

1st Quarter Financial Results

(April 1, 2020 to June 30, 2020)

August 3, 2020



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Disclaimer: This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on August 3, 2020. It was translated into English and presented solely for the convenience of users who are not familiar with Japanese. If there is any discrepancy between Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" and this document, the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" will prevail. This document includes forward-looking statements based on the information available at the time the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" were released. Actual results may vary from the forward-looking statements contained herein due to various factors. Obayashi Corporation (non-consolidated) is called the "Company" in these materials.

1 Summary of Financial Results

(1) Consolidated Financial Results for the Three Months Ended June 30, 2020

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, 2020	415,109	(7.1)	19,733	(22.3)	22,418	(20.3)	22,758	0.1
Three Months Ended June 30, 2019	446,720	2.2	25,399	10.1	28,112	8.4	22,733	26.8

(Note) Comprehensive income : [Three Months Ended June 30, 2020] 26,046 million yen, 121.4% ; [Three Months Ended June 30, 2019] 11,763 million yen, (43.7)%

	Profit attributable to owners of parent per Share (EPS)
Three Months Ended June 30, 2020	31.71
Three Months Ended June 30, 2019	31.68

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, 2020	2,218,662	864,665	37.6	1,162.23
As of March 31, 2020	2,230,297	850,498	36.7	1,139.69

(For reference) Equity (net assets less non-controlling interests) : [As of June 30, 2020] 834,069 million yen ; [As of March 31, 2020] 817,892 million yen

(2) Consolidated Forecast for Fiscal Year Ending March 31, 2021

(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	1,860,000	(10.3)	119,000	(22.2)	126,000	(20.8)	94,000	(16.9)	130.98

※ The forecasts previously announced on May 15, 2020 have been revised.

Please see "Announcement of Revisions to the Financial and Dividend Forecasts" (disclosed on August 3, 2020) for the latest consolidated forecasts for fiscal year ending March 31, 2020.

(3) Non-consolidated Financial Results for the Three Months Ended June 30, 2020

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, 2020	273,682	(8.9)	12,416	(35.4)	18,420	(21.9)	18,752	2.7	26.13
Three Months Ended June 30, 2019	300,525	3.2	19,221	15.3	23,578	2.9	18,254	6.9	25.44

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, 2020	1,679,058	669,878	39.9	933.44
As of March 31, 2020	1,704,670	656,156	38.5	914.31

(Reference) Equity (net assets less non-controlling interests) : [As of June 30, 2020] 669,878 million yen ; [As of March 31, 2020] 656,156 million yen

(4) Non-consolidated Forecast Fiscal Year Ending March 31, 2021

(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	1,284,000	(9.3)	90,000	(20.4)	101,000	(17.0)	78,000	(11.8)	108.69

※ The forecasts previously announced on May 15, 2020 have been revised.

Please see "Announcement of Revisions to the Financial and Dividend Forecasts" (disclosed on August 3, 2020) for the latest non-consolidated forecasts for fiscal year ending March 31, 2020.

(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, 2020	—	Yen 16.00	—	Yen 16.00	Yen 32.00	Yen in millions 22,977	20.3	2.9
FY ending Mar. 31, 2021 (including Forecast)	—	16.00		16.00	32.00		24.4	

※ The forecasts previously announced on May 15, 2020 have been revised.

Please see "Announcement of Revisions to the Financial and Dividend Forecasts" (disclosed on August 3, 2020) for the latest dividend forecasts for fiscal year ending March 31, 2020.

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, 2020) were 415.1 billion yen, a decrease of 31.6 billion yen (7.1%) from the first quarter of the previous fiscal year. The decrease was mainly due to three main reasons for the decline in net sales and each profit category in the forecasts for fiscal year ending March 31, 2021 compared to the previous fiscal year; 1) Comparison with the unusually large numbers during the same period of the previous fiscal year, during which multiple large projects were completed in the domestic construction business, 2) a decline in sales posted during the first three months of the fiscal year under review because construction had just begun on many projects in the domestic building construction business, and 3) the impact from suspension of some construction projects in the overseas building construction business due to the spread of the novel coronavirus. This resulted in operating income of 19.7 billion yen, a decrease of 5.6 billion yen (22.3%) from the same period in the previous fiscal year. Ordinary income was 22.4 billion yen, a decrease of 5.6 billion yen (20.3%) year-on-year, and profit attributable to owners of parent was 22.7 billion yen, an increase of 0.02 billion yen (0.1%) year-on-year.

(2) Overview of consolidated financial position

Total assets as of June 30, 2020 decreased by 11.6 billion yen (0.5%) compared with the balance at the end of the previous fiscal year (March 31, 2020), to 2,218.6 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," which exceeded an increase in "Cash and deposits."

Total liabilities as of June 30, 2020 decreased by 25.8 billion yen (1.9%) compared with the balance at the end of the previous fiscal year, to 1,353.9 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," which exceeded increases in "Short-term loans payable", "Long-term loans payable", and other interest-bearing debt. The balance of interest-bearing debt as of June 30, 2020 increased by 37.8 billion yen (15.2%) compared with the balance at the end of the previous fiscal year (March 31, 2020), to 286.4 billion yen.

Total net assets as of June 30, 2020 increased by 14.1 billion yen (1.7%) compared with the balance at the end of the previous fiscal year, to 864.6 billion yen. This was mainly due to an increase in "Retained earnings" from the recognition of profit attributable to owners of parent.

As a result, the equity ratio as of June 30, 2020 was 37.6%, up 0.9 percentage points from the end of the previous fiscal year.

(3) Consolidated forecasts for fiscal year ending March 31, 2021

The consolidated forecasts for the full fiscal year (ending March 31, 2021) were not determined when the results for fiscal year ended March 31, 2020 were disclosed on May 15, 2020 because the Company was in the process of verifying the impact of the spread of the novel coronavirus (COVID-19) on business performance. We decided not to disclose forecasts at that time due to the difficulty of calculating reasonable forecasts. Nearly all construction was subsequently resumed with the exception of some overseas projects, making it possible to reasonably calculate the impact from the suspension of construction and other business up to that point. We are, therefore, disclosing the following performance forecasts, which were calculated based on information available at the present time.

(Yen in millions, %)

	Orders Received	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
Fiscal year ending March 31, 2021 (Forecast) (A)	2,080,000	1,860,000	119,000	126,000	94,000
Fiscal year ended March 31, 2020 (B)	2,240,001	2,073,043	152,871	159,005	113,093
Change (A-B)	(160,001)	(213,043)	(33,871)	(33,005)	(19,093)
YoY Change (%)	(7.1)	(10.3)	(22.2)	(20.8)	(16.9)

There are three main reasons for the decline in net sales and each profit category in the forecasts for fiscal year ending March 31, 2021 compared to the previous fiscal year; 1) Comparison with the unusually large numbers during the same period of the previous fiscal year, during which multiple large projects were completed in the domestic construction business, 2) a decline in sales posted during the first three months of the fiscal year under review because construction had just begun on many projects in the domestic building construction business, and 3) the impact from suspension of some construction projects in the overseas building construction business due to the spread of the novel coronavirus.

(4) Response to novel coronavirus

The Company formulated the Basic Plan of Action to Prevent the Spread of the Novel Coronavirus in May 2020, based on guidelines formulated by industry organizations. A version for construction sites, Guideline of Action to Prevent the Spread of the Novel Coronavirus at Construction Sites, was formulated in June 2020.

Based on these plans of action, we are working to maintain business activities and achieve results on par with the previous level, as we take steps to establish working environments that avoid the three crowded conditions of “close contacts, crowded places and closed spaces” and other steps to prevent the spread of novel coronavirus infections and to minimize the impact when someone is infected.

The Company has also prepared for unforeseen circumstances by securing a higher level of liquidity than normal and establishing a system for agile supply of funds to Group companies in Japan and overseas.

The Obayashi Group will continue to place the highest priority on protecting the health and lives of and ensuring safe living conditions for all involved, and will implement additional safety measures as needed in the future as we work in earnest to meet the construction demand needed to establish public infrastructure and ensure the continuity of private-sector businesses.

3 Financial Highlights

(1) Financial Results for the Three Months Ended June 30, 2020 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2019 - June 30, 2019		Results April 1, 2020 - June 30, 2020		Change	% Change	Results April 1, 2019 - June 30, 2019		Results April 1, 2020 - June 30, 2020		Change	% Change
	%		%					%		%		
Net sales of completed construction contracts		4,202		3,930	(272)	(6.5)		2,966		2,675	(290)	(9.8)
Building Construction		—		—	—	—		2,337		2,076	(261)	(11.2)
Civil Engineering		—		—	—	—		628		599	(28)	(4.6)
Gross profit on completed construction contracts	10.4	437	9.8	385	(52)	(11.9)	11.8	349	10.6	282	(66)	(19.0)
Building Construction		—		—	—	—	11.3	264	9.0	186	(77)	(29.3)
Civil Engineering		—		—	—	—	13.5	85	16.0	96	11	13.1
Net sales of real estate business and other		264		220	(43)	(16.6)		38		60	21	56.4
Gross profit on real estate business and other	23.4	61	27.1	59	(2)	(3.5)	35.4	13	20.4	12	(1)	(9.9)
Net sales		4,467		4,151	(316)	(7.1)		3,005		2,736	(268)	(8.9)
Gross profit	11.2	499	10.7	444	(54)	(10.9)	12.1	362	10.8	295	(67)	(18.6)
Selling, general and administrative expenses	5.5	245	5.9	247	2	0.9	5.7	170	6.3	171	0	0.2
(Personnel expenses)		141		144	3			94		93	(0)	
(Others)		104		103	(0)			76		77	1	
Operating Income	5.7	253	4.8	197	(56)	(22.3)	6.4	192	4.5	124	(68)	(35.4)
Non-operating income		39		32	(6)	(17.7)		54		63	9	17.6
Non-operating expenses (interests received/paid and dividend income - net)		12		5	(6)	(55.2)		10		3	(6)	(65.3)
		29		24	(4)			49		57	8	
Ordinary income	6.3	281	5.4	224	(56)	(20.3)	7.8	235	6.7	184	(51)	(21.9)
Extraordinary income		31		25	(5)	(18.4)		8		24	15	175.9
Extraordinary loss		11		0	(10)	(91.6)		11		33	21	198.4
Income before income taxes	6.7	300	6.0	248	(52)	(17.3)	7.8	233	6.4	175	(58)	(24.9)
Total income taxes		68		15	(52)	(76.6)		50		(12)	(63)	—
Profit		232		232	0	0.1		—		—	—	—
Profit attributable to non-controlling interests (deduction)		5		5	(0)	(0.0)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.1	227	5.5	227	0	0.1	6.1	182	6.9	187	4	2.7

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2019 - June 30, 2019		Results April 1, 2020 - June 30, 2020		Change	% Change	Results April 1, 2019 - June 30, 2019		Results April 1, 2020 - June 30, 2020		Change	% Change
Building Construction		3,439		2,064	(1,375)	(40.0)		2,392		1,022	(1,370)	(57.3)
Domestic		2,413		1,120	(1,292)	(53.6)		2,303		1,007	(1,296)	(56.3)
Overseas		1,026		943	(82)	(8.1)		89		15	(74)	(83.1)
Civil Engineering		396		694	298	75.1		150		460	310	206.9
Domestic		304		603	299	98.4		109		457	347	316.1
Overseas		92		90	(1)	(1.6)		40		3	(36)	(91.3)
Construction Total		3,836		2,759	(1,077)	(28.1)		2,542		1,483	(1,059)	(41.7)
Domestic		2,717		1,724	(992)	(36.5)		2,413		1,464	(948)	(39.3)
Overseas		1,118		1,034	(84)	(7.5)		129		18	(110)	(85.7)
Real Estate Business and Other		183		229	46	25.2		38		60	22	58.2
Total Orders received		4,019		2,988	(1,030)	(25.6)		2,581		1,543	(1,037)	(40.2)

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	March 31, 2020		June 30, 2020		Change	% Change	March 31, 2020		June 30, 2020		Change	% Change
Interest-bearing debt (except nonrecourse loans)		1,729		2,123	393	22.8		1,491		1,725	234	15.7
Nonrecourse loans		756		741	(15)	(2.0)		—		—	—	—
Total Interest-bearing debt		2,485		2,864	378	15.2		1,491		1,725	234	15.7

(2) Forecasts for Fiscal Year ending March 31, 2021 (YoY Comparison)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results		Forecasts		Change	% Change	Results		Forecasts		Change	% Change
	April 1, 2019 - March 31, 2020	%	April 1, 2020 - March 31, 2021	%			April 1, 2019 - March 31, 2020	%	April 1, 2020 - March 31, 2021	%		
Net sales of completed construction contracts		19,524		17,620	(1,904)	(9.8)		13,928		12,630	(1,298)	(9.3)
└ Building Construction		—		—	—	—		11,118		9,750	(1,368)	(12.3)
└ Civil Engineering		—		—	—	—		2,809		2,880	70	2.5
Gross profit on completed construction contracts	11.9	2,316	11.4	2,005	(311)	(13.4)	12.9	1,793	12.6	1,590	(203)	(11.4)
└ Building Construction		—		—	—	—	11.2	1,240	11.1	1,080	(160)	(13.0)
└ Civil Engineering		—		—	—	—	19.7	552	17.7	510	(42)	(7.8)
Net sales of real estate business and other		1,206		980	(226)	(18.8)		235		210	(25)	(10.8)
Net sales of real estate business and other	19.8	238	24.0	235	(3)	(1.7)	20.1	47	23.8	50	2	5.6
Net sales		20,730		18,600	(2,130)	(10.3)		14,163		12,840	(1,323)	(9.3)
Gross profit	12.3	2,555	12.0	2,240	(315)	(12.3)	13.0	1,841	12.8	1,640	(201)	(10.9)
Selling, general and administrative expenses (Personnel expenses)	4.9	1,026	5.6	1,050	23	2.3	5.0	710	5.8	740	29	4.1
(Others)		449		470	20			336		362	25	
Operating Income	7.4	1,528	6.4	1,190	(338)	(22.2)	8.0	1,130	7.0	900	(230)	(20.4)
Non-operating income		110		95	(15)	(14.2)		122		130	7	6.0
Non-operating expenses (interests received/paid and dividend income - net)		49		25	(24)	(49.4)		36		20	(16)	(45.5)
		77		60	(17)			107		115	7	
Ordinary income	7.7	1,590	6.8	1,260	(330)	(20.8)	8.6	1,216	7.9	1,010	(206)	(17.0)
Extraordinary income		79		40	(39)	(49.4)		56		40	(16)	(29.3)
Extraordinary loss		44		10	(34)	(77.3)		38		35	(3)	(9.1)
Income before income taxes	7.8	1,625	6.9	1,290	(335)	(20.6)	8.7	1,234	7.9	1,015	(219)	(17.8)
Total income taxes		453		330	(123)	(27.2)		349		235	(114)	(32.7)
Profit		1,171		960	(211)	(18.1)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		40		20	(20)	(50.8)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.5	1,130	5.1	940	(190)	(16.9)	6.2	884	6.1	780	(104)	(11.8)

Orders Received

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results		Forecasts		Change	% Change	Results		Forecasts		Change	% Change
	April 1, 2019 - March 31, 2020	%	April 1, 2020 - March 31, 2021	%			April 1, 2019 - March 31, 2020	%	April 1, 2020 - March 31, 2021	%		
Building Construction		16,770		15,350	(1,420)	(8.5)		12,056		11,550	(506)	(4.2)
Domestic		12,509		12,150	(359)	(2.9)		11,934		11,500	(434)	(3.6)
Overseas		4,260		3,200	(1,060)	(24.9)		121		50	(71)	(58.9)
Civil Engineering		4,727		4,600	(127)	(2.7)		3,268		3,300	31	1.0
Domestic		3,278		3,850	571	17.4		2,473		2,980	506	20.5
Overseas		1,449		750	(699)	(48.3)		795		320	(475)	(59.8)
Construction Total		21,497		19,950	(1,547)	(7.2)		15,324		14,850	(474)	(3.1)
Domestic		15,788		16,000	211	1.3		14,407		14,480	72	0.5
Overseas		5,709		3,950	(1,759)	(30.8)		916		370	(546)	(59.6)
Real Estate Business and Other		902		850	(52)	(5.8)		234		210	(24)	(10.6)
Total Orders received		22,400		20,800	(1,600)	(7.1)		15,559		15,060	(499)	(3.2)

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	March 31, 2020		Forecasts		Change	% Change	March 31, 2020		Forecasts		Change	% Change
			March 31, 2021						March 31, 2021			
Interest-bearing debt (except nonrecourse loans)		1,729		1,800	70	4.1		1,491		1,500	8	0.6
Nonrecourse loans		756		700	(56)	(7.4)		—		—	—	—
Total Interest-bearing debt		2,485		2,500	14	0.6		1,491		1,500	8	0.6

4 Operating Results and Forecasts for Reportable Segments

(1) Operating Results for the Three Months Ended June 30, 2020 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income						
	Results		Change	% Change	Results		Change	% Change	Results		
	April 1, 2019 - June 30, 2019	April 1, 2020 - June 30, 2020			April 1, 2019 - June 30, 2019	April 1, 2020 - June 30, 2020			% Profit	% Profit	
Building Construction											
Domestic	240,863	214,644	(26,219)	(10.9)	6.3	15,132	3.8	8,260	(6,871)	(45.4)	
Overseas	91,160	91,722	561	0.6	2.2	1,974	2.2	2,041	66	3.4	
Subtotal	332,024	306,366	(25,657)	(7.7)	5.2	17,106	3.4	10,301	(6,805)	(39.8)	
Civil Engineering											
Domestic	74,793	72,557	(2,236)	(3.0)	5.7	4,261	8.0	5,835	1,574	36.9	
Overseas	13,475	14,143	667	5.0	(1.0)	(136)	(3.7)	(529)	(393)	—	
Subtotal	88,268	86,700	(1,568)	(1.8)	4.7	4,125	6.1	5,306	1,181	28.6	
Construction Total											
Domestic	315,656	287,201	(28,455)	(9.0)	6.1	19,393	4.9	14,095	(5,297)	(27.3)	
Overseas	104,635	105,865	1,229	1.2	1.8	1,838	1.4	1,511	(326)	(17.8)	
Subtotal	420,292	393,066	(27,226)	(6.5)	5.1	21,231	4.0	15,607	(5,624)	(26.5)	
Real Estate Business and Other											
Real Estate Business	11,707	8,950	(2,756)	(23.5)	26.7	3,131	35.9	3,213	82	2.6	
Other	14,720	13,092	(1,628)	(11.1)	7.0	1,036	7.0	912	(123)	(11.9)	
Subtotal	26,427	22,042	(4,384)	(16.6)	15.8	4,167	18.7	4,126	(41)	(1.0)	
Total	446,720	415,109	(31,610)	(7.1)	5.7	25,399	4.8	19,733	(5,665)	(22.3)	

※ 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		Change	% Change	Results		Change	% Change	Results		
	April 1, 2019 - June 30, 2019	April 1, 2020 - June 30, 2020			April 1, 2019 - June 30, 2019	April 1, 2020 - June 30, 2020			% Profit	% Profit	
Building Construction											
Domestic	231,273	206,121	(25,151)	(10.9)	11.3	26,146	9.1	18,658	(7,487)	(28.6)	
Overseas	2,517	1,508	(1,009)	(40.1)	10.7	269	1.1	17	(252)	(93.7)	
Subtotal	233,790	207,629	(26,161)	(11.2)	11.3	26,415	9.0	18,675	(7,740)	(29.3)	
Civil Engineering											
Domestic	58,275	56,203	(2,072)	(3.6)	13.3	7,743	16.7	9,389	1,645	21.3	
Overseas	4,569	3,764	(804)	(17.6)	16.7	763	6.1	230	(533)	(69.9)	
Subtotal	62,845	59,968	(2,877)	(4.6)	13.5	8,507	16.0	9,619	1,112	13.1	
Construction Total											
Domestic	289,549	262,325	(27,224)	(9.4)	11.7	33,890	10.7	28,048	(5,841)	(17.2)	
Overseas	7,087	5,272	(1,814)	(25.6)	14.6	1,033	4.7	247	(786)	(76.1)	
Subtotal	296,636	267,598	(29,038)	(9.8)	11.8	34,923	10.6	28,295	(6,627)	(19.0)	
Real Estate Business and Other											
Real Estate Business	3,889	6,084	2,194	56.4	35.4	1,375	20.4	1,239	(136)	(9.9)	
Other											
Total	300,525	273,682	(26,843)	(8.9)	12.1	36,299	10.8	29,535	(6,764)	(18.6)	

(2) Forecasts for Fiscal Year ending March 31, 2021 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results April 1, 2019 - March 31, 2020	Forecasts April 1, 2020 - March 31, 2021	Change	% Change	Results April 1, 2019 - March 31, 2020		Forecasts April 1, 2020 - March 31, 2021		Change	% Change
					% Profit		% Profit			
Building Construction										
Domestic	1,138,934	1,015,000	(123,934)	(10.9)	7.3	82,680	6.4	65,000	(17,680)	(21.4)
Overseas	398,564	313,000	(85,564)	(21.5)	2.7	10,773	0.5	1,500	(9,273)	(86.1)
Subtotal	1,537,499	1,328,000	(209,499)	(13.6)	6.1	93,454	5.0	66,500	(26,954)	(28.8)
Civil Engineering										
Domestic	342,704	351,000	8,295	2.4	11.6	39,602	10.7	37,500	(2,102)	(5.3)
Overseas	72,215	83,000	10,784	14.9	5.8	4,217	—	—	(4,217)	(100.0)
Subtotal	414,919	434,000	19,080	4.6	10.6	43,820	8.6	37,500	(6,320)	(14.4)
Construction Total										
Domestic	1,481,639	1,366,000	(115,639)	(7.8)	8.3	122,283	7.5	102,500	(19,783)	(16.2)
Overseas	470,780	396,000	(74,780)	(15.9)	3.2	14,991	0.4	1,500	(13,491)	(90.0)
Subtotal	1,952,419	1,762,000	(190,419)	(9.8)	7.0	137,274	5.9	104,000	(33,274)	(24.2)
Real Estate Business and Other										
Real Estate Business	55,043	49,000	(6,043)	(11.0)	24.1	13,256	24.5	12,000	(1,256)	(9.5)
Other	65,580	49,000	(16,580)	(25.3)	3.6	2,340	6.1	3,000	659	28.2
Subtotal	120,623	98,000	(22,623)	(18.8)	12.9	15,596	15.3	15,000	(596)	(3.8)
Total	2,073,043	1,860,000	(213,043)	(10.3)	7.4	152,871	6.4	119,000	(33,871)	(22.2)

※ 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, 2019 - March 31, 2020	Forecasts April 1, 2020 - March 31, 2021	Change	% Change	Results April 1, 2019 - March 31, 2020		Forecasts April 1, 2020 - March 31, 2021		Change	% Change
					% Gross Profit		% Gross Profit			
Building Construction										
Domestic	1,099,515	970,000	(129,515)	(11.8)	11.2	123,254	11.1	108,000	(15,254)	(12.4)
Overseas	12,329	5,000	(7,329)	(59.4)	6.7	821	—	—	(821)	(100.0)
Subtotal	1,111,845	975,000	(136,845)	(12.3)	11.2	124,076	11.1	108,000	(16,076)	(13.0)
Civil Engineering										
Domestic	262,169	263,000	830	0.3	19.1	50,050	18.8	49,500	(550)	(1.1)
Overseas	18,810	25,000	6,189	32.9	27.8	5,237	6.0	1,500	(3,737)	(71.4)
Subtotal	280,979	288,000	7,020	2.5	19.7	55,288	17.7	51,000	(4,288)	(7.8)
Construction Total										
Domestic	1,361,685	1,233,000	(128,685)	(9.5)	12.7	173,305	12.8	157,500	(15,805)	(9.1)
Overseas	31,139	30,000	(1,139)	(3.7)	19.5	6,059	5.0	1,500	(4,559)	(75.2)
Subtotal	1,392,825	1,263,000	(129,825)	(9.3)	12.9	179,365	12.6	159,000	(20,365)	(11.4)
Real Estate Business and Other										
Real Estate Business	23,536	21,000	(2,536)	(10.8)	20.1	4,736	23.8	5,000	263	5.6
Subtotal	23,536	21,000	(2,536)	(10.8)	13.0	184,101	12.8	164,000	(20,101)	(10.9)
Total	1,416,361	1,284,000	(132,361)	(9.3)						

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

(1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	April 1, 2019 - June 30, 2019		April 1, 2020 - June 30, 2020		Change		Previous FY Results April 1, 2019 - March 31, 2020	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	15,292	5.9	1,511	1.0	(13,781)	(90.1)	141,590	9.1
Domestic Private	215,035	83.3	99,209	64.3	(115,825)	(53.9)	1,051,865	67.6
Domestic total	230,328	89.2	100,721	65.3	(129,607)	(56.3)	1,193,456	76.7
Overseas	8,911	3.5	1,503	1.0	(7,407)	(83.1)	12,151	0.8
Subtotal	239,239	92.7	102,224	66.3	(137,014)	(57.3)	1,205,607	77.5
Civil Engineering								
Domestic Public	5,935	2.3	33,838	21.9	27,902	470.1	110,135	7.1
Domestic Private	5,057	2.0	11,902	7.7	6,845	135.4	137,178	8.8
Domestic total	10,992	4.3	45,740	29.6	34,748	316.1	247,314	15.9
Overseas	4,024	1.5	349	0.2	(3,675)	(91.3)	79,513	5.1
Subtotal	15,016	5.8	46,090	29.8	31,073	206.9	326,827	21.0
Construction Total								
Domestic Public	21,228	8.2	35,349	22.9	14,121	66.5	251,726	16.2
Domestic Private	220,092	85.3	111,112	72.0	(108,980)	(49.5)	1,189,044	76.4
Domestic total	241,320	93.5	146,461	94.9	(94,858)	(39.3)	1,440,770	92.6
Overseas	12,935	5.0	1,853	1.2	(11,082)	(85.7)	91,664	5.9
Subtotal	254,256	98.5	148,315	96.1	(105,941)	(41.7)	1,532,434	98.5
Real Estate Business and Other	3,845	1.5	6,084	3.9	2,238	58.2	23,491	1.5
Total	258,101	100	154,399	100	(103,702)	(40.2)	1,555,926	100

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	April 1, 2019 - June 30, 2019		April 1, 2020 - June 30, 2020		Change		Previous FY Results April 1, 2019 - March 31, 2020	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	20,754	6.9	8,507	3.1	(12,247)	(59.0)	76,180	5.4
Domestic Private	210,518	70.1	197,614	72.2	(12,904)	(6.1)	1,023,334	72.2
Domestic total	231,273	77.0	206,121	75.3	(25,151)	(10.9)	1,099,515	77.6
Overseas	2,517	0.8	1,508	0.6	(1,009)	(40.1)	12,329	0.9
Subtotal	233,790	77.8	207,629	75.9	(26,161)	(11.2)	1,111,845	78.5
Civil Engineering								
Domestic Public	34,898	11.6	34,449	12.6	(449)	(1.3)	160,570	11.3
Domestic Private	23,376	7.8	21,754	7.9	(1,622)	(6.9)	101,599	7.2
Domestic total	58,275	19.4	56,203	20.5	(2,072)	(3.6)	262,169	18.5
Overseas	4,569	1.5	3,764	1.4	(804)	(17.6)	18,810	1.3
Subtotal	62,845	20.9	59,968	21.9	(2,877)	(4.6)	280,979	19.8
Construction Total								
Domestic Public	55,653	18.5	42,956	15.7	(12,696)	(22.8)	236,751	16.7
Domestic Private	233,895	77.9	219,368	80.1	(14,527)	(6.2)	1,124,934	79.4
Domestic total	289,549	96.4	262,325	95.8	(27,224)	(9.4)	1,361,685	96.1
Overseas	7,087	2.3	5,272	2.0	(1,814)	(25.6)	31,139	2.2
Subtotal	296,636	98.7	267,598	97.8	(29,038)	(9.8)	1,392,825	98.3
Real Estate Business and Other	3,889	1.3	6,084	2.2	2,194	56.4	23,536	1.7
Total	300,525	100	273,682	100	(26,843)	(8.9)	1,416,361	100

(3) Breakdown of Non-consolidated Projects in Process

(Yen in millions)

	June 30, 2019		June 30, 2020		Change		March 31, 2020	
		%		%		% Change		% of Total
Building Construction								
Domestic Public	88,854	5.4	152,729	9.0	63,875	71.9	159,725	8.8
Domestic Private	1,117,976	68.7	1,043,586	61.8	(74,390)	(6.7)	1,141,990	63.1
Domestic total	1,206,831	74.1	1,196,316	70.8	(10,514)	(0.9)	1,301,716	71.9
Overseas	17,666	1.1	11,090	0.7	(6,576)	(37.2)	11,094	0.6
Subtotal	1,224,498	75.2	1,207,406	71.5	(17,091)	(1.4)	1,312,811	72.5
Civil Engineering								
Domestic Public	245,117	15.1	223,035	13.2	(22,082)	(9.0)	223,647	12.4
Domestic Private	129,037	7.9	173,085	10.2	44,047	34.1	182,936	10.1
Domestic total	374,155	23.0	396,121	23.4	21,965	5.9	406,584	22.5
Overseas	29,015	1.8	86,848	5.1	57,832	199.3	90,263	5.0
Subtotal	403,171	24.8	482,969	28.5	79,797	19.8	496,847	27.5
Construction Total								
Domestic Public	333,972	20.5	375,765	22.2	41,793	12.5	383,373	21.2
Domestic Private	1,247,014	76.6	1,216,671	72.0	(30,343)	(2.4)	1,324,927	73.2
Domestic total	1,580,987	97.1	1,592,437	94.2	11,450	0.7	1,708,300	94.4
Overseas	46,682	2.9	97,938	5.8	51,256	109.8	101,357	5.6
Subtotal	1,627,669	100	1,690,375	100	62,706	3.9	1,809,658	100
Real Estate Business and Other	—	—	—	—	—	—	—	—
Total	1,627,669	100	1,690,375	100	62,706	3.9	1,809,658	100

6 Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2020	June 30, 2020	Change
Assets			
Current assets			
Cash and deposits	315,027	377,862	62,834
Notes and accounts receivable from completed construction contracts and other	773,694	660,751	(112,943)
Electronically recorded monetary claims	12,680	20,367	7,687
Short-term investment securities	7,103	6,410	(693)
Real estate for sale	11,937	13,062	1,125
Costs on uncompleted construction contracts	38,141	52,321	14,179
Costs on real estate business	15,171	17,617	2,445
Inventories for PFI and other projects	53,500	39,922	(13,577)
Other inventories	8,744	7,743	(1,000)
Accounts receivable	75,125	69,853	(5,272)
Other	22,749	30,069	7,319
Allowance for doubtful accounts	(118)	(103)	15
Total current assets	1,333,757	1,295,878	(37,879)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	120,866	118,307	(2,559)
Machinery, vehicles, tools, furniture and fixtures	55,274	53,734	(1,539)
Land	367,701	363,880	(3,820)
Lease assets	236	237	1
Construction in progress	28,112	33,827	5,715
Total property, plant and equipment	572,190	569,988	(2,202)
Intangible assets	6,367	6,156	(211)
Investments and other assets			
Investment securities	290,719	300,076	9,357
Long-term loans receivable	2,109	2,020	(88)
Deferred tax assets	1,846	1,774	(72)
Other	23,496	42,959	19,462
Allowance for doubtful accounts	(191)	(192)	(0)
Total investments and other assets	317,981	346,639	28,658
Total noncurrent assets	896,539	922,784	26,244
Total assets	2,230,297	2,218,662	(11,634)

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2020	June 30, 2020	Change
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	536,863	453,700	(83,162)
Electronically recorded obligations	118,976	120,559	1,582
Short-term loans payable	54,823	62,744	7,920
Current portion of nonrecourse loans	7,631	7,667	36
Lease obligations	839	698	(140)
Income taxes payable	27,209	2,391	(24,817)
Advances received on uncompleted construction contracts	109,216	142,089	32,872
Deposits received	121,611	134,250	12,639
Provision for warranties for completed construction	4,313	4,256	(56)
Provision for loss on construction contracts	12,694	12,282	(412)
Provision for loss on Antimonopoly Act	4,145	4,145	—
Other	91,845	87,355	(4,490)
Total current liabilities	1,090,170	1,032,142	(58,028)
Noncurrent liabilities			
Bonds payable	40,000	40,000	—
Long-term loans payable	78,104	109,579	31,475
Nonrecourse loans	67,993	66,448	(1,545)
Lease obligations	442	374	(67)
Deferred tax liabilities	5,336	7,619	2,282
Deferred tax liabilities for land revaluation	18,893	18,893	—
Provision for stock payments for directors	433	435	1
Provision for environmental measures	239	26	(213)
Liability for retirement benefits	52,598	52,906	308
Other	25,584	25,570	(14)
Total noncurrent liabilities	289,627	321,855	32,227
Total liabilities	1,379,798	1,353,997	(25,801)
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	42,825	42,825	—
Retained earnings	587,012	596,633	9,620
Treasury stock	(2,121)	(2,121)	(0)
Total shareholders' equity	685,469	695,089	9,619
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	104,775	111,274	6,498
Deferred gains (losses) on hedges	6,837	7,832	994
Revaluation reserve for land	19,076	20,725	1,649
Foreign currency translation adjustments	1,306	(1,208)	(2,515)
Retirement benefit asset and liability adjustments	426	356	(70)
Total accumulated other comprehensive income	132,422	138,979	6,557
Non-controlling interests	32,606	30,596	(2,010)
Total net assets	850,498	864,665	14,166
Total liabilities and net assets	2,230,297	2,218,662	(11,634)
(Reference)			
Interest-bearing debt balances	248,552	286,440	37,887

(2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2019 - June 30, 2019	April 1, 2020 - June 30, 2020	Change
Net sales			
Net sales of completed construction contracts	420,292	393,066	(27,226)
Net sales of real estate business and other	26,427	22,042	(4,384)
Total net sales	446,720	415,109	(31,610)
Cost of sales			
Cost of sales on completed construction contracts	376,570	354,563	(22,007)
Cost of sales on real estate business and other	20,236	16,069	(4,167)
Total cost of sales	396,807	370,632	(26,174)
Gross profit			
Gross profit on completed construction contracts	43,721	38,503	(5,218)
Gross profit on real estate business and other	6,190	5,973	(217)
Total gross profit	49,912	44,477	(5,435)
Selling, general and administrative expenses	24,513	24,743	230
Operating income	25,399	19,733	(5,665)
Non-operating income			
Interest income	293	238	(54)
Dividends income	3,080	2,709	(371)
Other	548	278	(269)
Total non-operating income	3,922	3,226	(695)
Non-operating expenses			
Interest expenses	461	452	(9)
Foreign exchange losses	630	—	(630)
Other	118	89	(29)
Total non-operating expenses	1,210	541	(668)
Ordinary income	28,112	22,418	(5,693)
Extraordinary income			
Gain on sales of noncurrent assets	86	1,305	1,219
Gain on sales of investing securities	780	1,257	476
Reversal of provision for loss on Antimonopoly Act	2,096	—	(2,096)
Other	176	0	(176)
Total extraordinary income	3,140	2,563	(576)
Extraordinary loss	1,163	97	(1,065)
Profit before income taxes	30,089	24,884	(5,205)
Income taxes-current	10,124	2,062	(8,062)
Income taxes-deferred	(3,298)	(466)	2,832
Total income taxes	6,826	1,596	(5,229)
Profit	23,263	23,287	24
Profit attributable to non-controlling interests	529	529	(0)
Profit attributable to owners of parent	22,733	22,758	25

(3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2019 - June 30, 2019	April 1, 2020 - June 30, 2020
Profit	23,263	23,287
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,486)	6,515
Deferred gains (losses) on hedges	55	738
Foreign currency translation adjustment	1,103	(4,680)
Retirement benefit adjustment	(167)	(68)
Share of other comprehensive income of associates accounted for using equity method	(4)	253
Total other comprehensive income	(11,499)	2,758
Comprehensive income	11,763	26,046
Comprehensive income attributable to owners of parent	10,708	27,666
Comprehensive income attributable to non-controlling interests	1,055	(1,619)

7 Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2020	June 30, 2020	Change
Assets			
Current assets			
Cash and deposits	183,648	247,437	63,788
Notes receivable—trade	1,609	6,121	4,511
Electronically recorded monetary claims	10,324	18,222	7,897
Accounts receivable from completed construction contracts	604,250	478,717	(125,533)
Accounts receivable—real estate business and other	8,349	2,302	(6,047)
Short-term investment securities	154	127	(26)
Real estate for sale	3,512	3,519	6
Costs on uncompleted construction contracts	33,765	45,772	12,006
Costs on real estate business and other	4,144	3,095	(1,049)
Short-term loans receivable	79,583	79,762	179
Accounts receivable—other	71,619	66,470	(5,149)
Other	21,587	27,797	6,210
Allowance for doubtful accounts	(76)	(64)	12
Total current assets	1,022,474	979,282	(43,191)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	61,546	50,128	(11,418)
Machinery, equipment and vehicles	10,131	9,609	(521)
Tools, furniture and fixtures	2,688	2,720	31
Land	198,186	170,591	(27,594)
Leased assets	7	5	(1)
Construction in progress	8,960	13,786	4,825
Total property, plant and equipment	281,520	246,842	(34,678)
Intangible assets	3,551	3,568	17
Investments and other assets			
Investment securities	278,000	287,146	9,146
Shares and investments in capital of subsidiaries and affiliates	60,544	103,044	42,499
Long-term loans receivable	48,628	48,644	15
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,865	1,987	121
Other	9,031	9,487	456
Allowance for doubtful accounts	(945)	(945)	—
Total investments and other assets	397,124	449,364	52,240
Total noncurrent assets	682,195	699,775	17,579
Total assets	1,704,670	1,679,058	(25,611)

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2020	June 30, 2020	Change
Liabilities			
Current liabilities			
Notes payable—trade	10,327	11,626	1,298
Electronically recorded obligations	119,469	121,640	2,170
Accounts payable for construction contracts	388,886	314,314	(74,571)
Accounts payable—real estate and other	1,149	820	(329)
Short-term loans payable	39,729	44,929	5,200
Lease obligations	4	3	(0)
Accounts payable	18,854	2,931	(15,922)
Accrued expenses	17,880	27,199	9,319
Income taxes payable	24,588	1,183	(23,405)
Advances received on uncompleted construction contracts	72,956	99,774	26,818
Deposit received—real estate and other	1,276	2,069	792
Deposits received	115,711	126,361	10,650
Provision for warranties for completed construction	3,867	3,777	(90)
Provision for loss on construction contracts	11,881	11,743	(138)
Provision for loss on Antimonopoly Act	4,145	4,145	—
Deposits received from employees	26,439	26,015	(423)
Other	1,195	1,053	(141)
Total current liabilities	858,362	799,589	(58,772)
Noncurrent liabilities			
Bonds payable	40,000	40,000	—
Long-term loans payable	69,443	87,643	18,200
Lease obligations	3	2	(0)
Deferred tax liabilities	12,000	13,275	1,274
Deferred tax liabilities for land revaluation	15,555	15,555	—
Provision for retirement benefits	45,293	45,443	149
Provision for stock payments for directors	433	435	1
Provision for loss on business of subsidiaries and affiliates	2,068	2,068	—
Provision for environmental measures	213	—	(213)
Other	5,140	5,166	26
Total noncurrent liabilities	190,152	209,590	19,438
Total liabilities	1,048,514	1,009,179	(39,334)
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	2,463	2,451	(12)
General reserve	315,000	315,000	—
Retained earnings brought forward	105,861	111,487	5,625
Total retained earnings	437,763	443,376	5,613
Treasury stock	(2,121)	(2,121)	(0)
Total shareholders' equity	535,088	540,702	5,613
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	104,712	111,163	6,450
Deferred gains (losses) on hedges	(16)	(6)	9
Revaluation reserve for land	16,370	18,020	1,649
Total valuation and translation adjustments	121,067	129,176	8,109
Total net assets	656,156	669,878	13,722
Total liabilities and net assets	1,704,670	1,679,058	(25,611)
(Reference)			
Interest-bearing debt balances	149,172	172,572	23,400

(2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2019 - June 30, 2019	April 1, 2020 - June 30, 2020	Change
Net sales			
Net sales of completed construction contracts	296,636	267,598	(29,038)
Net sales of real estate business and other	3,889	6,084	2,194
Total net sales	300,525	273,682	(26,843)
Cost of sales			
Cost of sales on completed construction contracts	261,712	239,302	(22,410)
Cost of sales on real estate business and other	2,513	4,844	2,330
Total cost of sales	264,226	244,146	(20,079)
Gross profit			
Gross profit on completed construction contracts	34,923	28,295	(6,627)
Gross profit on real estate business and other	1,375	1,239	(136)
Total gross profit	36,299	29,535	(6,764)
Selling, general and administrative expenses	17,077	17,118	40
Operating income	19,221	12,416	(6,805)
Non-operating income			
Interest and dividend income	5,144	6,024	879
Other	276	348	72
Total non-operating income	5,420	6,373	952
Non-operating expenses	1,064	369	(694)
Ordinary income	23,578	18,420	(5,158)
Extraordinary income			
Gain on sales of noncurrent assets	0	1,276	1,275
Gain on sales of investment securities	701	1,146	445
Other	176	—	(176)
Total extraordinary income	878	2,423	1,544
Extraordinary loss			
Loss on sales of noncurrent assets	2	3,248	3,245
Loss on valuation of investment securities	727	—	(727)
Loss on sales of investment securities	373	—	(373)
Other	3	56	52
Total extraordinary losses	1,107	3,304	2,197
Profit before income taxes	23,349	17,538	(5,810)
Income taxes-current	8,044	346	(7,697)
Income taxes-deferred	(2,949)	(1,559)	1,389
Total income taxes	5,095	(1,213)	(6,308)
Profit	18,254	18,752	498