

# 1st Quarter Financial Results

(April 1, 2019 to June 30, 2019)

August 7, 2019

**OBUYASHI CORPORATION**



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Disclaimer: This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on August 7, 2019. 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, 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	%
Three Months Ended June 30, 2019	446,720	2.2	25,399	10.1	28,112	8.4	22,733	26.8
Three Months Ended June 30, 2018	437,307	(0.4)	23,075	(7.3)	25,941	(4.4)	17,924	(5.5)

(Note) Comprehensive income : [Three Months Ended June 30, 2019] 11,763 million yen, (43.7)% ; [Three Months Ended June 30, 2018] 20,885 million yen, (43.0)%

	Profit attributable to owners of parent per Share (EPS)
	Yen
Three Months Ended June 30, 2019	31.68
Three Months Ended June 30, 2018	24.97

### ② Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
	Yen in millions	Yen in millions	%	Yen
As of June 30, 2019	2,163,199	796,752	35.4	1,068.41
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 June 30, 2019] 766,727 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 May 13, 2019

## (3) Non-consolidated Financial Results for the Three Months Ended June 30, 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
Three Months Ended June 30, 2019	300,525	3.2	19,221	15.3	23,578	2.9	18,254	6.9	25.44
Three Months Ended June 30, 2018	291,075	(5.8)	16,676	(13.3)	22,923	(0.1)	17,069	0.6	23.78

### ② Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
	Yen in millions	Yen in millions	%	Yen
As of June 30, 2019	1,647,457	630,136	38.2	878.07
As of March 31, 2019	1,700,931	637,248	37.5	887.98

(Reference) Equity (net assets less non-controlling interests) : [As of June 30, 2019] 630,136 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 May 13, 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	—	Yen 14.00	—	Yen 18.00	Yen 32.00	Yen in millions 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 May 13, 2019

## 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, 2019) were 446.7 billion yen, an increase of 9.4 billion yen (2.2%) from the first quarter of the previous fiscal year. This was mainly due to an increase in net sales from the building construction business in Japan. On the earnings front, operating income rose to 25.3 billion yen, an increase of 2.3 billion yen (10.1%) over the same period last fiscal year. Ordinary income was 28.1 billion yen, an increase of 2.1 billion yen (8.4%) year-on-year. As we disclosed in a timely manner on July 30 of this year, the reversal of a provision for loss on the Antimonopoly Act at a subsidiary was posted as an extraordinary gain of 2.0 billion yen. This resulted in profit attributable to owners of parent of 22.7 billion yen, an increase of 4.8 billion yen (26.8%) over the first quarter of last fiscal year.

### (2) Overview of consolidated financial position

Total assets as of June 30, 2019 decreased by 51.3 billion yen (2.3%) compared with the balance at the end of the previous fiscal year (March 31, 2019), to 2,163.1 billion yen. This was mainly due to a 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,” and a decrease in investment securities due to a decline in the market price of shares held.

Total liabilities as of June 30, 2019 decreased by 49.9 billion yen (3.5%) compared with the balance at the end of the previous fiscal year, to 1,366.4 billion yen. This was mainly due to a decrease in trade payables related to construction costs, which are the sum of “Notes and accounts payable for construction contracts and other” and “Electronically recorded obligations.” The balance of interest-bearing debt as of June 30, 2019 decreased by 8.8 billion yen (3.3%) compared with the balance at the end of the previous fiscal year (March 31, 2018), to 263.3 billion yen.

Total net assets as of June 30, 2019 decreased by 1.3 billion yen (0.2%) compared with the balance at the end of the previous fiscal year, to 796.7 billion yen. This was mainly due to a decrease in “Valuation difference on available-for-sale securities”, which the increase in “Retained earnings” from the recognition of Profit attributable to owners of parent did not fully compensate for.

As a result, the equity ratio as of June 30, 2019 was 35.4%, up 0.7 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 were announced on May 13, 2019.

### 3 Financial Highlights

#### (1) Financial Results for the Three Months Ended June 30, 2019 (YoY Comparison)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results April 1, 2018 - June 30, 2018		Results April 1, 2019 - June 30, 2019		Change	% Change	Results April 1, 2018 - June 30, 2018		Results April 1, 2019 - June 30, 2019		Change	% Change
Net sales of completed construction contracts	%	4,117	%	4,202	85	2.1	%	2,867	%	2,966	98	3.4
Building Construction		—		—	—	—		2,206		2,337	131	6.0
Civil Engineering		—		—	—	—		661		628	(33)	(5.0)
Gross profit on completed construction contracts	10.1	415	10.4	437	22	5.3	11.0	316	11.8	349	32	10.3
Building Construction		—		—	—	—	9.7	213	11.3	264	50	23.6
Civil Engineering		—		—	—	—	15.6	102	13.5	85	(17)	(17.3)
Net sales of real estate business and other		255		264	8	3.5		42		38	(3)	(9.2)
Gross profit on real estate business and other	21.6	55	23.4	61	6	12.1	33.4	14	35.4	13	(0)	(4.0)
<b>Net sales</b>		<b>4,373</b>		<b>4,467</b>	<b>94</b>	<b>2.2</b>		<b>2,910</b>		<b>3,005</b>	<b>94</b>	<b>3.2</b>
Gross profit	10.8	470	11.2	499	28	6.1	11.4	330	12.1	362	32	9.7
Selling, general and administrative expenses (Personnel expenses)	5.5	239	5.5	245	5	2.3	5.7	164	5.7	170	6	4.0
(Others)		138		141	2			92		94	1	
		101		104	2			71		76	4	
<b>Operating Income</b>	<b>5.3</b>	<b>230</b>	<b>5.7</b>	<b>253</b>	<b>23</b>	<b>10.1</b>	<b>5.7</b>	<b>166</b>	<b>6.4</b>	<b>192</b>	<b>25</b>	<b>15.3</b>
Non-operating income		34		39	4	14.5		66		54	(11)	(18.1)
Non-operating expenses (interests received/paid and dividend income - net)		5		12	6	116.5		3		10	6	189.5
		27		29	1			59		49	(10)	
<b>Ordinary income</b>	<b>5.9</b>	<b>259</b>	<b>6.3</b>	<b>281</b>	<b>21</b>	<b>8.4</b>	<b>7.9</b>	<b>229</b>	<b>7.8</b>	<b>235</b>	<b>6</b>	<b>2.9</b>
Extraordinary income		0		31	30	—		0		8	8	—
Extraordinary loss		1		11	10	—		0		11	10	—
Income before income taxes	5.9	259	6.7	300	41	16.1	7.9	229	7.8	233	4	1.8
Total income taxes		77		68	(8)	(11.6)		58		50	(7)	(13.2)
Profit		181		232	50	27.9		—		—	—	—
Profit attributable to non-controlling interests (deduction)		2		5	2	99.9		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>4.1</b>	<b>179</b>	<b>5.1</b>	<b>227</b>	<b>48</b>	<b>26.8</b>	<b>5.9</b>	<b>170</b>	<b>6.1</b>	<b>182</b>	<b>11</b>	<b>6.9</b>

#### Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2018 - June 30, 2018		Results April 1, 2019 - June 30, 2019		Change	% Change	Results April 1, 2018 - June 30, 2018		Results April 1, 2019 - June 30, 2019		Change	% Change
Building Construction	3,750		3,439		(311)	(8.3)	2,378		2,392		14	0.6
Domestic	2,512		2,413		(99)	(4.0)	2,370		2,303		(66)	(2.8)
Overseas	1,237		1,026		(211)	(17.1)	8		89		80	995.6
Civil Engineering	1,042		396		(645)	(61.9)	646		150		(496)	(76.8)
Domestic	760		304		(456)	(60.0)	591		109		(482)	(81.4)
Overseas	281		92		(189)	(67.2)	54		40		(14)	(25.9)
Construction Total	4,792		3,836		(956)	(20.0)	3,024		2,542		(481)	(15.9)
Domestic	3,273		2,717		(555)	(17.0)	2,962		2,413		(548)	(18.5)
Overseas	1,519		1,118		(400)	(26.4)	62		129		66	107.2
Real Estate Business and Other	190		183		(6)	(3.4)	46		38		(8)	(17.9)
<b>Total Orders received</b>	<b>4,982</b>		<b>4,019</b>		<b>(962)</b>	<b>(19.3)</b>	<b>3,071</b>		<b>2,581</b>		<b>(490)</b>	<b>(16.0)</b>

#### Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	March 31, 2019	June 30, 2019	Change	% Change	March 31, 2019	June 30, 2019	Change	% Change
Interest-bearing debt (except nonrecourse loans)	1,830	1,756	(74)	(4.1)	1,500	1,470	(29)	(2.0)
Nonrecourse loans	891	877	(14)	(1.6)	—	—	—	—
<b>Total Interest-bearing debt</b>	<b>2,722</b>	<b>2,633</b>	<b>(88)</b>	<b>(3.3)</b>	<b>1,500</b>	<b>1,470</b>	<b>(29)</b>	<b>(2.0)</b>

(2) Financial Results for the Three Months Ended June 30, 2019 (Progress toward Full-Year Forecasts)

(Yen in 100 millions)

	Consolidated				Non-consolidated				
	Results April 1, 2019 - June 30, 2019		Forecasts April 1, 2019 - March 31, 2020		Results April 1, 2019 - June 30, 2019		Forecasts April 1, 2019 - March 31, 2020		% Progress
	%		%		%		%		
Net sales of completed construction contracts		4,202		19,050		2,966		13,550	21.9
Building Construction		—		—		2,337		10,800	21.6
Civil Engineering		—		—		628		2,750	22.9
Gross profit on completed construction contracts	10.4	437	11.8	2,255	11.8	349	13.1	1,775	19.7
Building Construction		—		—	11.3	264	12.0	1,300	20.3
Civil Engineering		—		—	13.5	85	17.3	475	17.9
Net sales of real estate business and other		264		1,250		38		230	16.9
Gross profit on real estate business and other	23.4	61	19.6	245	35.4	13	23.9	55	25.0
<b>Net sales</b>		<b>4,467</b>		<b>20,300</b>		<b>3,005</b>		<b>13,780</b>	<b>21.8</b>
Gross profit	11.2	499	12.3	2,500	12.1	362	13.3	1,830	19.8
Selling, general and administrative expenses	5.5	245	4.9	1,000	5.7	170	5.1	695	24.6
(Personnel expenses)		141		570		94		380	
(Others)		104		430		76		314	
<b>Operating Income</b>	<b>5.7</b>	<b>253</b>	<b>7.4</b>	<b>1,500</b>	<b>6.4</b>	<b>192</b>	<b>8.2</b>	<b>1,135</b>	<b>16.9</b>
Non-operating income		39		90		54		110	49.3
Non-operating expenses (interests received/paid and dividend income - net)		12		25		10		15	71.0
		29		65		49		100	
<b>Ordinary income</b>	<b>6.3</b>	<b>281</b>	<b>7.7</b>	<b>1,565</b>	<b>7.8</b>	<b>235</b>	<b>8.9</b>	<b>1,230</b>	<b>19.2</b>
Extraordinary income		31		30		8		30	29.3
Extraordinary loss		11		—		11		—	—
Income before income taxes	6.7	300	7.9	1,595	7.8	233	9.1	1,260	18.5
Total income taxes		68		465		50		365	14.0
Profit		232		1,130		—		—	—
Profit attributable to non-controlling interests (deduction)		5		30		—		—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>5.1</b>	<b>227</b>	<b>5.4</b>	<b>1,100</b>	<b>6.1</b>	<b>182</b>	<b>6.5</b>	<b>895</b>	<b>20.4</b>

※ There have been no revisions to the forecasts previously announced on May 13, 2019.

Orders Received

(Yen in 100 millions)

	Consolidated				Non-consolidated		
	Results April 1, 2019 - June 30, 2019		Forecasts April 1, 2019 - March 31, 2020		Results April 1, 2019 - June 30, 2019		% Progress
Building Construction		3,439		14,400		2,392	23.5
Domestic		2,413		10,900		2,303	22.6
Overseas		1,026		3,500		89	—
Civil Engineering		396		4,400		150	4.8
Domestic		304		3,500		109	4.2
Overseas		92		900		40	8.4
Construction Total		3,836		18,800		2,542	19.1
Domestic		2,717		14,400		2,413	18.8
Overseas		1,118		4,400		129	26.9
Real Estate Business and Other		183		850		38	16.7
<b>Total Orders received</b>		<b>4,019</b>		<b>19,650</b>		<b>2,581</b>	<b>19.1</b>

※ There have been no revisions to the forecasts previously announced on May 13, 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
<b>Net sales</b>		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	
<b>Operating Income</b>	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)	
<b>Ordinary income</b>	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		30	1	5.4		61		30	(31)	(51.2)
Extraordinary loss		12		—	(12)	(100.0)		26		—	(26)	(100.0)
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)		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	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 May 13, 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
<b>Total Orders received</b>		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 May 13, 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	—	—	—	—
<b>Total Interest-bearing debt</b>	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 May 13, 2019.

## 4 Operating Results and Forecasts for Reportable Segments

### (1) Operating Results for the Three Months Ended June 30, 2019 (YoY Comparison)

#### 【Consolidated】

(Yen in millions)

	Consolidated Net Sales				Consolidated Operating Income					
	Results April 1, 2018 - June 30, 2018	Results April 1, 2019 - June 30, 2019	Change	% Change	Results April 1, 2018 - June 30, 2018		Results April 1, 2019 - June 30, 2019		Change	% Change
					% Profit		% Profit			
<b>Building Construction</b>										
Domestic	223,327	240,863	17,536	7.9	5.4	12,061	6.3	15,132	3,070	25.5
Overseas	95,880	91,160	(4,720)	(4.9)	1.0	977	2.2	1,974	997	102.1
Subtotal	319,208	332,024	12,815	4.0	4.1	13,039	5.2	17,106	4,067	31.2
<b>Civil Engineering</b>										
Domestic	81,000	74,793	(6,207)	(7.7)	9.1	7,381	5.7	4,261	(3,120)	(42.3)
Overseas	11,553	13,475	1,921	16.6	(4.3)	(495)	(1.0)	(136)	359	—
Subtotal	92,554	88,268	(4,285)	(4.6)	7.4	6,885	4.7	4,125	(2,760)	(40.1)
<b>Construction Total</b>										
Domestic	304,328	315,656	11,328	3.7	6.4	19,443	6.1	19,393	(49)	(0.3)
Overseas	107,434	104,635	(2,798)	(2.6)	0.4	481	1.8	1,838	1,357	282.0
Subtotal	411,762	420,292	8,529	2.1	4.8	19,924	5.1	21,231	1,307	6.6
<b>Real Estate Business and Other</b>										
Real Estate Business	7,872	11,707	3,834	48.7	27.1	2,135	26.7	3,131	996	46.7
Other	17,671	14,720	(2,951)	(16.7)	5.7	1,015	7.0	1,036	20	2.0
Subtotal	25,544	26,427	883	3.5	12.3	3,150	15.8	4,167	1,016	32.3
<b>Total</b>	<b>437,307</b>	<b>446,720</b>	<b>9,413</b>	<b>2.2</b>	<b>5.3</b>	<b>23,075</b>	<b>5.7</b>	<b>25,399</b>	<b>2,323</b>	<b>10.1</b>

※ The figures in the table above show segment results. 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 April 1, 2018 - June 30, 2018	Results April 1, 2019 - June 30, 2019	Change	% Change	Results April 1, 2018 - June 30, 2018		Results April 1, 2019 - June 30, 2019		Change	% Change
					% Gross Profit		% Gross Profit			
<b>Building Construction</b>										
Domestic	217,142	231,273	14,130	6.5	9.9	21,391	11.3	26,146	4,754	22.2
Overseas	3,498	2,517	(980)	(28.0)	(0.5)	(16)	10.7	269	286	—
Subtotal	220,640	233,790	13,150	6.0	9.7	21,374	11.3	26,415	5,041	23.6
<b>Civil Engineering</b>										
Domestic	60,259	58,275	(1,983)	(3.3)	16.5	9,941	13.3	7,743	(2,197)	(22.1)
Overseas	5,891	4,569	(1,322)	(22.4)	5.9	348	16.7	763	415	119.0
Subtotal	66,151	62,845	(3,305)	(5.0)	15.6	10,289	13.5	8,507	(1,782)	(17.3)
<b>Construction Total</b>										
Domestic	277,401	289,549	12,147	4.4	11.3	31,332	11.7	33,890	2,557	8.2
Overseas	9,389	7,087	(2,302)	(24.5)	3.5	331	14.6	1,033	701	211.6
Subtotal	286,791	296,636	9,844	3.4	11.0	31,664	11.8	34,923	3,259	10.3
<b>Real Estate Business and Other</b>										
Real Estate Business	4,283	3,889	(393)	(9.2)	33.4	1,432	35.4	1,375	(56)	(4.0)
Other										
<b>Total</b>	<b>291,075</b>	<b>300,525</b>	<b>9,450</b>	<b>3.2</b>	<b>11.4</b>	<b>33,097</b>	<b>12.1</b>	<b>36,299</b>	<b>3,202</b>	<b>9.7</b>



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

### 【Consolidated】

(Yen in millions)

	Net Sales				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			
<b>Building Construction</b>										
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)
<b>Civil Engineering</b>										
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)
<b>Construction Total</b>										
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)
<b>Real Estate Business and Other</b>										
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
<b>Total</b>	<b>2,039,685</b>	<b>2,030,000</b>	<b>(9,685)</b>	<b>(0.5)</b>	<b>7.6</b>	<b>155,480</b>	<b>7.4</b>	<b>150,000</b>	<b>(5,480)</b>	<b>(3.5)</b>

※1 The figures in the table above show segment results. Consolidated net sales and operating income show the sales and operating income for external customers.

※2 There have been no revisions to the forecasts previously announced on May 13, 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			
<b>Building Construction</b>										
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)
<b>Civil Engineering</b>										
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)
<b>Construction Total</b>										
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
<b>Total</b>	<b>1,398,286</b>	<b>1,378,000</b>	<b>(20,286)</b>	<b>(1.5)</b>	<b>13.6</b>	<b>190,628</b>	<b>13.3</b>	<b>183,000</b>	<b>(7,628)</b>	<b>(4.0)</b>

※ There have been no revisions to the forecasts previously announced on May 13, 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 - June 30, 2018		April 1, 2019 - June 30, 2019		Change		Previous FY Results April 1, 2018 - March 31, 2019	
		% of Total		% of Total		% Change		% of Total
<b>Building Construction</b>								
Domestic Public	2,114	0.7	15,292	5.9	13,178	623.3	18,264	1.4
Domestic Private	234,900	76.5	215,035	83.3	(19,864)	(8.5)	1,020,474	76.9
Domestic total	237,014	77.2	230,328	89.2	(6,686)	(2.8)	1,038,739	78.3
Overseas total	813	0.3	8,911	3.5	8,097	995.6	5,594	0.4
Subtotal	237,828	77.5	239,239	92.7	1,411	0.6	1,044,333	78.7
<b>Civil Engineering</b>								
Domestic Public	42,138	13.7	5,935	2.3	(36,203)	(85.9)	132,353	10.0
Domestic Private	17,057	5.6	5,057	2.0	(12,000)	(70.4)	112,067	8.4
Domestic total	59,195	19.3	10,992	4.3	(48,203)	(81.4)	244,420	18.4
Overseas total	5,429	1.7	4,024	1.5	(1,404)	(25.9)	17,198	1.3
Subtotal	64,625	21.0	15,016	5.8	(49,608)	(76.8)	261,618	19.7
<b>Construction Total</b>								
Domestic Public	44,253	14.4	21,228	8.2	(23,024)	(52.0)	150,617	11.4
Domestic Private	251,957	82.1	220,092	85.3	(31,865)	(12.6)	1,132,541	85.3
Domestic total	296,210	96.5	241,320	93.5	(54,889)	(18.5)	1,283,159	96.7
Overseas total	6,242	2.0	12,935	5.0	6,693	107.2	22,792	1.7
Subtotal	302,453	98.5	254,256	98.5	(48,196)	(15.9)	1,305,952	98.4
Real Estate Business and Other	4,681	1.5	3,845	1.5	(836)	(17.9)	21,641	1.6
Total	307,134	100	258,101	100	(49,033)	(16.0)	1,327,594	100

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

(Yen in millions)

	April 1, 2018 - June 30, 2018		April 1, 2019 - June 30, 2019		Change		Previous FY Results April 1, 2018 - March 31, 2019	
		% of Total		% of Total		% Change		% of Total
<b>Building Construction</b>								
Domestic Public	16,393	5.6	20,754	6.9	4,360	26.6	68,791	4.9
Domestic Private	200,748	69.0	210,518	70.1	9,770	4.9	1,007,606	72.1
Domestic total	217,142	74.6	231,273	77.0	14,130	6.5	1,076,398	77.0
Overseas total	3,498	1.2	2,517	0.8	(980)	(28.0)	8,843	0.6
Subtotal	220,640	75.8	233,790	77.8	13,150	6.0	1,085,242	77.6
<b>Civil Engineering</b>								
Domestic Public	40,248	13.8	34,898	11.6	(5,349)	(13.3)	168,204	12.0
Domestic Private	20,011	6.9	23,376	7.8	3,365	16.8	101,176	7.2
Domestic total	60,259	20.7	58,275	19.4	(1,983)	(3.3)	269,380	19.2
Overseas total	5,891	2.0	4,569	1.5	(1,322)	(22.4)	22,065	1.6
Subtotal	66,151	22.7	62,845	20.9	(3,305)	(5.0)	291,446	20.8
<b>Construction Total</b>								
Domestic Public	56,641	19.4	55,653	18.5	(988)	(1.7)	236,995	16.9
Domestic Private	220,760	75.9	233,895	77.9	13,135	6.0	1,108,783	79.3
Domestic total	277,401	95.3	289,549	96.4	12,147	4.4	1,345,779	96.2
Overseas total	9,389	3.2	7,087	2.3	(2,302)	(24.5)	30,909	2.2
Subtotal	286,791	98.5	296,636	98.7	9,844	3.4	1,376,688	98.4
Real Estate Business and Other	4,283	1.5	3,889	1.3	(393)	(9.2)	21,597	1.6
Total	291,075	100	300,525	100	9,450	3.2	1,398,286	100

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

(Yen in millions)

	June 30, 2018		June 30, 2019		Change		March 31, 2019	
		%		%		% Change		% of Total
<b>Building Construction</b>								
Domestic Public	130,564	7.5	88,854	5.4	(41,709)	(31.9)	94,316	5.6
Domestic Private	1,134,743	64.6	1,117,976	68.7	(16,767)	(1.5)	1,113,459	66.7
Domestic total	1,265,308	72.1	1,206,831	74.1	(58,476)	(4.6)	1,207,776	72.3
Overseas total	11,837	0.7	17,666	1.1	5,829	49.2	11,273	0.7
Sub-total	1,277,145	72.8	1,224,498	75.2	(52,647)	(4.1)	1,219,049	73.0
<b>Civil Engineering</b>								
Domestic Public	311,823	17.7	245,117	15.1	(66,705)	(21.4)	274,081	16.4
Domestic Private	133,512	7.6	129,037	7.9	(4,474)	(3.4)	147,357	8.8
Domestic total	445,335	25.3	374,155	23.0	(71,179)	(16.0)	421,439	25.2
Overseas total	33,965	1.9	29,015	1.8	(4,950)	(14.6)	29,560	1.8
Subtotal	479,301	27.2	403,171	24.8	(76,129)	(15.9)	451,000	27.0
<b>Construction Total</b>								
Domestic Public	442,387	25.2	333,972	20.5	(108,415)	(24.5)	368,398	22.0
Domestic Private	1,268,256	72.2	1,247,014	76.6	(21,241)	(1.7)	1,260,817	75.5
Domestic total	1,710,643	97.4	1,580,987	97.1	(129,656)	(7.6)	1,629,215	97.5
Overseas total	45,803	2.6	46,682	2.9	879	1.9	40,833	2.5
Subtotal	1,756,447	100.0	1,627,669	100	(128,777)	(7.3)	1,670,049	100.0
Real Estate Business and Other	398	0.0	—	—	(398)	100.0	44	0.0
<b>Total</b>	<b>1,756,845</b>	<b>100</b>	<b>1,627,669</b>	<b>100</b>	<b>(129,175)</b>	<b>(7.4)</b>	<b>1,670,093</b>	<b>100</b>

## 6 Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	June 30, 2019	Change
<b>Assets</b>			
Current assets			
Cash and deposits	168,698	<b>240,795</b>	72,097
Notes and accounts receivable from completed construction contracts and other	859,096	<b>738,145</b>	(120,951)
Electronically recorded monetary claims	11,895	<b>13,999</b>	2,104
Short-term investment securities	6,980	<b>7,006</b>	26
Real estate for sale	12,209	<b>11,966</b>	(243)
Costs on uncompleted construction contracts	35,369	<b>49,623</b>	14,253
Costs on real estate business	22,163	<b>21,040</b>	(1,122)
Inventories for PFI and other projects	44,108	<b>47,907</b>	3,798
Other inventories	9,734	<b>10,227</b>	492
Accounts receivable	92,554	<b>80,019</b>	(12,534)
Other	20,204	<b>29,505</b>	9,300
Allowance for doubtful accounts	(150)	<b>(130)</b>	20
<b>Total current assets</b>	<b>1,282,866</b>	<b>1,250,106</b>	<b>(32,759)</b>
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	125,103	<b>124,220</b>	(882)
Machinery, vehicles, tools, furniture and fixtures	55,746	<b>54,565</b>	(1,181)
Land	355,925	<b>356,419</b>	494
Lease assets	289	<b>299</b>	9
Construction in progress	7,493	<b>10,363</b>	2,870
<b>Total property, plant and equipment</b>	<b>544,558</b>	<b>545,869</b>	<b>1,310</b>
Intangible assets	4,997	<b>5,004</b>	7
Investments and other assets			
Investment securities	360,627	<b>340,563</b>	(20,064)
Long-term loans receivable	1,767	<b>1,745</b>	(21)
Assets for retirement benefits	13	<b>13</b>	—
Deferred tax assets	1,761	<b>1,786</b>	24
Other	18,130	<b>18,318</b>	187
Allowance for doubtful accounts	(210)	<b>(208)</b>	2
<b>Total investments and other assets</b>	<b>382,090</b>	<b>362,218</b>	<b>(19,871)</b>
<b>Total noncurrent assets</b>	<b>931,646</b>	<b>913,092</b>	<b>(18,553)</b>
<b>Total assets</b>	<b>2,214,512</b>	<b>2,163,199</b>	<b>(51,312)</b>

## (1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	June 30, 2019	Change
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable for construction contracts and other	551,181	<b>498,438</b>	(52,743)
Electronically recorded obligations	119,956	<b>131,959</b>	12,003
Short-term loans payable	58,713	<b>51,404</b>	(7,309)
Current portion of nonrecourse loans	10,079	<b>10,104</b>	25
Current portion of bonds	10,000	—	(10,000)
Lease obligations	103	<b>106</b>	3
Income taxes payable	24,790	<b>10,778</b>	(14,011)
Advances received on uncompleted construction contracts	116,424	<b>127,303</b>	10,879
Deposits received	108,952	<b>113,351</b>	4,398
Provision for warranties for completed construction	4,365	<b>4,359</b>	(5)
Provision for loss on construction contracts	1,968	<b>1,562</b>	(405)
Provision for loss on Antimonopoly Act	10,324	<b>8,228</b>	(2,096)
Other	78,324	<b>88,493</b>	10,168
<b>Total current liabilities</b>	<b>1,095,184</b>	<b>1,046,090</b>	(49,093)
Noncurrent liabilities			
Bonds payable	30,000	<b>40,000</b>	10,000
Long-term loans payable	84,347	<b>84,231</b>	(116)
Nonrecourse loans	79,076	<b>77,627</b>	(1,449)
Lease obligations	200	<b>209</b>	8
Deferred tax liabilities	30,667	<b>21,875</b>	(8,792)
Deferred tax liabilities for land revaluation	18,953	<b>18,953</b>	(0)
Provision for stock payments for directors	381	<b>381</b>	—
Provision for loss on real estate business and other	993	—	(993)
Provision for environmental measures	274	<b>274</b>	—
Liability for retirement benefits	50,809	<b>51,205</b>	395
Other	25,472	<b>25,596</b>	124
<b>Total noncurrent liabilities</b>	<b>321,178</b>	<b>320,355</b>	(822)
<b>Total liabilities</b>	<b>1,416,362</b>	<b>1,366,446</b>	(49,916)
<b>Net assets</b>			
Shareholders' equity			
Capital stock	57,752	<b>57,752</b>	—
Capital surplus	42,540	<b>42,540</b>	—
Retained earnings	498,195	<b>508,003</b>	9,808
Treasury stock	(2,132)	<b>(2,132)</b>	(0)
<b>Total shareholders' equity</b>	<b>596,355</b>	<b>606,163</b>	9,807
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	150,115	<b>137,632</b>	(12,483)
Deferred gains (losses) on hedges	1,113	<b>1,169</b>	55
Revaluation reserve for land	19,214	<b>19,214</b>	(0)
Foreign currency translation adjustments	(33)	<b>536</b>	569
Retirement benefit asset and liability adjustments	2,178	<b>2,011</b>	(166)
<b>Total accumulated other comprehensive income</b>	<b>172,588</b>	<b>160,563</b>	(12,025)
Non-controlling interests	29,204	<b>30,025</b>	820
<b>Total net assets</b>	<b>798,149</b>	<b>796,752</b>	(1,396)
<b>Total liabilities and net assets</b>	<b>2,214,512</b>	<b>2,163,199</b>	(51,312)
<b>(Reference)</b>			
Interest-bearing debt balances	272,218	<b>263,367</b>	(8,850)

## (2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2018 - June 30, 2018	April 1, 2019 - June 30, 2019	Change
<b>Net sales</b>			
Net sales of completed construction contracts	411,762	<b>420,292</b>	8,529
Net sales of real estate business and other	25,544	<b>26,427</b>	883
Total net sales	437,307	<b>446,720</b>	9,413
<b>Cost of sales</b>			
Cost of sales on completed construction contracts	370,250	<b>376,570</b>	6,320
Cost of sales on real estate business and other	20,022	<b>20,236</b>	214
Total cost of sales	390,272	<b>396,807</b>	6,534
<b>Gross profit</b>			
Gross profit on completed construction contracts	41,512	<b>43,721</b>	2,209
Gross profit on real estate business and other	5,522	<b>6,190</b>	668
Total gross profit	47,034	<b>49,912</b>	2,878
Selling, general and administrative expenses	23,958	<b>24,513</b>	554
Operating income	23,075	<b>25,399</b>	2,323
<b>Non-operating income</b>			
Interest income	312	<b>293</b>	(18)
Dividends income	2,936	<b>3,080</b>	144
Other	176	<b>548</b>	372
Total non-operating income	3,424	<b>3,922</b>	498
<b>Non-operating expenses</b>			
Interest expenses	488	<b>461</b>	(26)
Foreign exchange losses	5	<b>630</b>	625
Other	65	<b>118</b>	52
Total non-operating expenses	558	<b>1,210</b>	651
Ordinary income	25,941	<b>28,112</b>	2,170
<b>Extraordinary income</b>			
Reversal of provision for loss on Antimonopoly Act	—	<b>2,096</b>	2,096
Gain on sales of investing securities	46	<b>780</b>	734
Other	25	<b>263</b>	238
Total extraordinary income	71	<b>3,140</b>	3,068
<b>Extraordinary loss</b>			
Loss on valuation of investment securities	6	<b>727</b>	721
Loss on sales of investment securities	30	<b>373</b>	343
Other	63	<b>61</b>	(1)
Total extraordinary losses	100	<b>1,163</b>	1,062
Profit before income taxes	25,912	<b>30,089</b>	4,176
Income taxes-current	9,829	<b>10,124</b>	294
Income taxes-deferred	(2,106)	<b>(3,298)</b>	(1,191)
Total income taxes	7,723	<b>6,826</b>	(896)
Profit	18,189	<b>23,263</b>	5,073
Profit attributable to non-controlling interests	264	<b>529</b>	264
Profit attributable to owners of parent	17,924	<b>22,733</b>	4,808

### (3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2018 - June 30, 2018	April 1, 2019 - June 30, 2019
Profit	18,189	<b>23,263</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	3,705	<b>(12,486)</b>
Deferred gains (losses) on hedges	872	<b>55</b>
Foreign currency translation adjustment	(1,829)	<b>1,103</b>
Retirement benefit adjustment	(48)	<b>(167)</b>
Share of other comprehensive income of associates accounted for using equity method	(4)	<b>(4)</b>
Total other comprehensive income	2,696	<b>(11,499)</b>
Comprehensive income	20,885	<b>11,763</b>
Comprehensive income attributable to owners of parent	21,189	<b>10,708</b>
Comprehensive income attributable to non-controlling interests	(303)	<b>1,055</b>

## 8 Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	June 30, 2019	Change
<b>Assets</b>			
Current assets			
Cash and deposits	53,879	<b>117,641</b>	63,762
Notes receivable—trade	2,922	<b>6,672</b>	3,749
Electronically recorded monetary claims	8,371	<b>9,973</b>	1,601
Accounts receivable from completed construction contracts	678,744	<b>575,849</b>	(102,895)
Accounts receivable—real estate business and other	7,597	<b>5,237</b>	(2,359)
Short-term investment securities	143	<b>170</b>	26
Real estate for sale	3,576	<b>3,522</b>	(53)
Costs on uncompleted construction contracts	29,821	<b>37,605</b>	7,783
Costs on real estate business and other	4,843	<b>5,645</b>	801
Short-term loans receivable	34,621	<b>35,036</b>	415
Accounts receivable—other	88,136	<b>76,821</b>	(11,315)
Other	18,454	<b>23,717</b>	5,263
Allowance for doubtful accounts	(79)	<b>(70)</b>	9
Total current assets	931,032	<b>897,823</b>	(33,209)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	63,843	<b>62,978</b>	(865)
Machinery, equipment and vehicles	8,824	<b>8,148</b>	(675)
Tools, furniture and fixtures	2,503	<b>2,540</b>	36
Land	184,551	<b>184,636</b>	85
Leased assets	13	<b>11</b>	(1)
Construction in progress	2,070	<b>3,193</b>	1,123
Total property, plant and equipment	261,807	<b>261,509</b>	(297)
Intangible assets	3,137	<b>3,205</b>	67
Investments and other assets			
Investment securities	348,474	<b>328,511</b>	(19,963)
Shares and investments in capital of subsidiaries and affiliates	59,660	<b>59,673</b>	12
Long-term loans receivable	86,375	<b>86,348</b>	(27)
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,930	<b>1,954</b>	24
Other	9,308	<b>9,227</b>	(81)
Allowance for doubtful accounts	(795)	<b>(795)</b>	—
Total investments and other assets	504,954	<b>484,919</b>	(20,034)
Total noncurrent assets	769,898	<b>749,634</b>	(20,264)
Total assets	1,700,931	<b>1,647,457</b>	(53,474)



## (1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	June 30, 2019	Change
<b>Liabilities</b>			
Current liabilities			
Notes payable—trade	14,924	15,158	234
Electronically recorded obligations	121,424	132,205	10,781
Accounts payable for construction contracts	402,701	357,305	(45,395)
Accounts payable—real estate and other	921	400	(521)
Short-term loans payable	36,726	33,776	(2,950)
Current portion of bonds	10,000	—	(10,000)
Lease obligations	6	6	(0)
Accounts payable	5,500	4,425	(1,075)
Accrued expenses	18,408	27,167	8,758
Income taxes payable	23,802	9,629	(14,173)
Advances received on uncompleted construction contracts	79,471	85,199	5,727
Deposit received—real estate and other	1,933	2,273	339
Deposits received	100,855	103,077	2,221
Provision for warranties for completed construction	3,972	4,018	46
Provision for loss on construction contracts	1,105	801	(304)
Provision for loss on Antimonopoly Act	4,145	4,145	—
Deposits received from employees	25,514	25,127	(386)
Other	970	964	(5)
<b>Total current liabilities</b>	<b>852,385</b>	<b>805,681</b>	<b>(46,703)</b>
Noncurrent liabilities			
Bonds payable	30,000	40,000	10,000
Long-term loans payable	73,282	73,282	—
Lease obligations	8	6	(1)
Deferred tax liabilities	36,785	28,376	(8,408)
Deferred tax liabilities for land revaluation	15,615	15,615	—
Provision for retirement benefits	46,320	46,373	52
Provision for stock payments for directors	381	381	—
Provision for loss on real estate business and other	993	—	(993)
Provision for loss on business of subsidiaries and affiliates	2,736	2,438	(298)
Provision for environmental measures	247	247	—
Other	4,927	4,918	(8)
<b>Total noncurrent liabilities</b>	<b>211,297</b>	<b>211,639</b>	<b>341</b>
<b>Total liabilities</b>	<b>1,063,683</b>	<b>1,017,321</b>	<b>(46,361)</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	2,545	2,531	(13)
General reserve	240,000	315,000	75,000
Retained earnings brought forward	119,533	49,876	(69,657)
<b>Total retained earnings</b>	<b>376,516</b>	<b>381,845</b>	<b>5,329</b>
Treasury stock	(2,132)	(2,132)	(0)
<b>Total shareholders' equity</b>	<b>473,831</b>	<b>479,160</b>	<b>5,328</b>
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	149,866	137,428	(12,437)
Deferred gains (losses) on hedges	0	(2)	(2)
Revaluation reserve for land	13,549	13,549	—
<b>Total valuation and translation adjustments</b>	<b>163,416</b>	<b>150,975</b>	<b>(12,440)</b>
<b>Total net assets</b>	<b>637,248</b>	<b>630,136</b>	<b>(7,112)</b>
<b>Total liabilities and net assets</b>	<b>1,700,931</b>	<b>1,647,457</b>	<b>(53,474)</b>
<b>(Reference)</b>			
Interest-bearing debt balances	150,008	147,058	(2,950)

## (2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2018 - June 30, 2018	April 1, 2019 - June 30, 2019	Change
<b>Net sales</b>			
Net sales of completed construction contracts	286,791	<b>296,636</b>	9,844
Net sales of real estate business and other	4,283	<b>3,889</b>	(393)
<b>Total net sales</b>	<b>291,075</b>	<b>300,525</b>	<b>9,450</b>
<b>Cost of sales</b>			
Cost of sales on completed construction contracts	255,127	<b>261,712</b>	6,585
Cost of sales on real estate business and other	2,850	<b>2,513</b>	(337)
<b>Total cost of sales</b>	<b>257,978</b>	<b>264,226</b>	<b>6,248</b>
<b>Gross profit</b>			
Gross profit on completed construction contracts	31,664	<b>34,923</b>	3,259
Gross profit on real estate business and other	1,432	<b>1,375</b>	(56)
<b>Total gross profit</b>	<b>33,097</b>	<b>36,299</b>	<b>3,202</b>
Selling, general and administrative expenses	16,420	<b>17,077</b>	656
<b>Operating income</b>	<b>16,676</b>	<b>19,221</b>	<b>2,545</b>
<b>Non-operating income</b>			
Interest and dividend income	6,177	<b>5,144</b>	(1,032)
Other	438	<b>276</b>	(161)
<b>Total non-operating income</b>	<b>6,615</b>	<b>5,420</b>	<b>(1,194)</b>
<b>Non-operating expenses</b>			
Interest expenses	208	<b>206</b>	(2)
Foreign exchange losses	—	<b>667</b>	667
Other	158	<b>189</b>	31
<b>Total non-operating expenses</b>	<b>367</b>	<b>1,064</b>	<b>696</b>
<b>Ordinary income</b>	<b>22,923</b>	<b>23,578</b>	<b>654</b>
<b>Extraordinary income</b>			
Gain on sales of investment securities	46	<b>701</b>	654
Other	5	<b>177</b>	172
<b>Total extraordinary income</b>	<b>51</b>	<b>878</b>	<b>826</b>
<b>Extraordinary loss</b>			
Loss on valuation of investment securities	6	<b>727</b>	721
Loss on sales of investment securities	—	<b>373</b>	373
Other	27	<b>6</b>	(20)
<b>Total extraordinary losses</b>	<b>33</b>	<b>1,107</b>	<b>1,073</b>
<b>Profit before income taxes</b>	<b>22,941</b>	<b>23,349</b>	<b>407</b>
Income taxes-current	8,129	<b>8,044</b>	(85)
Income taxes-deferred	(2,257)	<b>(2,949)</b>	(691)
<b>Total income taxes</b>	<b>5,872</b>	<b>5,095</b>	<b>(776)</b>
<b>Profit</b>	<b>17,069</b>	<b>18,254</b>	<b>1,184</b>