

# FY2022

## Financial Results

(April 1, 2022 to March 31, 2023)

May 11, 2023



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Disclaimer: This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on May 11, 2023. 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 FY2022 (Fiscal Year Ended March 31, 2023)

### 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	%
FY2022	1,983,888	3.2	93,800	128.5	100,802	102.2	77,671	98.5
FY2021	1,922,884	8.8	41,051	(66.7)	49,844	(61.3)	39,127	(60.4)

(Note) Comprehensive income : [FY2022] 74,244 million yen, 52.9% ; [FY2021] 48,546 million yen, (64.5)%

	Profit attributable to owners of parent per Share (EPS)	Net Income Shareholders' Equity Ratio (ROE)	Ordinary Income-Total Assets Ratio	Operating Income-Net Sales Ratio
	Yen	%	%	%
FY2022	108.34	8.0	4.0	4.7
FY2021	54.55	4.1	2.1	2.1

(For reference) Share of profit (loss) of entities accounted for using equity method : [FY2022] 470 million yen ; [FY2021] 800 million yen

### ② Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
	Yen in millions	Yen in millions	%	Yen
As of March 31, 2023	2,609,929	1,035,881	38.2	1,390.77
As of March 31, 2022	2,422,085	988,913	39.5	1,333.10

(For reference) Equity (net assets less non-controlling interests) : [As of March 31, 2023] 997,109 million yen ; [As of March 31, 2022] 955,691 million yen

### ③ Consolidated Cash Flows

	From operating activities	From investment activities	From financing activities	Cash and cash equivalents at FY end
	Yen in millions	Yen in millions	Yen in millions	Yen in millions
FY2022	228,456	(101,610)	22,118	405,633
FY2021	69,697	(49,833)	(12,457)	249,317

## (2) Consolidated Forecast for FY2023 (Fiscal Year Ending March 31, 2024)

(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	2,280,000	14.9	74,000	(21.1)	79,000	(21.6)	55,000	(29.2)	76.71

## (3) Non-consolidated Financial Results for FY2022 (Fiscal Year Ended March 31, 2023)

### 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
FY2022	1,387,028	0.9	59,945	-	71,178	263.8	62,558	232.0	87.26
FY2021	1,374,132	11.7	4,425	(95.3)	19,563	(81.2)	18,843	(76.8)	26.27

### 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 March 31, 2023	1,943,098	758,739	39.0	1,058.29
As of March 31, 2022	1,844,400	740,713	40.2	1,033.22

(Reference) Equity (net assets less non-controlling interests) : [As of March 31, 2023] 758,739 million yen ; [As of March 31, 2022] 740,713 million yen

## (4) Non-consolidated Forecast for FY2023 (Fiscal Year Ending March 31, 2024)

(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	1,575,000	13.6	43,000	(28.3)	50,500	(29.1)	39,000	(37.7)	54.40

## (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			
FY2021	—	Yen 16.00	—	Yen 16.00	Yen 32.00	Yen in millions 22,977	% 58.7	% 2.4
FY2022	—	21.00	—	21.00	42.00	30,157	38.8	3.1
FY2023 (including Forecast)	—	21.00	—	21.00	42.00		54.8	

## 2 Qualitative Information

### (1) Overview of consolidated business results

#### **Consolidated performance for fiscal year ended March 31, 2023 (FY2022)**

In FY2022, the Japanese economy continued to show signs of a gradual recovery due to the normalization of economic and social activities following the easing of measures against the COVID-19 crisis. On the other hand, there are concerns of a slowdown in the global economy due to disruptions in global supply chains caused by the situation in Ukraine and other factors, rising prices of raw materials and energy, and policy interest rate hikes in various countries.

In the domestic construction market, although orders for both public and private works remained firm, the future for the order environment remained uncertain due to concerns about a decline in corporate willingness to make capital investments caused by rising global interest rates and soaring raw material prices.

Under such circumstances, our consolidated net sales amounted to 1,983.8 billion yen, an increase of 61.0 billion yen (3.2%) from the previous fiscal year, due primarily to higher net sales from overseas subsidiaries' construction business including the impact of foreign exchange conversion due to yen depreciation. In terms of profit and loss, operating income totaled 93.8 billion yen, an increase of 52.7 billion yen (128.5%) from the previous fiscal year, ordinary income came to 100.8 billion yen, an increase of 50.9 billion yen (102.2%), and profit attributable to owners of parent was 77.6 billion yen, an increase of 38.5 billion yen (98.5%), the increases reflecting the previous fiscal year's decreases in profits due to provision for loss on construction contracts for multiple large-scale projects recorded in the domestic building construction business.

The Obayashi Group performance by business segment for FY2022 was as follows:

#### Construction business

Orders received rose by 64.8 billion yen (3.2%) over the previous year to 2,107.3 billion yen mainly due to orders received for multiple large-scale overseas building construction projects. More specifically, orders received for the domestic building construction totaled 1,124.2 billion yen; for the overseas building construction 488.5 billion yen; for the domestic civil engineering 360.7 billion yen; and for the overseas civil engineering 133.8 billion yen.

Non-consolidated orders received decreased by 56.3 billion yen (3.7%) from the previous fiscal year to 1,454.9 billion yen as a result of order activities in consideration of the volume of construction projects in hand and its capacity. More specifically, orders received for building construction projects decreased 75.8 billion yen (6.4%) year-on-year to 1,112.0 billion yen, while orders for civil engineering projects increased by 19.5 billion yen (6.0%) to 342.9 billion yen.

Consolidated net sales for the construction business increased by 52.4 billion yen (2.9%) from the previous fiscal year to 1,847.6 billion yen due to the impact of foreign exchange conversion due to yen depreciation that increased the net sales from overseas construction projects. More specifically, net sales from the domestic building construction were 1,056.4 billion yen; for the overseas building construction 343.8 billion yen; for the domestic civil engineering 343.4 billion yen; and for the overseas civil engineering 103.9 billion yen. Operating income increased by 46.8 billion yen (262.8%) to 64.7 billion yen from the previous fiscal year, reflecting an increase in operating income after losses on construction contracts were recorded last fiscal year for multiple large-scale projects in the domestic building construction business.

Non-consolidated net sales decreased by 3.0 billion yen (0.2%) from the previous fiscal year to 1,348.1 billion yen. More specifically, building construction sales rose 1.4 billion yen (0.1%) year-on-year to 1,051.5 billion yen and civil engineering sales decreased by 4.4 billion yen (1.5%) year-on-year to 296.5 billion yen.

#### Real estate business

Net sales from the real estate business increased by 22.7 billion yen (37.2%) to 83.8 billion yen

from the previous fiscal year, and operating income rose by 6.5 billion yen (32.0%) to 26.9 billion yen, primarily due the sale of a large-scale property held by the Company.

#### Other businesses

Net sales from other businesses declined by 14.2 billion yen (21.4%) to 52.3 billion yen from the previous fiscal year and operating income decreased by 0.6 billion yen (23.2%) to 2.1 billion yen, reflecting the increases in the previous fiscal year due to the sales from large-scale private finance initiatives.

<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	1,056,407	343,894	343,464	103,921	1,847,688	83,875	52,324	1,983,888
Operating Income	34,326	5,179	21,744	3,451	64,702	26,928	2,170	93,800

#### **Outlook for consolidated performance for FY2023**

The outlook for consolidated performance in FY2023 is as follows: 2,135.0 billion yen in orders received (including 100.0 billion yen from the real estate and other businesses), 2,280.0 billion yen in net sales (including 120.0 billion yen from the real estate and other businesses), 74.0 billion yen in operating income, 79.0 billion yen in ordinary income, and 55.0 billion yen in profit attributable to owners of parent.

#### **(2) Overview of consolidated financial position**

Total assets as of March 31, 2023 increased by 187.8 billion yen (7.8%) compared with the balance at the end of the previous fiscal year to 2,609.9 billion yen. This was mainly due to increases in "Cash and deposits" and in "Buildings and structures," and "Land" owing to the acquisition of commercial real estate, while trade receivables related to construction contracts (total of "Notes and accounts receivable from completed construction contracts and other" and "Electronically recorded monetary claims") decreased, and "Investment securities" decreased with the sale of crossholding shares and the decline in their market values.

Total liabilities increased by 140.8 billion yen (9.8%) to 1,574.0 billion yen compared with the balance at the end of the previous fiscal year. This was mainly attributable to increases in trade payables related to construction costs (total of "Notes and accounts payable for construction contracts and other" and "Electronically recorded monetary obligations") and increases in interest-bearing debt such as "Bonds payable" and "Long-term loans payable." The balance of interest-bearing debt increased by 57.4 billion yen (20.5%) from the end of the previous fiscal year to 337.9 billion yen.

Total net assets as of March 31, 2023 increased by 46.9 billion yen (4.7%) compared with the balance at the end of the previous fiscal year to 1,035.8 billion yen. This was mainly due to increases in "Retained earnings" from the recognition of profit attributable to owners of parent while "Valuation difference on available-for-sale securities" decreased.

As a result, the equity ratio as of March 31, 2023 was 38.2%, down 1.3 percentage points from the end of the previous fiscal year.

#### **(3) Overview of consolidated cash flows**

During FY2022, net cash provided by operating activities amounted to 228.4 billion yen, primarily due to the net cash inflow of the domestic construction business that continued to be steady (net cash

provided by operating activities was 69.6 billion yen in the previous fiscal year). Net cash used in investing activities amounted to 101.6 billion yen, primarily due to the purchase of real estate properties for business activities (net cash used in investing activities was 49.8 billion yen in the previous fiscal year). Net cash provided by financing activities amounted to 22.1 billion yen, primarily due to increases in borrowings and corporate bonds which exceeded the payment of dividends (net cash used in financing activities was 12.4 billion yen in the previous fiscal year).

Consequently, cash and cash equivalents as of March 31, 2023 increased by 156.3 billion yen to 405.6 billion yen compared with the balance at the end of the previous fiscal year.

#### (4) Basic policy regarding the allocation of profits and dividend payout plan for FY2022 and FY2023

The Obayashi Group Medium-term Business Plan 2022 indicates our shareholder return policy of maintaining a dividend on equity (DOE) ratio of approximately 3% with the aim of returning the enhancement of shareholders' equity capital through the accumulation of profits to shareholders over the medium to long term, with the first priority on maintaining long-term stable dividends, while making investments in tangible and intangible assets and growth investments to enhance corporate value and securing a strong financial base.

Based on this policy, for FY2022, the Company projects a year-end dividend of 21 yen per share. Including a mid-term dividend of 21 yen per share, the total annual dividend is expected to be 42 yen per share (DOE of 3.1% and consolidated dividend yield of 38.8%).

For FY2023, the Company projects a dividend of 21 yen per share both for the midterm and year-end dividends for a total annual dividend of 42 yen per share, calculating the dividend at 3% in DOE based on the earnings forecast for the fiscal year.

#### (5) Policy regarding cross-shareholdings

The Company owns shares in its customers' businesses (cross-shareholdings) to maintain and strengthen trade relationships with the 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 the business relationship with a company. The Company verifies the economic rationale for owning shares over the medium and long term, and sells shares as needed when the business significance of owning the shares has weakened.

The Medium-term Business Plan 2022 states that the Company will proceed further on reassessment of the significance of owning shares and overall investment efficiency for the Company, and that the Company will sell 150 billion yen's worth of shares in total starting from FY2021, aiming to bring the ratio of cross-shareholdings to 20% or less of consolidated net assets as soon as possible before 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- to long-term growth in mind, in addition to investing for the purpose of securing stable investment revenue.

#### (Ref.) Changes in sale of cross-shareholdings

	FY2021	FY2022	
Balance held at the end of fiscal year (Consolidated net asset ratio at the end of fiscal year)	322.6 billion yen (32.6%)	287.7 billion yen (27.8%)	
Amount sold during fiscal year	16.9 billion yen	24.6 billion yen	
Accumulated amount sold since FY2021 (progress rate vis-à-vis the target)	16.9 billion yen (11.3%)	Accumulated amount sold	41.5 billion yen (27.7%)
		Accumulated amount sold + Agreed sale amount	56.3 billion yen (37.5%)

### **3 Basic View on Selection of the Accounting Standards**

The Obayashi Group intends to prepare consolidated financial statements according to the Japanese generally accepted accounting principles. We have taken into account the comparability of consolidated financial statements in different periods and comparisons between companies.

We also intend to respond appropriately to the adoption of IFRS upon collective consideration of conditions in Japan and overseas.

## 4 Financial Highlights

### (1) Financial Results for FY2022 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	FY2021 Results April 1, 2021 - March 31, 2022		FY2022 Results April 1, 2022 - March 31, 2023		Change	% Change	FY2021 Results April 1, 2021 - March 31, 2022		FY2022 Results April 1, 2022 - March 31, 2023		Change	% Change
Net sales of completed construction contracts	%	17,952	%	18,476	524	2.9	%	13,511	%	13,481	(30)	(0.2)
Building Construction		—		—	—	—		10,501		10,515	14	0.1
Civil Engineering		—		—	—	—		3,010		2,965	(44)	(1.5)
Gross profit on completed construction contracts	6.8	1,219	9.6	1,778	559	45.8	5.9	791	9.9	1,331	539	68.1
Building Construction		—		—	—	—	3.6	377	8.3	878	500	132.4
Civil Engineering		—		—	—	—	13.8	414	15.3	453	38	9.4
Net sales of real estate business and other		1,276		1,362	85	6.7		229		389	159	69.3
Gross profit on real estate business and other	25.4	323	28.4	386	63	19.5	23.5	53	34.4	133	79	147.9
<b>Net sales</b>		<b>19,228</b>		<b>19,838</b>	<b>610</b>	<b>3.2</b>		<b>13,741</b>		<b>13,870</b>	<b>128</b>	<b>0.9</b>
Gross profit	8.0	1,543	10.9	2,165	622	40.3	6.2	845	10.6	1,464	618	73.2
Selling, general and administrative expenses	5.9	1,132	6.2	1,227	94	8.4	5.9	801	6.3	865	63	7.9
(Personnel expenses)		605		645	40			386		411	25	
(Others)		527		581	54			414		453	38	
<b>Operating income</b>	<b>2.1</b>	<b>410</b>	<b>4.7</b>	<b>938</b>	<b>527</b>	<b>128.5</b>	<b>0.3</b>	<b>44</b>	<b>4.3</b>	<b>599</b>	<b>555</b>	<b>—</b>
Non-operating income		117		113	(3)	(3.2)		169		137	(32)	(18.9)
Non-operating expenses		29		43	14	47.4		18		25	6	37.8
<b>Ordinary income</b>	<b>2.6</b>	<b>498</b>	<b>5.1</b>	<b>1,008</b>	<b>509</b>	<b>102.2</b>	<b>1.4</b>	<b>195</b>	<b>5.1</b>	<b>711</b>	<b>516</b>	<b>263.8</b>
Extraordinary income		131		146	14	11.3		105		140	34	32.8
Extraordinary loss		67		17	(49)	(74.2)		78		10	(68)	(86.3)
Income before income taxes	2.9	562	5.7	1,137	574	102.0	1.6	222	6.1	841	618	278.1
Total income taxes		148		338	190	128.3		34		215	181	532.6
Profit		414		798	384	92.6		—		—	—	—
Profit attributable to non-controlling interests (deduction)		23		21	(1)	(6.0)		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>2.0</b>	<b>391</b>	<b>3.9</b>	<b>776</b>	<b>385</b>	<b>98.5</b>	<b>1.4</b>	<b>188</b>	<b>4.5</b>	<b>625</b>	<b>437</b>	<b>232.0</b>

### Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	FY2021 Results April 1, 2021 - March 31, 2022		FY2022 Results April 1, 2022 - March 31, 2023		Change	% Change	FY2021 Results April 1, 2021 - March 31, 2022		FY2022 Results April 1, 2022 - March 31, 2023		Change	% Change
Building Construction		15,578		16,128	549	3.5		11,878		11,120	(758)	(6.4)
Domestic		12,173		11,242	(931)	(7.7)		11,865		10,931	(934)	(7.9)
Overseas		3,405		4,885	1,480	43.5		13		189	175	—
Civil Engineering		4,846		4,945	99	2.1		3,234		3,429	195	6.0
Domestic		4,084		3,607	(477)	(11.7)		3,213		2,801	(411)	(12.8)
Overseas		761		1,338	576	75.8		20		628	607	—
Construction Total		20,424		21,073	648	3.2		15,112		14,549	(563)	(3.7)
Domestic		16,258		14,849	(1,408)	(8.7)		15,078		13,732	(1,345)	(8.9)
Overseas		4,166		6,224	2,057	49.4		34		817	782	—
Real Estate Business and Other		1,038		1,149	110	10.7		229		389	159	69.2
Total Orders received		21,463		22,222	759	3.5		15,342		14,938	(403)	(2.6)

### Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	FY2021 Results as of March 31, 2022		FY2022 Results as of March 31, 2023		Change	% Change	FY2021 Results as of March 31, 2022		FY2022 Results as of March 31, 2023		Change	% Change
Interest-bearing debt (except nonrecourse loans)		1,973		2,612	638	32.3		1,551		1,946	395	25.5
Nonrecourse loans		830		766	(63)	(7.7)		—		—	—	—
Total interest-bearing debt		2,804		3,379	574	20.5		1,551		1,946	395	25.5



## (2) Financial Results for FY2022 (Comparison with the latest forecast announced on February 6, 2023)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Forecasts announced on February 6, 2023		FY2022 Results April 1, 2022 - March 31, 2023		Change	% Change	Forecasts announced on February 6, 2023		FY2022 Results April 1, 2022 - March 31, 2023		Change	% Change
Net sales of completed construction contracts	%	19,100	%	18,476	(623)	(3.3)	%	13,640	%	13,481	(158)	(1.2)
Building Construction		—		—	—	—		10,640		10,515	(124)	(1.2)
Civil Engineering		—		—	—	—		3,000		2,965	(34)	(1.1)
Gross profit on completed construction contracts	9.2	1,750	9.6	1,778	28	1.6	9.2	1,260	9.9	1,331	71	5.6
Building Construction		—		—	—	—	8.0	855	8.3	878	23	2.7
Civil Engineering		—		—	—	—	13.5	405	15.3	453	48	11.9
Net sales of real estate business and other		1,350		1,362	12	0.9		400		389	(10)	(2.7)
Gross profit on real estate business and other	27.4	370	28.4	386	16	4.6	33.8	135	34.4	133	(1)	(1.0)
<b>Net sales</b>		<b>20,450</b>		<b>19,838</b>	<b>(611)</b>	<b>(3.0)</b>		<b>14,040</b>		<b>13,870</b>	<b>(169)</b>	<b>(1.2)</b>
Gross profit	10.4	2,120	10.9	2,165	45	2.2	9.9	1,395	10.6	1,464	69	5.0
Selling, general and administrative expenses	6.2	1,260	6.2	1,227	(32)	(2.6)	6.3	885	6.3	865	(19)	(2.2)
(Personnel expenses)		655		645	(9)			410		411	1	
(Others)		605		581	(23)			475		453	(21)	
<b>Operating income</b>	<b>4.2</b>	<b>860</b>	<b>4.7</b>	<b>938</b>	<b>78</b>	<b>9.1</b>	<b>3.6</b>	<b>510</b>	<b>4.3</b>	<b>599</b>	<b>89</b>	<b>17.5</b>
Non-operating income		115		113	(1)	(1.0)		135		137	2	2.1
Non-operating expenses		35		43	8	25.2		20		25	5	27.6
<b>Ordinary income</b>	<b>4.6</b>	<b>940</b>	<b>5.1</b>	<b>1,008</b>	<b>68</b>	<b>7.2</b>	<b>4.5</b>	<b>625</b>	<b>5.1</b>	<b>711</b>	<b>86</b>	<b>13.9</b>
Extraordinary income		120		146	26	22.0		120		140	20	17.0
Extraordinary loss		15		17	2	15.5		15		10	(4)	(27.9)
Income before income taxes	5.1	1,045	5.7	1,137	92	8.8	5.2	730	6.1	841	111	15.3
Total income taxes		310		338	28	9.2		200		215	15	7.9
Profit		735		798	63	8.7		—		—	—	—
Profit attributable to non-controlling interests (deduction)		25		21	(3)	(12.5)		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>3.5</b>	<b>710</b>	<b>3.9</b>	<b>776</b>	<b>66</b>	<b>9.4</b>	<b>3.8</b>	<b>530</b>	<b>4.5</b>	<b>625</b>	<b>95</b>	<b>18.0</b>

## Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Forecasts announced on February 6, 2023		FY2022 Results April 1, 2022 - March 31, 2023		Change	% Change	Forecasts announced on February 6, 2023		FY2022 Results April 1, 2022 - March 31, 2023		Change	% Change
Building Construction		14,900		16,128	1,228	8.2		10,100		11,120	1,020	10.1
Domestic		10,500		11,242	742	7.1		10,100		10,931	831	8.2
Overseas		4,400		4,885	485	11.0		—		189	189	—
Civil Engineering		4,550		4,945	395	8.7		3,100		3,429	329	10.6
Domestic		3,600		3,607	7	0.2		2,700		2,801	101	3.8
Overseas		950		1,338	388	40.9		400		628	228	57.1
Construction Total		19,450		21,073	1,623	8.3		13,200		14,549	1,349	10.2
Domestic		14,100		14,849	749	5.3		12,800		13,732	932	7.3
Overseas		5,350		6,224	874	16.3		400		817	417	104.4
Real Estate Business and Other		950		1,149	199	21.0		350		389	39	11.2
Total Orders received		20,400		22,222	1,822	8.9		13,550		14,938	1,388	10.3

## Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Forecasts announced on February 6, 2023		FY2022 Results as of March 31, 2023		Change	% Change	Forecasts announced on February 6, 2023		FY2022 Results as of March 31, 2023		Change	% Change
Interest-bearing debt (except nonrecourse loans)		2,480		2,612	132	5.3		1,900		1,946	46	2.4
Nonrecourse loans		1,020		766	(253)	(24.8)		—		—	—	—
Total interest-bearing debt		3,500		3,379	(120)	(3.5)		1,900		1,946	46	2.4

### (3) Forecasts for FY2023 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	FY2022 Results April 1, 2022 - March 31, 2023		FY2023 Forecasts April 1, 2023 - March 31, 2024		Change	% Change	FY2022 Results April 1, 2022 - March 31, 2023		FY2023 Forecasts April 1, 2023 - March 31, 2024		Change	% Change
	%		%				%		%			
Net sales of completed construction contracts		18,476		21,600	3,123	16.9		13,481		15,410	1,928	14.3
Building Construction		—		—	—	—		10,515		12,480	1,964	18.7
Civil Engineering		—		—	—	—		2,965		2,930	(35)	(1.2)
Gross profit on completed construction contracts	9.6	1,778	8.1	1,750	(28)	(1.6)	9.9	1,331	8.0	1,240	(91)	(6.8)
Building Construction		—		—	—	—	8.3	878	6.9	865	(13)	(1.5)
Civil Engineering		—		—	—	—	15.3	453	12.8	375	(78)	(17.2)
Net sales of real estate business and other		1,362		1,200	(162)	(11.9)		389		340	(49)	(12.6)
Gross profit on real estate business and other	28.4	386	22.1	265	(121)	(31.5)	34.4	133	20.6	70	(63)	(47.6)
<b>Net sales</b>		<b>19,838</b>		<b>22,800</b>	<b>2,961</b>	<b>14.9</b>		<b>13,870</b>		<b>15,750</b>	<b>1,879</b>	<b>13.6</b>
Gross profit	10.9	2,165	8.8	2,015	(150)	(7.0)	10.6	1,464	8.3	1,310	(154)	(10.6)
Selling, general and administrative expenses	6.2	1,227	5.6	1,275	47	3.9	6.3	865	5.6	880	14	1.7
(Personnel expenses)		645		670	24			411		430	18	
(Others)		581		605	23			453		450	(3)	
<b>Operating income</b>	<b>4.7</b>	<b>938</b>	<b>3.2</b>	<b>740</b>	<b>(198)</b>	<b>(21.1)</b>	<b>4.3</b>	<b>599</b>	<b>2.7</b>	<b>430</b>	<b>(169)</b>	<b>(28.3)</b>
Non-operating income		113		90	(23)	(20.9)		137		90	(47)	(34.7)
Non-operating expenses		43		40	(3)	(8.7)		25		15	(10)	(41.2)
<b>Ordinary income</b>	<b>5.1</b>	<b>1,008</b>	<b>3.5</b>	<b>790</b>	<b>(218)</b>	<b>(21.6)</b>	<b>5.1</b>	<b>711</b>	<b>3.2</b>	<b>505</b>	<b>(206)</b>	<b>(29.1)</b>
Extraordinary income		146		60	(86)	(59.0)		140		60	(80)	(57.3)
Extraordinary loss		17		30	12	73.2		10		30	19	177.5
Income before income taxes	5.7	1,137	3.6	820	(317)	(27.9)	6.1	841	3.4	535	(306)	(36.4)
Total income taxes		338		240	(98)	(29.1)		215		145	(70)	(32.8)
Profit		798		580	(218)	(27.4)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		21		30	8	37.1		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>3.9</b>	<b>776</b>	<b>2.4</b>	<b>550</b>	<b>(226)</b>	<b>(29.2)</b>	<b>4.5</b>	<b>625</b>	<b>2.5</b>	<b>390</b>	<b>(235)</b>	<b>(37.7)</b>

### Orders Received

(Yen in 100 millions)

	Consolidated				Non-consolidated							
	FY2022 Results April 1, 2023 - March 31, 2023		FY2023 Forecasts April 1, 2023 - March 31, 2024		Change	% Change	FY2022 Results April 1, 2023 - March 31, 2023		FY2023 Forecasts April 1, 2023 - March 31, 2024		Change	% Change
Building Construction		16,128		15,250	(878)	(5.4)		11,120		10,900	(220)	(2.0)
Domestic		11,242		11,320	77	0.7		10,931		10,700	(231)	(2.1)
Overseas		4,885		3,930	(955)	(19.6)		189		200	10	5.8
Civil Engineering		4,945		5,100	154	3.1		3,429		3,300	(129)	(3.8)
Domestic		3,607		3,750	142	4.0		2,801		2,900	98	3.5
Overseas		1,338		1,350	11	0.9		628		400	(228)	(36.4)
Construction Total		21,073		20,350	(723)	(3.4)		14,549		14,200	(349)	(2.4)
Domestic		14,849		15,070	220	1.5		13,732		13,600	(132)	(1.0)
Overseas		6,224		5,280	(944)	(15.2)		817		600	(217)	(26.6)
Real Estate Business and Other		1,149		1,000	(149)	(13.0)		389		340	(49)	(12.6)
<b>Total Orders received</b>		<b>22,222</b>		<b>21,350</b>	<b>(872)</b>	<b>(3.9)</b>		<b>14,938</b>		<b>14,540</b>	<b>(398)</b>	<b>(2.7)</b>

### Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated							
	FY2022 Results as of March 31, 2023		FY2023 Forecasts as of March 31, 2024		Change	% Change	FY2022 Results as of March 31, 2023		FY2023 Forecasts as of March 31, 2024		Change	% Change
Interest-bearing debt (except nonrecourse loans)		2,612		2,500	(112)	(4.3)		1,946		1,800	(146)	(7.5)
Nonrecourse loans		766		900	133	17.3		—		—	—	—
<b>Total interest-bearing debt</b>		<b>3,379</b>		<b>3,400</b>	<b>20</b>	<b>0.6</b>		<b>1,946</b>		<b>1,800</b>	<b>(146)</b>	<b>(7.5)</b>

## 5 Operating Results and Forecasts for Reportable Segments

### (1) Operating Results for FY2022 (YoY Comparison)

#### **[Consolidated]**

(Yen in millions)

	Net Sales				Operating Income					
	FY2021 Results April 1, 2021 - March 31, 2022	FY2022 Results April 1, 2022 - March 31, 2023	Change	% Change	FY2021 Results April 1, 2021 - March 31, 2022		FY2022 Results April 1, 2022 - March 31, 2023		Change	% Change
					% Gross Profit		% Gross Profit			
<b>Building Construction</b>										
Domestic	1,059,945	1,056,407	(3,537)	(0.3)	(0.8)	(8,900)	3.2	34,326	43,226	—
Overseas	298,818	343,894	45,075	15.1	0.3	818	1.5	5,179	4,361	532.9
<b>Subtotal</b>	<b>1,358,764</b>	<b>1,400,302</b>	<b>41,538</b>	<b>3.1</b>	<b>(0.6)</b>	<b>(8,082)</b>	<b>2.8</b>	<b>39,505</b>	<b>47,587</b>	<b>—</b>
<b>Civil Engineering</b>										
Domestic	346,808	343,464	(3,344)	(1.0)	6.9	23,861	6.3	21,744	(2,117)	(8.9)
Overseas	89,635	103,921	14,285	15.9	2.3	2,052	3.3	3,451	1,399	68.2
<b>Subtotal</b>	<b>436,444</b>	<b>447,385</b>	<b>10,941</b>	<b>2.5</b>	<b>5.9</b>	<b>25,914</b>	<b>5.6</b>	<b>25,196</b>	<b>(718)</b>	<b>(2.8)</b>
<b>Construction Total</b>										
Domestic	1,406,754	1,399,872	(6,882)	(0.5)	1.1	14,961	4.0	56,070	41,109	274.8
Overseas	388,454	447,815	59,361	15.3	0.7	2,870	1.9	8,631	5,760	200.7
<b>Subtotal</b>	<b>1,795,208</b>	<b>1,847,688</b>	<b>52,479</b>	<b>2.9</b>	<b>1.0</b>	<b>17,832</b>	<b>3.5</b>	<b>64,702</b>	<b>46,869</b>	<b>262.8</b>
<b>Real Estate Business and Other</b>										
Real Estate Business	61,124	83,875	22,751	37.2	33.4	20,395	32.1	26,928	6,533	32.0
Other	66,551	52,324	(14,227)	(21.4)	4.2	2,823	4.1	2,170	(653)	(23.2)
<b>Subtotal</b>	<b>127,676</b>	<b>136,200</b>	<b>8,523</b>	<b>6.7</b>	<b>18.2</b>	<b>23,219</b>	<b>21.4</b>	<b>29,098</b>	<b>5,879</b>	<b>25.3</b>
<b>Total</b>	<b>1,922,884</b>	<b>1,983,888</b>	<b>61,003</b>	<b>3.2</b>	<b>2.1</b>	<b>41,051</b>	<b>4.7</b>	<b>93,800</b>	<b>52,749</b>	<b>128.5</b>

\* Consolidated net sales and operating income show the sales and operating income for external customers.

#### **[Non-consolidated]**

(Yen in millions)

	Net Sales				Gross Profit					
	FY2021 Results April 1, 2021 - March 31, 2022	FY2022 Results April 1, 2022 - March 31, 2023	Change	% Change	FY2021 Results April 1, 2021 - March 31, 2022		FY2022 Results April 1, 2022 - March 31, 2023		Change	% Change
					% Gross Profit		% Gross Profit			
<b>Building Construction</b>										
Domestic	1,044,174	1,048,587	4,413	0.4	3.6	37,613	8.3	87,235	49,622	131.9
Overseas	5,956	2,965	(2,991)	(50.2)	2.8	164	19.1	565	400	243.1
<b>Subtotal</b>	<b>1,050,131</b>	<b>1,051,553</b>	<b>1,422</b>	<b>0.1</b>	<b>3.6</b>	<b>37,777</b>	<b>8.3</b>	<b>87,801</b>	<b>50,023</b>	<b>132.4</b>
<b>Civil Engineering</b>										
Domestic	265,747	266,237	489	0.2	14.9	39,484	15.7	41,794	2,310	5.9
Overseas	35,264	30,323	(4,940)	(14.0)	5.5	1,936	11.6	3,511	1,575	81.4
<b>Subtotal</b>	<b>301,012</b>	<b>296,561</b>	<b>(4,450)</b>	<b>(1.5)</b>	<b>13.8</b>	<b>41,420</b>	<b>15.3</b>	<b>45,306</b>	<b>3,885</b>	<b>9.4</b>
<b>Construction Total</b>										
Domestic	1,309,922	1,314,825	4,903	0.4	5.9	77,097	9.8	129,030	51,933	67.4
Overseas	41,221	33,289	(7,931)	(19.2)	5.1	2,100	12.2	4,076	1,975	94.0
<b>Subtotal</b>	<b>1,351,144</b>	<b>1,348,115</b>	<b>(3,028)</b>	<b>(0.2)</b>	<b>5.9</b>	<b>79,198</b>	<b>9.9</b>	<b>133,107</b>	<b>53,908</b>	<b>68.1</b>
<b>Real Estate Business and Other</b>										
Real Estate Business	22,988	38,913	15,924	69.3	23.5	5,391	34.4	13,368	7,976	147.9
<b>Subtotal</b>	<b>22,988</b>	<b>38,913</b>	<b>15,924</b>	<b>69.3</b>	<b>23.5</b>	<b>5,391</b>	<b>34.4</b>	<b>13,368</b>	<b>7,976</b>	<b>147.9</b>
<b>Total</b>	<b>1,374,132</b>	<b>1,387,028</b>	<b>12,895</b>	<b>0.9</b>	<b>6.2</b>	<b>84,590</b>	<b>10.6</b>	<b>146,476</b>	<b>61,885</b>	<b>73.2</b>

## (2) Forecasts for FY2023 (YoY Comparison)

### 【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	FY2022 Results April 1, 2022 - March 31, 2023	FY2023 Forecasts April 1, 2023 - March 31, 2024	Change	% Change	FY2022 Results April 1, 2022 - March 31, 2023		FY2023 Forecasts April 1, 2023 - March 31, 2024		Change	% Change
					% Gross Profit		% Gross Profit			
<b>Building Construction</b>										
Domestic	1,056,407	1,283,000	226,592	21.4	3.2	34,326	2.8	35,500	1,173	3.4
Overseas	343,894	417,000	73,105	21.3	1.5	5,179	1.1	4,500	(679)	(13.1)
Subtotal	1,400,302	1,700,000	299,697	21.4	2.8	39,505	2.4	40,000	494	1.3
<b>Civil Engineering</b>										
Domestic	343,464	351,000	7,535	2.2	6.3	21,744	5.0	17,500	(4,244)	(19.5)
Overseas	103,921	109,000	5,078	4.9	3.3	3,451	0.9	1,000	(2,451)	(71.0)
Subtotal	447,385	460,000	12,614	2.8	5.6	25,196	4.0	18,500	(6,696)	(26.6)
<b>Construction Total</b>										
Domestic	1,399,872	1,634,000	234,127	16.7	4.0	56,070	3.2	53,000	(3,070)	(5.5)
Overseas	447,815	526,000	78,184	17.5	1.9	8,631	1.0	5,500	(3,131)	(36.3)
Subtotal	1,847,688	2,160,000	312,311	16.9	3.5	64,702	2.7	58,500	(6,202)	(9.6)
<b>Real Estate Business and Other</b>										
Real Estate Business	83,875	66,000	(17,875)	(21.3)	32.1	26,928	21.2	14,000	(12,928)	(48.0)
Other	52,324	54,000	1,675	3.2	4.1	2,170	2.8	1,500	(670)	(30.9)
Subtotal	136,200	120,000	(16,200)	(11.9)	21.4	29,098	12.9	15,500	(13,598)	(46.7)
<b>Total</b>	<b>1,983,888</b>	<b>2,280,000</b>	<b>296,111</b>	<b>14.9</b>	<b>4.7</b>	<b>93,800</b>	<b>3.2</b>	<b>74,000</b>	<b>(19,800)</b>	<b>(21.1)</b>

\* Consolidated net sales and operating income show the sales and operating income for external customers.

### 【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	FY2022 Results April 1, 2022 - March 31, 2023	FY2023 Forecasts April 1, 2023 - March 31, 2024	Change	% Change	FY2022 Results April 1, 2022 - March 31, 2023		FY2023 Forecasts April 1, 2023 - March 31, 2024		Change	% Change
					% Gross Profit		% Gross Profit			
<b>Building Construction</b>										
Domestic	1,048,587	1,245,000	196,412	18.7	8.3	87,235	6.9	86,500	(735)	(0.8)
Overseas	2,965	3,000	34	1.2	19.1	565	—	—	(565)	(100.0)
Subtotal	1,051,553	1,248,000	196,446	18.7	8.3	87,801	6.9	86,500	(1,301)	(1.5)
<b>Civil Engineering</b>										
Domestic	266,237	265,000	(1,237)	(0.5)	15.7	41,794	13.4	35,500	(6,294)	(15.1)
Overseas	30,323	28,000	(2,323)	(7.7)	11.6	3,511	7.1	2,000	(1,511)	(43.0)
Subtotal	296,561	293,000	(3,561)	(1.2)	15.3	45,306	12.8	37,500	(7,806)	(17.2)
<b>Construction Total</b>										
Domestic	1,314,825	1,510,000	195,174	14.8	9.8	129,030	8.1	122,000	(7,030)	(5.4)
Overseas	33,289	31,000	(2,289)	(6.9)	12.2	4,076	6.5	2,000	(2,076)	(50.9)
Subtotal	1,348,115	1,541,000	192,884	14.3	9.9	133,107	8.0	124,000	(9,107)	(6.8)
<b>Real Estate Business and Other</b>										
Real Estate Business and Other	38,913	34,000	(4,913)	(12.6)	34.4	13,368	20.6	7,000	(6,368)	(47.6)
<b>Total</b>	<b>1,387,028</b>	<b>1,575,000</b>	<b>187,971</b>	<b>13.6</b>	<b>10.6</b>	<b>146,476</b>	<b>8.3</b>	<b>131,000</b>	<b>(15,476)</b>	<b>(10.6)</b>

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

### (1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	FY2021 Results		FY2022 Results		Change	
	April 1, 2021 - March 31, 2022		April 1, 2022 - March 31, 2023			
		% of Total		% of Total		% Change
<u>Building Construction</u>						
Domestic Public	57,907	3.8	80,786	5.4	22,878	39.5
Domestic Private	1,128,595	73.5	1,012,315	67.8	(116,280)	(10.3)
Domestic Total	1,186,503	77.3	1,093,102	73.2	(93,401)	(7.9)
Overseas Total	1,375	0.1	18,909	1.3	17,534	—
Subtotal	1,187,879	77.4	1,112,012	74.5	(75,866)	(6.4)
<u>Civil Engineering</u>						
Domestic Public	200,550	13.1	146,915	9.8	(53,634)	(26.7)
Domestic Private	120,761	7.9	133,214	8.9	12,453	10.3
Domestic Total	321,311	21.0	280,130	18.7	(41,181)	(12.8)
Overseas Total	2,099	0.1	62,845	4.2	60,745	—
Subtotal	323,410	21.1	342,975	22.9	19,564	6.0
<u>Construction Total</u>						
Domestic Public	258,457	16.9	227,702	15.2	(30,755)	(11.9)
Domestic Private	1,249,357	81.4	1,145,530	76.7	(103,826)	(8.3)
Domestic Total	1,507,815	98.3	1,373,232	91.9	(134,582)	(8.9)
Overseas Total	3,474	0.2	81,754	5.5	78,280	—
Subtotal	1,511,289	98.5	1,454,987	97.4	(56,302)	(3.7)
Real Estate Business and Other	22,991	1.5	38,910	2.6	15,919	69.2
Total	1,534,281	100	1,493,898	100	(40,382)	(2.6)

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

(Yen in millions)

	FY2021 Results		FY2022 Results		Change	
	April 1, 2021 - March 31, 2022		April 1, 2022 - March 31, 2023			
		% of Total		% of Total		% Change
<u>Building Construction</u>						
Domestic Public	85,150	6.2	94,961	6.8	9,811	11.5
Domestic Private	959,024	69.8	953,626	68.8	(5,398)	(0.6)
Domestic Total	1,044,174	76.0	1,048,587	75.6	4,413	0.4
Overseas Total	5,956	0.4	2,965	0.2	(2,991)	(50.2)
Subtotal	1,050,131	76.4	1,051,553	75.8	1,422	0.1
<u>Civil Engineering</u>						
Domestic Public	150,325	10.9	144,904	10.5	(5,421)	(3.6)
Domestic Private	115,421	8.4	121,333	8.7	5,911	5.1
Domestic Total	265,747	19.3	266,237	19.2	489	0.2
Overseas Total	35,264	2.6	30,323	2.2	(4,940)	(14.0)
Subtotal	301,012	21.9	296,561	21.4	(4,450)	(1.5)
<u>Construction Total</u>						
Domestic Public	235,476	17.1	239,865	17.3	4,389	1.9
Domestic Private	1,074,446	78.2	1,074,959	77.5	513	0.0
Domestic Total	1,309,922	95.3	1,314,825	94.8	4,903	0.4
Overseas Total	41,221	3.0	33,289	2.4	(7,931)	(19.2)
Subtotal	1,351,144	98.3	1,348,115	97.2	(3,028)	(0.2)
Real Estate Business and Other	22,988	1.7	38,913	2.8	15,924	69.3
Total	1,374,132	100	1,387,028	100	12,895	0.9

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

(Yen in millions)

	FY2021 Results as of March 31, 2022		FY2022 Results as of March 31, 2023		Change	
		% of Total		% of Total		% Change
<u>Building Construction</u>						
Domestic Public	135,497	6.0	121,322	5.1	(14,174)	(10.5)
Domestic Private	1,550,331	68.3	1,609,020	67.7	58,689	3.8
Domestic Total	1,685,829	74.3	1,730,343	72.8	44,514	2.6
Overseas Total	2,104	0.1	18,048	0.8	15,944	757.5
Subtotal	1,687,933	74.4	1,748,392	73.6	60,458	3.6
<u>Civil Engineering</u>						
Domestic Public	338,196	14.9	340,208	14.3	2,011	0.6
Domestic Private	198,199	8.7	210,080	8.8	11,881	6.0
Domestic Total	536,396	23.6	550,289	23.1	13,892	2.6
Overseas Total	45,045	2.0	77,567	3.3	32,521	72.2
Subtotal	581,442	25.6	627,856	26.4	46,413	8.0
<u>Construction Total</u>						
Domestic Public	473,694	20.9	461,530	19.4	(12,163)	(2.6)
Domestic Private	1,748,531	77.0	1,819,101	76.5	70,570	4.0
Domestic Total	2,222,225	97.9	2,280,632	95.9	58,407	2.6
Overseas Total	47,150	2.1	95,616	4.1	48,465	102.8
Subtotal	2,269,376	100.0	2,376,248	100.0	106,872	4.7
Real Estate Business and Other	2	0.0	—	—	(2)	(100.0)
Total	2,269,378	100	2,376,248	100	106,869	4.7

## 7 Main Projects

### (1) Orders Received

Client	Project Name
TOYOTA MOTOR CORPORATION	TOYOTA Woven City Phase 1 Construction Project
Land Transport Authority	Contract CR202 Design and Construction of Bored Tunnel between Fairways Drive and Sin Ming Walk and Associated Works
Dexus Property Services Pty Limited	Atlassian Central (Australia)
NTT Urban Development Corporation	(Tentative name) KOBE ARENA Project
Japan Association for the 2025 World Exposition	Expo 2025 Osaka, Kansai, Japan Facilities Development Project PW Northeast Construction Area
Santa Clara Valley Medical Center	County of Santa Clara (U.S.A.)*

\* Undertaken by WEBCOR (Subsidiary of Obayashi USA)

### (2) Completed Projects

Client	Project Name
Kubota Corporation	Kubota Global Institute of Technology Construction Project
Fighters Sports & Entertainment Co., Ltd.	ES CON FIELD HOKKAIDO Construction Project
Shirokane 1-chome East-North District Category 1 Urban Redevelopment Association	SHIROKANE THE SKY Construction Project
Canon Inc.	Canon Inc. Hiratsuka Plant H Building Construction Project
Incorporated Administrative Agency Japan Water Agency	Kawakami Dam Construction Project
QUEEN SIRIKIT NATIONAL CONVENTION CENTER RENOVATION	N.C.C. Management & Development Co.,Ltd. (Thailand)*

\* Undertaken by THAI OBAYASHI

### (3) Projects in Process

Client	Project Name
East Japan Railway Company	(Tentative name) Takanawa Gateway City, Tower 1 (North · South) Construction Project
Organizing Committee for Urban Redevelopment Project for Yaesu 1-Chome East Area District B in Front of Tokyo Station	Urban Redevelopment Project for Yaesu 1-Chome East Area District B in Front of Tokyo Station, Facilities Construction
Mitsubishi Estate Co., Ltd. Osaka Gas Urban Development Co., Ltd. ORIX Real Estate Corporation Kanden Realty & Development Co., Ltd. Sekisui House, Ltd. Takenaka Corporation Hankyu Corporation Umekita Development SPC	(Tentative Name) Umekita 2nd Project Development, Construction of South Block Lease Building and North Block Lease Building
Kansai Airports	Kansai International Airport (KIX) Terminal 1(T1) Renovation Project
East Japan Railway Company	Shinagawa Station North Exit Renovation & Station Building Development Projects
Southeast Water Pollution Control Plant Biosolids Digester Facilities Project	San Francisco Public Utilities Commission (SFPUC) (U.S.A.)*

\* Undertaken by WEBCOR (Subsidiary of Obayashi USA)

## 8 Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Yen in millions)

	FY2021 as of March 31, 2022	FY2022 as of March 31, 2023	Change
<b>Assets</b>			
Current assets			
Cash and deposits	265,042	<b>419,405</b>	154,363
Notes and accounts receivable from completed construction contracts and other	902,244	<b>832,939</b>	(69,305)
Electronically recorded monetary claims	12,162	<b>21,189</b>	9,027
Short-term investment securities	5,988	<b>7,285</b>	1,297
Real estate for sale	19,436	<b>15,874</b>	(3,561)
Costs on uncompleted construction contracts	43,823	<b>35,428</b>	(8,395)
Costs on real estate business	28,300	<b>30,405</b>	2,105
Inventories for PFI and other projects	10,127	<b>6,610</b>	(3,517)
Other inventories	9,182	<b>12,120</b>	2,937
Accounts receivable	78,433	<b>98,866</b>	20,433
Other	20,938	<b>25,572</b>	4,634
Allowance for doubtful accounts	(162)	<b>(147)</b>	14
<b>Total current assets</b>	<b>1,395,517</b>	<b>1,505,551</b>	<b>110,034</b>
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	121,482	<b>142,968</b>	21,485
Machinery, vehicles, tools, furniture and fixtures	68,716	<b>79,252</b>	10,535
Land	378,270	<b>408,031</b>	29,760
Lease assets	493	<b>4,823</b>	4,329
Construction in progress	54,343	<b>57,470</b>	3,127
<b>Total property, plant and equipment</b>	<b>623,306</b>	<b>692,545</b>	<b>69,238</b>
Intangible assets	8,648	<b>17,932</b>	9,283
Investments and other assets			
Investment securities	337,976	<b>306,570</b>	(31,406)
Long-term loans receivable	2,096	<b>1,312</b>	(784)
Deferred tax assets	2,129	<b>5,137</b>	3,008
Assets for retirement benefits	35	<b>2,900</b>	2,864
Other	52,549	<b>78,148</b>	25,599
Allowance for doubtful accounts	(175)	<b>(170)</b>	5
<b>Total investments and other assets</b>	<b>394,612</b>	<b>393,899</b>	<b>(712)</b>
<b>Total noncurrent assets</b>	<b>1,026,567</b>	<b>1,104,377</b>	<b>77,809</b>
<b>Total assets</b>	<b>2,422,085</b>	<b>2,609,929</b>	<b>187,844</b>



(Yen in millions)

	FY2021 as of March 31, 2022	FY2022 as of March 31, 2023	Change
<b>Liabilities</b>			
<b>Current liabilities</b>			
Notes and accounts payable for construction contracts and other	500,757	<b>526,734</b>	25,977
Electronically recorded obligations	128,960	<b>145,520</b>	16,560
Short-term loans payable	62,785	<b>67,170</b>	4,385
Current portion of nonrecourse loans	14,122	<b>8,611</b>	(5,511)
Current portion of bonds	—	<b>20,000</b>	20,000
Lease obligations	294	<b>1,425</b>	1,131
Income taxes payable	9,982	<b>22,375</b>	12,393
Advances received on uncompleted construction contracts	137,174	<b>132,979</b>	(4,194)
Deposits received	143,850	<b>158,487</b>	14,636
Provision for warranties for completed construction	3,138	<b>3,004</b>	(134)
Provision for loss on construction contracts	53,146	<b>43,205</b>	(9,941)
Other	74,390	<b>96,919</b>	22,529
<b>Total current liabilities</b>	<b>1,128,602</b>	<b>1,226,434</b>	<b>97,832</b>
<b>Noncurrent liabilities</b>			
Bonds payable	40,000	<b>50,000</b>	10,000
Long-term loans payable	94,590	<b>124,051</b>	29,460
Nonrecourse loans	68,937	<b>68,087</b>	(850)
Lease obligations	144	<b>5,018</b>	4,873
Deferred tax liabilities	10,222	<b>4,053</b>	(6,168)
Deferred tax liabilities for land revaluation	18,445	<b>18,421</b>	(23)
Provision for stock payments for directors	436	<b>599</b>	163
Provision for environmental measures	26	<b>23</b>	(2)
Liability for retirement benefits	47,977	<b>51,835</b>	3,857
Other	23,788	<b>25,522</b>	1,733
<b>Total noncurrent liabilities</b>	<b>304,569</b>	<b>347,613</b>	<b>43,043</b>
<b>Total liabilities</b>	<b>1,433,171</b>	<b>1,574,048</b>	<b>140,876</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Capital stock	57,752	<b>57,752</b>	—
Capital surplus	42,641	<b>41,962</b>	(679)
Retained earnings	677,559	<b>728,087</b>	50,527
Treasury stock	(2,808)	<b>(2,754)</b>	53
<b>Total shareholders' equity</b>	<b>775,144</b>	<b>825,047</b>	<b>49,902</b>
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities	136,235	<b>118,057</b>	(18,177)
Deferred gains (losses) on hedges	8,642	<b>10,130</b>	1,487
Revaluation reserve for land	23,052	<b>23,627</b>	575
Foreign currency translation adjustments	9,728	<b>18,437</b>	8,708
Retirement benefit asset and liability adjustments	2,887	<b>1,808</b>	(1,079)
<b>Total accumulated other comprehensive income</b>	<b>180,546</b>	<b>172,061</b>	<b>(8,484)</b>
Non-controlling interests	33,222	<b>38,772</b>	5,549
<b>Total net assets</b>	<b>988,913</b>	<b>1,035,881</b>	<b>46,967</b>
<b>Total liabilities and net assets</b>	<b>2,422,085</b>	<b>2,609,929</b>	<b>187,844</b>
<b>(Reference)</b>			
Interest-bearing debt balances	280,436	<b>337,921</b>	57,484

## (2) Consolidated Statements of Income

(Yen in millions)

	FY2021 Results April 1, 2021 - March 31, 2022	FY2022 Results April 1, 2022 - March 31, 2023	Change
<b>Net sales</b>			
Net sales of completed construction contracts	1,795,208	<b>1,847,688</b>	52,479
Net sales of real estate business and other	127,676	<b>136,200</b>	8,523
<b>Total net sales</b>	<b>1,922,884</b>	<b>1,983,888</b>	61,003
<b>Cost of sales</b>			
Cost of sales on completed construction contracts	1,673,237	<b>1,669,814</b>	(3,423)
Cost of sales on real estate business and other	95,306	<b>97,504</b>	2,197
<b>Total cost of sales</b>	<b>1,768,544</b>	<b>1,767,318</b>	(1,226)
<b>Gross profit</b>			
Gross profit on completed construction contracts	121,970	<b>177,873</b>	55,903
Gross profit on real estate business and other	32,369	<b>38,695</b>	6,326
<b>Total gross profit</b>	<b>154,339</b>	<b>216,569</b>	62,229
Selling, general and administrative expenses	113,288	<b>122,769</b>	9,480
<b>Operating income</b>	<b>41,051</b>	<b>93,800</b>	52,749
<b>Non-operating income</b>			
Interest income	805	<b>1,125</b>	319
Dividends income	6,903	<b>7,377</b>	473
Foreign exchange gains	2,678	<b>1,849</b>	(828)
Other	1,379	<b>1,031</b>	(347)
<b>Total non-operating income</b>	<b>11,767</b>	<b>11,384</b>	(382)
<b>Non-operating expenses</b>			
Interest expenses	2,019	<b>2,485</b>	466
Other	954	<b>1,897</b>	942
<b>Total non-operating expenses</b>	<b>2,973</b>	<b>4,382</b>	1,408
<b>Ordinary income</b>	<b>49,844</b>	<b>100,802</b>	50,958
<b>Extraordinary income</b>			
Gain on sales of investment securities	10,260	<b>14,388</b>	4,128
Gain on sale of businesses	2,242	—	(2,242)
Other	649	<b>247</b>	(401)
<b>Total extraordinary income</b>	<b>13,151</b>	<b>14,636</b>	1,484
<b>Extraordinary loss</b>			
Loss on valuation of investment securities	1,509	<b>784</b>	(724)
Impairment loss	625	<b>287</b>	(337)
Loss on retirement of noncurrent assets	652	<b>229</b>	(422)
Loss on sales of investment securities	192	<b>203</b>	10
Loss on sales of noncurrent assets	511	<b>193</b>	(317)
Loss on liquidation of business	3,005	—	(3,005)
Other	218	<b>33</b>	(184)
<b>Total extraordinary losses</b>	<b>6,714</b>	<b>1,732</b>	(4,982)
<b>Profit before income taxes</b>	<b>56,281</b>	<b>113,706</b>	57,425
Income taxes-current	28,815	<b>35,533</b>	6,718
Income taxes-deferred	(13,988)	<b>(1,685)</b>	12,302
<b>Total income taxes</b>	<b>14,827</b>	<b>33,848</b>	19,020
<b>Profit</b>	<b>41,453</b>	<b>79,858</b>	38,404
Profit attributable to non-controlling interests	2,326	<b>2,187</b>	(138)
<b>Profit attributable to owners of parent</b>	<b>39,127</b>	<b>77,671</b>	38,543

### (3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	FY2021 Results April 1, 2021 - March 31, 2022	FY2022 Results April 1, 2022 - March 31, 2023
Profit	41,453	<b>79,858</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,281)	<b>(18,167)</b>
Deferred gains (losses) on hedges	1,155	<b>1,217</b>
Foreign currency translation adjustment	8,771	<b>12,093</b>
Retirement benefit adjustment	(560)	<b>(1,078)</b>
Share of other comprehensive income of associates accounted for using equity method	8	<b>320</b>
<b>Total other comprehensive income</b>	<b>7,092</b>	<b>(5,614)</b>
<b>Comprehensive income</b>	<b>48,546</b>	<b>74,244</b>
Comprehensive income attributable to owners of parent	45,808	<b>68,610</b>
Comprehensive income attributable to non-controlling interests	2,738	<b>5,633</b>

#### (4) Consolidated Statements of Cash Flows

(Yen in millions)

	FY2021 Results April 1, 2021 - March 31, 2022	FY2022 Results April 1, 2022 - March 31, 2023	Change
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes	56,281	113,706	57,425
Depreciation and amortization	20,691	23,941	3,249
Impairment loss	625	287	(337)
Increase (decrease) in allowance for doubtful accounts	7	(24)	(32)
Increase (decrease) in provision for loss on construction contracts	39,566	(9,976)	(49,543)
Increase (decrease) in liability for retirement benefits	(636)	2,185	2,822
Loss (gain) on valuation of short-term and long term investment securities	1,509	784	(724)
Interest and dividends income	(7,709)	(8,503)	(793)
Interest expenses	2,019	2,485	466
Loss (gain) on sales of noncurrent assets	126	41	(84)
Loss (gain) on sales of short-term and long term investment securities	(10,067)	(14,185)	(4,117)
Loss (gain) on sales of businesses	(2,242)	—	2,242
Decrease (increase) in notes and accounts receivable—trade	(96,705)	74,694	171,399
Decrease (increase) in costs on uncompleted construction contracts	25,980	8,411	(17,569)
Decrease (increase) in inventories	6,013	14,120	8,106
Decrease (increase) in inventories for PFI and other projects	1,992	3,517	1,524
Decrease (increase) in other assets	(7,085)	(19,920)	(12,835)
Increase (decrease) in notes and accounts payable—trade	43,111	29,257	(13,854)
Increase (decrease) in advances received on uncompleted construction contracts	7,037	(7,692)	(14,730)
Increase (decrease) in other liabilities	15,736	34,904	19,167
Other, net	171	(1,449)	(1,621)
Subtotal	96,426	246,583	150,157
Interest and dividends income received	8,078	8,676	598
Interest expenses	(2,001)	(2,438)	(437)
Income taxes (paid) refund	(32,805)	(24,365)	8,440
<b>Net cash provided by (used in) operating activities</b>	<b>69,697</b>	<b>228,456</b>	<b>158,758</b>
<b>Net cash provided by (used in) investing activities</b>			
Payments into time deposits	(18,044)	(11,369)	6,675
Proceeds from withdrawal of time deposits	24,636	14,996	(9,639)
Purchase of property, plant and equipment and intangible assets	(58,030)	(96,589)	(38,558)
Proceeds from sales of property, plant and equipment and intangible assets	815	839	24
Purchase of short-term and long term investment securities	(13,072)	(7,511)	5,561
Proceeds from sales and redemption of short-term and long term investment securities	19,847	26,644	6,796
Payments of loans receivable	(412)	(363)	48
Collection of loans receivable	351	36	(314)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,527)	(4,350)	(2,822)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(9,689)	—	9,689
Other, net	5,294	(23,943)	(29,237)
<b>Net cash provided by (used in) investing activities</b>	<b>(49,833)</b>	<b>(101,610)</b>	<b>(51,776)</b>
<b>Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	4,996	701	(4,294)
Repayments of lease obligations	(880)	(392)	488
Proceeds from long-term loans payable	11,008	47,660	36,652
Repayment of long-term loans payable	(16,473)	(19,626)	(3,153)
Proceeds from nonrecourse loans payable	20,911	7,938	(12,973)
Payment of nonrecourse loans payable	(7,445)	(14,299)	(6,854)
Proceeds from issuance of bonds	—	30,000	30,000
Purchase of treasury shares	(793)	(3)	790
Cash dividends paid	(22,977)	(26,567)	(3,590)
Cash dividends paid to non-controlling interests	(801)	(2,131)	(1,329)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(2)	(1,160)	(1,158)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	2	—	(2)
<b>Net cash provided by (used in) financing activities</b>	<b>(12,457)</b>	<b>22,118</b>	<b>34,576</b>
Effect of exchange rate change on cash and cash equivalents	5,436	7,351	1,914
Net increase (decrease) in cash and cash equivalents	12,842	156,316	143,473
Cash and cash equivalents at beginning of period	236,474	249,317	12,842
<b>Cash and cash equivalents at end of period</b>	<b>249,317</b>	<b>405,633</b>	<b>156,316</b>

## **(5) Notes on the Consolidated Financial Statements**

### **Change in Accounting Policies:**

#### **Implementation of Guidance on Accounting Standard for Fair Value Measurement**

"Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) were applied from the beginning of the fiscal year ended March 31, 2023. In accordance with the transitional treatment specified in Paragraph 27-2 of the ASBJ Guidance, the new accounting policy were applied prospectively. The change did not have large impact on the consolidated financial statements.

### **Change of Presentation Method:**

#### **Notes to Consolidated Statements of Income**

"Impairment loss," "Loss on retirement of noncurrent assets," "Loss on sales of investment securities," and "Loss on sales of noncurrent assets," which were included in "Other" under extraordinary loss in the previous consolidated fiscal year, are separately presented in the current consolidated fiscal year due to their increased monetary importance. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, ¥2,200 million presented as "Other" under extraordinary loss in the consolidated statement of income for the previous fiscal year has been reclassified as "Impairment loss" of ¥625 million, "Loss on retirement of fixed assets" of ¥652 million, "Loss on sales of investment securities" of ¥192 million, "Loss on sales of fixed assets" of ¥511 million, and "Other" of ¥218 million.

#### **Notes to Consolidated Statements of Cash Flows**

"Impairment loss" and "Loss (gain) on sales of noncurrent assets," which were included in "Other" under cash flows from operating activities in the previous consolidated fiscal year, are separately presented in the current consolidated fiscal year due to their increased monetary importance. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, ¥923 million presented as "Other" under cash flows from operating activities in the consolidated statements of cash flows for the previous fiscal year has been reclassified as "Impairment loss" of ¥625 million, "Loss (gain) on sales of fixed assets" of ¥126 million, and "Other" of ¥171 million.

### **Additional Information:**

#### **Performance-linked stock compensation plan for directors and executive officers**

##### **(a) Transaction Summary**

The Company has introduced a performance-linked stock compensation plan as an incentive plan for its directors and executive officers (the "Directors") since the fiscal year ended March 31, 2016. The plan is highly transparent and objective and closely linked with the Company's performance for the Directors, with the goal of increasing awareness of the importance of contributing to further enhancing the corporate value and performance over the medium to long term.

The Company's shares are acquired through the Board Incentive Plan Trust (the "BIP Trust") and awarded to the Directors in accordance with performance targets achieved."

##### **(b) The Company's own stock in the BIP Trust**

The Company's own stock in the BIP Trust is recorded in "Treasury stock" under net assets based on the book value in the BIP Trust (excluding ancillary expenses). The book value and the number of these treasury shares in the BIP Trust as of March 31, 2022 is ¥1,114 million and 1,148,432 shares, and as of March 31, 2023 is ¥1,057 million and 1,093,278 shares.

## 9 Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(Yen in millions)

	FY2021 Results as of March 31, 2022	FY2022 Results as of March 31, 2023	Change
<b>Assets</b>			
Current assets			
Cash and deposits	141,707	<b>272,172</b>	130,464
Notes receivable—trade	1,993	<b>7,117</b>	5,124
Electronically recorded monetary claims	9,628	<b>18,176</b>	8,547
Accounts receivable from completed construction contracts	679,269	<b>602,057</b>	(77,211)
Accounts receivable—real estate business and other	6,169	<b>5,315</b>	(853)
Short-term investment securities	48	<b>69</b>	20
Real estate for sale	10,156	<b>2,936</b>	(7,220)
Costs on uncompleted construction contracts	40,575	<b>31,667</b>	(8,907)
Costs on real estate business and other	3,993	<b>2,755</b>	(1,238)
Short-term loans receivable	66,087	<b>66,644</b>	557
Accounts receivable—other	73,788	<b>89,008</b>	15,220
Other	19,599	<b>21,076</b>	1,476
Allowance for doubtful accounts	(79)	<b>(75)</b>	4
<b>Total current assets</b>	<b>1,052,939</b>	<b>1,118,922</b>	<b>65,983</b>
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	54,918	<b>58,892</b>	3,973
Machinery, equipment and vehicles	9,361	<b>8,330</b>	(1,030)
Tools, furniture and fixtures	3,370	<b>3,679</b>	309
Land	172,497	<b>174,430</b>	1,933
Leased assets	21	<b>13</b>	(8)
Construction in progress	16,102	<b>21,323</b>	5,221
<b>Total property, plant and equipment</b>	<b>256,272</b>	<b>266,671</b>	<b>10,398</b>
Intangible assets	5,744	<b>7,384</b>	1,639
Investments and other assets			
Investment securities	320,600	<b>291,510</b>	(29,090)
Shares and investments in capital of subsidiaries and affiliates	131,042	<b>202,912</b>	71,869
Long-term loans receivable	69,688	<b>46,430</b>	(23,258)
Claims provable in bankruptcy, claims provable in rehabilitation and other	580	<b>650</b>	70
Prepaid pension cost	—	<b>370</b>	370
Other	8,518	<b>9,432</b>	914
Allowance for doubtful accounts	(986)	<b>(1,185)</b>	(199)
<b>Total investments and other assets</b>	<b>529,444</b>	<b>550,120</b>	<b>20,676</b>
<b>Total noncurrent assets</b>	<b>791,460</b>	<b>824,175</b>	<b>32,714</b>
<b>Total assets</b>	<b>1,844,400</b>	<b>1,943,098</b>	<b>98,698</b>

(Yen in millions)

	FY2021 Results as of March 31, 2022	FY2022 Results as of March 31, 2023	Change
<b>Liabilities</b>			
Current liabilities			
Notes payable—trade	9,718	10,265	547
Electronically recorded obligations	126,941	144,248	17,307
Accounts payable for construction contracts	373,096	388,976	15,879
Accounts payable—real estate and other	1,626	1,496	(130)
Short-term loans payable	41,788	44,199	2,411
Current portion of bonds	—	20,000	20,000
Lease obligations	9	7	(1)
Accounts payable	5,546	20,007	14,461
Accrued expenses	16,590	17,066	476
Income taxes payable	6,906	18,466	11,559
Advances received on uncompleted construction contracts	109,545	95,994	(13,551)
Deposit received—real estate and other	2,326	2,529	202
Deposits received	134,280	148,512	14,232
Provision for warranties for completed construction	2,556	2,453	(103)
Provision for loss on construction contracts	52,404	43,154	(9,250)
Deposits received from employees	27,415	27,205	(209)
Other	866	1,230	363
<b>Total current liabilities</b>	<b>911,616</b>	<b>985,813</b>	<b>74,196</b>
Noncurrent liabilities			
Bonds payable	40,000	50,000	10,000
Long-term loans payable	73,341	80,432	7,091
Lease obligations	14	7	(7)
Deferred tax liabilities	11,345	194	(11,150)
Deferred tax liabilities for land revaluation	15,054	15,030	(23)
Provision for retirement benefits	43,855	43,580	(274)
Provision for stock payments for directors	436	599	163
Provision for loss on business of subsidiaries and affiliates	3,126	3,418	292
Other	4,896	5,282	385
<b>Total noncurrent liabilities</b>	<b>192,069</b>	<b>198,545</b>	<b>6,476</b>
<b>Total liabilities</b>	<b>1,103,686</b>	<b>1,184,358</b>	<b>80,672</b>
<b>Net assets</b>			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus			
Legal capital surplus	41,694	41,694	—
<b>Total capital surpluses</b>	<b>41,694</b>	<b>41,694</b>	<b>—</b>
Retained earnings			
Legal retained earnings	14,438	14,438	—
Other retained earnings			
Reserve for advanced depreciation of noncurrent assets		2,328	(42)
General reserve	435,000	435,000	—
Retained earnings brought forward	38,870	74,105	35,234
<b>Total retained earnings</b>	<b>490,679</b>	<b>525,871</b>	<b>35,192</b>
Treasury stock	(2,808)	(2,754)	53
<b>Total shareholders' equity</b>	<b>587,317</b>	<b>622,563</b>	<b>35,246</b>
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	135,792	117,796	(17,995)
Deferred gains (losses) on hedges	23	—	(23)
Revaluation reserve for land	17,579	18,377	797
<b>Total valuation and translation adjustments</b>	<b>153,396</b>	<b>136,175</b>	<b>(17,221)</b>
<b>Total net assets</b>	<b>740,713</b>	<b>758,739</b>	<b>18,025</b>
<b>Total liabilities and net assets</b>	<b>1,844,400</b>	<b>1,943,098</b>	<b>98,698</b>
<b>(Reference)</b>			
Interest-bearing debt balances	155,129	194,631	39,502

## (2) Non-consolidated Statements of Income

(Yen in millions)

	FY2021 Results April 1, 2021 - March 31, 2022	FY2022 Results April 1, 2022 - March 31, 2023	Change
<b>Net sales</b>			
Net sales of completed construction contracts	1,351,144	<b>1,348,115</b>	(3,028)
Net sales of real estate business and other	22,988	<b>38,913</b>	15,924
<b>Total net sales</b>	<b>1,374,132</b>	<b>1,387,028</b>	<b>12,895</b>
<b>Cost of sales</b>			
Cost of sales on completed construction contracts	1,271,945	<b>1,215,007</b>	(56,937)
Cost of sales on real estate business and other	17,596	<b>25,544</b>	7,947
<b>Total cost of sales</b>	<b>1,289,542</b>	<b>1,240,552</b>	<b>(48,989)</b>
<b>Gross profit</b>			
Gross profit on completed construction contracts	79,198	<b>133,107</b>	53,908
Gross profit on real estate business and other	5,391	<b>13,368</b>	7,976
<b>Total gross profit</b>	<b>84,590</b>	<b>146,476</b>	<b>61,885</b>
Selling, general and administrative expenses	80,165	<b>86,530</b>	6,365
<b>Operating income</b>	<b>4,425</b>	<b>59,945</b>	<b>55,520</b>
<b>Non-operating income</b>			
Interest and dividend income	14,712	<b>12,404</b>	(2,307)
Other	2,277	<b>1,380</b>	(897)
<b>Total non-operating income</b>	<b>16,989</b>	<b>13,784</b>	<b>(3,205)</b>
<b>Non-operating expenses</b>			
Interest expenses	852	<b>938</b>	86
Provision of allowance for doubtful accounts	46	<b>42</b>	(4)
Bad debts expenses	—	<b>10</b>	10
Other	953	<b>1,560</b>	607
<b>Total non-operating expenses</b>	<b>1,852</b>	<b>2,551</b>	<b>699</b>
<b>Ordinary income</b>	<b>19,563</b>	<b>71,178</b>	<b>51,615</b>
<b>Extraordinary income</b>			
Gain on sales of investment securities	10,260	<b>14,040</b>	3,780
Other	316	<b>4</b>	(311)
<b>Total extraordinary income</b>	<b>10,576</b>	<b>14,045</b>	<b>3,468</b>
<b>Extraordinary loss</b>			
Loss on business of subsidiaries and affiliates	4,951	<b>451</b>	(4,499)
Loss on valuation of investment securities	1,509	<b>377</b>	(1,132)
Loss on sales of noncurrent assets	612	<b>127</b>	(484)
Other	811	<b>124</b>	(686)
<b>Total extraordinary losses</b>	<b>7,884</b>	<b>1,081</b>	<b>(6,803)</b>
Profit before income taxes	22,255	<b>84,142</b>	61,887
Income taxes-current	16,837	<b>24,851</b>	8,014
Income taxes-deferred	(13,424)	<b>(3,266)</b>	10,158
<b>Total income taxes</b>	<b>3,412</b>	<b>21,584</b>	<b>18,172</b>
<b>Profit</b>	<b>18,843</b>	<b>62,558</b>	<b>43,714</b>