

3rd Quarter Financial Results

(April 1, 2021 to December 31, 2021)

February 10, 2022

OBAYASHI 

Contents

1	Summary of Financial Results	1
2	Qualitative Information	2
3	Financial Highlights	4
4	Operating Results and Forecasts for Reportable Segments	6
5	Non-consolidated Orders Received, Net Sales and Projects in Process	8
6	Consolidated Financial Statements	10
7	Non-consolidated Financial Statements	15

Disclaimer: This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on February 10, 2022. It was translated into English and presented solely for the convenience of users who are not familiar with Japanese. If there is any discrepancy between Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" and this document, the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" will prevail. This document includes forward-looking statements based on the information available at the time the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" were released. Actual results may vary from the forward-looking statements contained herein due to various factors. Obayashi Corporation (non-consolidated) is called the "Company" in these materials.

1 Summary of Financial Results

(1) Consolidated Financial Results for the Nine Months Ended December 31, 2021

① Consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
Nine Months Ended December 31, 2021	1,376,141	7.8	46,105	(46.9)	52,746	(42.1)	38,372	(46.1)
Nine Months Ended December 31, 2020	1,276,904	(14.8)	86,850	(26.7)	91,082	(27.5)	71,161	(22.5)

(Note) Comprehensive income : [Nine Months Ended December 31, 2021] 33,273 million yen, (59.2)% ; [Nine Months Ended December 31, 2020] 81,474 million yen, (17.8)%

	Profit attributable to owners of parent per Share (EPS)
	Yen
Nine Months Ended December 31, 2021	53.49
Nine Months Ended December 31, 2020	99.16

② Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share (BPS)	
	Yen in millions		Yen in millions		%	Yen		
As of December 31, 2021	2,398,770		973,837		39.3	1,314.32		
As of March 31, 2021	2,272,628		961,979		41.0	1,297.25		

(For reference) Equity (net assets less non-controlling interests) : [As of December 31, 2021] 942,234 million yen ; [As of March 31, 2021] 931,008 million yen

(2) Consolidated Forecast for Fiscal Year Ending March 31, 2022

(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	1,960,000	10.9	34,500	(72.0)	40,000	(68.9)	35,000	(64.6)	48.82	

※ There have been no revisions to the forecasts previously announced on November 8, 2021.

(3) Non-consolidated Financial Results for the Nine Months Ended December 31, 2021

① Non-consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	
Nine Months Ended December 31, 2021	999,668	14.8	25,284	(61.6)	33,661	(54.6)	26,556	(55.1)	37.02	
Nine Months Ended December 31, 2020	870,784	(16.7)	65,889	(30.1)	74,125	(28.1)	59,084	(22.0)	82.33	

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 December 31, 2021	1,833,866		740,542		40.4	1,032.98		
As of March 31, 2021	1,758,937		748,087		42.5	1,042.38		

(For reference) Equity (net assets less non-controlling interests) : [As of December 31, 2021] 740,542 million yen ; [As of March 31, 2021] 748,087 million yen

(4) Non-consolidated Forecast for Fiscal Year Ending March 31, 2022

(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	1,405,000	14.2	4,000	(95.7)	12,000	(88.4)	16,000	(80.3)	22.32	

※ There have been no revisions to the forecasts previously announced on November 8, 2021.

(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, 2021	—	Yen 16.00	—	Yen 16.00	Yen 32.00	Yen in millions 22,977	% 23.2	% 2.6
FY ending Mar. 31, 2022 (including Forecast)	—	16.00	—	16.00	32.00		65.5	

※ There have been no revisions to the forecasts previously announced on November 8, 2021.

2 Qualitative Information

(1) Overview of consolidated business results

Consolidated net sales for the first nine months of fiscal year ending March 31, 2022 (from April 1 to December 31, 2021) amounted to 1,376.1 billion yen, an increase of 99.2 billion yen (7.8%) from the same period in the previous fiscal year. This increase was mainly caused by an increase in net sales posted due to steady progress on multiple large projects in the domestic building construction business. As disclosed in “OBAYASHI CORPORATION announces its revised financial forecasts for FY2021” on November 8, 2021, the recognition of a provision for loss on construction contracts on multiple large construction projects in the domestic building construction business in the second quarter of fiscal year ending March 31, 2022 led to a decline in gross profit on completed construction contracts at the non-consolidated level. This and other factors resulted in operating income of 46.1 billion yen, a decrease of 40.7 billion yen (46.9%) from the same period in the previous fiscal year. Ordinary income was 52.7 billion yen, a decrease of 38.3 billion yen (42.1%) year-on-year, and profit attributable to owners of parent was 38.3 billion yen, a decrease of 32.7 billion yen (46.1%) year-on-year.

(2) Overview of consolidated financial position

Total assets as of December 31, 2021 increased by 126.1 billion yen (5.6%) compared with the balance at the end of the previous fiscal year (March 31, 2021), to 2,398.7 billion yen. This was mainly due to increases 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 in “Construction in progress” mainly due to the acquisition of commercial real estate, which exceeded a decrease in “Inventories for PFI and other projects.”

Total liabilities as of December 31, 2021 increased by 114.2 billion yen (8.7%) compared with the balance at the end of the previous fiscal year, to 1,424.9 billion yen. This was mainly due to an increase in “Commercial papers,” “Short-term loans payable,” and other interest-bearing debt. The balance of interest-bearing debt as of December 31, 2021 increased by 96.0 billion yen (36.1%) compared with the balance at the end of the previous fiscal year (March 31, 2021), to 362.0 billion yen.

Total net assets as of December 31, 2021 increased by 11.8 billion yen (1.2%) compared with the balance at the end of the previous fiscal year, to 973.8 billion yen. This was mainly due to an increase in “Retained earnings” from the recognition of profit attributable to owners of parent.

As a result, the equity ratio as of December 31, 2021 was 39.3%, down 1.7 percentage points from the end of the previous fiscal year.

(3) Consolidated forecasts for fiscal year ending March 31, 2022

Consolidated forecasts for fiscal year ending March 31, 2022 were reviewed and remain unchanged. As disclosed in “OBAYASHI CORPORATION announces its revised financial forecasts for FY2021” on November 8, 2021, the Company anticipates recognition of a provision for loss on construction contracts in the domestic building construction business in the fourth quarter of fiscal year ending March 31, 2022. The figures disclosed on November 8, 2021 have not changed (Net sales: 1,960 billion yen; Operating income: 34.5 billion yen; Ordinary income: 40 billion yen; Profit

attributable to owners of parent: 35.0 billion yen).

(4) Response to COVID-19

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, Guidelines for Actions 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 pre-COVID-19 levels, as we take steps to establish office and work 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.

As we focus on maintaining business activities overseas in countries where we do business, we are taking steps to ensure the safety of employees and their families who are living overseas, in light of the status of COVID-19 spread, the state of the healthcare system, and other considerations in these countries.

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 respond to the demand for new construction needed in the COVID-19 and post-COVID-19 eras. Such demand includes establishment of public infrastructure and construction needed to ensure the continuity of private-sector businesses, as well as data center construction and renovation work to adapt to new lifestyles.

(5) Reduction of cross-shareholdings

The Company owns shares in our customers' businesses (hereafter, “cross-shareholdings”) to maintain and strengthen trade relationships with our customers. The Company reviews the significance of owning shares in each company by regularly reporting to the Board of Directors on valuation gains/losses, and collective consideration of indicators of profitability such as capital cost and return on business from maintaining and strengthening our transactional relationship with a company. We verify the economic rationale for owning shares over the medium and long term, and sell shares as needed when the business significance of owning the shares has weakened. (Shares in listed companies sold over 10 years, from fiscal year ended March 31, 2012 to fiscal year ended March 31, 2021: Approx. 63.9 billion yen; approx. 7.6 billion yen of which were sold in fiscal year ended March 31, 2021, on a consolidated market value basis).

In the next medium-term business plan, which is currently being formulated, we will proceed further on reassessment of the significance of owning shares and overall investment efficiency for the company, and intend to establish the goal of about 150.0 billion yen in share sales to bring cross shareholdings to 20% of consolidated net assets or below by the end of March, 2027.

The Company plans to use the proceeds from sales of cross-shareholdings effectively to enhance corporate value, by investing in areas that will contribute to sustained growth with medium and long-term growth in mind, in addition to investing for the purpose of securing stable investment revenue.

3 Financial Highlights

(1) Financial Results for the Nine Months Ended December 31, 2021 (YoY Comparison)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results		Results		Change	% Change	Results		Results		Change	% Change
	April 1, 2020 - December 31, 2020	December 31, 2020	April 1, 2021 December 31, 2021	December 31, 2021			April 1, 2020 - December 31, 2020	December 31, 2020	April 1, 2021 December 31, 2021	December 31, 2021		
Net sales of completed construction contracts		12,144		13,016	872	7.2		8,564		9,852	1,287	15.0
Building Construction		—		—	—	—		6,521		7,702	1,180	18.1
Civil Engineering		—		—	—	—		2,042		2,150	107	5.2
Gross profit on completed construction contracts	11.9	1,449	8.5	1,107	(341)	(23.6)	13.4	1,144	8.1	801	(343)	(30.0)
Building Construction		—		—	—	—	11.0	717	6.9	529	(187)	(26.2)
Civil Engineering		—		—	—	—	20.9	427	12.6	271	(155)	(36.4)
Net sales of real estate business and other		624		745	120	19.2		143		144	1	0.9
Gross profit on real estate business and other	26.6	166	23.4	174	7	4.7	26.6	38	22.4	32	(5)	(15.2)
Net sales		12,769		13,761	992	7.8		8,707		9,996	1,288	14.8
Gross profit	12.7	1,615	9.3	1,281	(334)	(20.7)	13.6	1,183	8.3	833	(349)	(29.6)
Selling, general and administrative expenses	5.9	747	5.9	820	73	9.8	6.0	524	5.8	580	56	10.8
(Personnel expenses)		419		449	30			273		289	15	
(Others)		327		371	43			251		291	40	
Operating Income	6.8	868	3.4	461	(407)	(46.9)	7.6	658	2.5	252	(406)	(61.6)
Non-operating income		68		85	16	23.7		100		93	(7)	(7.1)
Non-operating expenses		26		18	(7)	(29.0)		17		9	(8)	(48.1)
Ordinary income	7.1	910	3.8	527	(383)	(42.1)	8.5	741	3.4	336	(404)	(54.6)
Extraordinary income		60		70	9	16.1		58		62	3	5.8
Extraordinary loss		26		41	15	58.2		57		36	(20)	(35.5)
Income before income taxes	7.4	944	4.0	555	(388)	(41.2)	8.5	742	3.6	362	(380)	(51.3)
Total income taxes		218		156	(61)	(28.3)		152		96	(55)	(36.5)
Profit		726		399	(327)	(45.0)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		15		15	0	4.4		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.6	711	2.8	383	(327)	(46.1)	6.8	590	2.7	265	(325)	(55.1)

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results		Results		Change	% Change	Results		Results		Change	% Change
	April 1, 2020 - December 31, 2020	December 31, 2020	April 1, 2021 December 31, 2021	December 31, 2021			April 1, 2020 - December 31, 2020	December 31, 2020	April 1, 2021 December 31, 2021	December 31, 2021		
Building Construction		7,355		9,110	1,754	23.9		4,848		6,630	1,782	36.8
Domestic		5,203		6,917	1,713	32.9		4,830		6,619	1,788	37.0
Overseas		2,152		2,193	40	1.9		17		11	(6)	(35.8)
Civil Engineering		2,519		3,416	897	35.6		1,699		2,233	534	31.4
Domestic		2,256		2,889	633	28.1		1,692		2,219	526	31.1
Overseas		263		527	263	100.2		6		14	7	115.1
Construction Total		9,875		12,527	2,651	26.9		6,547		8,864	2,316	35.4
Domestic		7,459		9,806	2,347	31.5		6,523		8,838	2,315	35.5
Overseas		2,415		2,720	304	12.6		24		26	1	5.9
Real Estate Business and Other		650		493	(156)	(24.1)		143		144	1	0.9
Total Orders received		10,525		13,020	2,495	23.7		6,691		9,009	2,318	34.6

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated							
	March 31, 2021		December 31, 2021		Change	% Change	March 31, 2021		December 31, 2021		Change	% Change
	March 31, 2021	December 31, 2021	March 31, 2021	December 31, 2021			March 31, 2021	December 31, 2021				
Interest-bearing debt (except nonrecourse loans)	1,963	2,769	806	41.1	1,604	2,370	766	47.7				
Nonrecourse loans	695	850	154	22.2	—	—	—	—				
Total Interest-bearing debt	2,659	3,620	960	36.1	1,604	2,370	766	47.7				

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

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
%		%		%				%		%		
Net sales of completed construction contracts		16,832		18,400	1,567	9.3		12,095		13,820	1,724	14.3
Building Construction		—		—	—	—		9,267		10,700	1,432	15.5
Civil Engineering		—		—	—	—		2,828		3,120	291	10.3
Gross profit on completed construction contracts	12.1	2,033	6.7	1,230	(803)	(39.5)	13.3	1,607	5.8	800	(807)	(50.2)
Building Construction		—		—	—	—	11.2	1,036	3.2	340	(696)	(67.2)
Civil Engineering		—		—	—	—	20.2	570	14.7	460	(110)	(19.3)
Net sales of real estate business and other		836		1,200	363	43.5		208		230	21	10.4
Gross profit on real estate business and other	26.9	224	21.3	255	30	13.5	24.5	51	21.7	50	(1)	(2.0)
Net sales		17,668		19,600	1,931	10.9		12,304		14,050	1,745	14.2
Gross profit	12.8	2,257	7.6	1,485	(772)	(34.2)	13.5	1,658	6.0	850	(808)	(48.7)
Selling, general and administrative expenses	5.8	1,026	5.8	1,140	113	11.1	5.9	723	5.7	810	86	11.9
(Personnel expenses)		563		595	31			365		385	19	
(Others)		462		545	82			358		425	66	
Operating Income	7.0	1,231	1.8	345	(886)	(72.0)	7.6	934	0.3	40	(894)	(95.7)
Non-operating income		89		87	(2)	(2.3)		129		100	(29)	(22.7)
Non-operating expenses		32		32	(0)	(2.5)		24		20	(4)	(19.4)
Ordinary income	7.3	1,287	2.0	400	(887)	(68.9)	8.4	1,038	0.9	120	(918)	(88.4)
Extraordinary income		79		110	30	37.6		77		90	12	16.5
Extraordinary loss		22		15	(7)	(31.9)		52		10	(42)	(80.9)
Income before income taxes	7.6	1,345	2.5	495	(850)	(63.2)	8.6	1,063	1.4	200	(863)	(81.2)
Total income taxes		337		125	(212)	(62.9)		251		40	(211)	(84.1)
Profit		1,008		370	(638)	(63.3)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		20		20	(0)	(3.1)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.6	987	1.8	350	(637)	(64.6)	6.6	812	1.1	160	(652)	(80.3)

※ There have been no revision to the forecasts previously announced on November 8, 2021.

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
Building Construction		13,787		14,400			612	4.4		11,640		
Domestic		11,749		10,950	(799)	(6.8)		11,621		10,500	(1,121)	(9.7)
Overseas		2,037		3,450	1,412	69.3		19		50	30	160.1
Civil Engineering		4,789		4,550	(239)	(5.0)		3,450		3,250	(200)	(5.8)
Domestic		4,193		3,700	(493)	(11.8)		3,369		2,800	(569)	(16.9)
Overseas		595		850	254	42.8		81		450	368	452.8
Construction Total		18,576		18,950	373	2.0		15,091		13,800	(1,291)	(8.6)
Domestic		15,943		14,650	(1,293)	(8.1)		14,990		13,300	(1,690)	(11.3)
Overseas		2,633		4,300	1,666	63.3		100		500	399	396.9
Real Estate Business and Other		909		950	40	4.4		208		250	41	20.0
Total Orders received		19,486		19,900	413	2.1		15,299		14,050	(1,249)	(8.2)

※ There have been no revisions to the forecasts previously announced on November 8, 2021.

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	March 31, 2021	Forecasts March 31, 2022	Change	% Change	March 31, 2021	Forecasts March 31, 2022	Change	% Change
Interest-bearing debt (except nonrecourse loans)	1,963	2,100	136	6.9	1,604	1,800	195	12.2
Nonrecourse loans	695	900	204	29.3	—	—	—	—
Total Interest-bearing debt	2,659	3,000	340	12.8	1,604	1,800	195	12.2

※ There have been no revisions to the forecasts previously announced on November 8, 2021.

4 Operating Results and Forecasts for Reportable Segments

(1) Operating Results for the Nine Months Ended December 31, 2021 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results		Change	% Change	Results		Change	% Change		
	April 1, 2020 - December 31, 2020	April 1, 2021 - December 31, 2021			April 1, 2020 - December 31, 2020	April 1, 2021 - December 31, 2021			% Profit	% Profit
Building Construction										
Domestic	677,749	778,300	100,550	14.8	5.9	39,699	2.4	18,645	(21,054)	(53.0)
Overseas	236,194	211,278	(24,915)	(10.5)	1.3	2,980	0.5	1,152	(1,827)	(61.3)
Subtotal	913,943	989,578	75,635	8.3	4.7	42,679	2.0	19,798	(22,881)	(53.6)
Civil Engineering										
Domestic	248,188	248,120	(68)	(0.0)	13.4	33,175	5.8	14,306	(18,868)	(56.9)
Overseas	52,275	63,935	11,660	22.3	0.3	167	1.5	984	816	488.1
Subtotal	300,464	312,056	11,591	3.9	11.1	33,343	4.9	15,291	(18,052)	(54.1)
Construction Total										
Domestic	925,937	1,026,420	100,482	10.9	7.9	72,875	3.2	32,951	(39,923)	(54.8)
Overseas	288,470	275,214	(13,255)	(4.6)	1.1	3,147	0.8	2,137	(1,010)	(32.1)
Subtotal	1,214,408	1,301,635	87,226	7.2	6.3	76,022	2.7	35,089	(40,933)	(53.8)
Real Estate Business and Other										
Real Estate Business	31,900	27,790	(4,110)	(12.9)	27.3	8,711	32.5	9,039	327	3.8
Other	30,595	46,715	16,120	52.7	6.9	2,115	4.2	1,976	(139)	(6.6)
Subtotal	62,496	74,506	12,009	19.2	17.3	10,827	14.8	11,016	188	1.7
Total	1,276,904	1,376,141	99,236	7.8	6.8	86,850	3.4	46,105	(40,745)	(46.9)

※ 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					
	Results		Change	% Change	Results		Change	% Change		
	April 1, 2020 - December 31, 2020	April 1, 2021 - December 31, 2021			April 1, 2020 - December 31, 2020	April 1, 2021 - December 31, 2021			% Gross Profit	% Gross Profit
Building Construction										
Domestic	647,425	765,463	118,038	18.2	11.1	71,636	6.9	52,818	(18,817)	(26.3)
Overseas	4,751	4,747	(3)	(0.1)	1.8	85	2.3	110	24	28.2
Subtotal	652,176	770,211	118,034	18.1	11.0	71,722	6.9	52,928	(18,793)	(26.2)
Civil Engineering										
Domestic	191,251	189,146	(2,104)	(1.1)	22.0	42,008	13.8	26,028	(15,980)	(38.0)
Overseas	13,030	25,855	12,825	98.4	5.9	765	4.5	1,155	390	51.0
Subtotal	204,281	215,002	10,721	5.2	20.9	42,774	12.6	27,183	(15,590)	(36.4)
Construction Total										
Domestic	838,676	954,610	115,934	13.8	13.6	113,645	8.3	78,846	(34,798)	(30.6)
Overseas	17,781	30,603	12,821	72.1	4.8	851	4.1	1,265	414	48.7
Subtotal	856,457	985,213	128,755	15.0	13.4	114,496	8.1	80,112	(34,384)	(30.0)
Real Estate Business and Other										
Real Estate Business	14,326	14,454	128	0.9	26.6	3,815	22.4	3,234	(580)	(15.2)
Other										
Total	870,784	999,668	128,884	14.8	13.6	118,311	8.3	83,347	(34,964)	(29.6)

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

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results April 1, 2020 - March 31, 2021	Forecasts April 1, 2021 - March 31, 2022	Change	% Change	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
					% Profit		% Profit			
Building Construction										
Domestic	964,683	1,090,000	125,316	13.0	6.2	59,956	(1.3)	(14,000)	(73,956)	—
Overseas	304,388	305,000	611	0.2	1.1	3,445	0.8	2,500	(945)	(27.4)
Subtotal	1,269,072	1,395,000	125,927	9.9	5.0	63,402	(0.8)	(11,500)	(74,902)	—
Civil Engineering										
Domestic	342,203	355,000	12,796	3.7	13.3	45,389	8.2	29,000	(16,389)	(36.1)
Overseas	72,004	90,000	17,995	25.0	(0.3)	(210)	0.6	500	710	—
Subtotal	414,208	445,000	30,791	7.4	10.9	45,178	6.6	29,500	(15,678)	(34.7)
Construction Total										
Domestic	1,306,887	1,445,000	138,112	10.6	8.1	105,345	1.0	15,000	(90,345)	(85.8)
Overseas	376,393	395,000	18,606	4.9	0.9	3,234	0.8	3,000	(234)	(7.3)
Subtotal	1,683,280	1,840,000	156,719	9.3	6.5	108,580	1.0	18,000	(90,580)	(83.4)
Real Estate Business and Other										
Real Estate Business	42,426	53,000	10,573	24.9	28.1	11,937	24.5	13,000	1,062	8.9
Other	41,186	67,000	25,813	62.7	6.4	2,644	5.2	3,500	855	32.4
Subtotal	83,612	120,000	36,387	43.5	17.4	14,581	13.8	16,500	1,918	13.2
Total	1,766,893	1,960,000	193,106	10.9	7.0	123,161	1.8	34,500	(88,661)	(72.0)

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

※2 There have been no revisions to the forecasts previously announced on November 8, 2021.

【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Results April 1, 2020 - March 31, 2021	Forecasts April 1, 2021 - March 31, 2022	Change	% Change	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
					% Gross Profit		% Gross Profit			
Building Construction										
Domestic	920,380	1,065,000	144,619	15.7	11.2	103,538	3.2	34,000	(69,538)	(67.2)
Overseas	6,331	5,000	(1,331)	(21.0)	2.4	149	—	—	(149.0)	(100.0)
Subtotal	926,711	1,070,000	143,288	15.5	11.2	103,688	3.2	34,000	(69,688)	(67.2)
Civil Engineering										
Domestic	262,685	275,000	12,314	4.7	21.6	56,758	16.0	44,000	(12,758)	(22.5)
Overseas	20,192	37,000	16,807	83.2	1.3	264	5.4	2,000	1,735	656.3
Subtotal	282,878	312,000	29,121	10.3	20.2	57,022	14.7	46,000	(11,022)	(19.3)
Construction Total										
Domestic	1,183,066	1,340,000	156,933	13.3	13.5	160,296	5.8	78,000	(82,296)	(51.3)
Overseas	26,523	42,000	15,476	58.4	1.6	413	4.8	2,000	1,586	383.2
Subtotal	1,209,589	1,382,000	172,410	14.3	13.3	160,710	5.8	80,000	(80,710)	(50.2)
Real Estate Business and Other										
Real Estate Business	20,828	23,000	2,171	10.4	24.5	5,101	21.7	5,000	(101)	(2.0)
Total	1,230,418	1,405,000	174,581	14.2	13.5	165,812	6.0	85,000	(80,812)	(48.7)

※ There have been no revisions to the forecasts previously announced on November 8, 2021.

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

(1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	April 1, 2020 - December 31, 2020		April 1, 2021 - December 31, 2021		Change		Previous FY Results April 1, 2020 - March 31, 2021	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	26,780	4.0	25,115	2.8	(1,664)	(6.2)	68,495	4.5
Domestic Private	456,279	68.2	636,832	70.7	180,552	39.6	1,093,668	71.5
Domestic total	483,060	72.2	661,948	73.5	178,887	37.0	1,162,163	76.0
Overseas total	1,785	0.3	1,146	0.1	(638)	(35.8)	1,922	0.1
Subtotal	484,845	72.5	663,094	73.6	178,249	36.8	1,164,086	76.1
Civil Engineering								
Domestic Public	99,312	14.8	139,571	15.5	40,258	40.5	221,893	14.5
Domestic Private	69,952	10.5	82,345	9.1	12,392	17.7	115,040	7.5
Domestic total	169,265	25.3	221,916	24.6	52,651	31.1	336,934	22.0
Overseas total	681	0.1	1,466	0.2	784	115.1	8,140	0.5
Subtotal	169,947	25.4	223,383	24.8	53,436	31.4	345,074	22.5
Construction Total								
Domestic Public	126,093	18.8	164,687	18.3	38,594	30.6	290,388	19.0
Domestic Private	526,232	78.7	719,177	79.8	192,945	36.7	1,208,709	79.0
Domestic total	652,325	97.5	883,864	98.1	231,539	35.5	1,499,097	98.0
Overseas total	2,467	0.4	2,613	0.3	145	5.9	10,063	0.6
Subtotal	654,793	97.9	886,478	98.4	231,685	35.4	1,509,161	98.6
Real Estate Business and Other	14,326	2.1	14,461	1.6	135	0.9	20,828	1.4
Total	669,119	100	900,939	100	231,820	34.6	1,529,989	100

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	April 1, 2020 - December 31, 2020		April 1, 2021 - December 31, 2021		Change		Previous FY Results April 1, 2020 - March 31, 2021	
		% of Total		% of Total		% Change		% of Total
Building Construction								
Domestic Public	43,389	5.0	60,514	6.1	17,124	39.5	65,480	5.3
Domestic Private	604,035	69.4	704,949	70.5	100,913	16.7	854,899	69.5
Domestic total	647,425	74.4	765,463	76.6	118,038	18.2	920,380	74.8
Overseas total	4,751	0.5	4,747	0.5	(3)	(0.1)	6,331	0.5
Subtotal	652,176	74.9	770,211	77.1	118,034	18.1	926,711	75.3
Civil Engineering								
Domestic Public	115,495	13.3	106,114	10.6	(9,380)	(8.1)	157,568	12.8
Domestic Private	75,755	8.7	83,032	8.3	7,276	9.6	105,117	8.6
Domestic total	191,251	22.0	189,146	18.9	(2,104)	(1.1)	262,685	21.4
Overseas total	13,030	1.5	25,855	2.6	12,825	98.4	20,192	1.6
Subtotal	204,281	23.5	215,002	21.5	10,721	5.2	282,878	23.0
Construction Total								
Domestic Public	158,884	18.3	166,628	16.7	7,744	4.9	223,049	18.1
Domestic Private	679,791	78.1	787,981	78.8	108,190	15.9	960,016	78.1
Domestic total	838,676	96.4	954,610	95.5	115,934	13.8	1,183,066	96.2
Overseas total	17,781	2.0	30,603	3.1	12,821	72.1	26,523	2.1
Subtotal	856,457	98.4	985,213	98.6	128,755	15.0	1,209,589	98.3
Real Estate Business and Other	14,326	1.6	14,454	1.4	128	0.9	20,828	1.7
Total	870,784	100	999,668	100	128,884	14.8	1,230,418	100

(3) Breakdown of Non-consolidated Project in Process

(Yen in millions)

	December 31, 2020		December 31, 2021		Change		March 31, 2021	
		% of Total		% of Total		% Change		% of Total
<u>Building Construction</u>								
Domestic Public	143,117	8.9	127,342	6.3	(15,775)	(11.0)	162,740	7.7
Domestic Private	994,234	61.8	1,312,642	65.3	318,407	32.0	1,380,759	65.5
Domestic total	1,137,351	70.7	1,439,984	71.6	302,632	26.6	1,543,500	73.2
Overseas total	8,129	0.5	3,085	0.2	(5,043)	(62.0)	6,686	0.3
Subtotal	1,145,480	71.2	1,443,070	71.8	297,589	26.0	1,550,186	73.5
<u>Civil Engineering</u>								
Domestic Public	207,464	12.9	321,429	16.0	113,964	54.9	287,972	13.7
Domestic Private	177,133	11.0	192,173	9.5	15,039	8.5	192,860	9.1
Domestic total	384,598	23.9	513,602	25.5	129,004	33.5	480,832	22.8
Overseas total	77,914	4.9	53,822	2.7	(24,092)	(30.9)	78,211	3.7
Subtotal	462,513	28.8	567,424	28.2	104,911	22.7	559,044	26.5
<u>Construction Total</u>								
Domestic Public	350,582	21.8	448,771	22.3	98,189	28.0	450,712	21.4
Domestic Private	1,171,368	72.8	1,504,815	74.8	333,447	28.5	1,573,620	74.6
Domestic total	1,521,950	94.6	1,953,587	97.1	431,636	28.4	2,024,332	96.0
Overseas total	86,043	5.4	56,907	2.9	(29,136)	(33.9)	84,897	4.0
Subtotal	1,607,994	100.0	2,010,494	100.0	402,500	25.0	2,109,230	100.0
Real Estate Business and Other	—	—	6	0.0	6	—	—	—
Total	1,607,994	100	2,010,501	100	402,507	25.0	2,109,230	100

6 Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	December 31, 2021	Change
Assets			
Current assets			
Cash and deposits	258,549	243,157	(15,392)
Notes and accounts receivable from completed construction contracts and other	744,473	860,567	116,094
Electronically recorded monetary claims	21,327	20,770	(556)
Short-term investment securities	4,401	7,386	2,984
Real estate for sale	12,160	24,467	12,307
Costs on uncompleted construction contracts	69,198	57,823	(11,374)
Costs on real estate business	22,826	27,715	4,889
Inventories for PFI and other projects	38,095	13,880	(24,214)
Other inventories	8,206	9,424	1,217
Accounts receivable	64,501	70,719	6,217
Other	25,812	46,747	20,934
Allowance for doubtful accounts	(147)	(155)	(8)
Total current assets	1,269,405	1,382,504	113,098
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	117,083	113,091	(3,991)
Machinery, vehicles, tools, furniture and fixtures	50,846	50,222	(624)
Land	385,157	381,575	(3,582)
Lease assets	1,081	594	(486)
Construction in progress	55,087	79,334	24,246
Total property, plant and equipment	609,256	624,818	15,561
Intangible assets	6,437	8,042	1,604
Investments and other assets			
Investment securities	340,079	328,157	(11,922)
Long-term loans receivable	1,769	2,212	442
Deferred tax assets	2,126	2,002	(123)
Other	43,730	51,210	7,480
Allowance for doubtful accounts	(177)	(177)	0
Total investments and other assets	387,528	383,405	(4,122)
Total noncurrent assets	1,003,222	1,016,266	13,043
Total assets	2,272,628	2,398,770	126,142

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	December 31, 2021	Change
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	466,213	468,608	2,395
Electronically recorded obligations	106,456	125,989	19,532
Short-term loans payable	54,634	85,694	31,059
Current portion of nonrecourse loans	7,445	14,234	6,789
Commercial papers	—	55,000	55,000
Lease obligations	740	363	(376)
Income taxes payable	13,415	1,038	(12,377)
Advances received on uncompleted construction contracts	127,845	140,405	12,560
Deposits received	121,289	116,591	(4,697)
Provision for warranties for completed construction	2,975	3,339	363
Provision for loss on construction contracts	13,551	17,835	4,283
Other	78,357	73,962	(4,395)
Total current liabilities	992,925	1,103,062	110,137
Noncurrent liabilities			
Bonds payable	40,000	40,000	—
Long-term loans payable	101,722	96,271	(5,450)
Nonrecourse loans	62,151	70,813	8,661
Lease obligations	296	173	(123)
Deferred tax liabilities	21,229	21,525	296
Deferred tax liabilities for land revaluation	18,644	18,568	(75)
Provision for stock payments for directors	401	321	(80)
Provision for environmental measures	26	26	—
Liability for retirement benefits	47,758	49,053	1,294
Other	25,493	25,117	(375)
Total noncurrent liabilities	317,723	321,870	4,146
Total liabilities	1,310,648	1,424,932	114,284
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	42,641	42,641	0
Retained earnings	661,512	679,652	18,139
Treasury stock	(2,090)	(2,807)	(717)
Total shareholders' equity	759,816	777,238	17,422
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	138,542	128,130	(10,411)
Deferred gains (losses) on hedges	7,471	7,483	12
Revaluation reserve for land	20,379	20,204	(174)
Foreign currency translation adjustments	1,349	6,219	4,870
Retirement benefit asset and liability adjustments	3,449	2,956	(493)
Total accumulated other comprehensive income	171,191	164,995	(6,195)
Non-controlling interests	30,970	31,603	632
Total net assets	961,979	973,837	11,858
Total liabilities and net assets	2,272,628	2,398,770	126,142
(Reference)			
Interest-bearing debt balances	265,953	362,013	96,059

(2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2020 - December 31, 2020	April 1, 2021 - December 31, 2021	Change
Net sales			
Net sales of completed construction contracts	1,214,408	1,301,635	87,226
Net sales of real estate business and other	62,496	74,506	12,009
Total net sales	1,276,904	1,376,141	99,236
Cost of sales			
Cost of sales on completed construction contracts	1,069,471	1,190,891	121,419
Cost of sales on real estate business and other	45,878	57,100	11,221
Total cost of sales	1,115,350	1,247,991	132,641
Gross profit			
Gross profit on completed construction contracts	144,936	110,743	(34,192)
Gross profit on real estate business and other	16,617	17,405	788
Total gross profit	161,554	128,149	(33,404)
Selling, general and administrative expenses	74,703	82,044	7,340
Operating income	86,850	46,105	(40,745)
Non-operating income			
Interest income	627	458	(169)
Dividends income	5,395	5,729	333
Other	873	2,344	1,471
Total non-operating income	6,896	8,532	1,635
Non-operating expenses			
Interest expenses	1,333	1,515	181
Other	1,331	375	(955)
Total non-operating expenses	2,665	1,891	(773)
Ordinary income	91,082	52,746	(38,335)
Extraordinary income			
Gain on sales of investing securities	3,432	6,217	2,784
Reversal of provision for loss on Antimonopoly Act	1,026	—	(1,026)
Other	1,573	786	(787)
Total extraordinary income	6,032	7,004	971
Extraordinary loss			
Loss on liquidation of business	—	2,982	2,982
Other	2,629	1,177	(1,452)
Total extraordinary losses	2,629	4,159	1,529
Profit before income taxes	94,485	55,591	(38,894)
Income taxes-current	16,926	14,446	(2,480)
Income taxes-deferred	4,887	1,195	(3,691)
Total income taxes	21,814	15,641	(6,172)
Profit	72,671	39,950	(32,721)
Profit attributable to non-controlling interests	1,510	1,577	66
Profit attributable to owners of parent	71,161	38,372	(32,788)

(3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2020 - December 31, 2020	April 1, 2021 - December 31, 2021
Profit	72,671	39,950
Other comprehensive income		
Valuation difference on available-for-sale securities	14,184	(10,383)
Deferred gains (losses) on hedges	(1,321)	356
Foreign currency translation adjustment	(3,968)	4,170
Retirement benefit adjustment	(228)	(494)
Share of other comprehensive income of associates accounted for using equity method	136	(327)
Total other comprehensive income	8,802	(6,677)
Comprehensive income	81,474	33,273
Comprehensive income attributable to owners of parent	82,189	32,351
Comprehensive income attributable to non-controlling interests	(715)	921

(4) Notes on the Quarterly Consolidated Financial Statements

(Change in Accounting Policies)

(Implementation of the Accounting Standard for Revenue Recognition and Related Guidance)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, revised March 31, 2020; hereafter, the "Revenue Recognition Accounting Standard") and related guidance were implemented from the beginning of the first quarter of consolidated fiscal year ending March 31, 2022. Under this standard, the amount the company expects to receive in exchange for goods and services is recognized as revenue when control over the promised goods or services is transferred to the customer.

The main changes from implementation of the Revenue Recognition Accounting Standard and related guidance are as follows:

(1) Recognition of revenue on construction contracts

For construction contracts in which the obligation is fulfilled over a certain period of time in the domestic and overseas building construction and the domestic and overseas civil engineering segments, revenue was not recognized until the degree of progress on fulfilling the obligation could be reasonably estimated in the past. This has changed to the method of recognizing revenue according to the cost recovery method when the degree of progress on fulfilling the obligation cannot be reasonably estimated, but recovery of the costs incurred can be expected.

(2) Recognition of revenue on agency transactions

For revenue on commercial business in the domestic building construction segment, the total amount of payments received from the customer was recognized as revenue in the past. However, we have changed the method of revenue recognition when the Obayashi Group serves as an agent in providing a product to the customer. Under the new method, the net amount after deducting the amount paid to the supplier of the product from the amount received from the customer is recognized as revenue.

The implementation of the Revenue Recognition Accounting Standard and related guidance follows the transitional treatment in the exception clause of Paragraph 84 of the Revenue Recognition Accounting Standard. The new accounting standard was applied to the balance of retained earnings from the beginning of the period and retained earnings were adjusted for the cumulative impact assuming application of the new accounting standard retroactively before the beginning of the accounting period for the first quarter of consolidated fiscal year ending March 31, 2022.

This resulted in an decrease of "Net sales" of 15,344 million yen, an decrease of 16,281 million yen in "Cost of sales," and a increase of 937 million yen in "Operating income" in the second quarter of consolidated fiscal year ending March 31, 2022. "Non-operating income" decreased by 25 million yen, and "Ordinary income" and "Profit attributable to owners of parent" each increased by 912 million yen in the same consolidated fiscal period. The balance of "Retained earnings" at the beginning of the period also increased by 2,569 million yen.

(Implementation of the Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereafter, "Fair Value Accounting Standard") and related guidance were implemented from the beginning of the first quarter of consolidated fiscal year ending March 31, 2022. In accordance with the transitional treatment specified in Paragraph 19 of the Fair Value Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policy specified in the Fair Value Accounting Standard and related standards were applied prospectively. The change did not have any impact on the quarterly consolidated financial statements.

7 Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	December 31, 2021	Change
Assets			
Current assets			
Cash and deposits	141,431	123,843	(17,588)
Notes receivable—trade	2,293	853	(1,440)
Electronically recorded monetary claims	18,818	18,213	(604)
Accounts receivable from completed construction contracts	581,160	654,213	73,052
Accounts receivable—real estate business and other	4,476	1,928	(2,547)
Short-term investment securities	16	57	40
Real estate for sale	3,611	3,584	(27)
Costs on uncompleted construction contracts	62,968	53,428	(9,540)
Costs on real estate business and other	3,995	4,356	360
Short-term loans receivable	61,964	58,547	(3,416)
Accounts receivable—other	62,148	65,792	3,644
Other	23,096	51,153	28,056
Allowance for doubtful accounts	(72)	(75)	(3)
Total current assets	965,911	1,035,899	69,987
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	48,808	47,787	(1,020)
Machinery, equipment and vehicles	8,112	9,572	1,460
Tools, furniture and fixtures	3,200	3,462	262
Land	173,116	175,912	2,796
Leased assets	23	23	0
Construction in progress	18,585	24,689	6,104
Total property, plant and equipment	251,845	261,449	9,603
Intangible assets	3,908	5,144	1,235
Investments and other assets			
Investment securities	326,421	311,361	(15,059)
Shares and investments in capital of subsidiaries and affiliates	123,517	129,103	5,586
Long-term loans receivable	76,267	82,212	5,944
Claims provable in bankruptcy, claims provable in rehabilitation and other	2,982	580	(2,402)
Other	9,692	9,113	(578)
Allowance for doubtful accounts	(1,609)	(996)	612
Total investments and other assets	537,272	531,374	(5,897)
Total noncurrent assets	793,026	797,967	4,941
Total assets	1,758,937	1,833,866	74,929

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	December 31, 2021	Change
Liabilities			
Current liabilities			
Notes payable—trade	11,338	11,230	(108)
Electronically recorded obligations	103,571	124,121	20,550
Accounts payable for construction contracts	338,368	348,115	9,747
Accounts payable—real estate and other	803	917	114
Short-term loans payable	40,394	66,940	26,546
Commercial papers	—	55,000	55,000
Lease obligations	7	7	(0)
Accounts payable	3,573	3,161	(411)
Accrued expenses	16,343	11,747	(4,595)
Income taxes payable	11,610	—	(11,610)
Advances received on uncompleted construction contracts	104,989	107,606	2,616
Deposit received—real estate and other	3,247	2,514	(732)
Deposits received	119,133	107,591	(11,542)
Provision for warranties for completed construction	2,593	2,915	322
Provision for loss on construction contracts	13,220	16,839	3,619
Deposits received from employees	27,226	28,015	788
Other	1,074	1,164	89
Total current liabilities	797,494	887,887	90,392
Noncurrent liabilities			
Bonds payable	40,000	40,000	—
Long-term loans payable	80,039	75,096	(4,943)
Lease obligations	17	19	1
Deferred tax liabilities	25,624	22,023	(3,601)
Deferred tax liabilities for land revaluation	15,305	15,054	(251)
Provision for retirement benefits	44,665	45,065	400
Provision for stock payments for directors	401	321	(80)
Provision for loss on business of subsidiaries and affiliates	2,157	3,023	866
Other	5,144	4,834	(309)
Total noncurrent liabilities	213,355	205,437	(7,918)
Total liabilities	1,010,850	1,093,324	82,474
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	2,414	2,381	(33)
General reserve	315,000	435,000	120,000
Retained earnings brought forward	163,088	47,275	(115,813)
Total retained earnings	494,941	499,094	4,153
Treasury stock	(2,090)	(2,807)	(717)
Total shareholders' equity	592,297	595,733	3,436
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	138,326	127,917	(10,409)
Deferred gains (losses) on hedges	11	13	2
Revaluation reserve for land	17,451	16,877	(573)
Total valuation and translation adjustments	155,789	144,808	(10,981)
Total net assets	748,087	740,542	(7,545)
Total liabilities and net assets	1,758,937	1,833,866	74,929
(Reference)			
Interest-bearing debt balances	160,433	237,036	76,603

(2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2020 - December 31, 2020	April 1, 2021 - December 31, 2021	Change
Net sales			
Net sales of completed construction contracts	856,457	985,213	128,755
Net sales of real estate business and other	14,326	14,454	128
Total net sales	870,784	999,668	128,884
Cost of sales			
Cost of sales on completed construction contracts	741,961	905,101	163,140
Cost of sales on real estate business and other	10,511	11,220	708
Total cost of sales	752,472	916,321	163,848
Gross profit			
Gross profit on completed construction contracts	114,496	80,112	(34,384)
Gross profit on real estate business and other	3,815	3,234	(580)
Total gross profit	118,311	83,347	(34,964)
Selling, general and administrative expenses	52,422	58,063	5,640
Operating income	65,889	25,284	(40,604)
Non-operating income			
Interest and dividend income	9,779	8,301	(1,478)
Other	235	998	762
Total non-operating income	10,015	9,300	(715)
Non-operating expenses			
Interest expenses	679	657	(22)
Provision of allowance for doubtful accounts	63	30	(33)
Other	1,035	234	(800)
Total non-operating expenses	1,778	922	(855)
Ordinary income	74,125	33,661	(40,464)
Extraordinary income			
Gain on sales of investment securities	3,370	6,217	2,847
Reversal of provision for loss on Antimonopoly Act	1,026	—	(1,026)
Other	1,500	22	(1,477)
Total extraordinary income	5,897	6,240	342
Extraordinary loss			
Loss on business of subsidiaries and affiliates	366	2,891	2,524
Other	5,372	808	(4,564)
Total extraordinary losses	5,739	3,699	(2,039)
Profit before income taxes	74,284	36,202	(38,082)
Income taxes-current	11,877	8,931	(2,945)
Income taxes-deferred	3,323	713	(2,609)
Total income taxes	15,200	9,645	(5,554)
Profit	59,084	26,556	(32,527)