

FY2024 2nd Quarter Financial Results

(April 1, 2024 to September 30, 2024)

November 11, 2024



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Disclaimer:

This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on November 11, 2024. 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)

Six Months Ended	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
September 30, 2024	1,240,596	14.7	45,497	47.5	49,719	30.8	55,100	85.3
September 30, 2023	1,081,360	17.0	30,843	(26.2)	38,009	(21.9)	29,741	(22.7)

(Note) Comprehensive income : [Six Months Ended September 30, 2024] 22,132 million yen, (76.3%) ; [Six Months Ended September 30, 2023] 93,526 million yen, 75.4%

Six Months Ended	Profit Attributable to Owners of Parent per Share (EPS)
September 30, 2024	76.85
September 30, 2023	41.48

② Consolidated Financial Position

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
September 30, 2024	2,961,053	1,176,731	38.2	1,575.63
March 31, 2024	3,019,118	1,195,244	38.1	1,606.18

(Reference) Equity (net assets less non-controlling interests) : [As of September 30, 2024] 1,129,663 million yen ; [As of March 31, 2024] 1,151,630 million yen

Note: During the first six months of the fiscal year ending March 2025, the Company finalized the provisional accounting treatment for business combinations, and the figures for the fiscal year ending March 2024 reflect the details of the finalized provisional accounting treatment.

(2) Consolidated Forecast for FY2024

(Percentages indicate the percentage year on year change)

Fiscal Year Ending March 31, 2025	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Profit Attributable to Owners of Parent per Share (EPS)
	2,510,000	93,000	98,000	87,000	121.35

Note: There have been no revisions to the forecasts previously announced.

(3) Non-consolidated Financial Results

① Non-consolidated Business Results

(Percentages indicate the percentage year on year change)

Six Months Ended	Net Sales	Operating Income	Ordinary Income	Profit	Profit per Share (EPS)
September 30, 2024	787,432	26,077	31,047	42,873	59.80
September 30, 2023	744,196	14,001	21,680	19,665	27.43

② Non-consolidated Financial Position

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
September 30, 2024	2,087,865	811,967	38.9	1,132.51
March 31, 2024	2,225,321	866,231	38.9	1,208.13

(Reference) Equity (net assets less non-controlling interests) : [As of September 30, 2024] 811,967 million yen ; [As of March 31, 2024] 866,231 million yen

(4) Non-consolidated Forecast for FY2024

(Percentages indicate the percentage year on year change)

Fiscal Year Ending March 31, 2025	Net Sales	Operating Income	Ordinary Income	Profit	Profit per Share (EPS)
	1,610,000	53,500	63,500	68,000	94.84

Note: There have been no revisions to the forecasts previously announced.

(5) Dividends

Fiscal Year Ended	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			
March 31, 2024	—	21.00	—	54.00	75.00	53,845	71.6	5.0
March 31, 2025 (Including Forecast)	—	40.00	—	40.00	80.00		65.9	

Note: There have been no revisions to the forecasts previously announced.

2. Qualitative Information

(1) Overview of consolidated business results

During the first six months of the fiscal year under review (from April 1 to September 30, 2024), the Japanese economy continued its gradual recovery, given the upturn in consumer spending and improvement in corporate profits. The gradual recovery in the economy is expected to continue under the improvement in employment and personal income, however, downside risk due to exchange rate fluctuations caused by changes in domestic and foreign monetary policies and impact of soaring raw material and energy prices require continued close monitoring.

In the domestic construction market, although there are concerns about a decline in companies' capital investments due to exchange rate fluctuations and soaring construction prices, the environment for orders is expected to remain firm for the time being, backed by an increase in private-sector construction mainly based on the government's policy to strengthen supply chains for specified critical products and steady orders for public works projects.

Under such circumstances, the Obayashi Group's consolidated net sales amounted to 1,240.5 billion yen, an increase of 159.2 billion yen (14.7%) from the first six months of the previous fiscal year, mainly due to the progress in large-scale projects in the domestic and overseas building construction businesses and the consolidation of MWH in the overseas civil engineering business.

As for profit and loss, due to the improvement in profitability of domestic construction projects in hand, operating income resulted in 45.4 billion yen, an increase of 14.6 billion yen (47.5%) from the same period in the previous fiscal year, and ordinary income was 49.7 billion yen, an increase of 11.7 billion yen (30.8%). Profit attributable to owners of parent was 55.1 billion yen, an increase of 25.3 billion yen (85.3%) mainly due to the sale of cross-shareholdings.

The Obayashi Group consolidated performance by business segment for the first six months of fiscal year ending March 31, 2025 was as follows:

Construction business

Consolidated construction orders received increased by 650.1 billion yen (69.7%) from the same period in the previous fiscal year to 1,582.9 billion yen mainly due to the increase of large-scale projects in domestic building construction and the consolidation of MWH in overseas civil engineering. More specifically, orders received for domestic building construction were 671.4 billion yen; for overseas building construction, 282.7 billion yen; for domestic civil engineering, 239.0 billion yen; and for overseas civil engineering, 389.7 billion yen.

Consolidated net sales for the construction business increased by 158.4 billion yen (15.3%) from the same period in the previous fiscal year to 1,195.1 billion yen, mainly due to the progress in large-scale construction projects in the domestic and overseas building construction businesses and the consolidation of MWH in the overseas civil engineering business. More specifically, net sales for domestic building construction were 635.1 billion yen; for overseas building construction, 263.7 billion yen; for domestic civil engineering, 184.6 billion yen; and for overseas civil engineering, 111.5 billion yen.

Operating income increased by 14.4 billion yen (59.2%) to 38.9 billion yen from the previous fiscal year, mainly due to the improvement in profitability of construction projects in hand in the domestic construction business.

Real estate business

Net sales from the real estate business increased by 2.8 billion yen (14.8%) to 22.5 billion yen from the first six months of the previous fiscal year, and operating income decreased by 0.3 billion yen (6.8%) to 4.9 billion yen.

Other businesses

Net sales from other businesses decreased by 2.0 billion yen (8.4%) to 22.9 billion yen from the same period in the previous fiscal year and operating income increased by 0.5 billion yen (48.7%) to 1.6 billion yen.

<Consolidated net sales and operating income by segment>

(Yen in millions)

Segment	Construction Business					Real Estate Business	Other Businesses	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Total Construction Business			
Net Sales	635,172	263,790	184,633	111,528	1,195,125	22,531	22,939	1,240,596
Operating Income	13,513	6,610	17,266	1,552	38,942	4,941	1,613	45,497

(2) Overview of consolidated financial position

Total assets as of September 30, 2024 decreased by 58.0 billion yen (1.9%) compared with the balance at the end of the previous fiscal year, to 2,961.0 billion yen. This was mainly due to decreases in “Cash and deposits” and in “Investment securities” due to the sale of cross-shareholdings and a decline in market value.

Total liabilities as of September 30, 2024 decreased by 39.5 billion yen (2.2%) compared with the balance at the end of the previous fiscal year, to 1,784.3 billion yen. This was mainly due to decreases in trade payables related to construction costs (the sum of “Notes and accounts payable for construction contracts and other” and “Electronically recorded obligations”). The balance of interest-bearing debt as of September 30, 2024 increased by 44.4 billion yen (13.7%) compared with the balance at the end of the previous fiscal year, to 368.3 billion yen, due to increases in “Commercial papers” and “Bonds payable.”

Total net assets as of September 30, 2024 decreased by 18.5 billion yen (1.5%) compared with the balance at the end of the previous fiscal year, to 1,176.7 billion yen. This was mainly due to a decrease in “Valuation difference on available-for-sale securities” while “Retained earnings” from the recognition of profit attributable to owners of parent increased.

As a result, the equity ratio as of September 30, 2024 was 38.2%, up 0.1 percentage points from the end of the previous fiscal year.

(3) Overview of consolidated cash flows

During the first six months of the fiscal year ending March 31, 2025, net cash used in operating activities amounted to 56.3 billion yen, mainly due to upfront spending in the domestic construction business (net cash used in operating activities was 96.7 billion yen in the same period during the previous fiscal year). Net cash used in investing activities amounted to 16.3 billion yen, mainly due to the purchase of commercial real estate and the acquisition of Eastland Generation shares to make it an affiliated company, which exceeded income from the sale of cross-shareholdings (net cash used in investing activities was 58.2 billion yen in the same period during the previous fiscal year). Net cash used in financing activities amounted to 4.3 billion yen, mainly due to the payment of dividends which exceeded the issued commercial papers and bonds (net cash used in financing activities was 5.6 billion yen in the same period during the previous fiscal year).

Consequently, cash and cash equivalents as of September 30, 2024 decreased by 66.7 billion yen to 259.8 billion yen compared with the balance at the end of the previous fiscal year.

(4) Policy regarding cross-shareholdings

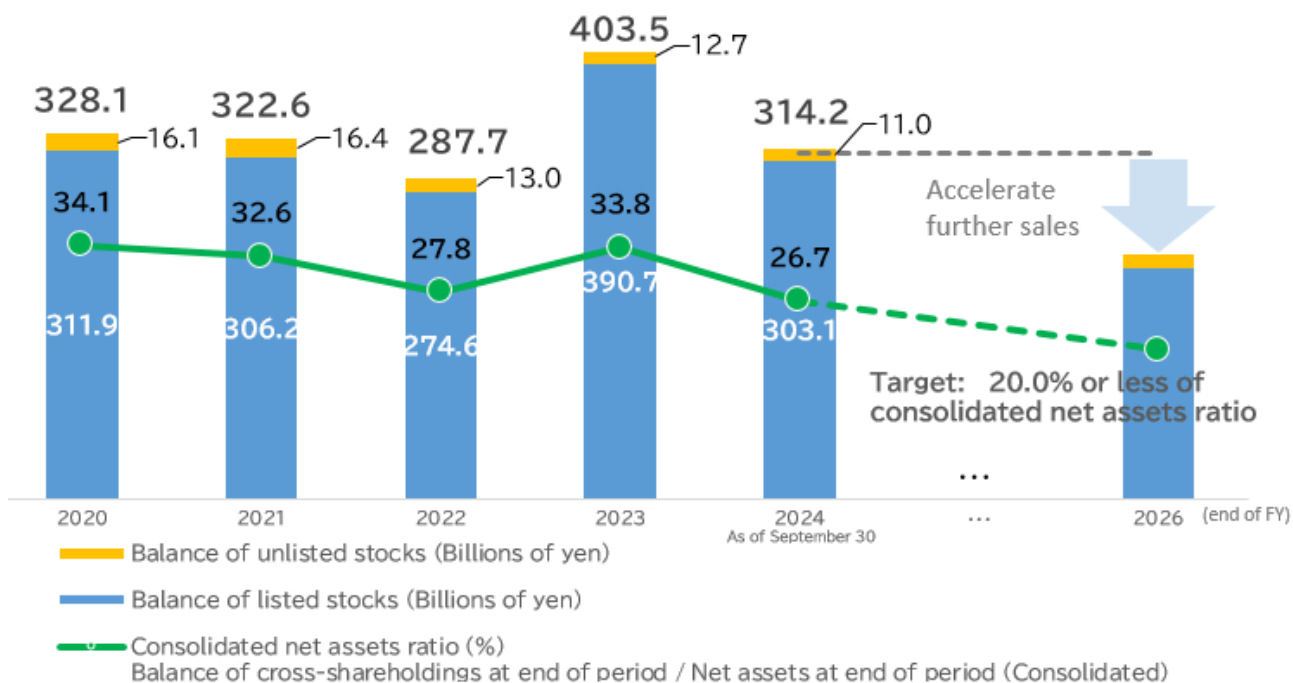
The Company owns cross-shareholdings to maintain and strengthen business relationships with the customers. The Company reviews the significance of owning shares in each company by regularly reporting to the Board of Directors on valuation gains/losses, and collective consideration of indicators of profitability 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. The Company has reduced cross-shareholdings, aiming to bring the ratio of cross-shareholdings to 20% or less of consolidated net assets by the end of March 2027.

The balance of cross-shareholdings as of September 30, 2024, accounted for 26.7% of consolidated net assets, down 7.1 percentage points from the end of the previous fiscal year. This is due to the progress in selling cross-shareholdings and the decline in the share prices of those holdings. The Company will further accelerate the sale of cross-shareholdings to achieve its target.

To enhance its corporate value, the Company will strengthen investments in human resources, DX, technology, investments to expand production capacity, and growth investments in fields where it can establish a competitive advantage. From the point of improving capital efficiency, the Company will implement strategic shareholder returns by setting the necessary equity amount according to the growth of the Group's businesses. Proceeds from the sale of cross-shareholdings will be used for these investments or shareholder returns.

<Changes in Balance of Cross-Shareholdings and Consolidated Net Assets Ratio >



<Changes in Sale of Cross-Shareholdings (Consolidated) >

(Billions of yen)

	FY2021	FY2022	FY2023	FY2024 (As of Sep. 30)
Amount sold	16.9	24.6	33.1	36.1
Cumulative amount sold from FY2021	16.9	41.5	74.6	110.8
Cumulative amount sold + Agreed sales amount	—	56.3	146.3	176.3

<Reasons for Change in the Balance of Cross-Shareholdings (Consolidated) >

(Billions of yen)

	Amount
Mar. 31, 2024	403.5
Amount sold from Apr. to Sep. 2024	36.1
A decrease due to fall in share prices	51.5
Other losses (Impairment, foreign exchange losses, etc.)	1.7
Sep. 30, 2024	314.2
[Agreed sales amount included in above]	[65.4]

3. Financial Highlights

(1) Financial Results for the Six Months Ended September 30, 2024 (YoY Comparison)

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	Change	% Change	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	Change	% Change
Net sales of completed construction contracts	10,366	11,951	1,584	15.3	7,334	7,779	445	6.1
Building construction	—	—	—	—	5,869	6,197	328	5.6
Civil engineering	—	—	—	—	1,464	1,581	116	8.0
Gross profit on completed construction contracts	8.2	8.9	222	26.3	7.6	9.0	143	25.9
Building construction	—	—	—	—	5.7	6.6	74	22.1
Civil engineering	—	—	—	—	14.8	18.1	68	31.8
Net sales of real estate business and other	446	454	8	1.8	107	94	(13)	(12.1)
Gross profit on real estate business and other	26.0	26.5	4	3.7	25.2	20.0	(8)	(30.2)
Net sales	10,813	12,405	1,592	14.7	7,441	7,874	432	5.8
Gross profit	8.9	9.6	226	23.6	7.8	9.1	135	23.3
Selling, general and administrative expenses (Personnel expenses)	6.0	5.9	80	12.3	5.9	5.8	14	3.3
(Others)	349	399	50		215	237	22	
	302	333	30		225	217	(7)	
Operating income	2.9	3.7	146	47.5	1.9	3.3	120	86.2
Non-operating income		92	74	(19.2)		83	79	(4)
Non-operating expenses		20	32	57.2		6	29	347.9
Ordinary income	3.5	4.0	117	30.8	2.9	3.9	93	43.2
Extraordinary income		54	318	487.3		69	316	358.0
Extraordinary loss		17	22	27.8		17	23	36.2
Income before income taxes	3.9	6.4	376	90.4	3.6	7.7	603	124.6
Total income taxes		105	226	114.5		72	175	142.4
Profit		311	566	82.2		—	—	—
Profit attributable to non-controlling interests (deduction)		13	15	16.3		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	2.8	4.4	253	85.3	2.6	5.4	232	118.0

Orders Received

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	Change	% Change	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024	Change	% Change
Building construction	7,207	9,541	2,334	32.4	3,985	6,518	2,533	63.6
Domestic	4,213	6,714	2,500	59.3	3,965	6,488	2,522	63.6
Overseas	2,993	2,827	(165)	(5.5)	19	30	10	53.9
Civil engineering	2,120	6,287	4,167	196.5	1,302	2,439	1,136	87.2
Domestic	1,534	2,390	855	55.8	1,121	1,994	873	77.8
Overseas	585	3,897	3,311	565.3	180	444	263	145.5
Construction total	9,327	15,829	6,501	69.7	5,288	8,957	3,669	69.4
Domestic	5,748	9,104	3,356	58.4	5,087	8,483	3,395	66.7
Overseas	3,579	6,725	3,145	87.9	200	474	274	136.5
Real estate business and other	407	655	247	60.7	108	94	(13)	(12.5)
Total orders received	9,735	16,484	6,749	69.3	5,396	9,052	3,656	67.8

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	Results As of March 31, 2024	Results As of September 30, 2024	Change	% Change	Results As of March 31, 2024	Results As of September 30, 2024	Change	% Change
Interest-bearing debt (except nonrecourse loans)	2,497	2,864	366	14.7	1,778	2,081	303	17.1
Nonrecourse loans	741	819	78	10.5	—	—	—	—
Total interest-bearing debt	3,238	3,683	444	13.7	1,778	2,081	303	17.1

(2) Financial Results for the Six Months Ended September 30, 2024 (Progress toward Full-Year Forecasts)

(Yen in 100 millions)

	Consolidated					Non-consolidated				
	Results Six Months Ended September 30, 2024		Forecasts Fiscal Year Ending March 31, 2025		% Progress	Results Six Months Ended September 30, 2024		Forecasts Fiscal Year Ending March 31, 2025		% Progress
Net sales of completed construction contracts	%	11,951	%	23,750	50.3	%	7,779	%	15,850	49.1
Building construction		—		—	—		6,197		12,650	49.0
Civil engineering		—		—	—		1,581		3,200	49.4
Gross profit on completed construction contracts	8.9	1,067	8.8	2,100	50.8	9.0	697	9.1	1,450	48.1
Building construction		—		—	—	6.6	411	7.9	1,005	40.9
Civil engineering		—		—	—	18.1	286	13.9	445	64.3
Net sales of real estate business and other		454		1,350	33.7		94		250	37.9
Gross profit on real estate business and other	26.5	120	21.5	290	41.6	20.0	18	14.0	35	54.1
Net sales		12,405		25,100	49.4		7,874		16,100	48.9
Gross profit	9.6	1,188	9.5	2,390	49.7	9.1	716	9.2	1,485	48.2
Selling, general and administrative expenses	5.9	733	5.8	1,460	50.2	5.8	455	5.9	950	48.0
(Personnel expenses)		399		760			237		455	
(Others)		333		700			217		495	
Operating income	3.7	454	3.7	930	48.9	3.3	260	3.3	535	48.7
Non-operating income		74		105	71.0		79		115	69.0
Non-operating expenses		32		55	58.8		29		15	197.8
Ordinary income	4.0	497	3.9	980	50.7	3.9	310	3.9	635	48.9
Extraordinary income		318		350	91.1		316		350	90.4
Extraordinary loss		22		30	75.3		23		30	77.4
Income before income taxes	6.4	793	5.2	1,300	61.0	7.7	603	5.9	955	63.2
Total income taxes		226		395	57.3		175		275	63.6
Profit		566		905	62.6		—		—	—
Profit attributable to non-controlling interests (deduction)		15		35	45.6		—		—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	4.4	551	3.5	870	63.3	5.4	428	4.2	680	63.0

Note: There have been no revisions to the forecasts previously announced on August 6, 2024.

Orders Received

(Yen in 100 millions)

	Consolidated				Non-consolidated		
	Results Six Months Ended September 30, 2024	Forecasts Fiscal Year Ending March 31, 2025	% Progress		Results Six Months Ended September 30, 2024	Forecasts Fiscal Year Ending March 31, 2025	% Progress
Building construction	9,541	16,950	56.3		6,518	13,100	49.8
Domestic	6,714	13,550	49.6		6,488	13,000	49.9
Overseas	2,827	3,400	83.2		30	100	30.4
Civil engineering	6,287	7,050	89.2		2,439	3,400	71.7
Domestic	2,390	3,800	62.9		1,994	2,950	67.6
Overseas	3,897	3,250	119.9		444	450	98.8
Construction total	15,829	24,000	66.0		8,957	16,500	54.3
Domestic	9,104	17,350	52.5		8,483	15,950	53.2
Overseas	6,725	6,650	101.1		474	550	86.3
Real estate business and other	655	1,200	54.6		94	250	37.9
Total orders received	16,484	25,200	65.4		9,052	16,750	54.0

Note: There have been no revisions to the forecasts previously announced on August 6, 2024.

(3) Forecasts for FY2024 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results Fiscal Year Ended March 31, 2024	Forecasts Fiscal Year Ending March 31, 2025	Change	% Change		Results Fiscal Year Ended March 31, 2024	Forecasts Fiscal Year Ending March 31, 2025	Change	% Change			
Net sales of completed construction contracts	%	22,067	%	23,750	1,682	7.6	%	15,558	%	15,850	291	1.9
Building construction		—		—	—	—		12,402		12,650	247	2.0
Civil engineering		—		—	—	—		3,156		3,200	43	1.4
Gross profit on completed construction contracts	8.6	1,888	8.8	2,100	211	11.2	8.2	1,269	9.1	1,450	180	14.3
Building construction		—		—	—	—	6.3	783	7.9	1,005	221	28.3
Civil engineering		—		—	—	—	15.4	485	13.9	445	(40)	(8.3)
Net sales of real estate business and other		1,183		1,350	166	14.0		263		250	(13)	(5.1)
Gross profit on real estate business and other	26.0	307	21.5	290	(17)	(5.7)	19.7	51	14.0	35	(16)	(32.7)
Net sales		23,251		25,100	1,848	7.9		15,821		16,100	278	1.8
Gross profit	9.4	2,196	9.5	2,390	193	8.8	8.3	1,321	9.2	1,485	163	12.4
Selling, general and administrative expenses (Personnel expenses)	6.0	1,402	5.8	1,460	57	4.1	5.6	887	5.9	950	62	7.0
(Others)		704		760	55			428		455	26	
		697		700	2			459		495	35	
Operating income	3.4	793	3.7	930	136	17.2	2.7	433	3.3	535	101	23.5
Non-operating income		166		105	(61)	(37.1)		139		115	(24)	(17.4)
Non-operating expenses		45		55	9	20.6		18		15	(3)	(18.5)
Ordinary income	3.9	915	3.9	980	64	7.1	3.5	554	3.9	635	80	14.6
Extraordinary income		241		350	108	45.0		253		350	96	38.2
Extraordinary loss		85		30	(55)	(64.9)		114		30	(84)	(73.9)
Income before income taxes	4.6	1,071	5.2	1,300	228	21.4	4.4	692	5.9	955	262	37.9
Total income taxes		299		395	95	32.0		195		275	79	40.4
Profit		771		905	133	17.3		—		—	—	—
Profit attributable to non-controlling interests (deduction)		21		35	13	65.1		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	3.2	750	3.5	870	119	15.9	3.1	496	4.2	680	183	37.0

Note: There have been no revisions to the forecasts previously announced on August 6, 2024.

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated				
	Results Fiscal Year Ended March 31, 2024	Forecasts Fiscal Year Ending March 31, 2025	Change	% Change		Results Fiscal Year Ended March 31, 2024	Forecasts Fiscal Year Ending March 31, 2025	Change	% Change	
Building construction	17,573	16,950	(623)	(3.5)		11,985	13,100	1,114	9.3	
Domestic	12,369	13,550	1,180	9.5		11,948	13,000	1,051	8.8	
Overseas	5,203	3,400	(1,803)	(34.7)		37	100	62	166.9	
Civil engineering	5,977	7,050	1,072	17.9		3,766	3,400	(366)	(9.7)	
Domestic	4,231	3,800	(431)	(10.2)		3,280	2,950	(330)	(10.1)	
Overseas	1,745	3,250	1,504	86.2		485	450	(35)	(7.3)	
Construction total	23,550	24,000	449	1.9		15,751	16,500	748	4.7	
Domestic	16,601	17,350	748	4.5		15,229	15,950	720	4.7	
Overseas	6,949	6,650	(299)	(4.3)		522	550	27	5.2	
Real estate business and other	1,580	1,200	(380)	(24.1)		263	250	(13)	(5.2)	
Total orders received	25,130	25,200	69	0.3		16,015	16,750	734	4.6	

Note: There have been no revisions to the forecasts previously announced on August 6, 2024.

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated					Non-consolidated				
	Results As of March 31, 2024	Forecasts As of March 31, 2025	Change	% Change		Results As of March 31, 2024	Forecasts As of March 31, 2025	Change	% Change	
Interest-bearing debt (except nonrecourse loans)	2,497	3,200	702	28.1		1,778	2,200	421	23.7	
Nonrecourse loans	741	800	58	7.9		—	—	—	—	
Total interest-bearing debt	3,238	4,000	761	23.5		1,778	2,200	421	23.7	

Note: There have been no revisions to the forecasts previously announced on August 6, 2024.

4. Operating Results and Forecasts for Reportable Segments

(1) Operating Results for the Six Months Ended September 30, 2024 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results	Results	Change	% Change	Results	Results	Change	% Change	Change	% Change
	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024			Six Months Ended September 30, 2023	Six Months Ended September 30, 2024				
					% Profit	% Profit				
Building Construction										
Domestic	594,560	635,172	40,612	6.8	1.0	5,992	2.1	13,513	7,521	125.5
Overseas	217,335	263,790	46,455	21.4	3.5	7,667	2.5	6,610	(1,057)	(13.8)
Subtotal	811,895	898,963	87,067	10.7	1.7	13,660	2.2	20,124	6,463	47.3
Civil Engineering										
Domestic	174,665	184,633	9,968	5.7	5.7	10,038	9.4	17,266	7,228	72.0
Overseas	50,129	111,528	61,399	122.5	1.5	758	1.4	1,552	794	104.7
Subtotal	224,794	296,162	71,367	31.7	4.8	10,796	6.4	18,818	8,022	74.3
Construction Total										
Domestic	769,225	819,806	50,580	6.6	2.1	16,030	3.8	30,780	14,749	92.0
Overseas	267,464	375,319	107,854	40.3	3.2	8,425	2.2	8,162	(263)	(3.1)
Subtotal	1,036,690	1,195,125	158,435	15.3	2.4	24,456	3.3	38,942	14,486	59.2
Real Estate Business and Other										
Real Estate Business	19,634	22,531	2,897	14.8	27.0	5,302	21.9	4,941	(360)	(6.8)
Other	25,036	22,939	(2,096)	(8.4)	4.3	1,084	7.0	1,613	528	48.7
Subtotal	44,670	45,471	801	1.8	14.3	6,387	14.4	6,554	167	2.6
Total	1,081,360	1,240,596	159,236	14.7	2.9	30,843	3.7	45,497	14,653	47.5

Note: 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	Results	Change	% Change	Results	Results	Change	% Change	Change	% Change
	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024			Six Months Ended September 30, 2023	Six Months Ended September 30, 2024				
					% Gross Profit	% Gross Profit				
Building Construction										
Domestic	583,453	615,392	31,938	5.5	5.8	33,573	6.7	41,068	7,494	22.3
Overseas	3,479	4,407	928	26.7	3.4	116	1.7	76	(40)	(34.7)
Subtotal	586,933	619,799	32,866	5.6	5.7	33,690	6.6	41,144	7,454	22.1
Civil Engineering										
Domestic	136,944	142,717	5,772	4.2	14.9	20,368	19.1	27,202	6,833	33.6
Overseas	9,535	15,441	5,906	61.9	14.1	1,341	9.1	1,401	59	4.5
Subtotal	146,479	158,158	11,679	8.0	14.8	21,710	18.1	28,603	6,893	31.8
Construction Total										
Domestic	720,398	758,109	37,710	5.2	7.5	53,941	9.0	68,270	14,328	26.6
Overseas	13,014	19,849	6,834	52.5	11.2	1,458	7.4	1,478	19	1.3
Subtotal	733,413	777,958	44,545	6.1	7.6	55,400	9.0	69,748	14,348	25.9
Real Estate Business and Other										
Real Estate Business	10,783	9,473	(1,309)	(12.1)	25.2	2,714	20.0	1,895	(819)	(30.2)
Subtotal	10,783	9,473	(1,309)	(12.1)	7.8	58,115	9.1	71,643	13,528	23.3
Total	744,196	787,432	43,236	5.8						

(2) Forecasts for FY2024 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results Fiscal Year Ended March 31, 2024	Forecasts Fiscal Year Ending March 31, 2025	Change	% Change	Results Fiscal Year Ended March 31, 2024		Forecasts Fiscal Year Ending March 31, 2025		Change	% Change
					% Profit		% Profit			
Building Construction										
Domestic	1,264,181	1,310,000	45,818	3.6	1.9	24,204	3.4	44,000	19,795	81.8
Overseas	457,818	460,000	2,181	0.5	2.8	12,942	1.5	7,000	(5,942)	(45.9)
Subtotal	1,722,000	1,770,000	47,999	2.8	2.2	37,147	2.9	51,000	13,852	37.3
Civil Engineering										
Domestic	369,367	370,000	632	0.2	7.1	26,389	5.7	21,000	(5,389)	(20.4)
Overseas	115,396	235,000	119,603	103.6	(3.3)	(3,782)	1.9	4,500	8,282	—
Subtotal	484,764	605,000	120,235	24.8	4.7	22,607	4.2	25,500	2,892	12.8
Construction Total										
Domestic	1,633,549	1,680,000	46,450	2.8	3.1	50,594	3.9	65,000	14,405	28.5
Overseas	573,215	695,000	121,784	21.2	1.6	9,160	1.7	11,500	2,339	25.5
Subtotal	2,206,764	2,375,000	168,235	7.6	2.7	59,754	3.2	76,500	16,745	28.0
Real Estate Business and Other										
Real Estate Business	66,888	81,000	14,111	21.1	27.3	18,277	17.3	14,000	(4,277)	(23.4)
Other	51,509	54,000	2,490	4.8	2.6	1,349	4.6	2,500	1,150	85.3
Subtotal	118,398	135,000	16,601	14.0	16.6	19,626	12.2	16,500	(3,126)	(15.9)
Total	2,325,162	2,510,000	184,837	7.9	3.4	79,381	3.7	93,000	13,618	17.2

Notes:

Consolidated net sales and operating income show the sales and operating income for external customers. There have been no revisions to the forecasts previously announced on August 6, 2024.

【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Results Fiscal Year Ended March 31, 2024	Forecasts Fiscal Year Ending March 31, 2025	Change	% Change	Results Fiscal Year Ended March 31, 2024		Forecasts Fiscal Year Ending March 31, 2025		Change	% Change
					% Gross Profit		% Gross Profit			
Building Construction										
Domestic	1,234,232	1,260,000	25,767	2.1	6.3	78,246	8.0	100,300	22,053	28.2
Overseas	6,000	5,000	(1,000)	(16.7)	1.8	107	4.0	200	92	85.8
Subtotal	1,240,232	1,265,000	24,767	2.0	6.3	78,354	7.9	100,500	22,145	28.3
Civil Engineering										
Domestic	286,591	285,000	(1,591)	(0.6)	15.8	45,263	14.7	42,000	(3,263)	(7.2)
Overseas	29,020	35,000	5,979	20.6	11.3	3,289	7.1	2,500	(789)	(24.0)
Subtotal	315,612	320,000	4,387	1.4	15.4	48,553	13.9	44,500	(4,053)	(8.3)
Construction Total										
Domestic	1,520,823	1,545,000	24,176	1.6	8.1	123,510	9.2	142,300	18,789	15.2
Overseas	35,021	40,000	4,978	14.2	9.7	3,397	6.8	2,700	(697)	(20.5)
Subtotal	1,555,844	1,585,000	29,155	1.9	8.2	126,907	9.1	145,000	18,092	14.3
Real Estate Business and Other										
	26,354	25,000	(1,354)	(5.1)	19.7	5,199	14.0	3,500	(1,699)	(32.7)
Total	1,582,199	1,610,000	27,800	1.8	8.3	132,107	9.2	148,500	16,392	12.4

Note: There have been no revisions to the forecasts previously announced on August 6, 2024.

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

(1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	Results Six Months Ended September 30, 2023		Results Six Months Ended September 30, 2024		Change		Results FY2023 April 1, 2023 - March 31, 2024	
		% of Total		% of Total		% Change		% of Total
<u>Building Construction</u>								
Domestic Public	15,765	2.9	47,026	5.2	31,261	198.3	72,891	4.6
Domestic Private	380,811	70.6	601,802	66.5	220,991	58.0	1,121,934	70.1
Domestic Total	396,576	73.5	648,829	71.7	252,252	63.6	1,194,826	74.7
Overseas	1,977	0.4	3,043	0.3	1,065	53.9	3,746	0.2
Subtotal	398,554	73.9	651,873	72.0	253,318	63.6	1,198,572	74.9
<u>Civil Engineering</u>								
Domestic Public	53,871	10.0	95,023	10.5	41,151	76.4	213,329	13.3
Domestic Private	58,289	10.8	104,449	11.6	46,160	79.2	114,748	7.2
Domestic Total	112,161	20.8	199,472	22.1	87,311	77.8	328,078	20.5
Overseas	18,098	3.3	44,439	4.9	26,341	145.5	48,542	3.0
Subtotal	130,260	24.1	243,912	27.0	113,652	87.2	376,621	23.5
<u>Construction Total</u>								
Domestic Public	69,637	12.9	142,049	15.7	72,412	104.0	286,221	17.9
Domestic Private	439,100	81.4	706,252	78.1	267,151	60.8	1,236,683	77.3
Domestic Total	508,738	94.3	848,302	93.8	339,563	66.7	1,522,904	95.2
Overseas	20,076	3.7	47,483	5.2	27,406	136.5	52,289	3.2
Subtotal	528,815	98.0	895,785	99.0	366,970	69.4	1,575,194	98.4
Real Estate Business and Other	10,826	2.0	9,469	1.0	(1,356)	(12.5)	26,358	1.6
Total	539,641	100	905,255	100	365,614	67.8	1,601,552	100

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	Results Six Months Ended September 30, 2023		Results Six Months Ended September 30, 2024		Change		Results FY2023 April 1, 2023 - March 31, 2024	
		% of Total		% of Total		% Change		% of Total
<u>Building Construction</u>								
Domestic Public	37,722	5.1	39,253	5.0	1,530	4.1	73,169	4.6
Domestic Private	545,731	73.3	576,138	73.2	30,407	5.6	1,161,063	73.4
Domestic Total	583,453	78.4	615,392	78.2	31,938	5.5	1,234,232	78.0
Overseas	3,479	0.5	4,407	0.5	928	26.7	6,000	0.4
Subtotal	586,933	78.9	619,799	78.7	32,866	5.6	1,240,232	78.4
<u>Civil Engineering</u>								
Domestic Public	71,008	9.5	88,699	11.3	17,691	24.9	155,748	9.8
Domestic Private	65,936	8.9	54,017	6.8	(11,918)	(18.1)	130,843	8.3
Domestic Total	136,944	18.4	142,717	18.1	5,772	4.2	286,591	18.1
Overseas	9,535	1.3	15,441	2.0	5,906	61.9	29,020	1.8
Subtotal	146,479	19.7	158,158	20.1	11,679	8.0	315,612	19.9
<u>Construction Total</u>								
Domestic Public	108,730	14.6	127,952	16.3	19,222	17.7	228,917	14.4
Domestic Private	611,667	82.2	630,156	80.0	18,488	3.0	1,291,906	81.7
Domestic Total	720,398	96.8	758,109	96.3	37,710	5.2	1,520,823	96.1
Overseas	13,014	1.8	19,849	2.5	6,834	52.5	35,021	2.2
Subtotal	733,413	98.6	777,958	98.8	44,545	6.1	1,555,844	98.3
Real Estate Business and Other	10,783	1.4	9,473	1.2	(1,309)	(12.1)	26,354	1.7
Total	744,196	100	787,432	100	43,236	5.8	1,582,199	100

(3) Breakdown of Non-consolidated Projects in Process

(Yen in millions)

	Results As of September 30, 2023		Results As of September 30, 2024		Change		Results As of March 31, 2024	
		%		%		% Change		% of Total
Building Construction								
Domestic Public	99,365	4.6	128,818	5.1	29,453	29.6	121,045	5.1
Domestic Private	1,444,100	66.5	1,595,555	63.5	151,455	10.5	1,569,891	65.5
Domestic Total	1,543,465	71.1	1,724,374	68.6	180,908	11.7	1,690,937	70.6
Overseas	16,547	0.7	14,430	0.6	(2,116)	(12.8)	15,794	0.7
Sub-total	1,560,013	71.8	1,738,805	69.2	178,791	11.5	1,706,732	71.3
Civil Engineering								
Domestic Public	323,071	14.9	404,112	16.1	81,040	25.1	397,789	16.6
Domestic Private	202,434	9.3	244,418	9.7	41,984	20.7	193,986	8.1
Domestic Total	525,506	24.2	648,531	25.8	123,025	23.4	591,775	24.7
Overseas	86,130	4.0	126,087	5.0	39,956	46.4	97,089	4.0
Subtotal	611,636	28.2	774,619	30.8	162,982	26.6	688,865	28.7
Construction Total								
Domestic Public	422,437	19.5	532,931	21.2	110,494	26.2	518,834	21.7
Domestic Private	1,646,534	75.8	1,839,974	73.2	193,439	11.7	1,763,878	73.6
Domestic Total	2,068,972	95.3	2,372,906	94.4	303,934	14.7	2,282,713	95.3
Overseas	102,678	4.7	140,518	5.6	37,840	36.9	112,884	4.7
Subtotal	2,171,650	100.0	2,513,424	100	341,774	15.7	2,395,597	100.0
Real Estate Business and Other	43	0.0	—	—	(43)	(100.0)	4	0.0
Total	2,171,693	100	2,513,424	100	341,731	15.7	2,395,601	100

6. Main Projects

(1) Orders Received

Client	Project Name
DAIBIRU CORPORATION	New Building Construction in Sapporo Daibiru Building Redevelopment Project
KYOCERA Corporation	KYOCERA Corporation Nagasaki Isahaya Plant 1 Construction Project
Yokohama City	(Tentative name) Hodogaya Plant Reconstruction Project
Sendai City	Sendai City Hall Building Development Phase 1, Construction
Osaka Prefecture	(Tentative name) Osaka Monorail Kadoma-Minami Station Building Construction Project
The Portland Water Bureau	The Bull Run Filtration Projects (U.S.A.)*

* Undertaken by MWH (Subsidiary of Obayashi USA)

(2) Completed Projects

Client	Project Name
Sekisui House, Ltd. Nippon Life Insurance Company	Akasaka Green Cross Construction Project
Bosch Corporation	BOSCH Fusion Project
West Japan Railway Company	Inogate Osaka Construction Project
KOKUSAI ELECTRIC CORPORATION	KOKUSAI ELECTRIC CORPORATION Tonami Manufacturing Center Construction Project
Yamaha Corporation	Yamaha Head Office No.22 Construction Project
G.K. Green Power Fukaura	Green Power Fukaura Wind Farm Construction Project

(3) Projects in Process

Client	Project Name
East Japan Railway Company	TAKANAWA GATEWAY CITY THE LINKPILLAR 1 NORTH/SOUTH THE LINKPILLAR 2
Kumoidori 5-Chome Redevelopment Corporation	Demolition of Basement and Construction of New Facility Building in Kobe-Sannomiya Kumoidori 5-Chome District Class 1 Urban Redevelopment Project
MITSUBISHI ESTATE CO., LTD. TBS HOLDINGS, INC.	Demolition of Existing Building's Basement and Construction of New Building and Others in Akasaka 2, 6-Chome District Development Project (Construction Section B)
MITSUBISHI ESTATE CO., LTD.	(Tentative name) Tenjin 1-7 Project Demolition of Existing Building's Basement and Construction of New Building
Land Transport Authority (LTA)	Contract CR202 Design and Construction of Bored Tunnel between Fairways Drive and Sin Ming Walk and Associated Works (Singapore)
San Francisco Public Utilities Commission (SFPUC)	Southeast Water Pollution Control Plant Biosolids Digester Facilities Project (U.S.A.)*

* Undertaken by MWH and WEBCOR (Subsidiary of Obayashi USA)

7. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2024	September 30, 2024	Change
Assets			
Current assets			
Cash and deposits	339,188	268,092	(71,096)
Notes and accounts receivable from completed construction contracts and other	1,036,514	1,051,940	15,425
Electronically recorded monetary claims	40,717	36,112	(4,604)
Short-term investment securities	8,430	11,426	2,996
Real estate for sale	15,236	26,656	11,419
Costs on uncompleted construction contracts	40,121	54,350	14,229
Costs on real estate business	35,530	44,537	9,007
Inventories for PFI and other projects	4,847	4,020	(827)
Other inventories	15,788	17,697	1,908
Accounts receivable	127,323	97,956	(29,367)
Other	32,709	66,941	34,232
Allowance for doubtful accounts	(7,270)	(7,927)	(656)
Total current assets	1,689,137	1,671,804	(17,332)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	191,208	189,501	(1,706)
Machinery, vehicles, tools, furniture and fixtures	80,155	82,512	2,357
Land	413,163	426,513	13,350
Lease assets	5,175	6,161	986
Construction in progress	46,212	46,819	607
Total property, plant and equipment	735,914	751,509	15,594
Intangible assets	38,537	41,602	3,065
Investments and other assets			
Investment securities	422,583	351,108	(71,474)
Long-term loans receivable	2,637	2,796	159
Deferred tax assets	3,256	3,271	15
Assets for retirement benefits	7,482	7,124	(357)
Other	119,721	131,987	12,265
Allowance for doubtful accounts	(152)	(152)	0
Total investments and other assets	555,529	496,137	(59,392)
Total noncurrent assets	1,329,981	1,289,248	(40,732)
Total assets	3,019,118	2,961,053	(58,064)

(Yen in millions)

	March 31, 2024	September 30, 2024	Change
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	676,252	651,956	(24,295)
Electronically recorded obligations	144,615	95,490	(49,125)
Short-term loans payable	68,142	72,491	4,348
Current portion of nonrecourse loans	8,252	9,465	1,213
Commercial papers	—	25,000	25,000
Current portion of bonds	10,000	—	(10,000)
Lease obligations	2,105	2,622	517
Income taxes payable	10,398	23,830	13,431
Advances received on uncompleted construction contracts	191,909	188,238	(3,671)
Deposits received	202,026	204,773	2,747
Provision for warranties for completed construction	3,155	3,206	50
Provision for loss on construction contracts	33,149	24,443	(8,705)
Other	83,510	92,535	9,025
Total current liabilities	1,433,517	1,394,054	(39,463)
Noncurrent liabilities			
Bonds payable	40,107	60,099	19,992
Long-term loans payable	131,507	128,825	(2,681)
Nonrecourse loans	65,875	72,464	6,588
Lease obligations	6,915	8,144	1,229
Deferred tax liabilities	48,689	22,954	(25,734)
Deferred tax liabilities for land revaluation	17,931	17,655	(276)
Provision for stock payments for directors	625	526	(98)
Provision for environmental measures	23	—	(23)
Liability for retirement benefits	51,914	51,791	(123)
Other	26,765	27,804	1,039
Total noncurrent liabilities	390,356	390,267	(88)
Total liabilities	1,823,874	1,784,322	(39,551)
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	42,002	41,052	(949)
Retained earnings	773,841	790,801	16,960
Treasury stock	(2,711)	(2,878)	(166)
Total shareholders' equity	870,884	886,728	15,844
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	205,623	147,774	(57,849)
Deferred gains (losses) on hedges	15,341	13,408	(1,933)
Revaluation reserve for land	22,777	22,148	(629)
Foreign currency translation adjustments	32,304	55,249	22,945
Retirement benefit asset and liability adjustments	4,698	4,354	(344)
Total accumulated other comprehensive income	280,745	242,934	(37,810)
Non-controlling interests	43,614	47,068	3,454
Total net assets	1,195,244	1,176,731	(18,512)
Total liabilities and net assets	3,019,118	2,961,053	(58,064)
(Reference)			
Interest-bearing debt balances	323,884	368,346	44,461

Note: During the first six months of the fiscal year ending March 2025, the Company finalized the provisional accounting treatment for business combinations, and the figures for the fiscal year ending March 2024 reflect the details of the finalized provisional accounting treatment.

(2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2023 - September 30, 2023	April 1, 2024 - September 30, 2024	Change
Net sales			
Net sales of completed construction contracts	1,036,690	1,195,125	158,435
Net sales of real estate business and other	44,670	45,471	801
Total net sales	1,081,360	1,240,596	159,236
Cost of sales			
Cost of sales on completed construction contracts	952,192	1,088,375	136,183
Cost of sales on real estate business and other	33,048	33,414	365
Total cost of sales	985,240	1,121,789	136,548
Gross profit			
Gross profit on completed construction contracts	84,498	106,750	22,252
Gross profit on real estate business and other	11,621	12,056	435
Total gross profit	96,119	118,807	22,687
Selling, general and administrative expenses	65,275	73,309	8,033
Operating income	30,843	45,497	14,653
Non-operating income			
Interest income	1,520	2,274	753
Dividends income	4,203	4,560	356
Foreign exchange gains	3,152	—	(3,152)
Other	344	620	275
Total non-operating income	9,222	7,455	(1,766)
Non-operating expenses			
Interest expenses	1,687	2,332	644
Other	369	901	532
Total non-operating expenses	2,056	3,233	1,176
Ordinary income	38,009	49,719	11,710
Extraordinary income			
Gain on sales of investing securities	5,316	31,650	26,333
Other	110	225	115
Total extraordinary income	5,427	31,875	26,448
Extraordinary loss			
Loss on valuation of investment securities	1,042	1,960	917
Other	724	297	(426)
Total extraordinary losses	1,767	2,258	491
Profit before income taxes	41,669	79,337	37,667
Income taxes-current	11,209	22,145	10,936
Income taxes-deferred	(655)	494	1,149
Total income taxes	10,554	22,639	12,085
Profit	31,115	56,697	25,582
Profit attributable to non-controlling interests	1,373	1,597	224
Profit attributable to owners of parent	29,741	55,100	25,358

(3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2023 - September 30, 2023	April 1, 2024 - September 30, 2024
Profit	31,115	56,697
Other comprehensive income		
Valuation difference on available-for-sale securities	40,845	(57,878)
Deferred gains (losses) on hedges	2,838	(1,226)
Foreign currency translation adjustment	18,631	25,871
Retirement benefit adjustment	(242)	(344)
Share of other comprehensive income of associates accounted for using equity method	337	(986)
Total other comprehensive income	62,410	(34,565)
Comprehensive income	93,526	22,132
Comprehensive income attributable to owners of parent	89,577	17,918
Comprehensive income attributable to non-controlling interests	3,948	4,213

(4) Consolidated Statements of Cash Flows

(Yen in millions)

	April 1, 2023 - September 30, 2023	April 1, 2024 - September 30, 2024	Change
Net cash provided by (used in) operating activities			
Income before income taxes	41,669	79,337	37,667
Depreciation and amortization	12,815	15,942	3,127
Increase (decrease) in allowance for doubtful accounts	11	(20)	(32)
Increase (decrease) in provision for loss on construction contracts	(7,093)	(8,726)	(1,632)
Increase (decrease) in liability for retirement benefits	(114)	(255)	(141)
Loss (gain) on valuation of short-term and long term investment securities	1,042	1,960	917
Interest and dividends income	(5,724)	(6,834)	(1,110)
Interest expenses	1,687	2,332	644
Loss (gain) on sales of short-term and long term investment securities	(5,496)	(31,768)	(26,271)
Decrease (increase) in notes and accounts receivable—trade	(98,322)	8,051	106,373
Decrease (increase) in costs on uncompleted construction contracts	(10,834)	(13,847)	(3,013)
Decrease (increase) in inventories	(5,357)	(8,989)	(3,632)
Decrease (increase) in inventories for PFI and other projects	898	827	(71)
Decrease (increase) in other assets	(38,468)	(2,780)	35,687
Increase (decrease) in notes and accounts payable—trade	34,520	(89,297)	(123,818)
Increase (decrease) in advances received on uncompleted construction contracts	9,330	(9,445)	(18,776)
Increase (decrease) in other liabilities	(8,833)	9,037	17,871
Other, net	4	3,214	3,209
Subtotal	(78,264)	(51,263)	27,000
Interest and dividends income received	5,388	7,178	1,790
Interest expenses	(1,726)	(2,003)	(276)
Income taxes (paid) refund	(22,107)	(10,212)	11,895
Net cash provided by (used in) operating activities	(96,710)	(56,300)	40,410
Net cash provided by (used in) investing activities			
Payments into time deposits	(10,756)	(4,953)	5,802
Proceeds from withdrawal of time deposits	6,338	10,028	3,689
Purchase of property, plant and equipment and intangible assets	(33,317)	(34,097)	(780)
Proceeds from sales of property, plant and equipment and intangible assets	1,105	1,646	540
Purchase of short-term and long term investment securities	(2,528)	(25,536)	(23,008)
Proceeds from sales and redemption of short-term and long term investment securities	8,414	40,277	31,863
Payments of loans receivable	(172)	(182)	(10)
Collection of loans receivable	8	36	28
Other, net	(27,323)	(3,607)	23,716
Net cash provided by (used in) investing activities	(58,230)	(16,389)	41,841
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	11,629	(710)	(12,340)
Net increase (decrease) in commercial papers	—	25,000	25,000
Repayments of lease obligations	(244)	(787)	(542)
Proceeds from long-term loans payable	20,685	1,785	(18,900)
Repayment of long-term loans payable	(9,176)	(6,284)	2,891
Proceeds from nonrecourse loans payable	1,780	16,804	15,024
Payment of nonrecourse loans payable	(4,549)	(9,002)	(4,452)
Proceeds from issuance of bonds	—	20,000	20,000
Redemption of bonds	(10,000)	(10,008)	(8)
Purchase of treasury stock	(106)	(267)	(160)
Cash dividends paid	(15,078)	(38,768)	(23,689)
Capital contribution from non-controlling interests	—	657	657
Cash dividends paid to non-controlling interests	(588)	(1,327)	(739)
Payments from changes in ownership interests in subsidiaries that do not result	(0)	(1,466)	(1,466)
Net cash provided by (used in) financing activities	(5,649)	(4,377)	1,272
Effect of exchange rate change on cash and cash equivalents	8,804	10,271	1,466
Net increase (decrease) in cash and cash equivalents	(151,786)	(66,796)	84,990
Cash and cash equivalents at beginning of period	405,633	326,688	(78,945)
Cash and cash equivalents at end of period	253,846	259,892	6,045

(5) Notes on the Interim Consolidated Financial Statements

(Notes Concerning Changes in Accounting Policies)

(Application of Implementation Guidance on Accounting Standard for Current Income Taxes)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) from the beginning of the first six months of the fiscal year under review. In addition, regarding to the amendments related to the review of the treatment of consolidated financial statements in the case of deferring the gain or loss on the sale of shares in subsidiaries, etc. between consolidated companies for tax purposes, the Company has applied "Guidance on Accounting to Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) from the beginning of the first six months of the fiscal year under review. The impact of the adoption of the accounting standards and related implementation guidance on the consolidated financial statements is immaterial.

(6) Consolidated Segment Information

a) Reportable Segment Information (Net Sales and Income (Loss))

FY2023 (April 1, 2023 – September 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		
<u>Net sales</u>								
Sales to third parties	594,560	217,335	174,665	50,129	19,634	1,056,324	25,036	1,081,360
Intersegment sales and transfers	19,217	36	7,379	—	458	27,091	5,536	32,628
Segment sales	613,778	217,371	182,045	50,129	20,092	1,083,416	30,572	1,113,988
<u>Operating income</u>								
Operating income from sales to third parties *2	5,992	7,667	10,038	758	5,302	29,759	1,084	30,843
Intersegment operating income and transfers	1,301	(90)	(74)	—	(29)	1,107	(17)	1,089
Segment income	7,293	7,577	9,963	758	5,273	30,866	1,067	31,933

*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.

FY2024 (April 1, 2024 – September 30, 2024)

(Yen in millions)

	Reporting segment						Others *1	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Real Estate	Subtotal		
<u>Net sales</u>								
Sales to third parties	635,172	263,790	184,633	111,528	22,531	1,217,657	22,939	1,240,596
Intersegment sales and transfers	9,722	157	7,178	—	426	17,484	6,110	23,594
Segment sales	644,894	263,948	191,811	111,528	22,958	1,235,141	29,049	1,264,191
<u>Operating income</u>								
Operating income from sales to third parties *2	13,513	6,610	17,266	1,552	4,941	43,884	1,613	45,497
Intersegment operating income and transfers	51	(84)	(64)	—	(15)	(112)	(16)	(128)
Segment income	13,565	6,525	17,202	1,552	4,926	43,772	1,596	45,369

*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.

b) Reconciliation of Difference between Total Reportable Segment Income (loss) and the Amount as Shown in the Consolidated Statements of Income

(Yen in millions)

Income	FY2023 (April 1, 2023 - September 30, 2023)	FY2024 (April 1, 2024 - September 30, 2024)
Total reportable segment	30,866	43,722
Income from "Others"	1,067	1,596
Elimination of intersegment transactions	(1,089)	128
Operating income in the consolidated statements of income	30,843	45,497

8. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2024	September 30, 2024	Change
Assets			
Current assets			
Cash and deposits	173,279	102,019	(71,260)
Notes receivable—trade	3,024	1,309	(1,714)
Electronically recorded monetary claims	37,442	33,509	(3,932)
Accounts receivable from completed construction contracts	753,643	746,863	(6,779)
Accounts receivable—real estate business and other	5,270	2,724	(2,545)
Short-term investment securities	15	26	10
Real estate for sale	2,216	2,173	(42)
Costs on uncompleted construction contracts	34,300	45,223	10,922
Costs on real estate business and other	4,198	5,654	1,456
Short-term loans receivable	55,024	47,973	(7,050)
Accounts receivable—other	116,229	86,411	(29,817)
Other	53,964	108,876	54,911
Allowance for doubtful accounts	(92)	(88)	4
Total current assets	1,238,517	1,182,679	(55,838)
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	71,950	70,547	(1,403)
Machinery, equipment and vehicles	15,125	16,617	1,491
Tools, furniture and fixtures	3,592	3,807	214
Land	175,677	184,116	8,438
Leased assets	6	3	(2)
Construction in progress	12,108	12,695	586
Total property, plant and equipment	278,462	287,788	9,326
Intangible assets	8,325	8,530	205
Investments and other assets			
Investment securities	407,382	318,046	(89,336)
Shares and investments in capital of subsidiaries and affiliates	246,990	274,390	27,399
Long-term loans receivable	35,300	6,114	(29,186)
Claims provable in bankruptcy, claims provable in rehabilitation and other	620	620	—
Prepaid pensions cost	1,318	1,391	72
Other	9,099	8,998	(101)
Allowance for doubtful accounts	(696)	(693)	3
Total investments and other assets	700,016	608,867	(91,149)
Total noncurrent assets	986,804	905,186	(81,617)
Total assets	2,225,321	2,087,865	(137,456)

(Yen in millions)

	March 31, 2024	September 30, 2024	Change
Liabilities			
Current liabilities			
Notes payable—trade	7,552	6,853	(699)
Electronically recorded obligations	145,335	96,956	(48,378)
Accounts payable for construction contracts	504,725	476,056	(28,668)
Accounts payable—real estate and other	1,808	973	(835)
Short-term loans payable	39,449	42,274	2,825
Commercial papers	—	25,000	25,000
Current portion of bonds	10,000	—	(10,000)
Lease obligations	5	4	(1)
Accounts payable	4,195	2,680	(1,515)
Accrued expenses	17,819	21,324	3,505
Income taxes payable	4,792	18,789	13,996
Advances received on uncompleted construction contracts	130,298	107,863	(22,434)
Deposit received—real estate and other	2,486	4,109	1,623
Deposits received	186,910	191,502	4,591
Provision for warranties for completed construction	2,824	2,902	78
Provision for loss on construction contracts	32,932	23,856	(9,076)
Deposits received from employees	26,379	25,818	(560)
Other	1,393	2,039	645
Total current liabilities	1,118,909	1,049,005	(69,903)
Noncurrent liabilities			
Bonds payable	40,000	60,000	20,000
Long-term loans payable	88,373	80,877	(7,496)
Lease obligations	1	—	(1)
Deferred tax liabilities	41,980	16,470	(25,509)
Deferred tax liabilities for land revaluation	14,592	14,315	(276)
Provision for retirement benefits	43,954	43,823	(130)
Provision for stock payments for directors	625	526	(98)
Provision for loss on business of subsidiaries and affiliates	5,204	5,660	456
Other	5,450	5,218	(231)
Total noncurrent liabilities	240,181	226,893	(13,288)
Total liabilities	1,359,090	1,275,898	(83,192)
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	2,287	2,266	(20)
General reserve	460,000	460,000	—
Retained earnings brought forward	69,557	74,312	4,754
Total retained earnings	546,283	551,017	4,734
Treasury stock	(2,711)	(2,878)	(166)
Total shareholders' equity	643,018	647,585	4,567
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	205,396	147,549	(57,846)
Deferred gains (losses) on hedges	355	(0)	(355)
Revaluation reserve for land	17,460	16,831	(629)
Total valuation and translation adjustments	223,212	164,381	(58,831)
Total net assets	866,231	811,967	(54,263)
Total liabilities and net assets	2,225,321	2,087,865	(137,456)
(Reference)			
Interest-bearing debt balances	177,822	208,151	30,329

(2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2023 - September 30, 2023	April 1, 2024 - September 30, 2024	Change
Net sales			
Net sales of completed construction contracts	733,413	777,958	44,545
Net sales of real estate business and other	10,783	9,473	(1,309)
Total net sales	744,196	787,432	43,236
Cost of sales			
Cost of sales on completed construction contracts	678,012	708,210	30,197
Cost of sales on real estate business and other	8,068	7,578	(489)
Total cost of sales	686,081	715,789	29,707
Gross profit			
Gross profit on completed construction contracts	55,400	69,748	14,348
Gross profit on real estate business and other	2,714	1,895	(819)
Total gross profit	58,115	71,643	13,528
Selling, general and administrative expenses	44,113	45,566	1,452
Operating income	14,001	26,077	12,075
Non-operating income			
Interest and dividend income	5,736	7,624	1,888
Foreign exchange gains	2,166	—	(2,166)
Other	438	312	(125)
Total non-operating income	8,341	7,937	(403)
Non-operating expenses			
Interest expenses	453	558	105
Foreign exchange losses	—	1,362	1,362
Other	209	1,046	837
Total non-operating expenses	662	2,967	2,304
Ordinary income	21,680	31,047	9,367
Extraordinary income			
Gain on sales of investment securities	5,027	31,641	26,613
Other	1,883	8	(1,874)
Total extraordinary income	6,910	31,650	24,739
Extraordinary loss			
Loss on valuation of investment securities	1,042	1,960	917
Other	662	360	(301)
Total extraordinary losses	1,705	2,321	616
Profit before income taxes	26,886	60,376	33,489
Income taxes-current	7,733	17,745	10,012
Income taxes-deferred	(513)	(243)	270
Total income taxes	7,220	17,502	10,282
Profit	19,665	42,873	23,207