.6
Gross profit on real estate business and other	26.4	61	26.7	360	17.2	28.3	11	37.1	130	8.9
Net sales		4,103		20,500	20.0		2,950		14,170	20.8
Gross profit	9.1	374	10.7	2,190	17.1	8.3	245	10.5	1,490	16.4
Selling, general and administrative expenses	7.0	290	5.8	1,190	24.4	7.0	205	5.9	840	24.5
(Personnel expenses)		154		620			101		400	
(Others)		135		570			103		440	
Operating Income	2.1	84	4.9	1,000	8.4	1.3	39	4.6	650	6.1
Non-operating income		53		75	70.9		64		105	61.2
Non-operating expenses		7		35	21.8		4		15	28.0
Ordinary income	3.2	129	5.1	1,040	12.5	3.4	99	5.2	740	13.5
Extraordinary income		33		60	56.0		33		60	55.2
Extraordinary loss		4		—	—		2		—	—
Income before income taxes	3.9	158	5.4	1,100	14.4	4.4	129	5.6	800	16.2
Total income taxes		42		315	13.5		27		225	12.3
Profit		116		785	14.8		—		—	—
Profit attributable to non-controlling interests (deduction)		3		25	13.1		—		—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	2.7	112	3.7	760	14.8	3.5	102	4.1	575	17.8

※ There have been no revisions to the forecasts previously announced on May 12, 2022.

Orders Received

(Yen in 100 millions)

	Consolidated			Non-consolidated		
	Results April 1, 2022 June 30, 2022	Forecasts April 1, 2022 - March 31, 2023	% Progress	Results April 1, 2022 June 30, 2022	Forecasts April 1, 2022 - March 31, 2023	% Progress
Building Construction	2,949	14,900	19.8	2,069	10,100	20.5
Domestic	1,936	10,500	18.4	1,876	10,100	18.6
Overseas	1,012	4,400	23.0	193	—	—
Civil Engineering	824	4,550	18.1	443	3,100	14.3
Domestic	575	3,600	16.0	426	2,700	15.8
Overseas	248	950	26.2	16	400	4.2
Construction Total	3,774	19,450	19.4	2,513	13,200	19.0
Domestic	2,512	14,100	17.8	2,302	12,800	18.0
Overseas	1,261	5,350	23.6	210	400	52.6
Real Estate Business and Other	138	950	14.6	40	350	11.6
Total Orders received	3,913	20,400	19.2	2,553	13,550	18.8

※ There have been no revisions to the forecasts previously announced on May 12, 2022.

(3) Forecasts for Fiscal Year ending March 31, 2022 (YoY Comparison)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results April 1, 2021 - March 31, 2022		Forecasts April 1, 2022 - March 31, 2023		Change	% Change	Results April 1, 2021 - March 31, 2022		Forecasts April 1, 2022 - March 31, 2023		Change	% Change
Net sales of completed construction contracts	%	17,952	%	19,150	1,197	6.7	%	13,511	%	13,820	308	2.3
Building Construction		—		—	—	—		10,501		10,820	318	3.0
Civil Engineering		—		—	—	—		3,010		3,000	(10)	(0.3)
Gross profit on completed construction contracts	6.8	1,219	9.6	1,830	610	50.0	5.9	791	9.8	1,360	568	71.7
Building Construction		—		—	—	—	3.6	377	8.7	945	567	150.1
Civil Engineering		—		—	—	—	13.8	414	13.8	415	0	0.2
Net sales of real estate business and other		1,276		1,350	73	5.7		229		350	120	52.2
Gross profit on real estate business and other	25.4	323	26.7	360	36	11.2	23.5	53	37.1	130	76	141.1
Net sales		19,228		20,500	1,271	6.6		13,741		14,170	428	3.1
Gross profit	8.0	1,543	10.7	2,190	646	41.9	6.2	845	10.5	1,490	644	76.1
Selling, general and administrative expenses	5.9	1,132	5.8	1,190	57	5.0	5.9	801	5.9	840	38	4.8
(Personnel expenses)		605		620	14			386		400	13	
(Others)		527		570	42			414		440	25	
Operating Income	2.1	410	4.9	1,000	589	143.6	0.3	44	4.6	650	605	—
Non-operating income		117		75	(42)	(36.3)		169		105	(64)	(38.2)
Non-operating expenses		29		35	5	17.7		18		15	(3)	(19.0)
Ordinary income	2.6	498	5.1	1,040	541	108.6	1.4	195	5.2	740	544	278.3
Extraordinary income		131		60	(71)	(54.4)		105		60	(45)	(43.3)
Extraordinary loss		67		—	(67)	(100.0)		78		—	(78)	(100.0)
Income before income taxes	2.9	562	5.4	1,100	537	95.4	1.6	222	5.6	800	577	259.5
Total income taxes		148		315	166	112.4		34		225	190	559.4
Profit		414		785	370	89.4		—		—	—	—
Profit attributable to non-controlling interests (deduction)		23		25	1	7.5		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	2.0	391	3.7	760	368	94.2	1.4	188	4.1	575	386	205.1

※ There have been no revisions to the forecasts previously announced on May 12, 2022.

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated					
	Results April 1, 2021 - March 31, 2022		Forecasts April 1, 2022 - March 31, 2023		Change	% Change	Results April 1, 2021 - March 31, 2022		Forecasts April 1, 2022 - March 31, 2023		Change
Building Construction	15,578	14,900	(678)	(4.4)	11,878	10,100	(1,778)	(15.0)			
Domestic	12,173	10,500	(1,673)	(13.7)	11,865	10,100	(1,765)	(14.9)			
Overseas	3,405	4,400	994	29.2	13	—	(13)	(100.0)			
Civil Engineering	4,846	4,550	(296)	(6.1)	3,234	3,100	(134)	(4.1)			
Domestic	4,084	3,600	(484)	(11.9)	3,213	2,700	(513)	(16.0)			
Overseas	761	950	188	24.7	20	400	379	—			
Construction Total	20,424	19,450	(974)	(4.8)	15,112	13,200	(1,912)	(12.7)			
Domestic	16,258	14,100	(2,158)	(13.3)	15,078	12,800	(2,278)	(15.1)			
Overseas	4,166	5,350	1,183	28.4	34	400	365	—			
Real Estate Business and Other	1,038	950	(88)	(8.5)	229	350	120	52.2			
Total Orders received	21,463	20,400	(1,063)	(5.0)	15,342	13,550	(1,792)	(11.7)			

※ There have been no revisions to the forecasts previously announced on May 12, 2022.

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	March 31, 2022	Forecasts March 31, 2023	Change	% Change	March 31, 2022	Forecasts March 31, 2023	Change	% Change
Interest-bearing debt (except nonrecourse loans)	1,973	2,480	506	25.6	1,551	1,900	348	22.5
Nonrecourse loans	830	1,020	189	22.8	—	—	—	—
Total Interest-bearing debt	2,804	3,500	695	24.8	1,551	1,900	348	22.5

※ There have been no revisions to the forecasts previously announced on May 12, 2022.

4 Operating Results and Forecasts for Reportable Segments

(1) Operating Results for the Three Months Ended June 30, 2022 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales			
	Results April 1, 2021 - June 30, 2021	Results April 1, 2022 - June 30, 2022	Change	% Change
Building Construction				
Domestic	251,155	221,690	(29,465)	(11.7)
Overseas	70,512	69,377	(1,134)	(1.6)
Subtotal	321,667	291,067	(30,600)	(9.5)
Civil Engineering				
Domestic	73,569	74,757	1,187	1.6
Overseas	18,387	21,022	2,634	14.3
Subtotal	91,957	95,779	3,822	4.2
Construction Total				
Domestic	324,725	296,447	(28,277)	(8.7)
Overseas	88,899	90,399	1,499	1.7
Subtotal	413,625	386,847	(26,777)	(6.5)
Real Estate Business and Other				
Real Estate Business	8,436	10,891	2,454	29.1
Other	14,352	12,592	(1,759)	(12.3)
Subtotal	22,788	23,484	695	3.1
Total	436,414	410,331	(26,082)	(6.0)

Operating Income						
	Results April 1, 2021 - June 30, 2021		Results April 1, 2022 - June 30, 2022		Change	% Change
	% Profit		% Profit			
	3.4	8,559	0.1	330	(8,229)	(96.1)
	1.2	866	0.9	599	(266)	(30.8)
	2.9	9,425	0.3	930	(8,495)	(90.1)
	1.6	1,156	2.9	2,203	1,047	90.6
	(1.0)	(187)	7.1	1,491	1,679	—
	1.1	969	3.9	3,695	2,726	281.4
	3.0	9,715	0.9	2,534	(7,181)	(73.9)
	0.8	679	2.3	2,091	1,412	208.0
	2.5	10,394	1.2	4,625	(5,769)	(55.5)
	32.0	2,702	27.6	3,001	298	11.0
	9.6	1,380	6.4	807	(572)	(41.5)
	17.9	4,083	16.2	3,809	(274)	(6.7)
	3.3	14,478	2.1	8,434	(6,043)	(41.7)

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

【Non-consolidated】

(Yen in millions)

	Net Sales			
	Results April 1, 2021 - June 30, 2021	Results April 1, 2022 - June 30, 2022	Change	% Change
Building Construction				
Domestic	243,956	220,899	(23,057)	(9.5)
Overseas	1,888	1,314	(574)	(30.4)
Subtotal	245,844	222,213	(23,631)	(9.6)
Civil Engineering				
Domestic	56,083	58,433	2,350	4.2
Overseas	8,776	10,370	1,594	18.2
Subtotal	64,859	68,804	3,944	6.1
Construction Total				
Domestic	300,039	279,332	(20,707)	(6.9)
Overseas	10,664	11,684	1,020	9.6
Subtotal	310,704	291,017	(19,687)	(6.3)
Real Estate Business and Other				
	4,079	4,072	(7)	(0.2)
Total	314,783	295,089	(19,694)	(6.3)

Gross Profit						
	Results April 1, 2021 - June 30, 2021		Results April 1, 2022 - June 30, 2022		Change	% Change
	% Profit		% Profit			
	8.1	19,692	6.0	13,180	(6,511)	(33.1)
	2.8	52	2.9	38	(14)	(27.7)
	8.0	19,745	5.9	13,219	(6,525)	(33.1)
	10.2	5,705	13.6	7,938	2,233	39.1
	2.1	187	21.1	2,188	2,001	—
	9.1	5,892	14.7	10,126	4,234	71.8
	8.5	25,397	7.6	21,118	(4,278)	(16.8)
	2.3	240	19.1	2,227	1,986	824.8
	8.3	25,637	8.0	23,346	(2,291)	(8.9)
	23.6	964	28.3	1,153	189	19.7
	8.5	26,602	8.3	24,500	(2,102)	(7.9)

(2) Forecasts for Fiscal Year ending March 31, 2023 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales			
	Results April 1, 2021 - March 31, 2022	Forecasts April 1, 2022 - March 31, 2023	Change	% Change
Building Construction				
Domestic	1,059,945	1,095,000	35,054	3.3
Overseas	298,818	365,000	66,181	22.1
Subtotal	1,358,764	1,460,000	101,235	7.5
Civil Engineering				
Domestic	346,808	355,000	8,191	2.4
Overseas	89,635	100,000	10,364	11.6
Subtotal	436,444	455,000	18,555	4.3
Construction Total				
Domestic	1,406,754	1,450,000	43,245	3.1
Overseas	388,454	465,000	76,545	19.7
Subtotal	1,795,208	1,915,000	119,791	6.7
Real Estate Business and Other				
Real Estate Business	61,124	78,000	16,875	27.6
Other	66,551	57,000	(9,551)	(14.4)
Subtotal	127,676	135,000	7,323	5.7
Total	1,922,884	2,050,000	127,115	6.6

Operating Income					
Results April 1, 2021 - March 31, 2022		Forecasts April 1, 2022 - March 31, 2023		Change	% Change
% Profit		% Profit			
(0.8)	(8,900)	4.0	43,500	52,400	—
0.3	818	1.4	5,000	4,181	511.0
(0.6)	(8,082)	3.3	48,500	56,582	—
6.9	23,861	6.9	24,500	638	2.7
2.3	2,052	0.5	500	(1,552)	(75.6)
5.9	25,914	5.5	25,000	(914)	(3.5)
1.1	14,961	4.7	68,000	53,038	354.5
0.7	2,870	1.2	5,500	2,629	91.6
1.0	17,832	3.8	73,500	55,667	312.2
33.4	20,395	28.2	22,000	1,604	7.9
4.2	2,823	7.9	4,500	1,676	59.3
18.2	23,219	19.6	26,500	3,280	14.1
2.1	41,051	4.9	100,000	58,948	143.6

※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 12, 2022.

【Non-consolidated】

(Yen in millions)

	Net Sales			
	Results April 1, 2021 - March 31, 2022	Forecasts April 1, 2022 - March 31, 2023	Change	% Change
Building Construction				
Domestic	1,044,174	1,080,000	35,825	3.4
Overseas	5,956	2,000	(3,956)	(66.4)
Subtotal	1,050,131	1,082,000	31,868	3.0
Civil Engineering				
Domestic	265,747	265,000	(747)	(0.3)
Overseas	35,264	35,000	(264)	(0.8)
Subtotal	301,012	300,000	(1,012)	(0.3)
Construction Total				
Domestic	1,309,922	1,345,000	35,077	2.7
Overseas	41,221	37,000	(4,221)	(10.2)
Subtotal	1,351,144	1,382,000	30,855	2.3
Real Estate Business and Other				
	22,988	35,000	12,011	52.2
Total	1,374,132	1,417,000	42,867	3.1

Gross Profit					
Results April 1, 2021 - March 31, 2022		Forecasts April 1, 2022 - March 31, 2023		Change	% Change
% Gross Profit		% Gross Profit			
3.6	37,613	8.8	94,500	56,886	151.2
2.8	164	—	—	(164)	(100.0)
3.6	37,777	8.7	94,500	56,722	150.1
14.9	39,484	14.9	39,500	15	0.0
5.5	1,936	5.7	2,000	63	3.3
13.8	41,420	13.8	41,500	79	0.2
5.9	77,097	10.0	134,000	56,902	73.8
5.1	2,100	5.4	2,000	(100)	(4.8)
5.9	79,198	9.8	136,000	56,801	71.7
23.5	5,391	37.1	13,000	7,608	141.1
6.2	84,590	10.5	149,000	64,409	76.1

※ There have been no revisions to the forecasts previously announced on May 12, 2022.

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

(1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	April 1, 2021 - June 30, 2021		April 1, 2022 - June 30, 2022		Change		Previous FY Results April 1, 2021 - March 31, 2022	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	7,324	2.3	1,446	0.6	(5,878)	(80.3)	57,907	3.8
Domestic Private	203,748	64.5	186,161	72.9	(17,586)	(8.6)	1,128,595	73.5
Domestic total	211,073	66.8	187,608	73.5	(23,464)	(11.1)	1,186,503	77.3
Overseas	295	0.1	19,372	7.6	19,076	—	1,375	0.1
Subtotal	211,369	66.9	206,981	81.1	(4,387)	(2.1)	1,187,879	77.4
Civil Engineering								
Domestic Public	69,960	22.2	16,533	6.5	(53,426)	(76.4)	200,550	13.1
Domestic Private	30,146	9.5	26,134	10.2	(4,011)	(13.3)	120,761	7.9
Domestic total	100,106	31.7	42,668	16.7	(57,438)	(57.4)	321,311	21.0
Overseas	179	0.1	1,666	0.7	1,487	829.7	2,099	0.1
Subtotal	100,285	31.8	44,334	17.4	(55,951)	(55.8)	323,410	21.1
Construction Total								
Domestic Public	77,285	24.5	17,980	7.1	(59,305)	(76.7)	258,457	16.9
Domestic Private	233,894	74.0	212,296	83.1	(21,598)	(9.2)	1,249,357	81.4
Domestic total	311,179	98.5	230,276	90.2	(80,903)	(26.0)	1,507,815	98.3
Overseas	475	0.2	21,039	8.3	20,564	—	3,474	0.2
Subtotal	311,654	98.7	251,315	98.5	(60,339)	(19.4)	1,511,289	98.5
Real Estate Business and Other	4,079	1.3	4,073	1.5	(5)	(0.1)	22,991	1.5
Total	315,734	100	255,389	100	(60,345)	(19.1)	1,534,281	100

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	April 1, 2021 - June 30, 2021		April 1, 2022 - June 30, 2022		Change		Previous FY Results April 1, 2021 - March 31, 2022	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	16,860	5.4	19,165	6.5	2,305	13.7	85,150	6.2
Domestic Private	227,096	72.1	201,733	68.4	(25,362)	(11.2)	959,024	69.8
Domestic total	243,956	77.5	220,899	74.9	(23,057)	(9.5)	1,044,174	76.0
Overseas	1,888	0.6	1,314	0.4	(574)	(30.4)	5,956	0.4
Subtotal	245,844	78.1	222,213	75.3	(23,631)	(9.6)	1,050,131	76.4
Civil Engineering								
Domestic Public	33,402	10.6	33,945	11.5	543	1.6	150,325	10.9
Domestic Private	22,681	7.2	24,488	8.3	1,806	8.0	115,421	8.4
Domestic total	56,083	17.8	58,433	19.8	2,350	4.2	265,747	19.3
Overseas	8,776	2.8	10,370	3.5	1,594	18.2	35,264	2.6
Subtotal	64,859	20.6	68,804	23.3	3,944	6.1	301,012	21.9
Construction Total								
Domestic Public	50,262	16.0	53,111	18.0	2,848	5.7	235,476	17.1
Domestic Private	249,777	79.3	226,221	76.7	(23,556)	(9.4)	1,074,446	78.2
Domestic total	300,039	95.3	279,332	94.7	(20,707)	(6.9)	1,309,922	95.3
Overseas	10,664	3.4	11,684	3.9	1,020	9.6	41,221	3.0
Subtotal	310,704	98.7	291,017	98.6	(19,687)	(6.3)	1,351,144	98.3
Real Estate Business and Other	4,079	1.3	4,072	1.4	(7)	(0.2)	22,988	1.7
Total	314,783	100	295,089	100	(19,694)	(6.3)	1,374,132	100

(3) Breakdown of Non-consolidated Projects in Process

(Yen in millions)

	June 30, 2021		June 30, 2022		Change		March 31, 2022	
		%		%		% Change		% of Total
Building Construction								
Domestic Public	153,204	7.3	117,778	5.3	(35,426)	(23.1)	135,497	6.0
Domestic Private	1,357,412	64.3	1,534,759	68.8	177,347	13.1	1,550,331	68.3
Domestic total	1,510,617	71.6	1,652,538	74.1	141,921	9.4	1,685,829	74.3
Overseas	5,093	0.2	20,163	0.9	15,069	295.8	2,104	0.1
Sub-total	1,515,710	71.8	1,672,701	75.0	156,991	10.4	1,687,933	74.4
Civil Engineering								
Domestic Public	324,530	15.4	320,784	14.4	(3,746)	(1.2)	338,196	14.9
Domestic Private	200,325	9.5	199,846	9.0	(478)	(0.2)	198,199	8.7
Domestic total	524,855	24.9	520,630	23.4	(4,224)	(0.8)	536,396	23.6
Overseas	69,614	3.3	36,342	1.6	(33,272)	(47.8)	45,045	2.0
Subtotal	594,470	28.2	556,972	25.0	(37,497)	(6.3)	581,442	25.6
Construction Total								
Domestic Public	477,735	22.7	438,562	19.7	(39,172)	(8.2)	473,694	20.9
Domestic Private	1,557,737	73.8	1,734,606	77.8	176,868	11.4	1,748,531	77.0
Domestic total	2,035,472	96.5	2,173,169	97.5	137,696	6.8	2,222,225	97.9
Overseas	74,708	3.5	56,505	2.5	(18,202)	(24.4)	47,150	2.1
Subtotal	2,110,180	100	2,229,674	100.0	119,493	5.7	2,269,376	100.0
Real Estate Business and Other	—	—	4	0.0	4	—	2	0.0
Total	2,110,180	100	2,229,678	100	119,497	5.7	2,269,378	100

6 Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2022	June 30, 2022	Change
Assets			
Current assets			
Cash and deposits	265,042	351,352	86,310
Notes and accounts receivable from completed construction contracts and other	902,244	774,884	(127,360)
Electronically recorded monetary claims	12,162	16,511	4,349
Short-term investment securities	5,988	11,029	5,041
Real estate for sale	19,436	18,576	(859)
Costs on uncompleted construction contracts	43,823	47,127	3,303
Costs on real estate business	28,300	32,583	4,282
Inventories for PFI and other projects	10,127	8,069	(2,057)
Other inventories	9,182	11,587	2,404
Accounts receivable	78,433	77,194	(1,239)
Other	20,938	39,615	18,677
Allowance for doubtful accounts	(162)	(149)	13
Total current assets	1,395,517	1,388,382	(7,135)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	121,482	132,386	10,904
Machinery, vehicles, tools, furniture and fixtures	68,716	78,786	10,069
Land	378,270	400,518	22,247
Lease assets	493	462	(30)
Construction in progress	54,343	41,562	(12,781)
Total property, plant and equipment	623,306	653,716	30,410
Intangible assets	8,648	9,418	769
Investments and other assets			
Investment securities	337,976	334,509	(3,467)
Long-term loans receivable	2,096	2,159	62
Deferred tax assets	2,129	2,171	42
Assets for retirement benefits	35	35	(0)
Other	52,549	80,661	28,111
Allowance for doubtful accounts	(175)	(175)	0
Total investments and other assets	394,612	419,361	24,749
Total noncurrent assets	1,026,567	1,082,496	55,928
Total assets	2,422,085	2,470,878	48,793

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2022	June 30, 2022	Change
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	500,757	451,332	(49,425)
Electronically recorded obligations	128,960	133,491	4,530
Short-term loans payable	62,785	69,123	6,338
Current portion of nonrecourse loans	14,122	8,643	(5,479)
Current portion of bonds	—	10,000	10,000
Lease obligations	294	257	(36)
Income taxes payable	9,982	6,925	(3,056)
Advances received on uncompleted construction contracts	137,174	129,815	(7,358)
Deposits received	143,850	151,519	7,668
Provision for warranties for completed construction	3,138	3,079	(58)
Provision for loss on construction contracts	53,146	49,165	(3,980)
Other	74,390	82,855	8,465
Total current liabilities	1,128,602	1,096,209	(32,392)
Noncurrent liabilities			
Bonds payable	40,000	60,000	20,000
Long-term loans payable	94,590	139,128	44,537
Nonrecourse loans	68,937	73,511	4,574
Lease obligations	144	154	9
Deferred tax liabilities	10,222	9,322	(899)
Deferred tax liabilities for land revaluation	18,445	18,445	—
Provision for stock payments for directors	436	436	—
Provision for environmental measures	26	26	—
Liability for retirement benefits	47,977	48,503	525
Other	23,788	25,089	1,300
Total noncurrent liabilities	304,569	374,617	70,047
Total liabilities	1,433,171	1,470,827	37,655
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	42,641	42,682	40
Retained earnings	677,559	677,349	(209)
Treasury stock	(2,808)	(2,809)	(0)
Total shareholders' equity	775,144	774,975	(169)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	136,235	137,822	1,587
Deferred gains (losses) on hedges	8,642	10,962	2,319
Revaluation reserve for land	23,052	23,052	—
Foreign currency translation adjustments	9,728	15,549	5,820
Retirement benefit asset and liability adjustments	2,887	2,712	(174)
Total accumulated other comprehensive income	180,546	190,099	9,552
Non-controlling interests	33,222	34,976	1,754
Total net assets	988,913	1,000,051	11,137
Total liabilities and net assets	2,422,085	2,470,878	48,793
(Reference)			
Interest-bearing debt balances	280,436	360,407	79,970

(2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	Change
Net sales			
Net sales of completed construction contracts	413,625	386,847	(26,777)
Net sales of real estate business and other	22,788	23,484	695
Total net sales	436,414	410,331	(26,082)
Cost of sales			
Cost of sales on completed construction contracts	378,573	355,563	(23,010)
Cost of sales on real estate business and other	16,460	17,289	828
Total cost of sales	395,034	372,852	(22,181)
Gross profit			
Gross profit on completed construction contracts	35,051	31,284	(3,767)
Gross profit on real estate business and other	6,328	6,194	(133)
Total gross profit	41,379	37,478	(3,900)
Selling, general and administrative expenses	26,901	29,043	2,142
Operating income	14,478	8,434	(6,043)
Non-operating income			
Interest income	132	146	13
Dividends income	2,706	2,770	64
Foreign exchange gains	592	2,201	1,608
Other	284	2,401	1,525
Total non-operating income	3,715	5,319	1,603
Non-operating expenses			
Interest expenses	436	510	73
Other	109	251	141
Total non-operating expenses	546	761	215
Ordinary income	17,648	12,992	(4,655)
Extraordinary income			
Gain on sales of investing securities	55	3,313	3,258
Other	49	48	(1)
Total extraordinary income	104	3,361	3,256
Extraordinary loss	493	480	(12)
Profit before income taxes	17,259	15,873	(1,386)
Income taxes-current	7,181	6,504	(677)
Income taxes-deferred	(2,547)	(2,238)	308
Total income taxes	4,634	4,265	(368)
Profit	12,625	11,608	(1,017)
Profit attributable to non-controlling interests	332	328	(4)
Profit attributable to owners of parent	12,293	11,279	(1,013)

(3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022
Profit	12,625	11,608
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,130)	1,585
Deferred gains (losses) on hedges	1,241	1,952
Foreign currency translation adjustment	7,797	8,001
Retirement benefit adjustment	(158)	(175)
Share of other comprehensive income of associates accounted for using equity method	(210)	386
Total other comprehensive income	6,540	11,750
Comprehensive income	19,166	23,358
Comprehensive income attributable to owners of parent	17,814	20,832
Comprehensive income attributable to non-controlling interests	1,351	2,526

(4) Notes on the Quarterly Consolidated Financial Statements

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter “Fair Value Measurement Guidance”) from the beginning of the first quarter of the fiscal year under review, and will prospectively apply the new accounting policies stipulated by the Fair Value Measurement Guidance in accordance with the transitional treatment provided in Paragraph 27-2 of the Fair Value Measurement Guidance. This change has a negligible impact on the quarterly consolidated financial statements.

7 Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2022	June 30, 2022	Change
Assets			
Current assets			
Cash and deposits	141,707	227,502	85,794
Notes receivable—trade	1,993	21,649	19,655
Electronically recorded monetary claims	9,628	13,508	3,879
Accounts receivable from completed construction contracts	679,269	552,504	(126,764)
Accounts receivable—real estate business and other	6,169	1,452	(4,717)
Short-term investment securities	48	91	42
Real estate for sale	10,156	10,147	(8)
Costs on uncompleted construction contracts	40,575	42,444	1,869
Costs on real estate business and other	3,993	4,423	430
Short-term loans receivable	66,087	68,451	2,363
Accounts receivable—other	73,788	71,874	(1,913)
Other	19,599	36,150	16,550
Allowance for doubtful accounts	(79)	(70)	9
Total current assets	1,052,939	1,050,130	(2,808)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	54,918	54,927	8
Machinery, equipment and vehicles	9,361	9,242	(119)
Tools, furniture and fixtures	3,370	3,555	185
Land	172,497	172,736	238
Leased assets	21	19	(2)
Construction in progress	16,102	17,308	1,205
Total property, plant and equipment	256,272	257,789	1,516
Intangible assets	5,744	6,532	787
Investments and other assets			
Investment securities	320,600	320,928	327
Shares and investments in capital of subsidiaries and affiliates	131,042	150,840	19,798
Long-term loans receivable	69,688	69,654	(34)
Claims provable in bankruptcy, claims provable in rehabilitation and other	580	590	10
Other	8,518	9,059	540
Allowance for doubtful accounts	(986)	(986)	—
Total investments and other assets	529,444	550,086	20,642
Total noncurrent assets	791,460	814,407	22,946
Total assets	1,844,400	1,864,538	20,138

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2022	June 30, 2022	Change
Liabilities			
Current liabilities			
Notes payable—trade	9,718	9,577	(141)
Electronically recorded obligations	126,941	133,652	6,711
Accounts payable for construction contracts	373,096	340,358	(32,738)
Accounts payable—real estate and other	1,626	695	(931)
Short-term loans payable	41,788	49,515	7,727
Current portion of bonds	—	10,000	10,000
Lease obligations	9	9	(0)
Accounts payable	5,546	1,503	(4,042)
Accrued expenses	16,590	24,704	8,114
Income taxes payable	6,906	5,340	(1,565)
Advances received on uncompleted construction contracts	109,545	90,098	(19,446)
Deposit received—real estate and other	2,326	3,296	970
Deposits received	134,280	144,987	10,707
Provision for warranties for completed construction	2,556	2,502	(54)
Provision for loss on construction contracts	52,404	48,722	(3,682)
Deposits received from employees	27,415	27,029	(386)
Other	866	835	(30)
Total current liabilities	911,616	892,827	(18,789)
Noncurrent liabilities			
Bonds payable	40,000	60,000	20,000
Long-term loans payable	73,341	93,414	20,073
Lease obligations	14	12	(2)
Deferred tax liabilities	11,345	9,815	(1,530)
Deferred tax liabilities for land revaluation	15,054	15,054	—
Provision for retirement benefits	43,855	43,963	108
Provision for stock payments for directors	436	436	0
Provision for loss on business of subsidiaries and affiliates	3,126	3,126	—
Other	4,896	4,883	(13)
Total noncurrent liabilities	192,069	230,705	38,636
Total liabilities	1,103,686	1,123,533	19,846
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	2,370	2,359	(10)
General reserve	435,000	435,000	—
Retained earnings brought forward	38,870	37,623	(1,247)
Total retained earnings	490,679	489,421	(1,257)
Treasury stock	(2,808)	(2,809)	(0)
Total shareholders' equity	587,317	586,059	(1,258)
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	135,792	137,363	1,571
Deferred gains (losses) on hedges	23	2	(21)
Revaluation reserve for land	17,579	17,579	—
Total valuation and translation adjustments	153,396	154,946	1,549
Total net assets	740,713	741,005	291
Total liabilities and net assets	1,844,400	1,864,538	20,138
(Reference)			
Interest-bearing debt balances	155,129	212,929	57,800

(2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2021 - June 30, 2021	April 1, 2022 - June 30, 2022	Change
Net sales			
Net sales of completed construction contracts	310,704	291,017	(19,687)
Net sales of real estate business and other	4,079	4,072	(7)
Total net sales	314,783	295,089	(19,694)
Cost of sales			
Cost of sales on completed construction contracts	285,066	267,671	(17,395)
Cost of sales on real estate business and other	3,115	2,918	(196)
Total cost of sales	288,181	270,589	(17,592)
Gross profit			
Gross profit on completed construction contracts	25,637	23,346	(2,291)
Gross profit on real estate business and other	964	1,153	189
Total gross profit	26,602	24,500	(2,102)
Selling, general and administrative expenses	19,287	20,539	1,251
Operating income	7,314	3,960	(3,353)
Non-operating income			
Interest and dividend income	4,833	4,615	(218)
Foreign exchange gains	43	1,676	1,632
Other	99	133	33
Total non-operating income	4,977	6,424	1,447
Non-operating expenses			
Interest expenses	223	218	(5)
Other	78	201	122
Total non-operating expenses	302	419	117
Ordinary income	11,988	9,965	(2,022)
Extraordinary income			
Gain on sales of investment securities	55	3,313	3,258
Other	1	0	(0)
Total extraordinary income	56	3,313	3,257
Extraordinary loss	440	290	(149)
Profit before income taxes	11,604	12,988	1,384
Income taxes-current	5,066	4,967	(98)
Income taxes-deferred	(2,537)	(2,210)	327
Total income taxes	2,528	2,757	229
Profit	9,076	10,231	1,154