

3rd Quarter Financial Results

(April 1, 2019 to December 31, 2019)

February 12, 2020

OBUYASHI CORPORATION



Contents

1	Summary of Financial Results	1
2	Qualitative Information	2
3	Financial Highlights	3
4	Operating Results and Forecasts for Reportable Segments	6
5	Non-consolidated Orders Received, Net Sales and Projects in Process	8
6	Consolidated Financial Statements	10
7	Non-consolidated Financial Statements	14

Disclaimer: This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on February 12, 2020. 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 Nine Months Ended December 31, 2019

① Consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
Nine Months Ended December 31, 2019	1,498,420	1.1	118,424	11.1	125,663	11.1	91,763	15.9
Nine Months Ended December 31, 2018	1,482,513	8.1	106,550	7.8	113,076	7.8	79,175	4.5

(Note) Comprehensive income : [Nine Months Ended December 31, 2019] 99,111 million yen, 73.7% ; [Nine Months Ended December 31, 2018] 57,053 million yen, (51.0)%

	Profit attributable to owners of parent per Share (EPS)
	Yen
Nine Months Ended December 31, 2019	127.87
Nine Months Ended December 31, 2018	110.30

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 December 31, 2019	2,264,840		872,259		37.1		1,170.87	
As of March 31, 2019	2,214,512		798,149		34.7		1,071.49	

(For reference) Equity (net assets less non-controlling interests) : [As of December 31, 2019] 840,267 million yen ; [As of March 31, 2019] 768,944 million yen

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

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Profit attributable to owners of parent per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	%
Full Year	2,030,000	(0.5)	150,000	(3.5)	156,500	(4.0)	110,000	(2.8)	153.28	

※ There have been no revisions to the forecasts previously announced on November 11, 2019

(3) Non-consolidated Financial Results for the Nine Months Ended December 31, 2019

① Non-consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	%
Nine Months Ended December 31, 2019	1,045,480	3.7	94,268	14.1	103,136	10.7	75,788	8.8	105.61	
Nine Months Ended December 31, 2018	1,007,780	6.7	82,636	2.4	93,182	5.4	69,683	8.3	97.08	

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 December 31, 2019	1,744,059		690,081		39.6		961.59	
As of March 31, 2019	1,700,931		637,248		37.5		887.98	

(Reference) Equity (net assets less non-controlling interests) : [As of December 31, 2019] 690,081 million yen ; [As of March 31, 2019] 637,248 million yen

(4) Non-consolidated Forecast Fiscal Year Ending March 31, 2020

(Percentages indicate the percentage year on year change)

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

※ There have been no revisions to the forecasts previously announced on November 11, 2019

(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, 2019	—	14.00	—	18.00	32.00	22,977	20.3	3.2
FY ending Mar. 31, 2020 (including Forecast)	—	16.00	—	16.00	32.00		20.9	

※ There have been no revisions to the forecasts previously announced on November 11, 2019

2 Qualitative Information

(1) Overview of consolidated business results

Consolidated net sales through the third quarter of fiscal year ending March 31, 2020 (from April 1 to December 31, 2019) were 1,498.4 billion yen, an increase of 15.9 billion yen (1.1%) from the same period in the previous fiscal year. This growth was due to steady progress on orders in hand in the construction business. On the earnings front, operating income rose to 118.4 billion yen, an increase of 11.8 billion yen (11.1%) over the same period last fiscal year. Ordinary income was 125.6 billion yen, an increase of 12.5 billion yen (11.1%) year-on-year, and profit attributable to owners of parent rose to 91.7 billion yen, an increase of 12.5 billion yen (15.9%) over the same period last fiscal year.

(2) Overview of consolidated financial position

Total assets as of December 31, 2019 increased by 50.3 billion yen (2.3%) compared with the balance at the end of the previous fiscal year, to 2,264.8 billion yen. This was mainly due to an increase in "Cash and deposits" and in "Costs on uncompleted construction contracts," which more than compensated for the decrease in trade receivables related to construction contracts, which are the sum of "Notes and accounts receivable from completed construction contracts and other" and "Electronically recorded monetary claims."

Total liabilities as of December 31, 2019 decreased by 23.7 billion yen (1.7%) compared with the balance at the end of the previous fiscal year, to 1,392.5 billion yen. This was mainly due to decreases in "Short-term loans payable," "Long-term loans payable," and other interest-bearing debt. The consolidated balance of interest-bearing debt as of December 31, 2019 decreased by 19.3 billion yen (7.1%) to 252.8 billion yen compared with the balance at the end of the previous fiscal year.

Total net assets as of December 31, 2019 increased by 74.1 billion yen (9.3%) compared with the balance at the end of the previous fiscal year, to 872.2 billion yen. This was mainly due to an increase in "Retained earnings" from the recognition of profit attributable to owners of parent.

As a result, the equity ratio as of December 31, 2019 was 37.1%, up 2.4 percentage points from the end of the previous fiscal year.

(3) Consolidated forecasts for fiscal year ending March 31, 2020

The consolidated forecasts for the full year (ending March 31, 2020) have not been revised from those announced when financial results for the second quarter were announced on November 11, 2019.

3 Financial Highlights

(1) Financial Results for the Nine Months Ended December 31, 2019 (YoY Comparison)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results		Results		Change	% Change	Results		Results		Change	% Change
	April 1, 2018 - December 31, 2018	April 1, 2019 - December 30, 2019	April 1, 2018 - December 31, 2018	April 1, 2019 - December 30, 2019			April 1, 2018 - December 31, 2018	April 1, 2019 - December 30, 2019	April 1, 2018 - December 31, 2018	April 1, 2019 - December 30, 2019		
Net sales of completed construction contracts	%	14,174	%	14,333	158	1.1	%	9,929	%	10,314	385	3.9
Building Construction		—		—	—	—		7,809		8,224	415	5.3
Civil Engineering		—		—	—	—		2,120		2,090	(30)	(1.4)
Gross profit on completed construction contracts	11.4	1,621	12.3	1,763	142	8.8	12.9	1,278	13.8	1,425	147	11.6
Building Construction		—		—	—	—	11.5	900	12.3	1,009	108	12.1
Civil Engineering		—		—	—	—	17.8	377	19.9	416	39	10.4
Net sales of real estate business and other		650		651	0	0.0		148		140	(8)	(5.5)
Gross profit on real estate business and other	25.4	165	25.4	165	(0)	(0.0)	27.3	40	28.6	40	(0)	(1.0)
Net sales		14,825		14,984	159	1.1		10,077		10,454	377	3.7
Gross profit	12.1	1,786	12.9	1,929	142	8.0	13.1	1,318	14.0	1,465	147	11.2
Selling, general and administrative expenses	4.9	721	5.0	744	23	3.3	4.9	492	5.0	523	31	6.3
(Personnel expenses)		415		424	9			274		280	6	
(Others)		305		320	14			217		242	25	
Operating income	7.2	1,065	7.9	1,184	118	11.1	8.2	826	9.0	942	116	14.1
Non-operating income		89		92	2	3.3		122		101	(20)	(16.5)
Non-operating expenses		24		19	(4)	(17.2)		16		13	(3)	(20.5)
(interests received/paid and dividend income - net)		62		64	1			110		88	(22)	
Ordinary income	7.6	1,130	8.4	1,256	125	11.1	9.2	931	9.9	1,031	99	10.7
Extraordinary income		16		59	43	264.9		50		36	(13)	(27.2)
Extraordinary loss		7		14	7	95.7		6		13	6	105.9
Income before income taxes	7.7	1,139	8.7	1,301	161	14.2	9.7	975	10.1	1,054	79	8.1
Total income taxes		325		353	28	8.7		279		297	17	6.4
Profit		814		947	133	16.4		—		—	—	—
Profit attributable to non-controlling interests (deduction)		22		30	7	33.3		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.3	791	6.1	917	125	15.9	6.9	696	7.2	757	61	8.8

Orders Received

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results		Results		Change	% Change	Results		Results		Change	% Change
	April 1, 2018 - December 31, 2018	April 1, 2019 - December 30, 2019	April 1, 2018 - December 31, 2018	April 1, 2019 - December 30, 2019			April 1, 2018 - December 31, 2018	April 1, 2019 - December 30, 2019	April 1, 2018 - December 31, 2018	April 1, 2019 - December 30, 2019		
Building Construction		9,746		10,967	1,220	12.5		6,093		7,931	1,837	30.2
Domestic		6,513		8,191	1,678	25.8		6,045		7,808	1,763	29.2
Overseas		3,233		2,775	(457)	(14.2)		48		122	74	152.9
Civil Engineering		2,718		2,562	(155)	(5.7)		1,709		1,539	(169)	(9.9)
Domestic		2,192		1,803	(388)	(17.7)		1,628		1,239	(388)	(23.9)
Overseas		525		758	232	44.3		80		300	219	270.7
Construction Total		12,464		13,529	1,064	8.5		7,802		9,470	1,667	21.4
Domestic		8,705		9,995	1,289	14.8		7,673		9,048	1,374	17.9
Overseas		3,758		3,534	(224)	(6.0)		129		422	293	226.6
Real Estate Business and Other		599		664	65	10.9		148		139	(9)	(6.1)
Total Orders received		13,064		14,194	1,129	8.6		7,951		9,610	1,658	20.9

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	March 31, 2019		December 31, 2019		Change	% Change	March 31, 2019		December 31, 2019		Change	% Change
	March 31, 2019	December 31, 2019	March 31, 2019	December 31, 2019			March 31, 2019	December 31, 2019				
Interest-bearing debt (except nonrecourse loans)	1,830	1,684	(145)	(8.0)	1,500	1,461	(38)	(2.6)				
Nonrecourse loans	891	843	(47)	(5.4)	—	—	—	—				
Total Interest-bearing debt	2,722	2,528	(193)	(7.1)	1,500	1,461	(38)	(2.6)				

(2) Financial Results for the Nine Months Ended December 31, 2019 (Progress toward Full-Year Forecasts)

(Yen in 100 millions)

	Consolidated					Non-consolidated				
	Results April 1, 2019 - December 31, 2019		Forecasts April 1, 2019 - March 31, 2020		% Progress	Results April 1, 2019 - December 31, 2019		Forecasts April 1, 2019 - March 31, 2020		% Progress
Net sales of completed construction contracts	%	14,333	%	19,050	75.2	%	10,314	%	13,550	76.1
┌ Building Construction		—		—	—		8,224		10,800	76.2
└ Civil Engineering		—		—	—		2,090		2,750	76.0
Gross profit on completed construction contracts	12.3	1,763	11.8	2,255	78.2	13.8	1,425	13.1	1,775	80.3
┌ Building Construction		—		—	—	12.3	1,009	12.0	1,300	77.6
└ Civil Engineering		—		—	—	19.9	416	17.3	475	87.7
Net sales of real estate business and other		651		1,250	52.1		140		230	60.9
Gross profit on real estate business and other	25.4	165	19.6	245	67.5	28.6	40	23.9	55	72.8
Net sales		14,984		20,300	73.8		10,454		13,780	75.9
Gross profit	12.9	1,929	12.3	2,500	77.2	14.0	1,465	13.3	1,830	80.1
Selling, general and administrative expenses	5.0	744	4.9	1,000	74.5	5.0	523	5.1	695	75.3
(Personnel expenses)		424		570			280		380	
(Others)		320		430			242		314	
Operating income	7.9	1,184	7.4	1,500	78.9	9.0	942	8.2	1,135	83.1
Non-operating income		92		90	102.6		101		110	92.7
Non-operating expenses		19		25	79.8		13		15	88.5
(interests received/paid and dividend income - net)		64		65			88		100	
Ordinary income	8.4	1,256	7.7	1,565	80.3	9.9	1,031	8.9	1,230	83.9
Extraordinary income		59		50	118.8		36		40	91.8
Extraordinary loss		14		20	73.3		13		10	131.9
Income before income taxes	8.7	1,301	7.9	1,595	81.6	10.1	1,054	9.1	1,260	83.7
Total income taxes		353		465	76.0		297		365	81.4
Profit		947		1,130	83.9		—		—	—
Profit attributable to non-controlling interests (deduction)		30		30	100.6		—		—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	6.1	917	5.4	1,100	83.4	7.2	757	6.5	895	84.7

※ There have been no revisions to the forecasts previously announced on November 11, 2019.

Orders Received

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	Results April 1, 2019 - December 31, 2019		Forecasts April 1, 2019 - March 31, 2020		% Progress	Results April 1, 2019 - December 31, 2019		% Progress
Building Construction	10,967		14,400		76.2	7,931		77.8
Domestic	8,191		10,900		75.2	7,808		76.6
Overseas	2,775		3,500		79.3	122		—
Civil Engineering	2,562		4,400		58.2	1,539		49.7
Domestic	1,803		3,500		51.5	1,239		47.3
Overseas	758		900		84.3	300		62.5
Construction Total	13,529		18,800		72.0	9,470		71.2
Domestic	9,995		14,400		69.4	9,048		70.6
Overseas	3,534		4,400		80.3	422		88.1
Real Estate Business and Other	664		850		78.2	139		60.7
Total Orders received	14,194		19,650		72.2	9,610		71.0

※ There have been no revisions to the forecasts previously announced on November 11, 2019.

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

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2018 - March 31, 2019		Forecasts April 1, 2019 - March 31, 2020		Change	% Change	Results April 1, 2018 - March 31, 2019		Forecasts April 1, 2019 - March 31, 2020		Change	% Change
Net sales of completed construction contracts	%	19,455	%	19,050	(405)	(2.1)	%	13,766	%	13,550	(216)	(1.6)
└ Building Construction		—		—	—	—		10,852		10,800	(52)	(0.5)
└ Civil Engineering		—		—	—	—		2,914		2,750	(164)	(5.6)
Gross profit on completed construction contracts	11.9	2,311	11.8	2,255	(56)	(2.4)	13.5	1,853	13.1	1,775	(78)	(4.2)
└ Building Construction		—		—	—	—	12.2	1,326	12.0	1,300	(26)	(2.0)
└ Civil Engineering		—		—	—	—	18.1	527	17.3	475	(52)	(9.9)
Net sales of real estate business and other		941		1,250	308	32.7		215		230	14	6.5
Gross profit on real estate business and other	24.3	228	19.6	245	16	7.1	24.7	53	23.9	55	1	3.3
Net sales		20,396		20,300	(96)	(0.5)		13,982		13,780	(202)	(1.5)
Gross profit	12.5	2,540	12.3	2,500	(40)	(1.6)	13.6	1,906	13.3	1,830	(76)	(4.0)
Selling, general and administrative expenses	4.9	985	4.9	1,000	14	1.5	4.8	673	5.1	695	21	3.2
(Personnel expenses)		562		570	7			367		380	13	
(Others)		423		430	6			306		314	8	
Operating Income	7.6	1,554	7.4	1,500	(54)	(3.5)	8.8	1,232	8.2	1,135	(97)	(7.9)
Non-operating income		107		90	(17)	(16.4)		148		110	(38)	(26.0)
Non-operating expenses		31		25	(6)	(21.8)		24		15	(9)	(37.9)
(interests received/paid and dividend income - net)		75		65	(10)			131		100	(31)	
Ordinary income	8.0	1,630	7.7	1,565	(65)	(4.0)	9.7	1,357	8.9	1,230	(127)	(9.4)
Extraordinary income		28		50	21	75.6		61		40	(21)	(35.0)
Extraordinary loss		12		20	7	58.1		26		10	(16)	(61.9)
Income before income taxes	8.1	1,646	7.9	1,595	(51)	(3.1)	10.0	1,392	9.1	1,260	(132)	(9.5)
Total income taxes		482		465	(17)	(3.7)		408		365	(43)	(10.6)
Profit		1,163		1,130	(33)	(2.9)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		32		30	(2)	(6.7)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.5	1,131	5.4	1,100	(31)	(2.8)	7.0	984	6.5	895	(89)	(9.1)

※ There have been no revisions to the forecasts previously announced on November 11, 2019.

Orders Received

(Yen in 100 millions)

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

※ There have been no revisions to the forecasts previously announced on November 11, 2019.

Interest-bearing Debt Balances

(Yen in 100 millions)

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

※ There have been no revisions to the forecasts previously announced on November 11, 2019.

4 Operating Results and Forecasts for Reportable Segments

(1) Operating Results for the Nine Months Ended December 31, 2019 (YoY Comparison)

[Consolidated]

(Yen in millions)

	Net Sales				Operating Income					
	Results April 1, 2018 - December 31, 2018	Results April 1, 2019 - December 31, 2019	Change	% Change	Results April 1, 2018 - December 31, 2018		Results April 1, 2019 - December 31, 2019		Change	% Change
					% Profit		% Profit			
Building Construction										
Domestic	805,583	836,185	30,601	3.8	7.6	61,225	8.0	66,640	5,415	8.8
Overseas	310,451	290,221	(20,229)	(6.5)	1.8	5,725	2.8	8,239	2,514	43.9
Subtotal	1,116,034	1,126,407	10,372	0.9	6.0	66,951	6.6	74,880	7,929	11.8
Civil Engineering										
Domestic	258,153	253,195	(4,958)	(1.9)	11.3	29,118	11.5	29,037	(80)	(0.3)
Overseas	43,242	53,709	10,466	24.2	2.0	854	6.9	3,730	2,875	336.5
Subtotal	301,396	306,904	5,508	1.8	9.9	29,972	10.7	32,767	2,794	9.3
Construction Total										
Domestic	1,063,737	1,089,381	25,643	2.4	8.5	90,343	8.8	95,678	5,334	5.9
Overseas	353,693	343,930	(9,762)	(2.8)	1.9	6,580	3.5	11,970	5,390	81.9
Subtotal	1,417,430	1,433,311	15,881	1.1	6.8	96,923	7.5	107,648	10,724	11.1
Real Estate Business and Other										
Real Estate Business	30,585	30,965	379	1.2	24.2	7,388	26.8	8,311	922	12.5
Other	34,497	34,143	(353)	(1.0)	6.5	2,237	7.2	2,464	227	10.2
Subtotal	65,083	65,108	25	0.0	14.8	9,626	16.6	10,776	1,150	11.9
Total	1,482,513	1,498,420	15,906	1.1	7.2	106,550	7.9	118,424	11,874	11.1

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

[Non-consolidated]

(Yen in millions)

	Net Sales				Gross Profit					
	Results April 1, 2018 - December 31, 2018	Results April 1, 2019 - December 31, 2019	Change	% Change	Results April 1, 2018 - December 31, 2018		Results April 1, 2019 - December 31, 2019		Change	% Change
					% Gross Profit		% Gross Profit			
Building Construction										
Domestic	773,944	811,691	37,747	4.9	11.6	89,893	12.4	100,305	10,411	11.6
Overseas	6,971	10,742	3,770	54.1	2.3	159	5.8	619	460	289.0
Subtotal	780,916	822,433	41,517	5.3	11.5	90,052	12.3	100,924	10,871	12.1
Civil Engineering										
Domestic	195,440	193,950	(1,489)	(0.8)	18.3	35,837	19.1	37,125	1,288	3.6
Overseas	16,595	15,082	(1,512)	(9.1)	11.5	1,913	30.1	4,544	2,631	137.6
Subtotal	212,036	209,033	(3,002)	(1.4)	17.8	37,750	19.9	41,669	3,919	10.4
Construction Total										
Domestic	969,384	1,005,642	36,257	3.7	13.0	125,730	13.7	137,430	11,699	9.3
Overseas	23,567	25,825	2,257	9.6	8.8	2,072	20.0	5,164	3,091	149.2
Subtotal	992,952	1,031,467	38,515	3.9	12.9	127,803	13.8	142,594	14,791	11.6
Real Estate Business and Other										
Real Estate Business	14,828	14,013	(815)	(5.5)	27.3	4,042	28.6	4,001	(40)	(1.0)
Total	1,007,780	1,045,480	37,700	3.7	13.1	131,845	14.0	146,596	14,751	11.2

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

[Consolidated]

(Yen in millions)

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

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

※2 There have been no revisions to the forecasts previously announced on November 11, 2019.

[Non-consolidated]

(Yen in millions)

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

※ There have been no revisions to the forecasts previously announced on November 11, 2019.

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

(1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	April 1, 2018 - December 31, 2018		April 1, 2019 - December 31, 2019		Change		Previous FY Results April 1, 2018 - March 31, 2019	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	12,205	1.5	46,717	4.8	34,511	282.8	18,264	1.4
Domestic Private	592,321	74.5	734,145	76.4	141,824	23.9	1,020,474	76.9
Domestic total	604,526	76.0	780,862	81.2	176,335	29.2	1,038,739	78.3
Overseas total	4,847	0.6	12,257	1.3	7,409	152.9	5,594	0.4
Subtotal	609,374	76.6	793,119	82.5	183,745	30.2	1,044,333	78.7
Civil Engineering								
Domestic Public	74,412	9.4	52,861	5.5	(21,550)	(29.0)	132,353	10.0
Domestic Private	88,416	11.1	71,079	7.4	(17,336)	(19.6)	112,067	8.4
Domestic total	162,828	20.5	123,941	12.9	(38,887)	(23.9)	244,420	18.4
Overseas total	8,095	1.0	30,009	3.1	21,913	270.7	17,198	1.3
Subtotal	170,924	21.5	153,950	16.0	(16,973)	(9.9)	261,618	19.7
Construction Total								
Domestic Public	86,617	10.9	99,578	10.3	12,961	15.0	150,617	11.4
Domestic Private	680,737	85.6	805,225	83.8	124,487	18.3	1,132,541	85.3
Domestic total	767,355	96.5	904,804	94.1	137,448	17.9	1,283,159	96.7
Overseas total	12,943	1.6	42,266	4.4	29,323	226.6	22,792	1.7
Subtotal	780,298	98.1	947,070	98.5	166,771	21.4	1,305,952	98.4
Real Estate Business and Other	14,873	1.9	13,968	1.5	(904)	(6.1)	21,641	1.6
Total	795,171	100	961,039	100	165,867	20.9	1,327,594	100

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	April 1, 2018 - December 31, 2018		April 1, 2019 - December 31, 2019		Change		Previous FY Results April 1, 2018 - March 31, 2019	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	50,259	5.0	63,145	6.0	12,885	25.6	68,791	4.9
Domestic Private	723,684	71.8	748,546	71.6	24,862	3.4	1,007,606	72.1
Domestic total	773,944	76.8	811,691	77.6	37,747	4.9	1,076,398	77.0
Overseas total	6,971	0.7	10,742	1.1	3,770	54.1	8,843	0.6
Subtotal	780,916	77.5	822,433	78.7	41,517	5.3	1,085,242	77.6
Civil Engineering								
Domestic Public	120,303	11.9	117,092	11.2	(3,210)	(2.7)	168,204	12.0
Domestic Private	75,136	7.5	76,857	7.4	1,721	2.3	101,176	7.2
Domestic total	195,440	19.4	193,950	18.6	(1,489)	(0.8)	269,380	19.2
Overseas total	16,595	1.6	15,082	1.4	(1,512)	(9.1)	22,065	1.6
Subtotal	212,036	21.0	209,033	20.0	(3,002)	(1.4)	291,446	20.8
Construction Total								
Domestic Public	170,563	16.9	180,237	17.2	9,674	5.7	236,995	16.9
Domestic Private	798,821	79.3	825,404	79.0	26,583	3.3	1,108,783	79.3
Domestic total	969,384	96.2	1,005,642	96.2	36,257	3.7	1,345,779	96.2
Overseas total	23,567	2.3	25,825	2.5	2,257	9.6	30,909	2.2
Subtotal	992,952	98.5	1,031,467	98.7	38,515	3.9	1,376,688	98.4
Real Estate Business and Other	14,828	1.5	14,013	1.3	(815)	(5.5)	21,597	1.6
Total	1,007,780	100	1,045,480	100	37,700	3.7	1,398,286	100

(3) Breakdown of Non-consolidated Project in Process

(Yen in millions)

	December 31, 2018		December 31, 2019		Change		At the end of Previous FY (March 31, 2019)	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	106,788	7.0	77,888	4.9	(28,900)	(27.1)	94,316	5.6
Domestic Private	969,229	63.4	1,099,058	69.3	129,829	13.4	1,113,459	66.7
Domestic total	1,076,017	70.4	1,176,946	74.2	100,929	9.4	1,207,776	72.3
Overseas total	12,398	0.8	12,788	0.8	389	3.1	11,273	0.7
Subtotal	1,088,416	71.2	1,189,735	75.0	101,318	9.3	1,219,049	73.0
Civil Engineering								
Domestic Public	264,041	17.3	209,850	13.3	(54,190)	(20.5)	274,081	16.4
Domestic Private	149,746	9.8	141,579	8.9	(8,166)	(5.5)	147,357	8.8
Domestic total	413,788	27.1	351,430	22.2	(62,357)	(15.1)	421,439	25.2
Overseas total	25,927	1.7	44,486	2.8	18,558	71.6	29,560	1.8
Subtotal	439,715	28.8	395,917	25.0	(43,798)	(10.0)	451,000	27.0
Construction Total								
Domestic Public	370,830	24.3	287,738	18.2	(83,091)	(22.4)	368,398	22.0
Domestic Private	1,118,975	73.2	1,240,638	78.2	121,662	10.9	1,260,817	75.5
Domestic total	1,489,806	97.5	1,528,377	96.4	38,571	2.6	1,629,215	97.5
Overseas total	38,326	2.5	57,274	3.6	18,948	49.4	40,833	2.5
Subtotal	1,528,132	100.0	1,585,652	100	57,519	3.8	1,670,049	100.0
Real Estate Business and Other	44	0.0	—	—	(44)	(100.0)	44	0.0
Total	1,528,176	100	1,585,652	100	57,475	3.8	1,670,093	100

6 Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	December 31, 2019	Change
Assets			
Current assets			
Cash and deposits	168,698	222,627	53,928
Notes and accounts receivable from completed construction contracts and other	859,096	805,418	(53,678)
Electronically recorded monetary claims	11,895	18,089	6,194
Short-term investment securities	6,980	6,777	(203)
Real estate for sale	12,209	9,869	(2,339)
Costs on uncompleted construction contracts	35,369	55,941	20,571
Costs on real estate business	22,163	23,787	1,624
Inventories for PFI and other projects	44,108	43,326	(782)
Other inventories	9,734	12,429	2,694
Accounts receivable	92,554	72,699	(19,854)
Other	20,204	49,080	28,876
Allowance for doubtful accounts	(150)	(125)	25
Total current assets	1,282,866	1,319,922	37,055
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	125,103	121,670	(3,433)
Machinery, vehicles, tools, furniture and fixtures	55,746	56,839	1,093
Land	355,925	358,367	2,441
Lease assets	289	261	(27)
Construction in progress	7,493	17,273	9,779
Total property, plant and equipment	544,558	554,412	9,854
Intangible assets	4,997	5,745	748
Investments and other assets			
Investment securities	360,627	360,734	107
Long-term loans receivable	1,767	1,950	183
Assets for retirement benefits	13	13	—
Deferred tax assets	1,761	1,787	25
Other	18,130	20,481	2,351
Allowance for doubtful accounts	(210)	(208)	2
Total investments and other assets	382,090	384,759	2,669
Total noncurrent assets	931,646	944,918	13,272
Total assets	2,214,512	2,264,840	50,328

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	December 31, 2019	Change
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	551,181	533,495	(17,685)
Electronically recorded obligations	119,956	131,646	11,690
Short-term loans payable	58,713	49,815	(8,898)
Current portion of nonrecourse loans	10,079	7,653	(2,426)
Current portion of bonds	10,000	—	(10,000)
Lease obligations	103	417	314
Income taxes payable	24,790	10,993	(13,797)
Advances received on uncompleted construction contracts	116,424	107,521	(8,903)
Deposits received	108,952	135,909	26,957
Provision for warranties for completed construction	4,365	4,492	127
Provision for loss on construction contracts	1,968	1,919	(48)
Provision for loss on Antimonopoly Act	10,324	8,228	(2,096)
Other	78,324	75,373	(2,951)
Total current liabilities	1,095,184	1,067,466	(27,718)
Noncurrent liabilities			
Bonds payable	30,000	40,000	10,000
Long-term loans payable	84,347	78,662	(5,685)
Nonrecourse loans	79,076	76,708	(2,368)
Lease obligations	200	352	151
Deferred tax liabilities	30,667	32,560	1,892
Deferred tax liabilities for land revaluation	18,953	18,893	(59)
Provision for stock payments for directors	381	368	(12)
Provision for loss on real estate business and other	993	—	(993)
Provision for environmental measures	274	274	—
Liability for retirement benefits	50,809	51,822	1,012
Other	25,472	25,471	(0)
Total noncurrent liabilities	321,178	325,115	3,937
Total liabilities	1,416,362	1,392,581	(23,781)
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	42,540	42,825	285
Retained earnings	498,195	565,681	67,485
Treasury stock	(2,132)	(2,123)	8
Total shareholders' equity	596,355	664,136	67,780
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	150,115	151,540	1,425
Deferred gains (losses) on hedges	1,113	3,710	2,596
Revaluation reserve for land	19,214	19,077	(136)
Foreign currency translation adjustments	(33)	121	154
Retirement benefit asset and liability adjustments	2,178	1,680	(497)
Total accumulated other comprehensive income	172,588	176,131	3,542
Non-controlling interests	29,204	31,991	2,786
Total net assets	798,149	872,259	74,109
Total liabilities and net assets	2,214,512	2,264,840	50,328
(Reference)			
Interest-bearing debt balances	272,218	252,839	(19,378)

(2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2018 - December 31, 2018	April 1, 2019 - December 31, 2019	Change
Net sales			
Net sales of completed construction contracts	1,417,430	1,433,311	15,881
Net sales of real estate business and other	65,083	65,108	25
Total net sales	1,482,513	1,498,420	15,906
Cost of sales			
Cost of sales on completed construction contracts	1,255,299	1,256,942	1,643
Cost of sales on real estate business and other	48,546	48,572	26
Total cost of sales	1,303,845	1,305,515	1,669
Gross profit			
Gross profit on completed construction contracts	162,131	176,369	14,238
Gross profit on real estate business and other	16,537	16,536	(0)
Total gross profit	178,668	192,905	14,237
Selling, general and administrative expenses	72,118	74,481	2,362
Operating income	106,550	118,424	11,874
Non-operating income			
Interest income	886	959	73
Dividends income	6,799	6,811	11
Other	1,248	1,463	214
Total non-operating income	8,935	9,234	299
Non-operating expenses			
Interest expenses	1,387	1,345	(41)
Other	1,021	649	(371)
Total non-operating expenses	2,408	1,995	(413)
Ordinary income	113,076	125,663	12,586
Extraordinary income			
Gain on sales of investment securities	1,482	3,516	2,034
Reversal of provision for loss on Antimonopoly Act	—	2,096	2,096
Other	145	327	182
Total extraordinary income	1,628	5,940	4,312
Extraordinary loss			
Loss on valuation of investment securities	6	710	704
Loss on sales of investment securities	236	439	203
Other	506	315	(191)
Total extraordinary losses	748	1,465	716
Profit before income taxes	113,956	130,139	16,183
Income taxes-current	29,574	33,986	4,412
Income taxes-deferred	2,941	1,372	(1,569)
Total income taxes	32,516	35,359	2,842
Profit	81,439	94,780	13,340
Profit attributable to non-controlling interests	2,264	3,017	752
Profit attributable to owners of parent	79,175	91,763	12,587

(3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2018 - December 31, 2018	April 1, 2019 - December 31, 2019
Profit	81,439	94,780
Other comprehensive income		
Valuation difference on available-for-sale securities	(26,006)	1,413
Deferred gains (losses) on hedges	1,472	2,599
Foreign currency translation adjustment	310	824
Retirement benefit adjustment	(152)	(497)
Share of other comprehensive income of associates accounted for using equity method	(10)	(9)
Total other comprehensive income	(24,386)	4,331
Comprehensive income	57,053	99,111
Comprehensive income attributable to owners of parent	54,525	95,442
Comprehensive income attributable to non-controlling interests	2,528	3,669

7 Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	December 31, 2019	Change
Assets			
Current assets			
Cash and deposits	53,879	102,481	48,602
Notes receivable—trade	2,922	5,965	3,043
Electronically recorded monetary claims	8,371	15,448	7,077
Accounts receivable from completed construction contracts	678,744	632,848	(45,895)
Accounts receivable—real estate business and other	7,597	6,501	(1,096)
Short-term investment securities	143	153	10
Real estate for sale	3,576	3,522	(53)
Costs on uncompleted construction contracts	29,821	44,329	14,508
Costs on real estate business and other	4,843	7,914	3,070
Short-term loans receivable	34,621	73,699	39,077
Accounts receivable	88,136	66,836	(21,300)
Other	18,454	43,870	25,415
Allowance for doubtful accounts	(79)	(79)	—
Total current assets	931,032	1,003,492	72,460
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	63,843	60,515	(3,328)
Machinery, equipment and vehicles	8,824	10,892	2,067
Tools, furniture and fixtures	2,503	2,687	183
Land	184,551	184,403	(147)
Leased assets	13	8	(4)
Construction in progress	2,070	4,782	2,711
Total property, plant and equipment	261,807	263,289	1,482
Intangible assets	3,137	3,510	372
Investments and other assets			
Investment securities	348,474	347,584	(890)
Shares and investments in capital of subsidiaries and affiliates	59,660	60,203	542
Long-term loans receivable	86,375	55,516	(30,858)
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,930	2,002	71
Other	9,308	9,281	(27)
Allowance for doubtful accounts	(795)	(821)	(26)
Total investments and other assets	504,954	473,767	(31,187)
Total noncurrent assets	769,898	740,566	(29,332)
Total assets	1,700,931	1,744,059	43,127

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	December 31, 2019	Change
Liabilities			
Current liabilities			
Notes payable—trade	14,924	13,216	(1,707)
Electronically recorded obligations	121,424	133,829	12,404
Accounts payable for construction contracts	402,701	391,183	(11,518)
Accounts payable—real estate and other	921	1,360	438
Short-term loans payable	36,726	36,266	(460)
Current portion of bonds	10,000	—	(10,000)
Lease obligations	6	5	(1)
Accounts payable	5,500	2,561	(2,938)
Accrued expenses	18,408	12,436	(5,972)
Income taxes payable	23,802	10,043	(13,759)
Advances received on uncompleted construction contracts	79,471	68,358	(11,112)
Deposit received—real estate and other	1,933	2,083	149
Deposits received	100,855	126,714	25,858
Provision for warranties for completed construction	3,972	4,118	146
Provision for loss on construction contracts	1,105	1,140	35
Provision for loss on Antimonopoly Act	4,145	4,145	—
Deposits received from employees	25,514	26,986	1,471
Other	970	1,152	182
Total current liabilities	852,385	835,600	(16,785)
Noncurrent liabilities			
Bonds payable	30,000	40,000	10,000
Long-term loans payable	73,282	69,900	(3,382)
Lease obligations	8	4	(3)
Deferred tax liabilities	36,785	38,922	2,136
Deferred tax liabilities for land revaluation	15,615	15,555	(59)
Provision for retirement benefits	46,320	46,485	164
Provision for stock payments for directors	381	368	(12)
Provision for loss on real estate business and other	993	—	(993)
Provision for loss on business of subsidiaries and affiliates	2,736	2,187	(549)
Provision for environmental measures	247	247	—
Other	4,927	4,706	(221)
Total noncurrent liabilities	211,297	218,377	7,080
Total liabilities	1,063,683	1,053,978	(9,704)
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	2,545	2,476	(68)
General reserve	240,000	315,000	75,000
Retained earnings brought forward	119,533	93,156	(26,377)
Total retained earnings	376,516	425,071	48,554
Treasury stock	(2,132)	(2,123)	8
Total shareholders' equity	473,831	522,395	48,563
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	149,866	151,315	1,449
Deferred gains (losses) on hedges	0	0	(0)
Revaluation reserve for land	13,549	16,370	2,820
Total valuation and translation adjustments	163,416	167,686	4,269
Total net assets	637,248	690,081	52,832
Total liabilities and net assets	1,700,931	1,744,059	43,127
(Reference)			
Interest-bearing debt balances	150,008	146,166	(3,842)

(2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2018 - December 31, 2018	April 1, 2019 - December 31, 2019	Change
Net sales			
Net sales of completed construction contracts	992,952	1,031,467	38,515
Net sales of real estate business and other	14,828	14,013	(815)
Total net sales	1,007,780	1,045,480	37,700
Cost of sales			
Cost of sales on completed construction contracts	865,149	888,872	23,723
Cost of sales on real estate business and other	10,786	10,011	(774)
Total cost of sales	875,935	898,884	22,948
Gross profit			
Gross profit on completed construction contracts	127,803	142,594	14,791
Gross profit on real estate business and other	4,042	4,001	(40)
Total gross profit	131,845	146,596	14,751
Selling, general and administrative expenses	49,208	52,328	3,120
Operating income	82,636	94,268	11,631
Non-operating income			
Interest and dividend income	11,651	9,463	(2,187)
Other	564	732	167
Total non-operating income	12,215	10,196	(2,019)
Non-operating expenses			
Interest expenses	568	609	41
Provision of allowance for doubtful accounts	37	30	(7)
Other	1,064	688	(376)
Total non-operating expenses	1,670	1,327	(342)
Ordinary income	93,182	103,136	9,954
Extraordinary income			
Gain on sales of investment securities	1,482	3,381	1,898
Other	3,564	292	(3,272)
Total extraordinary income	5,047	3,673	(1,373)
Extraordinary loss			
Loss on valuation of investment securities	6	710	704
Loss on sales of investment securities	177	439	261
Other	456	168	(287)
Total extraordinary losses	640	1,318	678
Profit before income taxes	97,589	105,491	7,902
Income taxes-current	24,367	28,262	3,894
Income taxes-deferred	3,538	1,440	(2,098)
Total income taxes	27,906	29,702	1,796
Profit	69,683	75,788	6,105