

2nd Quarter Financial Results

(April 1, 2019 to September 30, 2019)

November 11, 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 November 11, 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 Six Months Ended September 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	%
Six Months Ended September 30, 2019	965,290	3.0	72,764	11.9	76,751	10.0	56,813	16.4
Six Months Ended September 30, 2018	937,138	2.1	65,028	4.3	69,742	5.6	48,827	0.9

(Note) Comprehensive income : [Six Months Ended September 30, 2019] 51,859 million yen, (10.4)% ; [Six Months Ended September 30, 2018] 57,871 million yen, (17.7)%

	Profit attributable to owners of parent per Share (EPS)
	Yen
Six Months Ended September 30, 2019	79.17
Six Months Ended September 30, 2018	68.02

② Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share (BPS)	
	Yen in millions		Yen in millions		%	Yen		
As of September 30, 2019	2,190,336		836,491		36.8		1,123.09	
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 September 30, 2019] 805,982 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 August 7, 2019

(3) Non-consolidated Financial Results for the Six Months Ended September 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	
Six Months Ended September 30, 2019	669,414	7.0	56,411	12.7	62,105	4.7	45,831	5.5		63.86
Six Months Ended September 30, 2018	625,562	(2.3)	50,065	(0.7)	59,325	6.3	43,453	5.8		60.53

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 September 30, 2019	1,680,314		661,664		39.4		921.99	
As of March 31, 2019	1,700,931		637,248		37.5		887.98	

(Reference) Equity (net assets less non-controlling interests) : [As of September 30, 2019] 661,664 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 August 7, 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 August 7, 2019

2 Qualitative information

(1) Overview of consolidated business results

During the first six months of the fiscal year under review (April 1–September 30, 2019), the Japanese economy continued to recover gradually, aided by increased consumer spending and private-sector capital investment, among other factors. Uncertainty over the outlook in the global economy increased due to U.S.-China trade friction and other factors.

Orders in the domestic construction market remained firm and were generally strong for both public and private-sector construction.

Amid these conditions, our consolidated net sales for the first six months of fiscal year ending March 31, 2020 amounted to 965.2 billion yen, an increase of 28.1 billion yen (3.0%) from the first six months of the previous fiscal year. This growth was due to steady progress on orders in hand. On the earnings front, operating income rose to 72.7 billion yen, an increase of 7.7 billion yen (11.9%) over the same period last fiscal year. Ordinary income was 76.7 billion yen, an increase of 7.0 billion yen (10.0%) year-on-year, and profit attributable to owners of parent rose to 56.8 billion yen, an increase of 7.9 billion yen (16.4%) over the same period last fiscal year.

The Obayashi Group consolidated performance by business segment for the first six months of fiscal year ending March 31, 2020 was as follows:

a. Construction business

Consolidated construction orders received increased by 60.1 billion yen (7.2%) over the first six months of the previous fiscal year to 895.9 billion yen, due to growth in the domestic building construction business for Obayashi Corporation (hereafter, the “Company”), which reflected the strong order environment. More specifically, orders received in the domestic building construction business were 551.1 billion yen; the overseas building construction business, 210.5 billion yen; the domestic civil engineering business, 80.7 billion yen; and the overseas civil engineering business, 53.5 billion yen.

Consolidated net sales for the construction business increased by 24.9 billion yen (2.8%) from the same period during the previous fiscal year to 917.9 billion yen, due to an increase in net sales in the Company’s domestic building construction business and despite a decline in the overseas building construction business of group subsidiaries. More specifically, net sales for domestic building construction were 538 billion yen; for overseas building construction, 185.1 billion yen; for domestic civil engineering, 164.5 billion yen; and for overseas civil engineering, 30.2 billion yen.

Operating income increased by 6.5 billion yen (11.1%) to 65 billion yen from the same period during the previous fiscal year, mainly due to an increase in gross profit on completed construction contracts as a result of higher net sales in the domestic construction business.

b. Real estate business

In the real estate business, net sales increased 3.5 billion yen (19.1%) from the same period during the previous fiscal year to 22.1 billion yen. Operating income increased by 0.8 billion yen (18.1%) year-on-year to 5.8 billion yen.

c. Other businesses

Net sales of other businesses decreased by 0.3 billion yen (1.2%) to 25.1 billion yen from the same period during the previous fiscal year. Operating income increased by 0.3 billion yen (21.3%) year-on-year to 1.7 billion yen.

<Consolidated Net Sales and Operating Income by Segment>

(Yen in millions)

Segment	Construction business					Real estate business	Other businesses	Total
	Domestic building construction	Overseas building construction	Domestic civil engineering	Overseas civil engineering	Total construction business			
Net sales	538,055	185,141	164,532	30,233	917,962	22,178	25,149	965,290
Operating income	41,191	5,263	17,502	1,138	65,096	5,878	1,789	72,764

(2) Overview of consolidated financial position

Total assets as of September 30, 2019 decreased by 24.1 billion yen (1.1%) compared with the balance at the end of the previous fiscal year, to 2,190.3 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 September 30, 2019 decreased by 62.5 billion yen (4.4%) compared with the balance at the end of the previous fiscal year, to 1,353.8 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” and a decrease in “Short-term loans payable” and “Long-term loans payable.” The consolidated balance of interest-bearing debt as of September 30, 2019 decreased by 21.3 billion yen (7.9%) to 250.8 billion yen compared with the balance at the end of the previous fiscal year.

Total net assets as of September 30, 2019 increased by 38.3 billion yen (4.8%) compared with the balance at the end of the previous fiscal year, to 836.4 billion yen. This was mainly due to an increase in “Retained earnings” from the recognition of profit attributable to owners of parent, which compensated for the decrease in “Valuation difference on available-for-sale securities”.

As a result, the equity ratio as of September 30, 2019 was 36.8%, up 2.1 percentage points from the end of the previous fiscal year.

(3) Overview of consolidated cash flows

During the first six months of fiscal year ending March 31, 2020, net cash provided by operating activities amounted to 66 billion yen, primarily due to a steady increase in net cash inflow in domestic construction business (net cash provided by operating activities amounted to 22.9 billion yen in the same period during the previous fiscal year). Net cash used in investment activities amounted to 16.6 billion yen, primarily due to purchase of machinery and equipment (net cash used in investment activities amounted to 41.3 billion yen in the same period during the previous fiscal year). Net cash used in financing activities amounted to 34.2 billion, primarily due to repayment of loans and payment of dividends (net cash used in financing activities amounted to 14.5 billion yen in the same period during the previous fiscal year).

Consequently, cash and cash equivalents as of September 30, 2019 increased by 14.3 billion yen to 172 billion yen compared with the balance at the end of the previous fiscal year.

(4) 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 first quarter were announced on August 7, 2019.

3 Financial Highlights

(1) Financial Results for the Six Months Ended September 30, 2019 (YoY Comparison)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results		Results		Change	% Change	Results		Results		Change	% Change
	April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019	April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019			April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019	April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019		
Net sales of completed construction contracts	%	8,930	%	9,179	249	2.8	%	6,168	%	6,608	439	7.1
Building Construction		—		—	—	—		4,818		5,232	413	8.6
Civil Engineering		—		—	—	—		1,349		1,375	26	1.9
Gross profit on completed construction contracts	11.3	1,009	12.0	1,098	89	8.8	12.9	798	13.3	879	81	10.2
Building Construction		—		—	—	—	11.6	556	12.0	627	70	12.6
Civil Engineering		—		—	—	—	17.9	241	18.4	252	11	4.7
Net sales of real estate business and other		440		473	32	7.3		87		86	(1)	(1.6)
Gross profit on real estate business and other	25.1	110	24.3	115	4	4.1	26.7	23	30.1	25	2	10.9
Net sales		9,371		9,652	281	3.0		6,255		6,694	438	7.0
Gross profit	11.9	1,119	12.6	1,213	93	8.4	13.1	821	13.5	905	84	10.2
Selling, general and administrative expenses (Personnel expenses)	5.0	469	5.1	486	16	3.5	5.1	320	5.1	341	20	6.4
(Others)		274		280	6			182		187	5	
		195		205	10			138		153	15	
Operating income	6.9	650	7.5	727	77	11.9	8.0	500	8.4	564	63	12.7
Non-operating income		61		60	(0)	(1.0)		100		72	(28)	(28.0)
Non-operating expenses (interests received/paid and dividend income - net)		14		20	6	46.7		8		15	7	89.2
		39		42	2			85		64	(20)	
Ordinary income	7.4	697	8.0	767	70	10.0	9.5	593	9.3	621	27	4.7
Extraordinary income		15		43	27	174.7		15		20	5	33.7
Extraordinary loss		3		15	11	336.8		3		14	10	300.3
Income before income taxes	7.6	709	8.2	795	85	12.1	9.7	605	9.4	627	22	3.7
Total income taxes		209		209	0	0.2		170		168	(1)	(1.0)
Profit		500		585	85	17.1		—		—	—	—
Profit attributable to non-controlling interests (deduction)		11		17	5	45.8		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.2	488	5.9	568	79	16.4	6.9	434	6.8	458	23	5.5

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results		Results		Change	% Change	Results		Results		Change	% Change
	April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019	April 1, 2018 - September 30, 2019	April 1, 2019 - September 30, 2019			April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019	April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019		
Building Construction		6,687		7,616	929	13.9		4,293		5,348	1,054	24.6
Domestic		4,564		5,511	947	20.8		4,258		5,257	999	23.5
Overseas		2,123		2,105	(18)	(0.9)		35		90	55	156.4
Civil Engineering		1,670		1,343	(327)	(19.6)		1,011		684	(327)	(32.4)
Domestic		1,296		807	(489)	(37.7)		941		418	(523)	(55.6)
Overseas		374		535	161	43.2		70		265	195	279.6
Construction Total		8,358		8,959	601	7.2		5,305		6,032	727	13.7
Domestic		5,860		6,319	458	7.8		5,199		5,676	476	9.2
Overseas		2,497		2,640	142	5.7		105		356	251	238.1
Real Estate Business and Other		399		362	(36)	(9.3)		91		85	(6)	(6.8)
Total Orders received		8,757		9,322	564	6.4		5,397		6,118	721	13.4

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	March 31, 2019	September 30, 2019	Change	% Change	March 31, 2019	September 30, 2019	Change	% Change
	Interest-bearing debt (except nonrecourse loans)	1,830	1,651	(179)	(9.8)	1,500	1,413	(86)
Nonrecourse loans	891	857	(34)	(3.9)	—	—	—	—
Total Interest-bearing debt	2,722	2,508	(213)	(7.9)	1,500	1,413	(86)	(5.8)

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

(Yen in 100 millions)

	Consolidated					Non-consolidated				
	Results April 1, 2019 - September 30, 2019		Forecasts April 1, 2019 - March 31, 2020		% Progress	Results April 1, 2019 - September 30, 2019		Forecasts April 1, 2019 - March 31, 2020		% Progress
Net sales of completed construction contracts	%	9,179	%	19,050	48.2	%	6,608	%	13,550	48.8
Building Construction		—		—	—		5,232		10,800	48.4
Civil Engineering		—		—	—		1,375		2,750	50.0
Gross profit on completed construction contracts	12.0	1,098	11.8	2,255	48.7	13.3	879	13.1	1,775	49.6
Building Construction		—		—	—	12.0	627	12.0	1,300	48.2
Civil Engineering		—		—	—	18.4	252	17.3	475	53.2
Net sales of real estate business and other		473		1,250	37.9		86		230	37.4
Gross profit on real estate business and other	24.3	115	19.6	245	47.0	30.1	25	23.9	55	47.1
Net sales		9,652		20,300	47.6		6,694		13,780	48.6
Gross profit	12.6	1,213	12.3	2,500	48.5	13.5	905	13.3	1,830	49.5
Selling, general and administrative expenses	5.1	486	4.9	1,000	48.6	5.1	341	5.1	695	49.1
(Personnel expenses)		280		570			187		380	
(Others)		205		430			153		314	
Operating income	7.5	727	7.4	1,500	48.5	8.4	564	8.2	1,135	49.7
Non-operating income		60		90	67.5		72		110	66.0
Non-operating expenses		20		25	83.6		15		15	104.5
(interests received/paid and dividend income - net)		42		65			64		100	
Ordinary income	8.0	767	7.7	1,565	49.0	9.3	621	8.9	1,230	50.5
Extraordinary income		43		※ 50	86.6		20		※ 40	52.0
Extraordinary loss		15		※ 20	77.2		14		※ 10	145.9
Income before income taxes	8.2	795	7.9	1,595	49.9	9.4	627	9.1	1,260	49.8
Total income taxes		209		465	45.1		168		365	46.3
Profit		585		1,130	51.8		—		—	—
Profit attributable to non-controlling interests (deduction)		17		30	57.7		—		—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.9	568	5.4	1,100	51.6	6.8	458	6.5	895	51.2

※ There have been no revision to the forecasts previously announced on August 7, 2019 except for "Extraordinary income" and "Extraordinary loss".

In the forecasts previously announced on August 7, 2019, Extraordinary income was 3 billion yen, Extraordinary loss was "—" both in Consolidated and Non-consolidated.

Orders Received

(Yen in 100 millions)

	Consolidated				Non-consolidated					
	Results April 1, 2019 - September 30, 2019		Forecasts April 1, 2019 - March 31, 2020		% Progress	Results April 1, 2019 - September 30, 2019		Forecasts April 1, 2019 - March 31, 2020		% Progress
Building Construction	7,616		14,400		52.9	5,348		10,200		52.4
Domestic	5,511		10,900		50.6	5,257		10,200		51.5
Overseas	2,105		3,500		60.1	90		—		—
Civil Engineering	1,343		4,400		30.5	684		3,100		22.1
Domestic	807		3,500		23.1	418		2,620		16.0
Overseas	535		900		59.5	265		480		55.4
Construction Total	8,959		18,800		47.7	6,032		13,300		45.4
Domestic	6,319		14,400		43.9	5,676		12,820		44.3
Overseas	2,640		4,400		60.0	356		480		74.3
Real Estate Business and Other	362		850		42.6	85		230		37.3
Total Orders received	9,322		19,650		47.4	6,118		13,530		45.2

※ There have been no revisions to the forecasts previously announced on August 7, 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 revision to the forecasts previously announced on August 7, 2019 except for "Extraordinary income" and "Extraordinary loss".

In the forecasts previously announced on August 7, 2019, Extraordinary income was 3 billion yen, Extraordinary loss was "—" both in Consolidated and Non-consolidated.

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 August 7, 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 August 7, 2019.

4 Operating Results and Forecasts for Reportable Segments

(1) Operating Results for the Six Months Ended September 30, 2019 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Result April 1, 2018 - September 30, 2018	Result April 1, 2019 - September 30, 2019	Change	% Change	Result April 1, 2018 - September 30, 2018		Result April 1, 2019 - September 30, 2019		Change	% Change
					% Profit		% Profit			
Building Construction										
Domestic	495,122	538,055	42,932	8.7	7.5	37,178	7.7	41,191	4,013	10.8
Overseas	207,843	185,141	(22,701)	(10.9)	1.6	3,239	2.8	5,263	2,024	62.5
Subtotal	702,965	723,196	20,231	2.9	5.7	40,417	6.4	46,454	6,037	14.9
Civil Engineering										
Domestic	162,643	164,532	1,888	1.2	10.7	17,385	10.6	17,502	117	0.7
Overseas	27,436	30,233	2,797	10.2	2.8	770	3.8	1,138	367	47.7
Subtotal	190,080	194,766	4,685	2.5	9.6	18,156	9.6	18,641	484	2.7
Construction Total										
Domestic	657,765	702,587	44,821	6.8	8.3	54,563	8.4	58,694	4,130	7.6
Overseas	235,280	215,375	(19,904)	(8.5)	1.7	4,009	3.0	6,401	2,391	59.7
Subtotal	893,045	917,962	24,917	2.8	6.6	58,573	7.1	65,096	6,522	11.1
Real Estate Business and Other										
Real Estate Business	18,626	22,178	3,551	19.1	26.7	4,979	26.5	5,878	898	18.1
Other	25,465	25,149	(315)	(1.2)	5.8	1,475	7.1	1,789	314	21.3
Subtotal	44,092	47,327	3,235	7.3	14.6	6,454	16.2	7,668	1,213	18.8
Total	937,138	965,290	28,152	3.0	6.9	65,028	7.5	72,764	7,735	11.9

※ 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					
	Result April 1, 2018 - September 30, 2018	Result April 1, 2019 - September 30, 2019	Change	% Change	Result April 1, 2018 - September 30, 2018		Result April 1, 2019 - September 30, 2019		Change	% Change
					% Gross Profit		% Gross Profit			
Building Construction										
Domestic	476,032	517,292	41,260	8.7	11.7	55,730	12.0	62,269	6,539	11.7
Overseas	5,846	5,950	104	1.8	(0.6)	(36)	7.5	446	482	—
Subtotal	481,878	523,243	41,365	8.6	11.6	55,694	12.0	62,715	7,021	12.6
Civil Engineering										
Domestic	122,552	127,860	5,308	4.3	18.2	22,298	18.0	23,061	762	3.4
Overseas	12,377	9,698	(2,679)	(21.6)	14.8	1,829	22.6	2,191	361	19.8
Subtotal	134,929	137,558	2,628	1.9	17.9	24,128	18.4	25,252	1,124	4.7
Construction Total										
Domestic	598,584	645,153	46,568	7.8	13.0	78,028	13.2	85,331	7,302	9.4
Overseas	18,223	15,649	(2,574)	(14.1)	9.8	1,793	16.9	2,637	844	47.1
Subtotal	616,808	660,802	43,993	7.1	12.9	79,822	13.3	87,968	8,146	10.2
Real Estate Business and Other										
Real Estate Business	8,754	8,611	(142)	(1.6)	26.7	2,334	30.1	2,589	255	10.9
Other										
Total	625,562	669,414	43,851	7.0	13.1	82,156	13.5	90,558	8,401	10.2

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

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Result April 1, 2018 - March 31, 2019	Forecast April 1, 2019 - March 31, 2020	Change	% Change	Result April 1, 2018 - March 31, 2019		Forecast 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 August 7, 2019.

【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Result April 1, 2018 - March 31, 2019	Forecast April 1, 2019 - March 31, 2020	Change	% Change	Result April 1, 2018 - March 31, 2019		Forecast 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 August 7, 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 - September 30, 2018		April 1, 2019 - September 30, 2019		Change		Previous FY Results April 1, 2018 - March 31, 2019	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	12,173	2.3	42,086	6.9	29,912	245.7	18,264	1.4
Domestic Private	413,636	76.6	483,662	79.0	70,025	16.9	1,020,474	76.9
Domestic total	425,810	78.9	525,749	85.9	99,938	23.5	1,038,739	78.3
Overseas total	3,548	0.7	9,096	1.5	5,548	156.4	5,594	0.4
Subtotal	429,358	79.6	534,845	87.4	105,486	24.6	1,044,333	78.7
Civil Engineering								
Domestic Public	60,568	11.2	21,890	3.6	(38,677)	(63.9)	132,353	10.0
Domestic Private	33,589	6.2	19,961	3.3	(13,627)	(40.6)	112,067	8.4
Domestic total	94,158	17.4	41,852	6.9	(52,305)	(55.6)	244,420	18.4
Overseas total	7,000	1.3	26,572	4.3	19,572	279.6	17,198	1.3
Subtotal	101,158	18.7	68,425	11.2	(32,733)	(32.4)	261,618	19.7
Construction Total								
Domestic Public	72,742	13.5	63,977	10.5	(8,765)	(12.0)	150,617	11.4
Domestic Private	447,226	82.8	503,624	82.3	56,397	12.6	1,132,541	85.3
Domestic total	519,969	96.3	567,601	92.8	47,632	9.2	1,283,159	96.7
Overseas total	10,548	2.0	35,668	5.8	25,120	238.1	22,792	1.7
Subtotal	530,517	98.3	603,270	98.6	72,753	13.7	1,305,952	98.4
Real Estate Business and Other	9,196	1.7	8,569	1.4	(627)	(6.8)	21,641	1.6
Total	539,714	100	611,840	100	72,125	13.4	1,327,594	100

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	April 1, 2018 - September 30, 2018		April 1, 2019 - September 30, 2019		Change		Previous FY Results April 1, 2018 - March 31, 2019	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	33,372	5.3	42,880	6.4	9,508	28.5	68,791	4.9
Domestic Private	442,660	70.8	474,411	70.9	31,751	7.2	1,007,606	72.1
Domestic total	476,032	76.1	517,292	77.3	41,260	8.7	1,076,398	77.0
Overseas total	5,846	0.9	5,950	0.9	104	1.8	8,843	0.6
Subtotal	481,878	77.0	523,243	78.2	41,365	8.6	1,085,242	77.6
Civil Engineering								
Domestic Public	77,425	12.4	77,796	11.6	371	0.5	168,204	12.0
Domestic Private	45,126	7.2	50,063	7.5	4,937	10.9	101,176	7.2
Domestic total	122,552	19.6	127,860	19.1	5,308	4.3	269,380	19.2
Overseas total	12,377	2.0	9,698	1.4	(2,679)	(21.6)	22,065	1.6
Subtotal	134,929	21.6	137,558	20.5	2,628	1.9	291,446	20.8
Construction Total								
Domestic Public	110,797	17.7	120,677	18.0	9,879	8.9	236,995	16.9
Domestic Private	487,787	78.0	524,475	78.4	36,688	7.5	1,108,783	79.3
Domestic total	598,584	95.7	645,153	96.4	46,568	7.8	1,345,779	96.2
Overseas total	18,223	2.9	15,649	2.3	(2,574)	(14.1)	30,909	2.2
Subtotal	616,808	98.6	660,802	98.7	43,993	7.1	1,376,688	98.4
Real Estate Business and Other	8,754	1.4	8,611	1.3	(142)	(1.6)	21,597	1.6
Total	625,562	100	669,414	100	43,851	7.0	1,398,286	100

(3) Breakdown of Non-consolidated Project in Process

(Yen in millions)

	September 30, 2018		September 30, 2019		Change		At the end of Previous FY (March 31, 2019)	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	123,645	7.5	93,521	5.8	(30,123)	(24.4)	94,316	5.6
Domestic Private	1,071,568	64.7	1,122,710	69.6	51,141	4.8	1,113,459	66.7
Domestic total	1,195,213	72.2	1,216,232	75.4	21,018	1.8	1,207,776	72.3
Overseas total	12,224	0.8	14,419	0.9	2,194	17.9	11,273	0.7
Subtotal	1,207,438	73.0	1,230,651	76.3	23,212	1.9	1,219,049	73.0
Civil Engineering								
Domestic Public	293,076	17.7	218,176	13.5	(74,899)	(25.6)	274,081	16.4
Domestic Private	124,929	7.6	117,255	7.3	(7,673)	(6.1)	147,357	8.8
Domestic total	418,005	25.3	335,432	20.8	(82,573)	(19.8)	421,439	25.2
Overseas total	29,050	1.7	46,434	2.9	17,383	59.8	29,560	1.8
Subtotal	447,056	27.0	381,866	23.7	(65,189)	(14.6)	451,000	27.0
Construction Total								
Domestic Public	416,721	25.2	311,697	19.3	(105,023)	(25.2)	368,398	22.0
Domestic Private	1,196,498	72.3	1,239,966	76.9	43,468	3.6	1,260,817	75.5
Domestic total	1,613,219	97.5	1,551,664	96.2	(61,555)	(3.8)	1,629,215	97.5
Overseas total	41,275	2.5	60,853	3.8	19,578	47.4	40,833	2.5
Subtotal	1,654,495	100.0	1,612,517	100.0	(41,977)	(2.5)	1,670,049	100.0
Real Estate Business and Other	442	0.0	2	0.0	(440)	(99.5)	44	0.0
Total	1,654,937	100	1,612,519	100	(42,417)	(2.6)	1,670,093	100

6 Main Projects

(1) Orders received

Owner	Project Name
Department of Rapid Transit Systems, Taoyuan	Taoyuan Metro Green Line GC03 zone Construction Project (Taiwan)
Primearth EV Energy Co., Ltd.	Primearth EV Energy Miyagi No.6 & No.7 Factories Construction Project
MUFG Bank, Ltd.	(Tentative name) N3 Construction Project
TOYO KAIJI KOGYO Co., Ltd	(Tentative name) Toranomom 2-chome Construction Project
Japan Organization of Occupational Health and Safety (Independent Administrative Agency)	Osaka Industrial Accident Hospital New Building and Other Construction Project
Colorado Department of Transportation	I-25 South Gap Project Monument-Castle Rock Package 3 (U.S.A.) ※

※ Undertaken by Kraemer North America. (Subsidiary of Obayashi USA)

(2) Completed projects

Owner	Project Name
Higashi Ogishima Property TMK	Logiport Kawasaki Bay New Building Construction Work
MITSUBISHI ESTATE CO., LTD. Nippon Flour Mills Co., Ltd.	LINK SQUARE SHINJUKU Construction Project
Canon Inc.	Miyazaki Canon Inc. New Factory Construction Project
Urban Renaissance Agency (Independent Administrative Agency) Iwate Earthquake Disaster Reconstruction Support Branch Office	Yamada Town Earthquake Restoration and Reconstruction Project
PFI HIGASHIOSAKA Cultural Creation Hall	HIGASHIOSAKA Cultural Creation Hall Construction Project
ICONSIAM Company Limited	ICONSIAM (Thailand) ※

※ Undertaken by Thai Obayashi Corporation.

(3) Projects in Process

Owner	Project Name
Toranomom 1-chome Area Urban Redevelopment Association	Toranomom 1-chome Area Class 1 Urban Redevelopment Project, Public Facilities Construction
Central Nippon Expressway Company Limited	Tokyo Outer Ring Road, Main Line Tunnel (Northbound) Tomei North Construction Project
Shirokane 1-chome East-North District Category 1 Urban Redevelopment Association	Shirokane 1-chome East-North District Category 1 Urban Redevelopment Project, Public Facilities Construction
Tokyo Medical University	Tokyo Medical University, New University Hospital, etc. Construction Project
SUMITOMO CORPORATION	(Tentative name) Kanda Nishikicho 2-chome Construction Project
Plenary Properties Merced	UC MERCED 2020 EXPANSION (U.S.A) ※

※ Undertaken by Webcor. (Subsidiary of Obayashi USA)

7 Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	September 30, 2019	Change
Assets			
Current assets			
Cash and deposits	168,698	185,718	17,020
Notes and accounts receivable from completed construction contracts and other	859,096	795,010	(64,086)
Electronically recorded monetary claims	11,895	15,890	3,995
Short-term investment securities	6,980	7,001	21
Real estate for sale	12,209	9,881	(2,328)
Costs on uncompleted construction contracts	35,369	50,652	15,282
Costs on real estate business	22,163	22,257	93
Inventories for PFI and other projects	44,108	45,530	1,421
Other inventories	9,734	11,560	1,825
Accounts receivable	92,554	79,813	(12,740)
Other	20,204	42,041	21,837
Allowance for doubtful accounts	(150)	(128)	22
Total current assets	1,282,866	1,265,231	(17,634)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	125,103	123,157	(1,946)
Machinery, vehicles, tools, furniture and fixtures	55,746	58,017	2,270
Land	355,925	357,008	1,083
Lease assets	289	282	(7)
Construction in progress	7,493	12,834	5,341
Total property, plant and equipment	544,558	551,300	6,741
Intangible assets	4,997	4,958	(38)
Investments and other assets			
Investment securities	360,627	346,180	(14,447)
Long-term loans receivable	1,767	1,942	175
Assets for retirement benefits	13	13	—
Deferred tax assets	1,761	1,782	20
Other	18,130	19,135	1,004
Allowance for doubtful accounts	(210)	(208)	2
Total investments and other assets	382,090	368,845	(13,244)
Total noncurrent assets	931,646	925,105	(6,540)
Total assets	2,214,512	2,190,336	(24,175)

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	September 30, 2019	Change
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	551,181	514,699	(36,482)
Electronically recorded obligations	119,956	116,861	(3,095)
Short-term loans payable	58,713	46,003	(12,710)
Current portion of nonrecourse loans	10,079	7,510	(2,568)
Current portion of bonds	10,000	—	(10,000)
Lease obligations	103	103	(0)
Income taxes payable	24,790	23,193	(1,596)
Advances received on uncompleted construction contracts	116,424	113,790	(2,633)
Deposits received	108,952	118,954	10,001
Provision for warranties for completed construction	4,365	4,472	107
Provision for loss on construction contracts	1,968	1,527	(440)
Provision for loss on Antimonopoly Act	10,324	8,228	(2,096)
Other	78,324	79,102	778
Total current liabilities	1,095,184	1,034,447	(60,737)
Noncurrent liabilities			
Bonds payable	30,000	40,000	10,000
Long-term loans payable	84,347	79,105	(5,242)
Nonrecourse loans	79,076	78,201	(875)
Lease obligations	200	198	(2)
Deferred tax liabilities	30,667	25,315	(5,352)
Deferred tax liabilities for land revaluation	18,953	18,935	(18)
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	51,409	599
Other	25,472	25,589	117
Total noncurrent liabilities	321,178	319,398	(1,780)
Total liabilities	1,416,362	1,353,845	(62,517)
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	42,540	42,825	285
Retained earnings	498,195	542,125	43,930
Treasury stock	(2,132)	(2,121)	10
Total shareholders' equity	596,355	640,582	44,226
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	150,115	141,561	(8,553)
Deferred gains (losses) on hedges	1,113	2,843	1,730
Revaluation reserve for land	19,214	19,172	(42)
Foreign currency translation adjustments	(33)	(24)	8
Retirement benefit asset and liability adjustments	2,178	1,846	(331)
Total accumulated other comprehensive income	172,588	165,399	(7,188)
Non-controlling interests	29,204	30,509	1,304
Total net assets	798,149	836,491	38,341
Total liabilities and net assets	2,214,512	2,190,336	(24,175)
(Reference)			
Interest-bearing debt balances	272,218	250,820	(21,397)

(2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019	Change
Net sales			
Net sales of completed construction contracts	893,045	917,962	24,917
Net sales of real estate business and other	44,092	47,327	3,235
Total net sales	937,138	965,290	28,152
Cost of sales			
Cost of sales on completed construction contracts	792,119	808,109	15,989
Cost of sales on real estate business and other	33,036	35,816	2,780
Total cost of sales	825,155	843,926	18,770
Gross profit			
Gross profit on completed construction contracts	100,926	109,853	8,927
Gross profit on real estate business and other	11,056	11,510	454
Total gross profit	111,982	121,364	9,382
Selling, general and administrative expenses	46,953	48,600	1,646
Operating income	65,028	72,764	7,735
Non-operating income			
Interest income	588	630	41
Dividends income	4,329	4,510	181
Other	1,221	936	(284)
Total non-operating income	6,139	6,077	(61)
Non-operating expenses			
Interest expenses	941	914	(27)
Foreign exchange losses	—	976	976
Other	483	200	(283)
Total non-operating expenses	1,425	2,090	665
Ordinary income	69,742	76,751	7,008
Extraordinary income			
Reversal of provision for loss on Antimonopoly Act	—	2,096	2,096
Gain on sales of investment securities	1,482	1,924	441
Other	93	309	215
Total extraordinary income	1,576	4,329	2,753
Extraordinary loss			
Loss on valuation of investment securities	6	874	868
Loss on sales of investment securities	188	439	251
Other	159	230	71
Total extraordinary losses	353	1,544	1,190
Profit before income taxes	70,965	79,536	8,570
Income taxes-current	21,443	22,519	1,076
Income taxes-deferred	(493)	(1,528)	(1,034)
Total income taxes	20,949	20,991	41
Profit	50,015	58,545	8,529
Profit attributable to non-controlling interests	1,188	1,732	544
Profit attributable to owners of parent	48,827	56,813	7,985

(3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019
Profit	50,015	58,545
Other comprehensive income		
Valuation difference on available-for-sale securities	8,073	(8,564)
Deferred gains (losses) on hedges	2,004	1,731
Foreign currency translation adjustment	(2,119)	490
Retirement benefit adjustment	(100)	(331)
Share of other comprehensive income of associates accounted for using equity method	(1)	(12)
Total other comprehensive income	7,855	(6,685)
Comprehensive income	57,871	51,859
Comprehensive income attributable to owners of parent	57,532	49,666
Comprehensive income attributable to non-controlling interests	338	2,192

(4) Consolidated Statements of Cash Flows

(Yen in millions)

	April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019	Change
Net cash provided by (used in) operating activities			
Income before income taxes	70,965	79,536	8,570
Depreciation and amortization	7,937	9,259	1,321
Increase (decrease) in allowance for doubtful accounts	(15)	(23)	(8)
Increase (decrease) in provision for loss on construction contracts	(2,526)	(413)	2,113
Increase (decrease) in provision for loss on Antimonopoly Act	(37)	(2,096)	(2,059)
Increase (decrease) in liability for retirement benefits	450	98	(352)
Loss (gain) on valuation of short-term and long term investment securities	6	874	868
Interest and dividends income	(4,918)	(5,141)	(222)
Interest expenses	941	914	(27)
Loss (gain) on sales of short-term and long term investment securities	(1,289)	(1,484)	(195)
Decrease (increase) in notes and accounts receivable—trade	31,368	57,524	26,155
Decrease (increase) in costs on uncompleted construction contracts	(8,167)	(15,308)	(7,140)
Decrease (increase) in inventories	(2,124)	393	2,517
Decrease (increase) in inventories for PFI and other projects	(76)	(1,421)	(1,345)
Decrease (increase) in other assets	(26,574)	(9,061)	17,512
Increase (decrease) in notes and accounts payable—trade	(10,194)	(37,240)	(27,046)
Increase (decrease) in advances received on uncompleted construction contracts	9,415	(2,124)	(11,539)
Increase (decrease) in other liabilities	(15,659)	11,301	26,961
Other, net	(414)	(139)	275
Subtotal	49,088	85,446	36,358
Interest and dividends income received	4,813	5,270	457
Interest expenses	(814)	(878)	(63)
Income taxes (paid) refund	(30,116)	(23,787)	6,328
Net cash provided by (used in) operating activities	22,970	66,051	43,080
Net cash provided by (used in) investing activities			
Payments into time deposits	(12,431)	(15,435)	(3,004)
Proceeds from withdrawal of time deposits	—	12,235	12,235
Purchase of property, plant and equipment and intangible assets	(24,838)	(15,981)	8,856
Proceeds from sales of property, plant and equipment and intangible assets	79	225	146
Purchase of short-term and long term investment securities	(7,930)	(1,687)	6,243
Proceeds from sales and redemption of short-term and long term investment securities	3,673	4,045	371
Payments of loans receivable	(74)	(189)	(114)
Collection of loans receivable	151	178	26
Net cash provided by (used in) investing activities	(41,370)	(16,609)	24,761
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	(27,369)	(9,222)	18,147
Net increase (decrease) in commercial papers	30,000	—	(30,000)
Repayments of lease obligations	(53)	(58)	(5)
Proceeds from long-term loans payable	5,200	1,010	(4,189)
Repayment of long-term loans payable	(8,216)	(9,054)	(837)
Proceeds from nonrecourse loans payable	—	3,287	3,287
Payment of nonrecourse loans payable	(4,051)	(6,731)	(2,679)
Proceeds from issuance of bonds	10,000	10,000	—
Redemption of bonds	(10,000)	(10,000)	—
Cash dividends paid	(10,052)	(12,925)	(2,872)
Cash dividends paid to non-controlling interests	(257)	(233)	23
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(364)	(364)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	267	—	(267)
Other, net	(2)	(1)	0
Net cash provided by (used in) financing activities	(14,535)	(34,293)	(19,757)
Effect of exchange rate change on cash and cash equivalents	(2,097)	(755)	1,341
Net increase (decrease) in cash and cash equivalents	(35,032)	14,393	49,426
Cash and cash equivalents at beginning of period	184,783	157,699	(27,083)
Cash and cash equivalents at end of period	149,751	172,093	22,342

8 Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	September 30, 2019	Change
Assets			
Current assets			
Cash and deposits	53,879	71,098	17,219
Notes receivable—trade	2,922	2,699	(223)
Electronically recorded monetary claims	8,371	13,477	5,105
Accounts receivable from completed construction contracts	678,744	625,689	(53,054)
Accounts receivable—real estate business and other	7,597	5,649	(1,948)
Short-term investment securities	143	161	17
Real estate for sale	3,576	3,515	(61)
Costs on uncompleted construction contracts	29,821	43,015	13,194
Costs on real estate business and other	4,843	6,867	2,024
Short-term loans receivable	34,621	71,527	36,905
Accounts receivable—other	88,136	73,596	(14,539)
Other	18,454	37,838	19,384
Allowance for doubtful accounts	(79)	(78)	1
Total current assets	931,032	955,058	24,025
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	63,843	61,455	(2,388)
Machinery, equipment and vehicles	8,824	11,628	2,803
Tools, furniture and fixtures	2,503	2,572	69
Land	184,551	183,277	(1,273)
Leased assets	13	10	(3)
Construction in progress	2,070	3,711	1,640
Total property, plant and equipment	261,807	262,656	849
Intangible assets	3,137	3,233	96
Investments and other assets			
Investment securities	348,474	333,611	(14,863)
Shares and investments in capital of subsidiaries and affiliates	59,660	59,922	261
Long-term loans receivable	86,375	55,507	(30,867)
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,930	1,938	8
Other	9,308	9,207	(101)
Allowance for doubtful accounts	(795)	(821)	(26)
Total investments and other assets	504,954	459,365	(45,588)
Total noncurrent assets	769,898	725,256	(44,642)
Total assets	1,700,931	1,680,314	(20,616)

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	September 30, 2019	Change	
Liabilities				
Current liabilities				
Notes payable—trade	14,924	12,047	(2,877)	
Electronically recorded obligations	121,424	116,042	(5,381)	
Accounts payable for construction contracts	402,701	380,638	(22,062)	
Accounts payable—real estate and other	921	876	(44)	
Short-term loans payable	36,726	31,176	(5,550)	
Current portion of bonds	10,000	—	(10,000)	
Lease obligations	6	6	(0)	
Accounts payable	5,500	2,332	(3,167)	
Accrued expenses	18,408	18,235	(173)	
Income taxes payable	23,802	21,195	(2,607)	
Advances received on uncompleted construction contracts	79,471	76,125	(3,345)	
Deposit received—real estate and other	1,933	2,042	108	
Deposits received	100,855	110,178	9,322	
Provision for warranties for completed construction	3,972	4,120	148	
Provision for loss on construction contracts	1,105	914	(191)	
Provision for loss on Antimonopoly Act	4,145	4,145	—	
Deposits received from employees	25,514	26,062	547	
Other	970	1,009	39	
Total current liabilities	852,385	807,149	(45,236)	
Noncurrent liabilities				
Bonds payable	30,000	40,000	10,000	
Long-term loans payable	73,282	70,140	(3,142)	
Lease obligations	8	4	(3)	
Deferred tax liabilities	36,785	31,658	(5,127)	
Deferred tax liabilities for land revaluation	15,615	15,597	(18)	
Provision for retirement benefits	46,320	46,411	90	
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	4,885	(41)	
Total noncurrent liabilities	211,297	211,501	203	
Total liabilities	1,063,683	1,018,650	(45,032)	
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	2,490	(55)	
General reserve	240,000	315,000	75,000	
Retained earnings brought forward	119,533	74,580	(44,953)	
Total retained earnings	376,516	406,508	29,991	
Treasury stock	(2,132)	(2,121)	10	
Total shareholders' equity	473,831	503,834	30,002	
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	149,866	141,368	(8,497)	
Deferred gains (losses) on hedges	0	(3)	(4)	
Revaluation reserve for land	13,549	16,464	2,914	
Total valuation and translation adjustments	163,416	157,830	(5,586)	
Total net assets	637,248	661,664	24,415	
Total liabilities and net assets	1,700,931	1,680,314	(20,616)	
(Reference)				
Interest-bearing debt balances	18	150,008	141,316	(8,692)

(2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2018 - September 30, 2018	April 1, 2019 - September 30, 2019	Change
Net sales			
Net sales of completed construction contracts	616,808	660,802	43,993
Net sales of real estate business and other	8,754	8,611	(142)
Total net sales	625,562	669,414	43,851
Cost of sales			
Cost of sales on completed construction contracts	536,986	572,833	35,847
Cost of sales on real estate business and other	6,420	6,022	(397)
Total cost of sales	543,406	578,855	35,449
Gross profit			
Gross profit on completed construction contracts	79,822	87,968	8,146
Gross profit on real estate business and other	2,334	2,589	255
Total gross profit	82,156	90,558	8,401
Selling, general and administrative expenses	32,091	34,147	2,055
Operating income	50,065	56,411	6,345
Non-operating income			
Interest and dividend income	8,911	6,891	(2,020)
Other	1,176	370	(806)
Total non-operating income	10,088	7,262	(2,826)
Non-operating expenses			
Interest expenses	383	404	20
Provision of allowance for doubtful accounts	36	30	(6)
Foreign exchange losses	—	795	795
Other	408	338	(69)
Total non-operating expenses	829	1,568	739
Ordinary income	59,325	62,105	2,779
Extraordinary income			
Gain on sales of investment securities	1,482	1,801	318
Other	73	279	206
Total extraordinary income	1,556	2,080	524
Extraordinary loss			
Loss on valuation of investment securities	6	874	868
Loss on sales of investment securities	177	439	261
Other	180	145	(34)
Total extraordinary losses	364	1,459	1,094
Profit before income taxes	60,516	62,726	2,209
Income taxes-current	17,872	18,309	436
Income taxes-deferred	(809)	(1,414)	(605)
Total income taxes	17,063	16,894	(168)
Profit	43,453	45,831	2,378