

FY2023 1st Quarter Financial Results

(April 1, 2023 to June 30, 2023)

August 7, 2023



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Disclaimer: This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on August 7, 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

① Consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
Three Months Ended								
June 30, 2023	487,444	18.8	4,167	(50.6)	9,315	(28.3)	6,591	(41.6)
June 30, 2022	410,331	(6.0)	8,434	(41.7)	12,992	(26.4)	11,279	(8.2)

(Note) Comprehensive income : [Three Months Ended June 30, 2023]45,715 million yen, 95.7% ; [Three Months Ended June 30, 2022] 23,358 million yen, 21.9%

	Profit attributable to owners of parent per Share (EPS)
Three Months Ended	Yen
June 30, 2023	9.19
June 30, 2022	15.73

② Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
As of	Yen in millions	Yen in millions	%	Yen
June 30, 2023	2,700,819	1,066,290	38.0	1,431.98
March 31, 2023	2,609,929	1,035,881	38.2	1,390.77

(For reference) Equity (net assets less non-controlling interests) : [As of June 30, 2023] 1,026,515 million yen ; [As of March 31, 2023] 997,109 million yen

(2) Consolidated Forecast for FY2023

(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
Fiscal Year Ending March 31, 2024	2,280,000	14.9	74,000	(21.1)	79,000	(21.6)	55,000	(29.2)	76.72

* There have been no revisions to the forecasts previously announced on May 11, 2023.

(3) Non-consolidated Financial Results

① Non-consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
Three Months Ended									
June 30, 2023	341,301	15.7	(748)	-	5,153	(48.3)	3,855	(62.3)	5.38
June 30, 2022	295,089	(6.3)	3,960	(45.9)	9,965	(16.9)	10,231	12.7	14.27

② Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
As of	Yen in millions	Yen in millions	%	Yen
June 30, 2023	2,002,099	779,511	38.9	1,087.41
March 31, 2023	1,943,098	758,739	39.0	1,058.29

(Reference) Equity (net assets less non-controlling interests) : [As of June 30, 2023] 779,511 million yen ; [As of March 31, 2023] 758,739 million yen

(4) Non-consolidated Forecast for FY2023

(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
Fiscal Year Ending March 31, 2024	1,575,000	13.6	43,000	(28.3)	50,500	(29.1)	39,000	(37.7)	54.40

* There have been no revisions to the forecasts previously announced on May 11, 2023.

(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			
FY2022	—	21.00	—	21.00	42.00	30,157	38.8	3.1
FY2023 (including Forecast)	—	21.00	—	21.00	42.00		54.7	

* There have been no revisions to the forecasts previously announced on May 11, 2023.

2. Qualitative Information

1) Overview of consolidated business results

Consolidated net sales for the first three months of the fiscal year under review (from April 1 to June 30, 2023) were 487.4 billion yen, an increase of 77.1 billion yen (18.8%) from the first quarter of the previous fiscal year. This was primarily due to the progress in large-scale projects in the domestic and overseas building construction businesses. Meanwhile, construction gross profit margin worsened in the domestic building construction business as the unprofitable projects for which the Company received orders in previous fiscal years progressed, and selling, general and administrative expenses rose mainly due to higher personnel expenses from base pay increases and acceleration of digital technology-related investment. As a result, operating income came to 4.1 billion yen, a decrease of 4.2 billion yen (50.6%) from the same period in the previous fiscal year, ordinary income to 9.3 billion yen, a decrease of 3.6 billion yen (28.3%), and profit attributable to owners of parent was 6.5 billion yen, a decrease of 4.6 billion yen (41.6%).

2) Outlook for consolidated financial position

Total assets as of June 30, 2023 increased by 90.8 billion yen (3.5%) compared with the balance at the end of the previous fiscal year to 2,700.8 billion yen. This was mainly due to increases in “Construction in progress” owing to the acquisition of commercial real estate and other factors as well as “Investment securities” accompanying an increase in the market value of shares that we own in our customers’ businesses, while “Cash and deposits” declined.

Total liabilities as of June 30, 2023 increased by 60.4 billion yen (3.8%) compared with the balance at the end of the previous fiscal year to 1,634.5 billion yen. This was mainly attributable to increases in interest-bearing debt such as “Short-term loans payable” and “Long-term loans payable” as well as in “Advances received on uncompleted construction contracts.” The balance of interest-bearing debt increased by 25.8 billion yen (7.7%) from the end of the previous fiscal year to 363.8 billion yen.

Total net assets as of June 30, 2023 increased by 30.4 billion yen (2.9%) compared with the balance at the end of the previous fiscal year, to 1,066.2 billion yen. This was mainly due to an increase in “Valuation difference on available-for-sale securities,” while “Retained earnings” declined in anticipation of payment of dividends from surplus.

As a result, the equity ratio as of June 30, 2023 was 38.0%, down 0.2 percentage points from the end of the previous fiscal year.

3) Consolidate forecasts for fiscal year ending March 31, 2024

Consolidated forecasts for the full year (fiscal year ending March 31, 2024) have not been revised from those announced when financial results were announced on May 11, 2023.

3 Financial Highlights

(1) Financial Results for the Three Months Ended June 30, 2023 (YoY Comparison)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Three Months Ended June 30, 2022		Three Months Ended June 30, 2023		Change	% Change	Three Months Ended June 30, 2022		Three Months Ended June 30, 2023		Change	% Change
Net sales of completed construction contracts		3,868		4,677	809	20.9		2,910		3,368	458	15.8
Building Construction		—		—	—	—		2,222		2,678	456	20.5
Civil Engineering		—		—	—	—		688		689	1	0.3
Gross profit on completed construction contracts	8.1	312	6.9	324	11	3.7	8.0	233	6.3	210	(22)	(9.8)
Building Construction		—		—	—	—	5.9	132	4.2	111	(20)	(15.4)
Civil Engineering		—		—	—	—	14.7	101	14.3	98	(2)	(2.5)
Net sales of real estate business and other		234		196	(38)	(16.3)		40		44	3	8.8
Gross profit on real estate business and other	26.4	61	23.3	45	(16)	(26.1)	28.3	11	23.4	10	(1)	(10.0)
Net sales		4,103		4,874	771	18.8		2,950		3,413	462	15.7
Gross profit	9.1	374	7.6	370	(4)	(1.2)	8.3	245	6.5	220	(24)	(9.8)
Selling, general and administrative expenses (Personnel expenses) (Others)	7.0	290	6.7	328	38	13.2	7.0	205	6.7	228	23	11.2
		154		169	15			101		108	6	
		135		158	23			103		120	16	
Operating Income	2.1	84	0.9	41	(42)	(50.6)	1.3	39	(0.2)	(7)	(47)	—
Non-operating expenses		7		6	(1)	(16.8)		4		2	(1)	(34.3)
Ordinary income	3.2	129	1.9	93	(36)	(28.3)	3.4	99	1.5	51	(48)	(48.3)
Extraordinary income		33		3	(30)	(90.2)		33		1	(31)	(94.4)
Extraordinary loss		4		5	0	19.3		2		5	2	87.6
Income before income taxes	3.9	158	1.9	90	(68)	(42.9)	4.4	129	1.4	47	(81)	(63.1)
Total income taxes		42		22	(20)	(47.3)		27		9	(18)	(66.0)
Profit		116		68	(47)	(41.2)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		3		2	(0)	(29.2)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	2.7	112	1.4	65	(46)	(41.6)	3.5	102	1.1	38	(63)	(62.3)

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Three Months Ended June 30, 2022		Three Months Ended June 30, 2023		Change	% Change	Three Months Ended June 30, 2022		Three Months Ended June 30, 2023		Change	% Change
Building Construction		2,949		4,342	1,392	47.2		2,069		2,445	375	18.1
Domestic		1,936		2,578	641	33.1		1,876		2,436	560	29.9
Overseas		1,012		1,764	751	74.2		193		8	(185)	(95.6)
Civil Engineering		824		820	(4)	(0.5)		443		555	112	25.3
Domestic		575		621	45	7.9		426		397	(29)	(6.8)
Overseas		248		199	(49)	(20.0)		16		157	141	847.9
Construction Total		3,774		5,162	1,388	36.8		2,513		3,000	487	19.4
Domestic		2,512		3,199	686	27.3		2,302		2,833	531	23.1
Overseas		1,261		1,963	701	55.6		210		166	(43)	(20.8)
Real Estate Business and Other		138		186	47	34.2		40		44	3	8.8
Total Orders received		3,913		5,348	1,435	36.7		2,553		3,044	490	19.2

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results As of March 31, 2023		Results As of June 30, 2023		Change	% Change	Results As of March 31, 2023		Results As of June 30, 2023		Change	% Change
Interest-bearing debt (except nonrecourse loans)		2,612		2,874	262	10.0		1,946		2,061	114	5.9
Nonrecourse loans		766		763	(3)	(0.5)		—		—	—	—
Total Interest-bearing debt		3,379		3,638	258	7.7		1,946		2,061	114	5.9

(2) Financial Results for the Three Months Ended June 30, 2023 (Progress toward Full-Year Forecasts)

(Yen in 100 millions)

	Consolidated					Non-consolidated				
	Results Three Months Ended June 30, 2023		Forecasts Fiscal Year Ending - March 31, 2024		% Progress	Results Three Months Ended June 30, 2023		Forecasts April 1, 2023 - March 31, 2024		% Progress
	%		%		%		%		%	
Net sales of completed construction contracts		4,677		21,600	21.7		3,368		15,410	21.9
Building Construction		—		—	—		2,678		12,480	21.5
Civil Engineering		—		—	—		689		2,930	23.5
Gross profit on completed construction contracts	6.9	324	8.1	1,750	18.5	6.3	210	8.0	1,240	17.0
Building Construction		—		—	—	4.2	111	6.9	865	12.9
Civil Engineering		—		—	—	14.3	98	12.8	375	26.3
Net sales of real estate business and other		196		1,200	16.4		44		340	13.0
Gross profit on real estate business and other	23.3	45	22.1	265	17.3	23.4	10	20.6	70	14.8
Net sales		4,874		22,800	21.4		3,413		15,750	21.7
Gross profit	7.6	370	8.8	2,015	18.4	6.5	220	8.3	1,310	16.9
Selling, general and administrative expenses	6.7	328	5.6	1,275	25.8	6.7	228	5.6	880	26.0
(Personnel expenses)		169		670			108		430	
(Others)		158		605			120		450	
Operating Income	0.9	41	3.2	740	5.6	(0.2)	(7)	2.7	430	—
Non-operating expenses		6		40	15.8		2		15	18.4
Ordinary income	1.9	93	3.5	790	11.8	1.5	51	3.2	505	10.2
Extraordinary income		3		60	5.5		1		60	3.1
Extraordinary loss		5		30	19.1		5		30	18.2
Income before income taxes	1.9	90	3.6	820	11.1	1.4	47	3.4	535	9.0
Total income taxes		22		240	9.4		9		145	6.5
Profit		68		580	11.8		—		—	—
Profit attributable to non-controlling interests (deduction)		2		30	7.8		—		—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	1.4	65	2.4	550	12.0	1.1	38	2.5	390	9.9

*There have been no revisions to the forecasts previously announced on May 11, 2023.

Orders Received

(Yen in 100 millions)

	Consolidated			Non-consolidated		
	Results Three Months Ended June 30, 2023	Forecasts Fiscal Year Ending - March 31, 2024	% Progress	Results Three Months Ended June 30, 2023	Forecasts April 1, 2023 - March 31, 2024	% Progress
Building Construction	4,342	15,250	28.5	2,445	10,900	22.4
Domestic	2,578	11,320	22.8	2,436	10,700	22.8
Overseas	1,764	3,930	44.9	8	200	4.3
Civil Engineering	820	5,100	16.1	555	3,300	16.8
Domestic	621	3,750	16.6	397	2,900	13.7
Overseas	199	1,350	14.8	157	400	39.5
Construction Total	5,162	20,350	25.4	3,000	14,200	21.1
Domestic	3,199	15,070	21.2	2,833	13,600	20.8
Overseas	1,963	5,280	37.2	166	600	27.8
Real Estate Business and Other	186	1,000	18.6	44	340	13.0
Total Orders received	5,348	21,350	25.1	3,044	14,540	20.9

*There have been no revisions to the forecasts previously announced on May 11, 2023.

(3) Forecasts for FY2023 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results Fiscal Year Ended March 31, 2023		Forecasts Fiscal Year Ending - March 31, 2024		Change	% Change	Results Fiscal Year Ended March 31, 2023		Forecasts Fiscal Year Ending - 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)
Net sales		19,838		22,800	2,961	14.9		13,870		15,750	1,879	13.6
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)	
Operating Income	4.7	938	3.2	740	(198)	(21.1)	4.3	599	2.7	430	(169)	(28.3)
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)
Ordinary income	5.1	1,008	3.5	790	(218)	(21.6)	5.1	711	3.2	505	(206)	(29.1)
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		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	3.9	776	2.4	550	(226)	(29.2)	4.5	625	2.5	390	(235)	(37.7)

*There have been no revisions to the forecasts previously announced on May 11, 2023.

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results Fiscal Year Ended March 31, 2023		Forecasts Fiscal Year Ending - March 31, 2024		Change	% Change	Results Fiscal Year Ended March 31, 2023		Forecasts Fiscal Year Ending - 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)
Total Orders received		22,222		21,350	(872)	(3.9)		14,938		14,540	(398)	(2.7)

*There have been no revisions to the forecasts previously announced on May 11, 2023.

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results As of March 31, 2023		Forecasts As of March 31, 2024		Change	% Change	Results As of March 31, 2023		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		—		—	—	—
Total Interest-bearing debt		3,379		3,400	20	0.6		1,946		1,800	(146)	(7.5)

*There have been no revisions to the forecasts previously announced on May 11, 2023.

4 Operating Results and Forecasts for Reportable Segments

(1) Operating Results for the Three Months Ended June 30, 2023 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income							
	Results		Change	% Change	Results		Change	% Change	Results		Change	% Change
	Three Months Ended June 30, 2022	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022	Three Months Ended June 30, 2023			% Profit	% Profit		
Building Construction												
Domestic	221,690	270,876	49,186	22.2	0.1	330	(1.3)	(3,475)	(3,805)	—		
Overseas	69,377	95,385	26,007	37.5	0.9	599	2.4	2,320	1,720	286.9		
Subtotal	291,067	366,261	75,193	25.8	0.3	930	(0.3)	(1,154)	(2,085)	—		
Civil Engineering												
Domestic	74,757	82,583	7,826	10.5	2.9	2,203	4.2	3,459	1,255	57.0		
Overseas	21,022	18,944	(2,077)	(9.9)	7.1	1,491	(0.8)	(159)	(1,651)	—		
Subtotal	95,779	101,528	5,748	6.0	3.9	3,695	3.2	3,299	(396)	(10.7)		
Construction Total												
Domestic	296,447	353,459	57,012	19.2	0.9	2,534	(0.0)	(16)	(2,550)	—		
Overseas	90,399	114,329	23,929	26.5	2.3	2,091	1.9	2,160	68	3.3		
Subtotal	386,847	467,789	80,942	20.9	1.2	4,625	0.5	2,144	(2,481)	(53.6)		
Real Estate Business and Other												
Real Estate Business	10,891	7,572	(3,319)	(30.5)	27.6	3,001	20.5	1,551	(1,449)	(48.3)		
Other	12,592	12,082	(510)	(4.1)	6.4	807	3.9	470	(336)	(41.7)		
Subtotal	23,484	19,654	(3,829)	(16.3)	16.2	3,809	10.3	2,022	(1,786)	(46.9)		
Total	410,331	487,444	77,112	18.8	2.1	8,434	0.9	4,167	(4,267)	(50.6)		

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

【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit							
	Results		Change	% Change	Results		Change	% Change	Results		Change	% Change
	Three Months Ended June 30, 2022	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022	Three Months Ended June 30, 2023			% Profit	% Profit		
Building Construction												
Domestic	220,899	265,909	45,010	20.4	6.0	13,180	4.2	11,133	(2,047)	(15.5)		
Overseas	1,314	1,965	650	49.5	2.9	38	2.8	54	16	43.4		
Subtotal	222,213	267,874	45,661	20.5	5.9	13,219	4.2	11,188	(2,030)	(15.4)		
Civil Engineering												
Domestic	58,433	64,763	6,329	10.8	13.6	7,938	14.1	9,161	1,223	15.4		
Overseas	10,370	4,230	(6,139)	(59.2)	21.1	2,188	16.7	707	(1,481)	(67.7)		
Subtotal	68,804	68,994	190	0.3	14.7	10,126	14.3	9,869	(257)	(2.5)		
Construction Total												
Domestic	279,332	330,673	51,340	18.4	7.6	21,118	6.1	20,295	(823)	(3.9)		
Overseas	11,684	6,195	(5,488)	(47.0)	19.1	2,227	12.3	762	(1,465)	(65.8)		
Subtotal	291,017	336,869	45,851	15.8	8.0	23,346	6.3	21,057	(2,288)	(9.8)		
Real Estate Business and Other												
Real Estate Business and Other	4,072	4,432	360	8.8	28.3	1,153	23.4	1,038	(115)	(10.0)		
Total	295,089	341,301	46,212	15.7	8.3	24,500	6.5	22,096	(2,403)	(9.8)		

(2) Forecasts for FY2023 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales			
	Results Fiscal Year Ended March 31, 2023	Forecasts Fiscal Year Ending March 31, 2024	Change	% Change
Building Construction				
Domestic	1,056,407	1,283,000	226,592	21.4
Overseas	343,894	417,000	73,105	21.3
Subtotal	1,400,302	1,700,000	299,697	21.4
Civil Engineering				
Domestic	343,464	351,000	7,535	2.2
Overseas	103,921	109,000	5,078	4.9
Subtotal	447,385	460,000	12,614	2.8
Construction Total				
Domestic	1,399,872	1,634,000	234,127	16.7
Overseas	447,815	526,000	78,184	17.5
Subtotal	1,847,688	2,160,000	312,311	16.9
Real Estate Business and Other				
Real Estate Business	83,875	66,000	(17,875)	(21.3)
Other	52,324	54,000	1,675	3.2
Subtotal	136,200	120,000	(16,200)	(11.9)
Total	1,983,888	2,280,000	296,111	14.9

Operating Income						
	Results		Forecasts		Change	% Change
	Fiscal Year Ended March 31, 2023		Fiscal Year Ending March 31, 2024			
	% Profit		% Profit			
	3.2	34,326	2.8	35,500	1,173	3.4
	1.5	5,179	1.1	4,500	(679)	(13.1)
	2.8	39,505	2.4	40,000	494	1.3
	6.3	21,744	5.0	17,500	(4,244)	(19.5)
	3.3	3,451	0.9	1,000	(2,451)	(71.0)
	5.6	25,196	4.0	18,500	(6,696)	(26.6)
	4.0	56,070	3.2	53,000	(3,070)	(5.5)
	1.9	8,631	1.0	5,500	(3,131)	(36.3)
	3.5	64,702	2.7	58,500	(6,202)	(9.6)
	32.1	26,928	21.2	14,000	(12,928)	(48.0)
	4.1	2,170	2.8	1,500	(670)	(30.9)
	21.4	29,098	12.9	15,500	(13,598)	(46.7)
	4.7	93,800	3.2	74,000	(19,800)	(21.1)

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

*2 There have been no revisions to the forecasts previously announced on May 11, 2023.

【Non-consolidated】

(Yen in millions)

	Net Sales			
	Results Fiscal Year Ended March 31, 2023	Forecasts Fiscal Year Ending March 31, 2024	Change	% Change
Building Construction				
Domestic	1,048,587	1,245,000	196,412	18.7
Overseas	2,965	3,000	34	1.2
Subtotal	1,051,553	1,248,000	196,446	18.7
Civil Engineering				
Domestic	266,237	265,000	(1,237)	(0.5)
Overseas	30,323	28,000	(2,323)	(7.7)
Subtotal	296,561	293,000	(3,561)	(1.2)
Construction Total				
Domestic	1,314,825	1,510,000	195,174	14.8
Overseas	33,289	31,000	(2,289)	(6.9)
Subtotal	1,348,115	1,541,000	192,884	14.3
Real Estate Business and Other	38,913	34,000	(4,913)	(12.6)
Total	1,387,028	1,575,000	187,971	13.6

Gross Profit						
	Results		Forecasts		Change	% Change
	Fiscal Year Ended March 31, 2023		Fiscal Year Ending March 31, 2024			
	% Gross Profit		% Gross Profit			
	8.3	87,235	6.9	86,500	(735)	(0.8)
	19.1	565	—	—	(565)	(100.0)
	8.3	87,801	6.9	86,500	(1,301)	(1.5)
	15.7	41,794	13.4	35,500	(6,294)	(15.1)
	11.6	3,511	7.1	2,000	(1,511)	(43.0)
	15.3	45,306	12.8	37,500	(7,806)	(17.2)
	9.8	129,030	8.1	122,000	(7,030)	(5.4)
	12.2	4,076	6.5	2,000	(2,076)	(50.9)
	9.9	133,107	8.0	124,000	(9,107)	(6.8)
	34.4	13,368	20.6	7,000	(6,368)	(47.6)
	10.6	146,476	8.3	131,000	(15,476)	(10.6)

*There have been no revisions to the forecasts previously announced on May 11, 2023.

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

(1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	Results Three Months Ended June 30, 2022		Results Three Months Ended June 30, 2023		Change		Results FY2022 April 1, 2022 - March 31, 2023	
		% of Total		% of Total		% Change		% of Total
<u>Building Construction</u>								
Domestic Public	1,446	0.6	3,811	1.2	2,365	163.5	80,786	5.4
Domestic Private	186,161	72.9	239,833	78.8	53,671	28.8	1,012,315	67.8
Domestic total	187,608	73.5	243,644	80.0	56,036	29.9	1,093,102	73.2
Overseas	19,372	7.6	856	0.3	(18,516)	(95.6)	18,909	1.3
Subtotal	206,981	81.1	244,501	80.3	37,520	18.1	1,112,012	74.5
<u>Civil Engineering</u>								
Domestic Public	16,533	6.5	9,602	3.1	(6,931)	(41.9)	146,915	9.8
Domestic Private	26,134	10.2	30,149	9.9	4,015	15.4	133,214	8.9
Domestic total	42,668	16.7	39,752	13.0	(2,915)	(6.8)	280,130	18.7
Overseas	1,666	0.7	15,796	5.2	14,129	847.9	62,845	4.2
Subtotal	44,334	17.4	55,548	18.2	11,214	25.3	342,975	22.9
<u>Construction Total</u>								
Domestic Public	17,980	7.1	13,413	4.3	(4,566)	(25.4)	227,702	15.2
Domestic Private	212,296	83.1	269,983	88.7	57,686	27.2	1,145,530	76.7
Domestic total	230,276	90.2	283,396	93.0	53,120	23.1	1,373,232	91.9
Overseas	21,039	8.3	16,653	5.5	(4,386)	(20.8)	81,754	5.5
Subtotal	251,315	98.5	300,050	98.5	48,734	19.4	1,454,987	97.4
Real Estate Business and Other	4,073	1.5	4,432	1.5	358	8.8	38,910	2.6
Total	255,389	100	304,482	100	49,093	19.2	1,493,898	100

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	Results Three Months Ended June 30, 2022		Results Three Months Ended June 30, 2023		Change		Results FY2022 April 1, 2022 - March 31, 2023	
		% of Total		% of Total		% Change		% of Total
<u>Building Construction</u>								
Domestic Public	19,165	6.5	16,165	4.7	(3,000)	(15.7)	94,961	6.8
Domestic Private	201,733	68.4	249,744	73.2	48,011	23.8	953,626	68.8
Domestic total	220,899	74.9	265,909	77.9	45,010	20.4	1,048,587	75.6
Overseas	1,314	0.4	1,965	0.6	650	49.5	2,965	0.2
Subtotal	222,213	75.3	267,874	78.5	45,661	20.5	1,051,553	75.8
<u>Civil Engineering</u>								
Domestic Public	33,945	11.5	34,550	10.1	604	1.8	144,904	10.5
Domestic Private	24,488	8.3	30,213	8.9	5,725	23.4	121,333	8.7
Domestic total	58,433	19.8	64,763	19.0	6,329	10.8	266,237	19.2
Overseas	10,370	3.5	4,230	1.2	(6,139)	(59.2)	30,323	2.2
Subtotal	68,804	23.3	68,994	20.2	190	0.3	296,561	21.4
<u>Construction Total</u>								
Domestic Public	53,111	18.0	50,715	14.8	(2,396)	(4.5)	239,865	17.3
Domestic Private	226,221	76.7	279,957	82.1	53,736	23.8	1,074,959	77.5
Domestic total	279,332	94.7	330,673	96.9	51,340	18.4	1,314,825	94.8
Overseas	11,684	3.9	6,195	1.8	(5,488)	(47.0)	33,289	2.4
Subtotal	291,017	98.6	336,869	98.7	45,851	15.8	1,348,115	97.2
Real Estate Business and Other	4,072	1.4	4,432	1.3	360	8.8	38,913	2.8
Total	295,089	100	341,301	100	46,212	15.7	1,387,028	100

(3) Breakdown of Non-consolidated Projects in Process

(Yen in millions)

	Results As of June 30, 2022		Results As of June 30, 2023		Change		Results As of March 31, 2023	
		%		%		% Change		% of Total
Building Construction								
Domestic Public	117,778	5.3	108,969	4.7	(8,808)	(7.5)	121,322	5.1
Domestic Private	1,534,759	68.8	1,599,109	68.3	64,349	4.2	1,609,020	67.7
Domestic total	1,652,538	74.1	1,708,078	73.0	55,540	3.4	1,730,343	72.8
Overseas	20,163	0.9	16,940	0.7	(3,222)	(16.0)	18,048	0.8
Sub-total	1,672,701	75.0	1,725,019	73.7	52,317	3.1	1,748,392	73.6
Civil Engineering								
Domestic Public	320,784	14.4	315,260	13.5	(5,524)	(1.7)	340,208	14.3
Domestic Private	199,846	9.0	210,017	9.0	10,171	5.1	210,080	8.8
Domestic total	520,630	23.4	525,277	22.5	4,646	0.9	550,289	23.1
Overseas	36,342	1.6	89,132	3.8	52,790	145.3	77,567	3.3
Subtotal	556,972	25.0	614,410	26.3	57,437	10.3	627,856	26.4
Construction Total								
Domestic Public	438,562	19.7	424,229	18.2	(14,333)	(3.3)	461,530	19.4
Domestic Private	1,734,606	77.8	1,809,126	77.3	74,520	4.3	1,819,101	76.5
Domestic total	2,173,169	97.5	2,233,356	95.5	60,187	2.8	2,280,632	95.9
Overseas	56,505	2.5	106,073	4.5	49,567	87.7	95,616	4.1
Subtotal	2,229,674	100.0	2,339,429	100.0	109,754	4.9	2,376,248	100
Real Estate Business and Other	4	0.0	—	—	(4.0)	(100.0)	—	—
Total	2,229,678	100	2,339,429	100	109,750	4.9	2,376,248	100

6 Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2023	June 30, 2023	Change
Assets			
Current assets			
Cash and deposits	419,405	400,109	(19,295)
Notes and accounts receivable from completed construction contracts and other	832,939	828,633	(4,305)
Electronically recorded monetary claims	21,189	28,320	7,131
Short-term investment securities	7,285	7,963	677
Real estate for sale	15,874	18,428	2,553
Costs on uncompleted construction contracts	35,428	41,712	6,283
Costs on real estate business	30,405	30,662	256
Inventories for PFI and other projects	6,610	6,104	(505)
Other inventories	12,120	13,242	1,121
Accounts receivable	98,866	91,940	(6,926)
Other	25,572	46,660	21,087
Allowance for doubtful accounts	(147)	(151)	(4)
Total current assets	1,505,551	1,513,626	8,074
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	142,968	146,228	3,259
Machinery, vehicles, tools, furniture and fixtures	79,252	73,972	(5,279)
Land	408,031	409,205	1,173
Lease assets	4,823	5,117	294
Construction in progress	57,470	68,263	10,793
Total property, plant and equipment	692,545	702,786	10,241
Intangible assets	17,932	18,581	648
Investments and other assets			
Investment securities	306,570	352,644	46,073
Long-term loans receivable	1,312	1,385	73
Deferred tax assets	5,137	2,256	(2,881)
Assets for retirement benefits	2,900	2,694	(206)
Other	78,148	107,013	28,864
Allowance for doubtful accounts	(170)	(170)	0
Total investments and other assets	393,899	465,824	71,924
Total noncurrent assets	1,104,377	1,187,192	82,815
Total assets	2,609,929	2,700,819	90,889

(Yen in millions)

	March 31, 2023	June 30, 2023	Change
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	526,734	511,653	(15,080)
Electronically recorded obligations	145,520	158,274	12,753
Short-term loans payable	67,170	84,362	17,191
Current portion of nonrecourse loans	8,611	10,280	1,668
Current portion of bonds	20,000	20,000	—
Lease obligations	1,425	1,941	516
Income taxes payable	22,375	4,822	(17,553)
Advances received on uncompleted construction contracts	132,979	168,351	35,371
Deposits received	158,487	165,207	6,720
Provision for warranties for completed construction	3,004	3,042	38
Provision for loss on construction contracts	43,205	38,721	(4,483)
Other	96,919	102,613	5,694
Total current liabilities	1,226,434	1,269,272	42,837
Noncurrent liabilities			
Bonds payable	50,000	40,000	(10,000)
Long-term loans payable	124,051	143,107	19,056
Nonrecourse loans	68,087	66,062	(2,024)
Lease obligations	5,018	4,941	(77)
Deferred tax liabilities	4,053	13,971	9,917
Deferred tax liabilities for land revaluation	18,421	18,421	—
Provision for stock payments for directors	599	589	(9)
Provision for environmental measures	23	23	—
Liability for retirement benefits	51,835	52,088	252
Other	25,522	26,050	528
Total noncurrent liabilities	347,613	365,256	17,643
Total liabilities	1,574,048	1,634,529	60,481
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	41,962	41,962	0
Retained earnings	728,087	719,600	(8,487)
Treasury stock	(2,754)	(2,860)	(105)
Total shareholders' equity	825,047	816,454	(8,592)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	118,057	150,202	32,144
Deferred gains (losses) on hedges	10,130	12,208	2,077
Revaluation reserve for land	23,627	23,627	—
Foreign currency translation adjustments	18,437	22,333	3,896
Retirement benefit asset and liability adjustments	1,808	1,688	(119)
Total accumulated other comprehensive income	172,061	210,060	37,999
Non-controlling interests	38,772	39,774	1,002
Total net assets	1,035,881	1,066,290	30,408
Total liabilities and net assets	2,609,929	2,700,819	90,889
(Reference)			
Interest-bearing debt balances	337,921	363,813	25,891

(2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2022 - June 30, 2022	April 1, 2023 - June 30, 2023	Change
Net sales			
Net sales of completed construction contracts	386,847	467,789	80,942
Net sales of real estate business and other	23,484	19,654	(3,829)
Total net sales	410,331	487,444	77,112
Cost of sales			
Cost of sales on completed construction contracts	355,563	435,335	79,772
Cost of sales on real estate business and other	17,289	15,078	(2,211)
Total cost of sales	372,852	450,414	77,561
Gross profit			
Gross profit on completed construction contracts	31,284	32,453	1,169
Gross profit on real estate business and other	6,194	4,576	(1,617)
Total gross profit	37,478	37,030	(448)
Selling, general and administrative expenses	29,043	32,863	3,819
Operating income	8,434	4,167	(4,267)
Non-operating income			
Interest income	146	645	498
Dividends income	2,770	2,865	94
Foreign exchange gains	2,201	2,145	(56)
Other	200	126	(74)
Total non-operating income	5,319	5,782	462
Non-operating expenses			
Interest expenses	510	498	(11)
Other	251	134	(116)
Total non-operating expenses	761	633	(127)
Ordinary income	12,992	9,315	(3,677)
Extraordinary income	3,361	329	(3,031)
Extraordinary loss	480	573	92
Profit before income taxes	15,873	9,071	(6,802)
Income taxes-current	6,504	4,063	(2,440)
Income taxes-deferred	(2,238)	(1,816)	421
Total income taxes	4,265	2,247	(2,018)
Profit	11,608	6,824	(4,783)
Profit attributable to non-controlling interests	328	232	(96)
Profit attributable to owners of parent	11,279	6,591	(4,687)

(3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2022 - June 30, 2022	April 1, 2023 - June 30, 2023
Profit	11,608	6,824
Other comprehensive income		
Valuation difference on available-for-sale securities	1,585	32,137
Deferred gains (losses) on hedges	1,952	2,193
Foreign currency translation adjustment	8,001	4,774
Retirement benefit adjustment	(175)	(119)
Share of other comprehensive income of associates accounted for using equity method	386	(93)
Total other comprehensive income	11,750	38,891
Comprehensive income	23,358	45,715
Comprehensive income attributable to owners of parent	20,832	44,591
Comprehensive income attributable to non-controlling interests	2,526	1,124

(4) Consolidated Segment Information

Reportable Segment Information (Net Sales and Income) FY2022 (April 1, 2022 – June 30, 2022)

(Yen in millions)

	Reporting segment						Others *1	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Real Estate	Subtotal		
Net sales								
Sales to third parties	221,690	69,377	74,757	21,022	10,891	397,739	12,592	410,331
Intersegment sales and transfers	8,448	19	3,418	—	288	12,175	2,645	14,820
Segment sales	230,138	69,396	78,176	21,022	11,180	409,914	15,237	425,151
Operating income								
Operating income from sales to third parties *2	330	599	2,203	1,491	3,001	7,627	807	8,434
Intersegment operating income and transfers	236	—	30	—	31	299	(22)	277
Segment income	567	599	2,234	1,491	3,033	7,926	785	8,712

*1 Businesses that cannot be classified into the reportable segments are shown as "Others." These include PFI (Private Finance Initiative), renewable energy, finance and other businesses.

*2 "Operating income from sales to third parties" was computed by subtracting "Intersegment operating income and transfers" from "Segment income."

The total "Operating income from sales to third parties" equals to "Operating income" as shown in the consolidated statements of income.

Reportable Segment Information (Net Sales and Income) FY2023 (April 1, 2023 – June 30, 2023)

(Yen in millions)

	Reporting segment						Others *1	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Real Estate	Subtotal		
Net sales								
Sales to third parties	270,876	95,385	82,583	18,944	7,572	475,362	12,082	487,444
Intersegment sales and transfers	9,504	18	3,523	—	231	13,277	2,961	16,239
Segment sales	280,380	95,403	86,107	18,944	7,803	488,639	15,044	503,683
Operating income (loss)								
Operating income (loss) from sales to third parties *2	(3,475)	2,320	3,459	(159)	1,551	3,696	470	4,167
Intersegment operating income and transfers	548	(42)	(36)	—	(14)	454	(7)	447
Segment income (loss)	(2,926)	2,277	3,422	(159.0)	1,537	4,150	463	4,614

*1 Businesses that cannot be classified into the reportable segments are shown as "Others." These include PFI (Private Finance Initiative), renewable energy, finance and other businesses.

*2 "Operating income (loss) from sales to third parties" was computed by subtracting "Intersegment operating income and transfers" from "Segment income (loss)."

The total "Operating income (loss) from sales to third parties" equals to "Operating income" as shown in the consolidated statements of income.

7 Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2023	June 30, 2023	Change
Assets			
Current assets			
Cash and deposits	272,172	258,488	(13,684)
Notes receivable—trade	7,117	3,376	(3,741)
Electronically recorded monetary claims	18,176	25,964	7,788
Accounts receivable from completed construction contracts	602,057	604,532	2,475
Accounts receivable—real estate business and other	5,315	2,339	(2,976)
Short-term investment securities	69	26	(43)
Real estate for sale	2,936	2,933	(3)
Costs on uncompleted construction contracts	31,667	36,849	5,181
Costs on real estate business and other	2,755	3,640	885
Short-term loans receivable	66,644	66,808	164
Accounts receivable—other	89,008	82,097	(6,910)
Other	21,076	41,049	19,972
Allowance for doubtful accounts	(75)	(75)	—
Total current assets	1,118,922	1,128,031	9,108
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	58,892	58,394	(497)
Machinery, equipment and vehicles	8,330	8,268	(62)
Tools, furniture and fixtures	3,679	3,712	33
Land	174,430	173,786	(644)
Leased assets	13	11	(1)
Construction in progress	21,323	23,348	2,024
Total property, plant and equipment	266,671	267,522	851
Intangible assets	7,384	7,681	297
Investments and other assets			
Investment securities	291,510	337,257	45,746
Shares and investments in capital of subsidiaries and affiliates	202,912	205,918	3,006
Long-term loans receivable	46,430	46,523	93
Claims provable in bankruptcy, claims provable in rehabilitation and other	650	630	(20)
Prepaid pension cost	370	332	(38)
Other	9,432	9,388	(43)
Allowance for doubtful accounts	(1,185)	(1,185)	—
Total investments and other assets	550,120	598,865	48,744
Total noncurrent assets	824,175	874,068	49,892
Total assets	1,943,098	2,002,099	59,001

(Yen in millions)

	March 31, 2023	June 30, 2023	Change
Liabilities			
Current liabilities			
Notes payable—trade	10,265	11,367	1,101
Electronically recorded obligations	144,248	155,766	11,517
Accounts payable for construction contracts	388,976	374,218	(14,757)
Accounts payable—real estate and other	1,496	1,009	(486)
Short-term loans payable	44,199	47,699	3,500
Current portion of bonds	20,000	20,000	—
Lease obligations	7	6	(0)
Accounts payable	20,007	17,219	(2,788)
Accrued expenses	17,066	25,506	8,440
Income taxes payable	18,466	2,383	(16,082)
Advances received on uncompleted construction contracts	95,994	122,346	26,351
Deposit received—real estate and other	2,529	2,463	(65)
Deposits received	148,512	154,387	5,875
Provision for warranties for completed construction	2,453	2,554	101
Provision for loss on construction contracts	43,154	38,643	(4,511)
Deposits received from employees	27,205	26,636	(569)
Other	1,230	1,088	(141)
Total current liabilities	985,813	1,003,298	17,484
Noncurrent liabilities			
Bonds payable	50,000	40,000	(10,000)
Long-term loans payable	80,432	98,405	17,973
Lease obligations	7	5	(1)
Deferred tax liabilities	194	12,825	12,630
Deferred tax liabilities for land revaluation	15,030	15,030	—
Provision for retirement benefits	43,580	43,712	131
Provision for stock payments for directors	599	589	(9)
Provision for loss on business of subsidiaries and affiliates	3,418	3,418	—
Other	5,282	5,302	20
Total noncurrent liabilities	198,545	219,289	20,744
Total liabilities	1,184,358	1,222,587	38,228
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	2,328	2,317	(10)
General reserve	435,000	460,000	25,000
Retained earnings brought forward	74,105	37,891	(36,213)
Total retained earnings	525,871	514,647	(11,223)
Treasury stock	(2,754)	(2,860)	(105)
Total shareholders' equity	622,563	611,234	(11,329)
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	117,796	149,898	32,101
Deferred gains (losses) on hedges	0	1	0
Revaluation reserve for land	18,377	18,377	—
Total valuation and translation adjustments	136,175	168,277	32,102
Total net assets	758,739	779,511	20,772
Total liabilities and net assets	1,943,098	2,002,099	59,001
(Reference)			
Interest-bearing debt balances	194,631	206,104	11,473

(2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2022 - June 30, 2022	April 1, 2023 - June 30, 2023	Change
Net sales			
Net sales of completed construction contracts	291,017	336,869	45,851
Net sales of real estate business and other	4,072	4,432	360
Total net sales	295,089	341,301	46,212
Cost of sales			
Cost of sales on completed construction contracts	267,671	315,811	48,140
Cost of sales on real estate business and other	2,918	3,393	475
Total cost of sales	270,589	319,204	48,615
Gross profit			
Gross profit on completed construction contracts	23,346	21,057	(2,288)
Gross profit on real estate business and other	1,153	1,038	(115)
Total gross profit	24,500	22,096	(2,403)
Selling, general and administrative expenses	20,539	22,845	2,305
Operating income	3,960	(748)	(4,709)
Non-operating income			
Interest and dividend income	4,615	4,141	(474)
Foreign exchange gains	1,676	1,754	78
Other	133	281	147
Total non-operating income	6,424	6,177	(247)
Non-operating expenses			
Interest expenses	218	238	19
Other	201	37	(163)
Total non-operating expenses	419	275	(144)
Ordinary income	9,965	5,153	(4,812)
Extraordinary income	3,313	184	(3,129)
Extraordinary loss	290	545	254
Profit before income taxes	12,988	4,792	(8,196)
Income taxes-current	4,967	2,394	(2,573)
Income taxes-deferred	(2,210)	(1,457)	752
Total income taxes	2,757	937	(1,820)
Profit	10,231	3,855	(6,375)