

OBAYASHI CORPORATION

Summary of the Third Quarter (cumulative) Financial Results for FY2016 Ending March 2017

Disclaimer: This financial information, a digest of Obayashi Corporation's "Summary of the Third Quarter (cumulative) Financial Results for FY2016 ending March 2017" ("Kessan Tanshin") disclosed at the Tokyo Stock Exchange on February 14, 2017 was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Tanshin" and this document, Japanese "Kessan Tanshin" will prevail. This document includes forward-looking statements based on the information available at the time of the release of Japanese "Kessan Tanshin". Due to various factors, the actual results may vary from the forward-looking statements contained herein. Obayashi Corporation (non-consolidated) is called the "Company" hereinafter.

(Rounded down to the nearest million yen)

1. Summary of the Third Quarter (cumulative) Results for FY2016 ending March 2017 (April 1, 2016 - December 31, 2016)

(1) Consolidated Business Results (cumulative)

(% shows the increase (decrease) from the results of the same quarter of the previous FY.)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%
3rd Quarter of FY2016	1,333,197	2.8	97,132	31.2	102,433	29.3	70,562	39.3
3rd Quarter of FY2015	1,296,951	2.8	74,050	167.9	79,226	109.9	50,667	108.5

(Note) Comprehensive income: [3Q/FY2016] 75,240 million yen, 111.5%; [3Q/FY2015] 35,574 million yen, (45.7)%

	Net Income per Share		Net Income per Share Adjusted for Latent Shares	
	(Unit: yen)		(Unit: yen)	
3rd Quarter of FY2016	98.31		—	
3rd Quarter of FY2015	70.57		—	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	(Unit: million yen)	(Unit: million yen)	%
At December 31, 2016	2,017,218	620,446	28.5
At March 31, 2016	1,951,907	561,658	26.4

(For reference) Equity (Net assets less non-controlling interests): [At December 31, 2016] 574,078 million yen, [At March 31, 2016] 516,098 million yen,

2. Dividends

	Dividend per share (Unit: yen)				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
FY2015 ended Mar. 2016	(Unit: yen) —	(Unit: yen) 5.00	(Unit: yen) —	(Unit: yen) 13.00	(Unit: yen) 18.00
FY2016 ending Mar. 2017	—	9.00	—		
FY2016 ending Mar. 2017 (Forecast)				9.00	18.00

* The consolidated forecasts for the full year were not revised in this third quarter.

* The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin."

Due to various factors, the actual result may vary from the forecasts.

3. Consolidated Forecast for FY2016 ending March 2017 (April 1, 2016 - March 31, 2017)

(% shows the increase (decrease) from the previous FY results)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Profit attributable to owners of parent per share
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: yen)
Full Year	1,865,000	4.9	114,000	7.2	118,000	6.1	80,000	26.1	111.45

* The consolidated forecasts were not revised in this third quarter.

* The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin."

Due to various factors, the actual result may vary from the forecasts.

Reference: Non-consolidated Forecasts for FY2016 ending March 2017 (April 1, 2016 - March 31, 2017)

(% shows the increase (decrease) from the previous FY results)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per share
	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: million yen)	%	(Unit: yen)
Full year	1,335,000	8.1	89,000	16.6	96,000	15.9	72,000	41.9	100.31

* The non-consolidated forecasts were not revised in this third quarter.

* The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin."

Due to various factors, the actual results may vary from the forecasts.

Qualitative information on business performance and financial position for the third quarter of FY2016 ending March 2017

1. Overview of consolidated business performance

With regard to the Company's consolidated business performance for the third quarter (from April 1, 2016 to December 31, 2016) of this fiscal year, net sales amounted to 1,333.1 billion yen, increased by 36.2 billion yen (2.8%) from the same quarter of the previous fiscal year primarily due to an increase in net sales of its construction business.

On the earnings front, consequent to an increase in gross profit on completed construction contracts as a result of an improvement in gross profit margin on completed construction contracts of the Company's domestic construction business, operating income increased by 23.0 billion yen (31.2%) to 97.1 billion yen, ordinary income increased by 23.2 billion yen (29.3%) to 102.4 billion yen, and profit attributable to owners of parent increased by 19.8 billion yen (39.3%) to 70.5 billion yen from the same quarter of the previous fiscal year.

2. Overview of consolidated financial position

Total assets at the end of the third quarter of this fiscal year increased by 65.3 billion yen (3.3%) to 2,017.2 billion yen compared with the balance at the end of the previous fiscal year mainly due to an increase in "Notes and accounts receivable from completed construction contracts and other" as well as an increase in "Investment securities" as a result of a rise in market value.

Total liabilities at the end of the third quarter of this fiscal year increased by 6.5 billion yen (0.5%) to 1,396.7 billion yen compared with the balance at the end of the previous fiscal year primarily due to an increase in "Commercial papers" on the purpose of funding, despite a decrease in accounts payable for construction contracts (the aggregate of "Notes and accounts payable for construction contracts and other" and "Electronically recorded obligations"). Consolidated balance of interest-bearing debt at the end of the third quarter of this fiscal year increased by 16.4 billion yen (4.7%) to 362.7 billion yen compared with the balance at the end of the previous fiscal year.

Total net assets at the end of the third quarter of this fiscal year increased by 58.7 billion yen (10.5%) to 620.4 billion yen compared with the balance at the end of the previous fiscal year mainly due to an increase in "Retained earnings" since profit attributable to owners of parent was recognized.

As a result, equity ratio at the end of the third quarter of this fiscal year was 28.5%, up 2.1 percentage points from the end of the previous fiscal year.

3. Consolidated forecasts

Based on the review at the time of the release of this document, the consolidated and non-consolidated forecasts of the financial performance for the fiscal year ending March 2017 were not revised from the ones announced on November 8, 2016 when the financial results for the second quarter were presented.

(Important Note) Changes in Accounting Policies

Effective the first quarter of this fiscal year, the Company adopted the "Practical Solution on a Change in Depreciation Method due to Tax Reform 2016" (Practical Issues Task Force No.32 of June 17, 2016), following the revision of the Corporation Tax Act, and changed the depreciation method for facilities attached to buildings and structures acquired on and after April 1, 2016 from the declining-balance method to the straight-line method. The impact of these changes in accounting policies had minor effect on the quarterly consolidated financial statements for the third quarter of this fiscal year.

(Supplementary information) Adoption of the Revised Implementation Guidance on Recoverability of Deferred Tax Assets

Effective the first quarter of this fiscal year, the Company adopted the "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (the Application Guidelines for Accounting Standards No.26 of March 28, 2016).

Consolidated quarterly balance sheets

(Unit : million yen)

	March 31, 2016	December 31, 2016
Assets		
Current assets		
Cash and deposits	164,829	158,539
Notes and accounts receivable from completed construction contracts and other	715,023	734,557
Electronically recorded monetary claims	8,866	21,984
Short-term investment securities	2,606	2,376
Real estate for sale	17,151	15,643
Costs on uncompleted construction contracts	37,758	50,830
Costs on real estate business	24,448	26,438
Inventories for PFI and other projects	45,514	42,195
Other inventories	6,266	10,205
Deferred tax assets	17,599	13,657
Accounts receivable-other	71,059	62,247
Other	17,800	35,406
Allowance for doubtful accounts	(157)	(136)
Total current assets	<u>1,128,768</u>	<u>1,173,948</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	92,265	91,635
Machinery, vehicles, tools, furniture and fixtures, net	30,985	28,692
Land	305,588	308,534
Lease assets, net	225	239
Construction in progress	12,539	25,516
Total property, plant and equipment	<u>441,604</u>	<u>454,618</u>
Intangible assets	6,404	6,463
Investments and other assets		
Investment securities	342,021	356,959
Long-term loans receivable	2,170	2,070
Assets for retirement benefits	68	30
Deferred tax assets	2,029	2,019
Other	29,107	21,357
Allowance for doubtful accounts	(266)	(250)
Total investments and other assets	<u>375,130</u>	<u>382,187</u>
Total noncurrent assets	<u>823,139</u>	<u>843,269</u>
Deferred assets	0	—
Total assets	<u>1,951,907</u>	<u>2,017,218</u>

(Unit : million yen)

	March 31, 2016	December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable for construction contracts and other	486,533	463,503
Electronically recorded obligations	122,697	129,970
Short-term loans payable	150,465	123,510
Current portion of nonrecourse loans	6,858	6,800
Commercial papers	—	56,000
Current portion of bonds	10,000	25,000
Lease obligations	78	87
Income taxes payable	17,856	15,746
Deferred tax liabilities	514	417
Advances received on uncompleted construction contracts	122,802	113,641
Deposits received	76,454	97,320
Provision for warranties for completed construction	2,491	2,571
Provision for loss on construction contracts	12,808	8,090
Other	63,639	57,109
Total current liabilities	1,073,200	1,099,769
Noncurrent liabilities		
Bonds payable	55,000	30,000
Long-term loans payable	51,000	53,824
Nonrecourse loans	73,015	67,639
Lease obligations	131	139
Deferred tax liabilities	41,830	49,718
Deferred tax liabilities for land revaluation	21,313	21,240
Provision for stock payments for directors	209	194
Provision for loss on real estate business and other	993	993
Provision for environmental measures	882	834
Liability for retirement benefits	52,126	52,816
Other	20,546	19,600
Total noncurrent liabilities	317,049	297,002
Total liabilities	1,390,249	1,396,771
Net assets		
Shareholders' equity		
Capital stock	57,752	57,752
Capital surplus	41,752	41,752
Retained earnings	255,750	310,678
Treasury stock	(1,958)	(1,962)
Total shareholders' equity	353,297	408,220
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	140,328	147,815
Deferred gains (losses) on hedges	(47)	19
Revaluation reserve for land	20,937	20,774
Foreign currency translation adjustments	822	(3,816)
Retirement benefit asset and liability adjustments	760	1,065
Total accumulated other comprehensive income	162,801	165,858
Non-controlling interests	45,559	46,368
Total net assets	561,658	620,446
Total liabilities and net assets	1,951,907	2,017,218

Consolidated quarterly statements of income

(Unit : million yen)

	3Q / FY2015 From April 1, 2015 to December 31, 2015	3Q / FY2016 From April 1, 2016 to December 31, 2016
Net sales		
Net sales of completed construction contracts	1,237,009	1,284,196
Net sales of real estate business and other	59,941	49,000
Total net sales	1,296,951	1,333,197
Cost of sales		
Cost of sales on completed construction contracts	1,116,076	1,136,153
Cost of sales on real estate business and other	43,341	34,247
Total cost of sales	1,159,417	1,170,401
Gross profit		
Gross profit on completed construction contracts	120,932	148,043
Gross profit on real estate business and other	16,600	14,752
Total gross profit	137,533	162,796
Selling, general and administrative expenses	63,482	65,663
Operating income	74,050	97,132
Non-operating income		
Interest income	1,794	1,410
Dividends income	5,636	5,636
Other	641	604
Total non-operating income	8,073	7,652
Non-operating expenses		
Interest expenses	2,030	1,840
Foreign exchange losses	702	298
Other	164	211
Total non-operating expenses	2,897	2,350
Ordinary income	79,226	102,433
Extraordinary income		
Gain on sales of investing securities	2,653	3,037
Gain on sales of noncurrent assets	592	461
Other	32	165
Total extraordinary income	3,278	3,664
Extraordinary loss		
Loss on retirement of noncurrent assets	328	150
Other	736	84
Total extraordinary losses	1,064	235
Income before income taxes	81,441	105,862
Income taxes-current	10,245	22,785
Income taxes-deferred	15,825	8,363
Total income taxes	26,070	31,148
Profit	55,370	74,713
Profit attributable to non-controlling interests	4,702	4,151
Profit attributable to owners of parent	50,667	70,562

Consolidated quarterly statements of comprehensive income

(Unit : million yen)

	3Q / FY2015 From April 1, 2015 to December 31, 2015	3Q / FY2016 From April 1, 2016 to December 31, 2016
Profit	55,370	74,713
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,420)	7,518
Deferred gains (losses) on hedges	(88)	67
Foreign currency translation adjustment	(4,118)	(7,313)
Retirement benefit adjustment	(177)	265
Share of other comprehensive income of associates accounted for using equity method	7	(11)
Total other comprehensive income	<u>(19,795)</u>	<u>526</u>
Comprehensive income	<u>35,574</u>	<u>75,240</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	32,738	73,782
Comprehensive income attributable to non-controlling interests	2,836	1,458

Segment Information

Reporting segment information (net sales and income (loss))

3Q (cumulative) / FY2015 (April 1, 2015 - December 31, 2015)

(Unit: million yen)

	Reporting Segment						Others (Note 1)	Total
	Domestic building construction	Overseas building construction	Domestic civil engineering	Overseas civil engineering	Real estate development	Subtotal		
Net sales								
Sales to third parties	677,871	245,554	258,903	54,679	34,884	1,271,894	25,056	1,296,951
Intersegment sales or transfers	24,103	28	14,750	—	855	39,738	5,516	45,254
Segment sales	701,974	245,583	273,654	54,679	35,740	1,311,632	30,573	1,342,205
Operating Income								
Operating Income from sales to third parties (Note 2)	31,878	1,311	27,648	3,432	8,373	72,645	1,405	74,050
Intersegment operating income or transfers	21	(18)	(17)	(1)	(0)	(16)	(67)	(84)
Segment income	31,900	1,293	27,631	3,430	8,373	72,628	1,337	73,966

Note 1: Businesses that cannot be classified into the company's reporting segments are shown as "Others."

This includes PFI (Private Finance Initiative), renewable energy business, finance, operation of golf courses, and other businesses.

Note 2: "Operating income from sales to third parties" was computed by subtracting "Intersegment operating income or transfers" from "Segment income."

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

3Q (cumulative) / FY2016 (April 1, 2016 - December 31, 2016)

(Unit: million yen)

	Reporting Segment						Others (Note 1)	Total
	Domestic building construction	Overseas building construction	Domestic civil engineering	Overseas civil engineering	Real estate development	Subtotal		
Net sales								
Sales to third parties	745,172	239,334	241,998	57,692	27,563	1,311,760	21,436	1,333,197
Intersegment sales or transfers	27,890	29	15,301	—	852	44,074	5,537	49,611
Segment sales	773,062	239,363	257,299	57,692	28,416	1,355,834	26,974	1,382,808
Operating Income (loss)								
Operating Income (loss) from sales to third parties (Note 2)	60,147	3,655	26,464	(872)	6,374	95,768	1,363	97,132
Intersegment operating income or transfers	535	(17)	740	(2)	(0)	1,255	(64)	1,191
Segment income (loss)	60,683	3,637	27,205	(875)	6,373	97,024	1,299	98,324

Note 1: Businesses that cannot be classified into the company's reporting segments are shown as "Others."

This includes PFI (Private Finance Initiative), renewable energy business, finance, operation of golf courses, and other businesses.

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

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

(For reference) Non-consolidated quarterly balance sheets

(Unit : million yen)

	March 31, 2016	December 31, 2016
Assets		
Current assets		
Cash and deposits	61,643	55,550
Notes receivable-trade	7,512	6,982
Electronically recorded monetary claims	6,328	19,635
Accounts receivable from completed construction contracts	537,677	583,002
Accounts receivable-real estate business and other	4,906	2,388
Short-term investment securities	36	36
Real estate for sale	3,959	3,865
Costs on uncompleted construction contracts	32,449	44,100
Costs on real estate business and other	1,664	3,486
Raw materials and supplies	2,182	3,763
Deferred tax assets	15,522	12,095
Accounts receivable-other	64,608	58,487
Other	29,559	62,343
Allowance for doubtful accounts	(62)	(68)
Total current assets	<u>767,990</u>	<u>855,671</u>
Noncurrent assets		
Property, plant and equipment		
Land	160,684	180,056
Other, net	46,616	57,232
Total property, plant and equipment	<u>207,301</u>	<u>237,288</u>
Intangible assets	3,115	3,136
Investments and other assets		
Investment securities	332,535	344,359
Other	130,628	102,824
Allowance for doubtful accounts	(329)	(1,388)
Total investments and other assets	<u>462,833</u>	<u>445,795</u>
Total noncurrent assets	<u>673,250</u>	<u>686,221</u>
Total assets	<u>1,441,241</u>	<u>1,541,892</u>

(Unit : million yen)

	March 31, 2016	December 31, 2016
Liabilities		
Current liabilities		
Notes payable-trade	22,348	24,227
Electronically recorded obligations	121,166	131,714
Accounts payable for construction contracts	329,212	319,319
Accounts payable-real estate and other	1,328	368
Short-term loans payable	112,521	95,091
Commercial papers	—	56,000
Current portion of bonds	10,000	25,000
Income taxes payable	14,191	14,176
Advances received on uncompleted construction contracts	96,952	80,324
Deposit received-real estate and other	937	1,314
Deposits received	68,796	88,855
Provision for warranties for completed construction	1,988	2,087
Provision for loss on construction contracts	11,040	6,721
Other	44,965	41,754
Total current liabilities	835,449	886,953
Noncurrent liabilities		
Bonds payable	55,000	30,000
Long-term loans payable	14,628	22,720
Deferred tax liabilities	42,331	52,127
Deferred tax liabilities for land revaluation	16,897	16,824
Provision for retirement benefits	45,431	46,632
Provision for stock payments for directors	209	194
Provision for loss on real estate business and other	1,060	993
Provision for loss on business of subsidiaries and affiliates	653	1,215
Provision for environmental measures	812	763
Other	4,629	3,262
Total noncurrent liabilities	181,653	174,734
Total liabilities	1,017,102	1,061,687
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	2,738	2,685
General reserve	70,000	110,000
Retained earnings brought forward	83,940	92,651
Total retained earnings	171,116	219,774
Treasury stock	(1,958)	(1,962)
Total shareholders' equity	268,605	317,258
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	140,219	147,689
Deferred gains (losses) on hedges	21	129
Revaluation reserve for land	15,291	15,127
Total valuation and translation adjustments	155,533	162,945
Total net assets	424,138	480,204
Total liabilities and net assets	1,441,241	1,541,892

Note: These non-consolidated quarterly balance sheets were prepared in accordance with the Japanese accounting standard for quarterly financial statements, although they are not subject to the disclosure legally required by the related authorities.

(For reference) Non-consolidated quarterly statements of income

(Unit : million yen)

	3Q / FY2015 From April 1, 2015 to December 31, 2015	3Q / FY2016 From April 1, 2016 to December 31, 2016
Net sales		
Net sales of completed construction contracts	887,151	945,106
Net sales of real estate business and other	12,879	11,358
Total net sales	900,031	956,465
Cost of sales		
Cost of sales on completed construction contracts	794,627	823,876
Cost of sales on real estate business and other	9,270	7,097
Total cost of sales	803,898	830,974
Gross profit		
Gross profit on completed construction contracts	92,523	121,230
Gross profit on real estate business and other	3,609	4,260
Total gross profit	96,133	125,490
Selling, general and administrative expenses	44,718	46,807
Operating income	51,414	78,683
Non-operating income		
Interest income	1,599	1,412
Dividends income	6,695	6,773
Foreign exchange gains	—	138
Other	283	348
Total non-operating income	8,578	8,672
Non-operating expenses		
Interest expenses	1,128	1,007
Foreign exchange losses	705	—
Other	450	445
Total non-operating expenses	2,283	1,452
Ordinary income	57,709	85,903
Extraordinary income		
Gain on liquidation of subsidiaries and affiliates	—	6,100
Gain on sales of investment securities	2,629	3,033
Gain on sales of noncurrent assets	542	397
Other	2	17
Total extraordinary income	3,173	9,549
Extraordinary loss		
Loss on business of subsidiaries and affiliates	874	3,001
Other	849	113
Total extraordinary losses	1,723	3,114
Income before income taxes	59,158	92,338
Income taxes-current	3,697	18,223
Income taxes-deferred	15,010	9,824
Total income taxes	18,707	28,048
Profit	40,451	64,290
 (For reference) Profit per share (yen)	 56.34	 89.57

Note: These non-consolidated quarterly statements of income were prepared in accordance with the Japanese accounting standard for quarterly financial statements, although the statements are not subject to the disclosure legally required by the related authorities.

Quick review of consolidated and non-consolidated results for 3Q (cumulative) of FY2016

(in comparison with 3Q results of FY2015)

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-3Q/FY2015 April 1, 2015 - December 31, 2015		Result-3Q/FY2016 April 1, 2016 - December 31, 2016		Variance	Variance rate (%)	Result-3Q/FY2015 April 1, 2015 - December 31, 2015		Result-3Q/FY2016 April 1, 2016 - December 31, 2016		Variance	Variance rate (%)
Net sales of completed construction contracts	%	12,370	%	12,841	471	3.8	%	8,871	%	9,451	579	6.5
Building Construction		—		—	—	—		6,711		7,305	593	8.8
Civil Engineering		—		—	—	—		2,159		2,145	(14)	(0.7)
Gross profit on completed construction contracts	9.8	1,209	11.5	1,480	271	22.4	10.4	925	12.8	1,212	287	31.0
Building Construction		—		—	—	—	8.6	577	12.0	878	300	52.0
Civil Engineering		—		—	—	—	16.1	347	15.6	334	(13)	(3.9)
Net sales of real estate business and other		599		490	(109)	(18.3)		128		113	(15)	(11.8)
Gross profit on real estate business and other	27.7	166	30.1	147	(18)	(11.1)	28.0	36	37.5	42	6	18.0
Net sales		12,969		13,331	362	2.8		9,000		9,564	564	6.3
Gross profit	10.6	1,375	12.2	1,627	252	18.4	10.7	961	13.1	1,254	293	30.5
Selling, general and administrative expenses	4.9	634	4.9	656	21	3.4	5.0	447	4.9	468	20	4.7
(Personnel expenses)		360		382	22			249		263	14	
(Others)		274		274	(0)			198		204	6	
Operating Income	5.7	740	7.3	971	230	31.2	5.7	514	8.2	786	272	53.0
Non-operating income		80		76	(4)	(5.2)		85		86	0	1.1
Non-operating expenses		28		23	(5)	(18.9)		22		14	(8)	(36.4)
(interests received/paid and dividend income - net)		53		52	(1)			71		71	0	
Ordinary income	6.1	792	7.7	1,024	232	29.3	6.4	577	9.0	859	281	48.9
Extraordinary income		32		36	3	11.7		31		95	63	200.9
Extraordinary loss		10		2	(8)	(77.9)		17		31	13	80.7
Income before income taxes	6.3	814	7.9	1,058	244	30.0	6.6	591	9.7	923	331	56.1
Total income taxes		260		311	50	19.5		187		280	93	49.9
Profit		553		747	193	34.9		—		—	—	—
Profit attributable to non-controlling interests (deduction)		47		41	(5)	(11.7)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	3.9	506	5.3	705	198	39.3	4.5	404	6.7	642	238	58.9

Orders received

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	Result-3Q/FY2015 April 1, 2015 - December 31, 2015		Result-3Q/FY2016 April 1, 2016 - December 31, 2016		Variance	Variance rate (%)	Result-3Q/FY2015 April 1, 2015 - December 31, 2015		Result-3Q/FY2016 April 1, 2016 - December 31, 2016		Variance	Variance rate (%)
Building Construction		9,148		10,454	1,306	14.3		6,972		6,834	(137)	(2.0)
(Domestic)		7,115		6,815	(300)	(4.2)		6,851		6,795	(55)	(0.8)
(Overseas)		2,032		3,639	1,606	79.0		120		38	(82)	(68.2)
Civil Engineering		3,545		2,928	(617)	(17.4)		2,452		1,843	(608)	(24.8)
(Domestic)		2,692		2,438	(253)	(9.4)		2,048		1,687	(360)	(17.6)
(Overseas)		852		489	(363)	(42.6)		403		156	(247)	(61.3)
Construction Total		12,693		13,382	688	5.4		9,424		8,678	(746)	(7.9)
(Domestic)		9,808		9,254	(554)	(5.7)		8,900		8,483	(416)	(4.7)
(Overseas)		2,885		4,128	1,243	43.1		524		194	(330)	(62.9)
Real Estate Business and Other		751		740	(11)	(1.5)		213		115	(98)	(46.1)
Total orders received		13,445		14,123	677	5.0		9,637		8,793	(844)	(8.8)

Interest-bearing debt balances

(Unit: 100 million yen)

	Consolidated					Non-consolidated						
	March 31, 2016	December 31, 2016	Variance	Variance rate (%)		March 31, 2016	December 31, 2016	Variance	Variance rate (%)			
Interest-bearing debt (except nonrecourse loans)		2,664		2,883	218	8.2		1,921		2,288	366	19.1
Nonrecourse loans		798		744	(54)	(6.8)		—		—	—	—
Interest-bearing debt total		3,463		3,627	164	4.7		1,921		2,288	366	19.1

Note: The non-consolidated quarterly financial statements were prepared in accordance with the Japanese accounting standard for quarterly financial statements, although they are not subject to the disclosure legally required by the related authorities.

Quick overview of consolidated and non-consolidated forecasts for FY2016 (Full year)

(in comparison with FY2015 results)

(Unit: 100 million yen)

	Consolidated					Non-consolidated				
	Result-FY2015 April 1, 2015 - March 31, 2016	Forecast-FY2016 April 1, 2016 - March 31, 2017	Variance	Variance rate (%)		Result-FY2015 April 1, 2015 - March 31, 2016	Forecast-FY2016 April 1, 2016 - March 31, 2017	Variance	Variance rate (%)	
Net sales of completed construction contracts	% 16,957	% 17,950	992	5.9		% 12,063	% 13,200	1,136	9.4	
Building Construction	—	—	—	—		9,084	10,150	1,065	11.7	
Civil Engineering	—	—	—	—		2,979	3,050	70	2.4	
Gross profit on completed construction contracts	10.1 1,711	10.3 1,840	128	7.5		10.8 1,307	11.1 1,470	162	12.4	
Building Construction	—	—	—	—		9.4 856	10.7 1,085	228	26.7	
Civil Engineering	—	—	—	—		15.1 451	12.6 385	(66)	(14.6)	
Net sales of real estate business and other	820	700	(120)	(14.7)		287	150	(137)	(47.8)	
Gross profit on real estate business and other	26.7 218	28.6 200	(18)	(8.6)		22.1 63	40.0 60	(3)	(5.5)	
Net sales	17,778	18,650	871	4.9		12,350	13,350	999	8.1	
Gross profit	10.9 1,930	10.9 2,040	109	5.7		11.1 1,371	11.5 1,530	158	11.6	
Selling, general and administrative expenses	4.9 866	4.8 900	33	3.8		4.9 607	4.8 640	32	5.3	
(Personnel expenses)	489	510	20			334	350	15		
(Others)	377	390	12			272	290	17		
Operating Income	6.0 1,063	6.1 1,140	76	7.2		6.2 763	6.7 890	126	16.6	
Non-operating income	100	90	(10)	(10.8)		108	105	(3)	(3.0)	
Non-operating expenses	52	50	(2)	(4.9)		43	35	(8)	(19.7)	
(interests received/paid and dividend income - net)	64	60	(4)			88	87	(1)		
Ordinary income	6.3 1,112	6.3 1,180	67	6.1		6.7 828	7.2 960	131	15.9	
Extraordinary income	45	35	(10)	(23.6)		34	95	60	171.8	
Extraordinary loss	85	—	(85)	(100.0)		79	25	(54)	(68.6)	
Income before income taxes	6.0 1,072	6.5 1,215	142	13.3		6.3 783	7.7 1,030	246	31.5	
Total income taxes	374	360	(14)	(4.0)		276	310	33	12.2	
Profit	697	855	157	22.6		—	—	—	—	
Profit attributable to non-controlling interests (deduction)	63	55	(8)	(13.0)		—	—	—	—	
Profit attributable to owners of parent (Non-consolidated: Profit)	3.6 634	4.3 800	165	26.1		4.1 507	5.4 720	212	41.9	

Note: Full year forecasts for FY2016 were not revised from the ones announced on November 8, 2016.

This overview of forecasts was prepared for reference purpose only and was prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin". Due to various factors, the actual results may vary from the forecasts.

Orders received

(Unit: 100 million yen)

	Consolidated					Non-consolidated				
	Result-FY2015 April 1, 2015 - March 31, 2016	Forecast-FY2016 April 1, 2016 - March 31, 2017	Variance	Variance rate (%)		Result-FY2015 April 1, 2015 - March 31, 2016	Forecast-FY2016 April 1, 2016 - March 31, 2017	Variance	Variance rate (%)	
Building Construction	13,967	15,500	1,532	11.0		10,696	10,000	(696)	(6.5)	
(Domestic)	10,763	※ 10,200	(563)	(5.2)		10,525	※ 10,000	(525)	(5.0)	
(Overseas)	3,203	※ 5,300	2,096	65.4		171	—	(171)	(100.0)	
Civil Engineering	4,653	4,200	(453)	(9.8)		3,305	2,850	(455)	(13.8)	
(Domestic)	3,745	※ 3,500	(245)	(6.5)		2,886	※ 2,650	(236)	(8.2)	
(Overseas)	908	※ 700	(208)	(23.0)		419	※ 200	(219)	(52.3)	
Construction Total	18,621	19,700	1,078	5.8		14,002	12,850	(1,152)	(8.2)	
(Domestic)	14,508	13,700	(808)	(5.6)		13,412	12,650	(762)	(5.7)	
(Overseas)	4,112	6,000	1,887	45.9		590	200	(390)	(66.1)	
Real Estate Business and Other	898	※ 900	1	0.2		286	150	(136)	(47.7)	
Total orders received	19,519	20,600	1,080	5.5		14,289	13,000	(1,289)	(9.0)	

Note: Numbers with "※" and the related totals were revised from the ones announced on November 8, 2016. (Total orders received : 1,850 billion yen (consolidated), 1,290 billion yen (non-consolidated)).

This overview of forecasts was prepared for reference purpose only and was prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin". Due to various factors, the actual results may vary from the forecasts.

Interest-bearing debt balances

(Unit: 100 million yen)

	Consolidated					Non-consolidated				
	March 31, 2016	Forecast-FY2016 March 31, 2017	Variance	Variance rate (%)		March 31, 2016	Forecast-FY2016 March 31, 2017	Variance	Variance rate (%)	
Interest-bearing debt (except nonrecourse loans)	2,664	2,400	(264)	(9.9)		1,921	1,600	(321)	(16.7)	
Nonrecourse loans	798	800	1	0.2		—	—	—	—	
Interest-bearing debt total	3,463	3,200	(263)	(7.6)		1,921	1,600	(321)	(16.7)	

Note: Full year forecasts for FY2016 were not revised from the ones announced on November 8, 2016.

This overview of forecasts was prepared for reference purpose only and was prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin". Due to various factors, the actual results may vary from the forecasts.

Results and forecasts for net sales, operating income and gross profit for FY2016

(For reference purpose only)

1. Consolidated results of net sales and operating income for 3Q (Cumulative) of FY2016

(in comparison with 3Q results of FY2015)

(Unit: million yen)

	Consolidated Net Sales				Consolidated Operating Income					
	3Q / FY2015 Result April 1, 2015 - December 31, 2015 (A)	3Q / FY2016 Result April 1, 2016 - December 31, 2016 (B)	Variance (B) - (A)	Variance rate (%)	3Q / FY2015 Result April 1, 2015 - December 31, 2015 (C)	3Q / FY2016 Result April 1, 2016 - December 31, 2016 (D)	Variance (D) - (C)	Variance rate (%)	% Gross Profit	% Gross Profit
Building Construction										
Domestic	677,871	745,172	67,300	9.9	4.7	31,878	8.1	60,147	28,268	88.7
Overseas	245,554	239,334	(6,220)	(2.5)	0.5	1,311	1.5	3,655	2,343	178.6
Sub-total	923,426	984,506	61,080	6.6	3.6	33,190	6.5	63,802	30,612	92.2
Civil Engineering										
Domestic	258,903	241,998	(16,905)	(6.5)	10.7	27,648	10.9	26,464	(1,184)	(4.3)
Overseas	54,679	57,692	3,012	5.5	6.3	3,432	(1.5)	(872)	(4,304)	—
Sub-total	313,582	299,690	(13,892)	(4.4)	9.9	31,080	8.5	25,591	(5,488)	(17.7)
Construction Total										
Domestic	936,775	987,170	50,395	5.4	6.4	59,527	8.8	86,611	27,084	45.5
Overseas	300,233	297,026	(3,207)	(1.1)	1.6	4,743	0.9	2,782	(1,961)	(41.3)
Sub-total	1,237,009	1,284,196	47,187	3.8	5.2	64,271	7.0	89,394	25,123	39.1
Real Estate Business and Other										
Real Estate Business	34,884	27,563	(7,321)	(21.0)	24.0	8,373	23.1	6,374	(1,999)	(23.9)
Other	25,056	21,436	(3,620)	(14.4)	5.6	1,405	6.4	1,363	(41)	(3.0)
Sub-total	59,941	49,000	(10,941)	(18.3)	16.3	9,779	15.8	7,737	(2,041)	(20.9)
Total	1,296,951	1,333,197	36,246	2.8	5.7	74,050	7.3	97,132	23,081	31.2

Note: Above were the results related to segment information. Consolidated net sales and consolidated operating income show the amount of net sales for external customers and operating income on net sales for external customers respectively.

2. Non-consolidated results of net sales and gross profit for 3Q of FY2016

(in comparison with 3Q results of FY2015)

(Unit: million yen)

	Net Sales				Gross Profit					
	3Q / FY2015 Result April 1, 2015 - December 31, 2015 (A)	3Q / FY2016 Result April 1, 2016 - December 31, 2016 (B)	Variance (B) - (A)	Variance rate (%)	3Q / FY2015 Result April 1, 2015 - December 31, 2015 (C)	3Q / FY2016 Result April 1, 2016 - December 31, 2016 (D)	Variance (D) - (C)	Variance rate (%)	% Gross Profit	% Gross Profit
Building Construction										
Domestic	657,105	720,125	63,020	9.6	8.8	57,964	12.2	88,034	30,069	51.9
Overseas	14,050	10,426	(3,624)	(25.8)	(1.4)	(195)	(2.0)	(207)	(11)	—
Sub-total	671,156	730,551	59,395	8.8	8.6	57,768	12.0	87,826	30,058	52.0
Civil Engineering										
Domestic	193,967	187,759	(6,207)	(3.2)	15.4	29,839	17.1	32,084	2,244	7.5
Overseas	22,028	26,795	4,767	21.6	22.3	4,915	4.9	1,318	(3,597)	(73.2)
Sub-total	215,995	214,554	(1,440)	(0.7)	16.1	34,755	15.6	33,403	(1,352)	(3.9)
Construction Total										
Domestic	851,072	907,884	56,812	6.7	10.3	87,803	13.2	120,118	32,314	36.8
Overseas	36,079	37,221	1,142	3.2	13.1	4,719	3.0	1,111	(3,608)	(76.5)
Sub-total	887,151	945,106	57,954	6.5	10.4	92,523	12.8	121,230	28,706	31.0
Real Estate Business and Other										
Real Estate Business	12,879	11,358	(1,521)	(11.8)	28.0	3,609	37.5	4,260	651	18.0
Other					10.7	96,133	13.1	125,490	29,357	30.5
Total	900,031	956,465	56,433	6.3						

Note: The non-consolidated quarterly financial statements were prepared in accordance with the Japanese accounting standard for quarterly financial statements, although they are not subject to the disclosure legally required by the related authorities.

3. Consolidated forecasts for net sales and operating income for FY2016

(in comparison with FY2015 results)

(Unit: million yen)

	Consolidated Net Sales				Consolidated Operating Income						
	FY2015 Full Year Result April 1, 2015 March 31, 2016 (A)	FY2016 Full Year Forecast April 1, 2016 March 31, 2017 (B)	Variance (B) - (A)	Variance rate (%)	FY2015 Full Year Result April 1, 2015 March 31, 2016 (C)		FY2016 Full Year Forecast April 1, 2016 March 31, 2017 (D)		Variance (D) - (C)	Variance rate (%)	
	% Gross Profit	% Gross Profit									
Building Construction											
Domestic	932,997	1,031,000	98,002	10.5	5.5	51,697	7.0	72,000	20,302	39.3	
Overseas	337,956	335,000	(2,956)	(0.9)	0.8	2,624	1.3	4,500	1,875	71.5	
Sub-total	1,270,954	1,366,000	95,045	7.5	4.3	54,321	5.6	76,500	22,178	40.8	
Civil Engineering											
Domestic	353,909	348,500	(5,409)	(1.5)	10.4	36,860	8.3	29,000	(7,860)	(21.3)	
Overseas	70,889	80,500	9,610	13.6	3.8	2,664	(1.2)	(1,000)	(3,664)	—	
Sub-total	424,798	429,000	4,201	1.0	9.3	39,525	6.5	28,000	(11,525)	(29.2)	
Construction Total											
Domestic	1,286,906	1,379,500	92,593	7.2	6.9	88,557	7.3	101,000	12,442	14.0	
Overseas	408,846	415,500	6,653	1.6	1.3	5,289	0.8	3,500	(1,789)	(33.8)	
Sub-total	1,695,752	1,795,000	99,247	5.9	5.5	93,847	5.8	104,500	10,652	11.4	
Real Estate Business and Other											
Real Estate Business	47,020	—	—	—	22.2	10,452	—	—	—	—	
Other	35,061	—	—	—	5.9	2,081	—	—	—	—	
Sub-total	82,081	70,000	(12,081)	(14.7)	15.3	12,533	13.6	9,500	(3,033)	(24.2)	
Total	1,777,834	1,865,000	87,165	4.9	6.0	106,380	6.1	114,000	7,619	7.2	

Note: Full year forecasts for FY2016 were not revised from the ones announced on November 8, 2016.

Above were the forecasts related to segment information. Consolidated net sales and consolidated operating income show the amount of net sales for external customers and operating income on net sales for external customers respectively.

The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin".

Due to various factors, the actual results may vary from the forecasts.

4. Non-consolidated forecasts for net sales and gross profit for FY2016

(in comparison with FY2015 results)

(Unit: million yen)

	Net Sales				Gross Profit						
	FY2015 Full Year Result April 1, 2015 March 31, 2016 (A)	FY2016 Full Year Forecast April 1, 2016 March 31, 2017 (B)	Variance (B) - (A)	Variance rate (%)	FY2015 Full Year Result April 1, 2015 March 31, 2016 (C)		FY2016 Full Year Forecast April 1, 2016 March 31, 2017 (D)		Variance (D) - (C)	Variance rate (%)	
	% Gross Profit	% Gross Profit									
Building Construction											
Domestic	892,295	1,000,000	107,704	12.1	9.6	85,725	10.9	108,800	23,074	26.9	
Overseas	16,172	15,000	(1,172)	(7.2)	(0.5)	(74)	(2.0)	(300)	(225)	—	
Sub-total	908,468	1,015,000	106,531	11.7	9.4	85,651	10.7	108,500	22,848	26.7	
Civil Engineering											
Domestic	268,110	265,000	(3,110)	(1.2)	14.9	39,849	14.0	37,000	(2,849)	(7.2)	
Overseas	29,796	40,000	10,203	34.2	17.6	5,251	3.8	1,500	(3,751)	(71.4)	
Sub-total	297,907	305,000	7,092	2.4	15.1	45,101	12.6	38,500	(6,601)	(14.6)	
Construction Total											
Domestic	1,160,406	1,265,000	104,593	9.0	10.8	125,575	11.5	145,800	20,224	16.1	
Overseas	45,968	55,000	9,031	19.6	11.3	5,177	2.2	1,200	(3,977)	(76.8)	
Sub-total	1,206,375	1,320,000	113,624	9.4	10.8	130,752	11.1	147,000	16,247	12.4	
Real Estate Business and Other											
Real Estate Business	28,723	15,000	(13,723)	(47.8)	22.1	6,350	40.0	6,000	(350)	(5.5)	
Total	1,235,098	1,335,000	99,901	8.1	11.1	137,103	11.5	153,000	15,896	11.6	

Note: Full year forecasts for FY2016 were not revised from the ones announced on November 8, 2016.

The forecasts above were prepared on the basis of information available at the time of the release of Japanese "Kessan Tanshin".

Due to various factors, the actual results may vary from the forecasts.

Non-consolidated orders received, net sales and carried-forward

(For reference purpose only)

1. Breakdown of non-consolidated orders received

(Unit: million yen)

	3Q/FY2015 April 1, 2015 - December 31, 2015		3Q/FY2016 April 1, 2016 - December 31, 2016		Variance		Previous FY Results April 1, 2015 - March 31, 2016	
		% proportion		% proportion		% variance		% proportion
Building Construction								
Domestic Public	117,538	12.2	83,278	9.5	(34,259)	(29.1)	143,717	10.1
Domestic Private	567,622	58.9	596,309	67.8	28,686	5.1	908,842	63.6
Domestic total	685,161	71.1	679,587	77.3	(5,573)	(0.8)	1,052,559	73.7
Overseas total	12,064	1.2	3,838	0.4	(8,226)	(68.2)	17,137	1.2
Sub-total	697,225	72.3	683,426	77.7	(13,799)	(2.0)	1,069,697	74.9
Civil Engineering								
Domestic Public	99,246	10.3	88,560	10.1	(10,686)	(10.8)	157,467	11.0
Domestic Private	105,604	11.0	80,197	9.1	(25,406)	(24.1)	131,182	9.2
Domestic total	204,850	21.3	168,757	19.2	(36,093)	(17.6)	288,650	20.2
Overseas total	40,391	4.2	15,617	1.8	(24,773)	(61.3)	41,933	2.9
Sub-total	245,242	25.5	184,375	21.0	(60,866)	(24.8)	330,584	23.1
Construction Total								
Domestic Public	216,784	22.5	171,838	19.6	(44,946)	(20.7)	301,185	21.1
Domestic Private	673,227	69.9	676,507	76.9	3,280	0.5	1,040,024	72.8
Domestic total	890,012	92.4	848,345	96.5	(41,666)	(4.7)	1,341,210	93.9
Overseas total	52,456	5.4	19,456	2.2	(33,000)	(62.9)	59,071	4.1
Sub-total	942,468	97.8	867,802	98.7	(74,666)	(7.9)	1,400,281	98.0
Real Estate Business and Other	21,329	2.2	11,506	1.3	(9,823)	(46.1)	28,673	2.0
Total	963,798	100	879,308	100	(84,489)	(8.8)	1,428,954	100

2. Breakdown of non-consolidated net sales

(Unit: million yen)

	3Q/FY2015 April 1, 2015 - December 31, 2015		3Q/FY2016 April 1, 2016 - December 31, 2016		Variance		Previous FY Results April 1, 2015 - March 31, 2016	
		% proportion		% proportion		% variance		% proportion
Building Construction								
Domestic Public	66,803	7.4	43,450	4.6	(23,352)	(35.0)	82,997	6.8
Domestic Private	590,302	65.6	676,675	70.7	86,372	14.6	809,298	65.5
Domestic total	657,105	73.0	720,125	75.3	63,020	9.6	892,295	72.3
Overseas total	14,050	1.6	10,426	1.1	(3,624)	(25.8)	16,172	1.3
Sub-total	671,156	74.6	730,551	76.4	59,395	8.8	908,468	73.6
Civil Engineering								
Domestic Public	111,472	12.4	116,248	12.1	4,775	4.3	155,820	12.6
Domestic Private	82,494	9.2	71,511	7.5	(10,983)	(13.3)	112,289	9.1
Domestic total	193,967	21.6	187,759	19.6	(6,207)	(3.2)	268,110	21.7
Overseas total	22,028	2.4	26,795	2.8	4,767	21.6	29,796	2.4
Sub-total	215,995	24.0	214,554	22.4	(1,440)	(0.7)	297,907	24.1
Construction Total								
Domestic Public	178,275	19.8	159,698	16.7	(18,577)	(10.4)	238,818	19.4
Domestic Private	672,796	74.8	748,186	78.2	75,389	11.2	921,588	74.6
Domestic total	851,072	94.6	907,884	94.9	56,812	6.7	1,160,406	94.0
Overseas total	36,079	4.0	37,221	3.9	1,142	3.2	45,968	3.7
Sub-total	887,151	98.6	945,106	98.8	57,954	6.5	1,206,375	97.7
Real Estate Business and Other	12,879	1.4	11,358	1.2	(1,521)	(11.8)	28,723	2.3
Total	900,031	100	956,465	100	56,433	6.3	1,235,098	100

3. Breakdown of non-consolidated amounts carried-forward

(Unit: million yen)

	At December 31, 2015		At December 31, 2016		Variance		At the end of Previous FY (March 31, 2016)	
		% proportion		% proportion		% variance		% proportion
Building Construction								
Domestic Public	134,651	8.9	184,464	11.7	49,812	37.0	144,636	8.7
Domestic Private	903,177	59.3	945,035	60.0	41,858	4.6	1,025,401	62.1
Domestic total	1,037,828	68.2	1,129,499	71.7	91,670	8.8	1,170,037	70.8
Overseas total	19,370	1.3	15,734	1.0	(3,636)	(18.8)	22,321	1.4
Sub-total	1,057,199	69.5	1,145,233	72.7	88,034	8.3	1,192,358	72.2
Civil Engineering								
Domestic Public	269,553	17.7	255,738	16.3	(13,814)	(5.1)	283,426	17.2
Domestic Private	112,024	7.4	116,493	7.4	4,469	4.0	107,806	6.5
Domestic total	381,577	25.1	372,232	23.7	(9,345)	(2.4)	391,233	23.7
Overseas total	74,210	4.8	56,806	3.6	(17,403)	(23.5)	67,984	4.1
Sub-total	455,787	29.9	429,038	27.3	(26,749)	(5.9)	459,217	27.8
Construction Total								
Domestic Public	404,204	26.6	440,202	28.0	35,997	8.9	428,062	25.9
Domestic Private	1,015,201	66.7	1,061,528	67.4	46,327	4.6	1,133,207	68.6
Domestic total	1,419,406	93.3	1,501,731	95.4	82,324	5.8	1,561,270	94.5
Overseas total	93,580	6.1	72,540	4.6	(21,039)	(22.5)	90,306	5.5
Sub-total	1,512,987	99.4	1,574,272	100.0	61,285	4.1	1,651,576	100
Real Estate Business and Other	8,500	0.6	147	0.0	(8,352)	(98.3)	—	—
Total	1,521,487	100	1,574,419	100	52,932	3.5	1,651,576	100

Note: The non-consolidated quarterly financial statements were prepared in accordance with the Japanese accounting standard for quarterly financial statements, although they are not subject to the disclosure legally required by the related authorities.