

4th Quarter Financial Results

(April 1, 2019 to March 31, 2020)

May 15, 2020

OBAYASHI CORPORATION



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Disclaimer: This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on May 15, 2020. 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. In the case this document includes forward-looking statements based on the information available at the time the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" were released. Actual results may vary from the forward-looking statements contained herein due to various factors. Obayashi Corporation (non-consolidated) is called the "Company" in these materials.

1 Summary of Financial Results

(1) Consolidated Financial Results for Fiscal Year Ended March 31, 2020

① Consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%
FY Ended March 31, 2020	2,073,043	1.6	152,871	(1.7)	159,005	(2.5)	113,093	(0.1)
FY Ended March 31, 2019	2,039,685	7.3	155,480	12.8	163,054	13.3	113,155	22.1

(Note) Comprehensive income : [FY Ended March 31, 2020] 78,465 million yen, (27.1)% ; [FY Ended March 31, 2019] 107,691 million yen, (7.4)%

	Profit attributable to owners of parent per Share (EPS)	Net Income Shareholders' Equity Ratio (ROE)	Ordinary Income-Total Assets Ratio	Operating Income-Net Sales Ratio
	Yen	%	%	%
FY Ended March 31, 2020	157.59	14.3	7.2	7.4
FY Ended March 31, 2019	157.65	15.6	7.5	7.6

(For reference) Share of profit (loss) of entities accounted for using equity method : [FY Ended March 31, 2020] 357 million yen ; [FY Ended March 31, 2019] 408 million yen

② Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
	Yen in millions	Yen in millions	%	Yen
As of March 31, 2020	2,230,297	850,498	36.7	1,139.69
As of March 31, 2019	2,214,512	798,149	34.7	1,071.49

(For reference) Equity (net assets less non-controlling interests) : [As of March 31, 2020] 817,892 million yen ; [As of March 31, 2019] 768,944 million yen

③ Consolidated Cash Flows

	From operating activities	From investment activities	From financing activities	Cash and cash equivalents at FY end
	Yen in millions	Yen in millions	Yen in millions	Yen in millions
FY Ended March 31, 2020	237,628	(47,318)	(49,397)	298,945
FY Ended March 31, 2019	44,203	(45,302)	(24,823)	157,699

(2) Consolidated Forecast for Fiscal Year Ending March 31, 2021

We are in the process of verifying the impact of the spread of the novel coronavirus and have not yet determined the outlook for consolidated performance in fiscal year ending March 31, 2021 because it is difficult to produce reasonable estimates at present. We will promptly disclose consolidated forecasts once it becomes possible to calculate them.

(3) Non-consolidated Financial Results for Fiscal Year Ended March 31, 2020

① Non-consolidated Business Results

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
FY Ended March 31, 2020	1,416,361	1.3	113,019	(8.3)	121,614	(10.4)	88,480	(10.1)	123.29
FY Ended March 31, 2019	1,398,286	8.1	123,266	12.3	135,714	15.2	98,435	22.0	137.14

② Non-consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share (BPS)
	Yen in millions	Yen in millions	%	Yen
As of March 31, 2020	1,704,670	656,156	38.5	914.31
As of March 31, 2019	1,700,931	637,248	37.5	887.98

(For reference) Equity (net assets less non-controlling interests) : [As of March 31, 2020] 656,156 million yen ; [As of March 31, 2019] 637,248 million yen

(5) Dividends

	Dividend per Share					Total dividends paid (full year)	Dividend Payout Ratio (Consolidated)	Dividends-Net Assets Ratio (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total			
FY ended March 31, 2019	—	14.00	—	18.00	32.00	22,977	20.3	3.2
FY ended March 31, 2020	—	16.00	—	16.00	32.00	22,977	20.3	2.9
FY ending March 31, 2021 (including Forecast)	—	—	—	—	—		—	

(Note) The dividend forecast for fiscal year ending March 31, 2021 has not been determined at present. We will disclose the dividend forecast along with the consolidated performance forecasts once it becomes possible to calculate the performance forecasts.

2 Qualitative Information

1) Overview of consolidated business results

(1) Consolidated performance for fiscal year ended March 31, 2020

During fiscal year ended March 31, 2020, the Japanese economy continued to recover gradually, aided by increased consumer spending and private-sector capital investment, among other factors. However, the economic impact from the spread of the novel coronavirus (COVID-19) toward the end of the fiscal year has expanded worldwide, and an extremely severe environment in which we cannot make immediate and future projections persists.

Orders placed for both public and private-sector construction in the domestic construction market were generally firm during the fiscal year, sustaining the favorable environment for receiving orders. However, we cannot let our guard down on the future outlook, owing to the impact that the spread of the novel coronavirus is having on the economy.

Amid these conditions, our consolidated net sales for fiscal year ended March 31, 2020 amounted to 2,073.0 billion yen, an increase of 33.3 billion yen (1.6%) from the previous fiscal year. This was primarily due to an increase in completed construction contracts in the domestic building construction business. On the earnings front, gross profit on completed construction contracts in the domestic building construction business declined. This and other factors caused operating income to decrease by 2.6 billion yen (1.7%) from the previous fiscal year to 152.8 billion yen. Ordinary income fell by 4.0 billion yen (2.5%) year-on-year to 159.0 billion yen, and profit attributable to owners of parent decreased by 60 million yen (0.1%) year-on-year to 113.0 billion yen.

The Obayashi Group consolidated performance by business segment for fiscal year ended March 31, 2020 was as follows:

a. Construction business

Consolidated construction orders received increased by 276.0 billion yen (14.7%) over the previous year to 2,149.7 billion yen, due to growth in the domestic building construction business and the overseas civil engineering business of Obayashi Corporation (non-consolidated, hereafter, the "Company"). More specifically, orders received for domestic building construction were 1,250.9 billion yen; for overseas building construction, 426.0 billion yen; for domestic civil engineering, 327.8 billion yen; and for overseas civil engineering, 144.9 billion yen.

Non-consolidated orders received rose by 226.4 billion yen (17.3%) from the previous fiscal year to 1,532.4 billion yen. More specifically, orders received for building construction rose by 161.2 billion yen (15.4%) to 1,205.6 billion yen and orders received for civil engineering rose by 65.2 billion yen (24.9%) to 326.8 billion yen.

Consolidated net sales for the construction business increased by 6.9 billion yen (0.4%) from the previous fiscal year to 1,952.4 billion yen, primarily due to an increase in net sales in Company's domestic building construction business and the overseas civil engineering business of group subsidiaries. More specifically, net sales for domestic building construction were 1,138.9 billion yen; for overseas building construction, 398.5 billion yen; for domestic civil engineering, 342.7 billion yen; and for overseas civil engineering, 72.2 billion yen. Operating income decreased by 4.9 billion yen (3.5%) to 137.2 billion yen from the previous fiscal year, mainly due to a decrease in the gross profit margin for the Company's domestic building construction business.

Non-consolidated net sales increased by 16.1 billion yen (1.2%) over the previous fiscal year to 1,392.8 billion yen. More specifically, building construction sales increased 26.6 billion yen (2.5%) year-on-year to 1,111.8 billion yen and civil engineering sales decreased by 10.4 billion yen (3.6%) year-on-year to 280.9 billion yen.

b. Real estate business

Consolidated net sales for the real estate business increased by 5.9 billion yen (12.1%) to 55.0 billion yen and operating income increased by 2.6 billion yen (25.1%) to 13.2 billion yen from the previous fiscal year, primarily due to growth in sales of real estate for sale by subsidiaries.

c. Other businesses

Consolidated net sales of other businesses increased by 20.5 billion yen (45.5%) to 65.5 billion yen, primarily due to sales posted for a large project involving a private finance initiative. Operating income decreased by 0.3 billion yen (12.1%) to 2.3 billion yen from the previous fiscal year.

<Consolidated Net Sales and Operating Income by Segment>

(Yen in millions)

Segment	Construction business					Real estate business	Other businesses	Total
	Domestic building construction	Overseas building construction	Domestic civil engineering	Overseas civil engineering	Total construction business			
Net sales	1,138,934	398,564	342,704	72,215	1,952,419	55,043	65,580	2,073,043
Operating income	82,680	10,773	39,602	4,217	137,274	13,256	2,340	152,871

(2) Outlook for consolidated performance for fiscal year ending March 31, 2021

We are in the process of verifying the impact of the spread of the novel coronavirus and have not yet determined the outlook for consolidated performance in fiscal year ending March 31, 2021 because it is difficult to produce reasonable estimates at present. We will promptly disclose consolidated forecasts once it becomes possible to calculate them.

2) Overview of consolidated financial position

Total assets as of March 31, 2020 increased by 15.7 billion yen (0.7%) compared with the balance at the end of the previous fiscal year to 2,230.2 billion yen. This was mainly due to an increase in "Cash and deposits," and an increase in "Land" and "Construction in progress" due to the purchase of real estate for business use, which more than compensated for the decline in trade receivables related to construction contracts, which are the sum of "Notes and accounts receivable from completed construction contracts and other" and "Electronically recorded monetary claims," and a decline in "Investment securities" due to a decline in the market value of shares held.

Total liabilities as of March 31, 2020 decreased by 36.5 billion yen (2.6%) to 1,379.7 billion yen compared with the balance at the end of the previous fiscal year. This was mainly due to a decrease in "Deferred tax liabilities" due to a decrease in valuation gains on investment securities and a decrease in "Non-recourse loans" and other interest-bearing debt. The consolidated balance of interest-bearing debt as of March 31, 2020 decreased by 23.6 billion yen (8.7%) to 248.5 billion yen compared with the balance at the end of the previous fiscal year.

Total net assets as of March 31, 2020 increased by 52.3 billion yen (6.6%) compared with the balance at the end of the previous fiscal year to 850.4 billion yen. This resulted mainly from an increase in "Retained earnings" due to the recognition of profit attributable to owners of parent, which more than covered for the decrease in "Valuation difference on available-for-sale securities."

As a result, the equity ratio as of March 31, 2020 was 36.7%, up 2.0 percentage points from the end of the previous fiscal year.

3) Overview of consolidated cash flows

During fiscal year ended March 31, 2020, net cash provided by operating activities amounted to 237.6 billion yen, primarily due to a steady increase in net cash inflow in the domestic construction business (net cash provided by operating activities amounted to 44.2 billion yen in the previous fiscal year). Net cash used in investment activities amounted to 47.3 billion yen, primarily due to the purchase of real estate for business use and the purchase of machinery and equipment (net cash used in investment activities amounted to 45.3 billion yen in the previous fiscal year). Net cash used in financing activities amounted to 49.3 billion, primarily due to payment of dividends and repayment of loans (net cash used in financing activities amounted to 24.8 billion yen in the previous fiscal year).

Consequently, cash and cash equivalents as of March 31, 2020 increased by 141.2 billion yen to 298.9 billion yen compared with the balance at the end of the previous fiscal year.

4) Response to novel coronavirus

(1) Obayashi Group response

<Establishment of a task force>

The Task Force on The Emergence of the Novel Coronavirus was established on February 17, 2020, with the president as the head of the task force. This task force was given the mission of collecting information, formulating

response plans, and issuing directives to the entire Company.

<Response to the Declaration of a State of Emergency>

In response to the Declaration of a State of Emergency issued by the Japanese government on April 7, 2020, Obayashi Group is helping to prevent the spread of the coronavirus and is placing highest priority on protecting the physical health, life, and safety of people involved in the Group, including our suppliers.

[Construction Sites]

We have carefully examined each construction project in regard to processes and response to the novel coronavirus and discussed these projects with the customers who placed the orders. The decision was made to suspend construction during the emergency declaration period on those projects for which consent was obtained from the customer. For projects that need to continue due to high urgency or other reasons, we rigorously verified whether measures could be implemented to ensure the safety of our employees and the workers of our suppliers by avoiding the three crowded conditions of “close contacts, crowded places and closed spaces” and decided to continue construction work while taking steps to maintain physical distancing during work, among other steps.

[Office functions]

After preparing an ICT environment for telecommuting, we implemented telecommuting for office functions, in principle.

A 16-day shutdown was also declared for the entire Company from April 25 through May 10, 2020.

<Response when someone contracts the virus>

Multiple Company employees and supplier employees who work in our construction sites have also contracted the virus. Once they were infected, a record of their movements was immediately confirmed and the Company cooperated with the investigation of the public health center into persons deemed to have come into close contact with the infected individuals. The Company then followed the directives of the public health center on having individuals who came into close contact quarantine at home, disinfection of the office, and other steps to prevent spread of the infectious virus and to minimize the impact on the business.

(2) Impact on Obayashi Group businesses

For domestic construction projects, the impact includes the above-noted suspension of construction on projects for which consent of the customer was obtained during the emergency declaration period. We are also seeing an impact on our overseas construction business as many construction projects are suspended due to stay-at-home orders in affected areas. We are currently in the process of verifying the impact on business performance, and will disclose performance forecasts for the fiscal year ending March 31, 2021 when it becomes possible to calculate the forecasts. We will continue to ascertain the latest trends, allocate management resources in an optimal manner, and take other steps needed to respond, while also working to disclose accurate information to all of our shareholders and other stakeholders in a timely manner.

5) Basic policy regarding the allocation of profits and dividend payout plan for fiscal years ended March 31, 2020 and March 31, 2021

Our profit allocation policy is to sustain stable dividend payouts to our shareholders over the long term for a target payout ratio of 20% to 30%, provide shareholders with returns commensurate with the Group's performance, and also consider the purchase of treasury stock. In doing so, we will take into account the need to enhance internal reserves to further strengthen the Company's financial base, develop technologies, and make capital investments for the future.

For fiscal year ended March 31, 2020, the Company expects to declare an annual dividend of 32 yen per share (on par with the previous fiscal year, for a dividend payout ratio of 20.3%). Accordingly, deduction of the midterm dividend of 16 yen will result in an expected year-end dividend of 16 yen per share.

The dividend forecast for next fiscal year will be disclosed promptly once it becomes possible to calculate the business performance forecast for fiscal year ending March 31, 2021.

3 Financial Highlights

(1) Financial Results for Fiscal Year Ended March 31, 2020 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2018 - March 31, 2019		Results April 1, 2019 - March 31, 2020		Change	% Change	Results April 1, 2018 - March 31, 2019		Results April 1, 2019 - March 31, 2020		Change	% Change
Net sales of completed construction contracts	%	19,455	%	19,524	69	0.4	%	13,766	%	13,928	161	1.2
Building Construction		—		—	—	—		10,852		11,118	266	2.5
Civil Engineering		—		—	—	—		2,914		2,809	(104)	(3.6)
Gross profit on completed construction contracts	11.9	2,311	11.9	2,316	4	0.2	13.5	1,853	12.9	1,793	(59)	(3.2)
Building Construction		—		—	—	—	12.2	1,326	11.2	1,240	(85)	(6.4)
Civil Engineering		—		—	—	—	18.1	527	19.7	552	25	4.9
Net sales of real estate business and other		941		1,206	264	28.1		215		235	19	9.0
Gross profit on real estate business and other	24.3	228	19.8	238	10	4.5	24.7	53	20.1	47	(5)	(11.1)
Net sales		20,396		20,730	333	1.6		13,982		14,163	180	1.3
Gross profit	12.5	2,540	12.3	2,555	15	0.6	13.6	1,906	13.0	1,841	(65)	(3.4)
Selling, general and administrative expenses	4.9	985	4.9	1,026	41	4.2	4.8	673	5.0	710	37	5.5
(Personnel expenses)		562		577	15			367		374	7	
(Others)		423		449	26			306		336	30	
Operating income	7.6	1,554	7.4	1,528	(26)	(1.7)	8.8	1,232	8.0	1,130	(102)	(8.3)
Non-operating income		107		110	3	2.9		148		122	(25)	(17.5)
Non-operating expenses		31		49	17	54.7		24		36	12	52.0
(interests received/paid and dividend income - net)		75		77	2			131		107	(23)	
Ordinary income	8.0	1,630	7.7	1,590	(40)	(2.5)	9.7	1,357	8.6	1,216	(141)	(10.4)
Extraordinary income		28		79	50	177.6		61		56	(4)	(8.1)
Extraordinary loss		12		44	31	248.2		26		38	12	46.8
Income before income taxes	8.1	1,646	7.8	1,625	(21)	(1.3)	10.0	1,392	8.7	1,234	(158)	(11.4)
Total income taxes		482		453	(29)	(6.1)		408		349	(58)	(14.4)
Profit		1,163		1,171	7	0.7		—		—	—	—
Profit attributable to non-controlling interests (deduction)		32		40	8	26.6		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.5	1,131	5.5	1,130	(0)	(0.1)	7.0	984	6.2	884	(99)	(10.1)

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2018 - March 31, 2019		Results April 1, 2019 - March 31, 2020		Change	% Change	Results April 1, 2018 - March 31, 2019		Results April 1, 2019 - March 31, 2020		Change	% Change
Building Construction		14,692		16,770	2,078	14.1		10,443		12,056	1,612	15.4
Domestic		11,039		12,509	1,470	13.3		10,387		11,934	1,547	14.9
Overseas		3,652		4,260	607	16.6		55		121	65	117.2
Civil Engineering		4,045		4,727	682	16.9		2,616		3,268	652	24.9
Domestic		3,222		3,278	56	1.7		2,444		2,473	28	1.2
Overseas		823		1,449	626	76.1		171		795	623	362.3
Construction Total		18,737		21,497	2,760	14.7		13,059		15,324	2,264	17.3
Domestic		14,261		15,788	1,526	10.7		12,831		14,407	1,576	12.3
Overseas		4,475		5,709	1,233	27.6		227		916	688	302.2
Real Estate Business and Other		851		902	50	6.0		216		234	18	8.5
Total Orders received		19,588		22,400	2,811	14.4		13,275		15,559	2,283	17.2

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	March 31, 2019		March 31, 2020		Change	% Change	March 31, 2019		March 31, 2020		Change	% Change
Interest-bearing debt (except nonrecourse loans)		1,830		1,729	(101)	(5.5)		1,500		1,491	(8)	(0.6)
Nonrecourse loans		891		756	(135)	(15.2)		—		—	—	—
Total Interest-bearing debt		2,722		2,485	(236)	(8.7)		1,500		1,491	(8)	(0.6)

(2) Financial Results for Fiscal Year Ended March 31, 2020 (Comparison with the latest forecast)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Forecasts announced on February 12, 2020		Results April 1, 2019 - March 31, 2020		Change	% Change	Forecasts announced on February 12, 2020		Results April 1, 2019 - March 31, 2020		Change	% Change
	%		%				%		%			
Net sales of completed construction contracts		19,050		19,524	474	2.5		13,550		13,928	378	2.8
Building Construction		—		—	—	—		10,800		11,118	318	2.9
Civil Engineering		—		—	—	—		2,750		2,809	59	2.2
Gross profit on completed construction contracts	11.8	2,255	11.9	2,316	61	2.7	13.1	1,775	12.9	1,793	18	1.1
Building Construction		—		—	—	—	12.0	1,300	11.2	1,240	(59)	(4.6)
Civil Engineering		—		—	—	—	17.3	475	19.7	552	77	16.4
Net sales of real estate business and other		1,250		1,206	(43)	(3.5)		230		235	5	2.3
Gross profit on real estate business and other	19.6	245	19.8	238	(6)	(2.5)	23.9	55	20.1	47	(7)	(13.9)
Net sales		20,300		20,730	430	2.1		13,780		14,163	383	2.8
Gross profit	12.3	2,500	12.3	2,555	55	2.2	13.3	1,830	13.0	1,841	11	0.6
Selling, general and administrative expenses (Personnel expenses)	4.9	1,000	4.9	1,026	26	2.7	5.1	695	5.0	710	15	2.3
(Others)		570		577	7			380		374	(6)	
Operating income	7.4	1,500	7.4	1,528	28	1.9	8.2	1,135	8.0	1,130	(4)	(0.4)
Non-operating income		90		110	20	23.1		110		122	12	11.5
Non-operating expenses (interests received/paid and dividend income - net)		25		49	24	97.8		15		36	21	144.8
		65		77	12			100		107	7	
Ordinary income	7.7	1,565	7.7	1,590	25	1.6	8.9	1,230	8.6	1,216	(13)	(1.1)
Extraordinary income		50		79	29	58.1		40		56	16	41.4
Extraordinary loss		20		44	24	120.3		10		38	28	284.9
Income before income taxes	7.9	1,595	7.8	1,625	30	1.9	9.1	1,260	8.7	1,234	(25)	(2.0)
Total income taxes		465		453	(11)	(2.5)		365		349	(15)	(4.3)
Profit		1,130		1,171	41	3.7		—		—	—	—
Profit attributable to non-controlling interests (deduction)		30		40	10	35.6		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.4	1,100	5.5	1,130	30	2.8	6.5	895	6.2	884	(10)	(1.1)

Orders Received

(Yen in 100 millions)

	Consolidated				Non-consolidated							
	Forecasts announced on February 12, 2020		Results April 1, 2019 - March 31, 2020		Change	% Change	Forecasts announced on February 12, 2020		Results April 1, 2019 - March 31, 2020		Change	% Change
Building Construction		14,400		16,770	2,370	16.5		10,200		12,056	1,856	18.2
Domestic		10,900		12,509	1,609	14.8		10,200		11,934	1,734	17.0
Overseas		3,500		4,260	760	21.7		—		121	121	—
Civil Engineering		4,400		4,727	327	7.4		3,100		3,268	168	5.4
Domestic		3,500		3,278	(221)	(6.3)		2,620		2,473	(146)	(5.6)
Overseas		900		1,449	549	61.0		480		795	315	65.7
Construction Total		18,800		21,497	2,697	14.4		13,300		15,324	2,024	15.2
Domestic		14,400		15,788	1,388	9.6		12,820		14,407	1,587	12.4
Overseas		4,400		5,709	1,309	29.8		480		916	436	91.0
Real Estate Business and Other		850		902	52	6.1		230		234	4	2.1
Total Orders received		19,650		22,400	2,750	14.0		13,530		15,559	2,029	15.0

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated							
	Forecasts announced on February 12, 2020		March 31, 2020		Change	% Change	Forecasts announced on February 12, 2020		March 31, 2020		Change	% Change
Interest-bearing debt (except nonrecourse loans)		1,700		1,729	29	1.7		1,400		1,491	91	6.6
Nonrecourse loans		900		756	(143)	(16.0)		—		—	—	—
Total Interest-bearing debt		2,600		2,485	(114)	(4.4)		1,400		1,491	91	6.6

4 Operating Results and Forecasts for Reportable Segments

(1) Operating Results for Fiscal Year Ended March 31, 2020 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results April 1, 2018 - March 31, 2019	Results April 1, 2019 - March 31, 2020	Change	% Change	Results April 1, 2018 - March 31, 2019		Results April 1, 2019 - March 31, 2020		Change	% Change
					% Profit		% Profit			
Building Construction										
Domestic	1,126,556	1,138,934	12,378	1.1	8.3	93,704	7.3	82,680	(11,023)	(11.8)
Overseas	408,715	398,564	(10,150)	(2.5)	1.7	6,763	2.7	10,773	4,010	59.3
Subtotal	1,535,271	1,537,499	2,228	0.1	6.5	100,467	6.1	93,454	(7,013)	(7.0)
Civil Engineering										
Domestic	351,372	342,704	(8,668)	(2.5)	11.3	39,782	11.6	39,602	(180)	(0.5)
Overseas	58,870	72,215	13,345	22.7	3.3	1,969	5.8	4,217	2,248	114.2
Subtotal	410,242	414,919	4,676	1.1	10.2	41,751	10.6	43,820	2,068	5.0
Construction Total										
Domestic	1,477,929	1,481,639	3,710	0.3	9.0	133,487	8.3	122,283	(11,204)	(8.4)
Overseas	467,585	470,780	3,194	0.7	1.9	8,732	3.2	14,991	6,259	71.7
Subtotal	1,945,514	1,952,419	6,904	0.4	7.3	142,219	7.0	137,274	(4,944)	(3.5)
Real Estate Business and Other										
Real Estate Business	49,105	55,043	5,937	12.1	21.6	10,597	24.1	13,256	2,658	25.1
Other	45,064	65,580	20,515	45.5	5.9	2,663	3.6	2,340	(322)	(12.1)
Subtotal	94,170	120,623	26,453	28.1	14.1	13,260	12.9	15,596	2,335	17.6
Total	2,039,685	2,073,043	33,358	1.6	7.6	155,480	7.4	152,871	(2,608)	(1.7)

※ The figures in the table above show segment results. 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 April 1, 2018 - March 31, 2019	Results April 1, 2019 - March 31, 2020	Change	% Change	Results April 1, 2018 - March 31, 2019		Results April 1, 2019 - March 31, 2020		Change	% Change
					% Gross Profit		% Gross Profit			
Building Construction										
Domestic	1,076,398	1,099,515	23,116	2.1	12.3	132,599	11.2	123,254	(9,345)	(7.0)
Overseas	8,843	12,329	3,485	39.4	0.0	0	6.7	821	820	—
Subtotal	1,085,242	1,111,845	26,602	2.5	12.2	132,600	11.2	124,076	(8,524)	(6.4)
Civil Engineering										
Domestic	269,380	262,169	(7,210)	(2.7)	18.1	48,813	19.1	50,050	1,237	2.5
Overseas	22,065	18,810	(3,255)	(14.8)	17.6	3,888	27.8	5,237	1,349	34.7
Subtotal	291,446	280,979	(10,466)	(3.6)	18.1	52,701	19.7	55,288	2,587	4.9
Construction Total										
Domestic	1,345,779	1,361,685	15,906	1.2	13.5	181,412	12.7	173,305	(8,107)	(4.5)
Overseas	30,909	31,139	230	0.7	12.6	3,889	19.5	6,059	2,169	55.8
Subtotal	1,376,688	1,392,825	16,136	1.2	13.5	185,302	12.9	179,365	(5,937)	(3.2)
Real Estate Business and Other										
Real Estate Business	21,597	23,536	1,938	9.0	24.7	5,325	20.1	4,736	(588)	(11.1)
Subtotal	21,597	23,536	1,938	9.0	24.7	5,325	20.1	4,736	(588)	(11.1)
Total	1,398,286	1,416,361	18,075	1.3	13.6	190,628	13.0	184,101	(6,526)	(3.4)

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

(1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	April 1, 2018 - March 31, 2019		April 1, 2019 - March 31, 2020		Change	
		% of Total		% of Total		% Change
<u>Building Construction</u>						
Domestic Public	18,264	1.4	141,590	9.1	123,326	675.2
Domestic Private	1,020,474	76.9	1,051,865	67.6	31,391	3.1
Domestic total	1,038,739	78.3	1,193,456	76.7	154,717	14.9
Overseas total	5,594	0.4	12,151	0.8	6,556	117.2
Subtotal	1,044,333	78.7	1,205,607	77.5	161,273	15.4
<u>Civil Engineering</u>						
Domestic Public	132,353	10.0	110,135	7.1	(22,217)	(16.8)
Domestic Private	112,067	8.4	137,178	8.8	25,111	22.4
Domestic total	244,420	18.4	247,314	15.9	2,893	1.2
Overseas total	17,198	1.3	79,513	5.1	62,314	362.3
Subtotal	261,618	19.7	326,827	21.0	65,208	24.9
<u>Construction Total</u>						
Domestic Public	150,617	11.4	251,726	16.2	101,108	67.1
Domestic Private	1,132,541	85.3	1,189,044	76.4	56,502	5.0
Domestic total	1,283,159	96.7	1,440,770	92.6	157,610	12.3
Overseas total	22,792	1.7	91,664	5.9	68,871	302.2
Subtotal	1,305,952	98.4	1,532,434	98.5	226,482	17.3
Real Estate Business and Other	21,641	1.6	23,491	1.5	1,849	8.5
Total	1,327,594	100	1,555,926	100	228,332	17.2

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	April 1, 2018 - March 31, 2019		April 1, 2019 - March 31, 2020		Change	
		% of Total		% of Total		% Change
<u>Building Construction</u>						
Domestic Public	68,791	4.9	76,180	5.4	7,389	10.7
Domestic Private	1,007,606	72.1	1,023,334	72.2	15,727	1.6
Domestic total	1,076,398	77.0	1,099,515	77.6	23,116	2.1
Overseas total	8,843	0.6	12,329	0.9	3,485	39.4
Subtotal	1,085,242	77.6	1,111,845	78.5	26,602	2.5
<u>Civil Engineering</u>						
Domestic Public	168,204	12.0	160,570	11.3	(7,633)	(4.5)
Domestic Private	101,176	7.2	101,599	7.2	423	0.4
Domestic total	269,380	19.2	262,169	18.5	(7,210)	(2.7)
Overseas total	22,065	1.6	18,810	1.3	(3,255)	(14.8)
Subtotal	291,446	20.8	280,979	19.8	(10,466)	(3.6)
<u>Construction Total</u>						
Domestic Public	236,995	16.9	236,751	16.7	(244)	(0.1)
Domestic Private	1,108,783	79.3	1,124,934	79.4	16,151	1.5
Domestic total	1,345,779	96.2	1,361,685	96.1	15,906	1.2
Overseas total	30,909	2.2	31,139	2.2	230	0.7
Subtotal	1,376,688	98.4	1,392,825	98.3	16,136	1.2
Real Estate Business and Other	21,597	1.6	23,536	1.7	1,938	9.0
Total	1,398,286	100	1,416,361	100	18,075	1.3

(3) Breakdown of Non-consolidated Projects in Process

(Yen in millions)

	March 31, 2019		March 31, 2020		Change	
		% of Total		% of Total		% Change
<u>Building Construction</u>						
Domestic Public	94,316	5.6	159,725	8.8	65,409	69.4
Domestic Private	1,113,459	66.7	1,141,990	63.1	28,530	2.6
Domestic total	1,207,776	72.3	1,301,716	71.9	93,940	7.8
Overseas total	11,273	0.7	11,094	0.6	(178)	(1.6)
Subtotal	1,219,049	73.0	1,312,811	72.5	93,761	7.7
<u>Civil Engineering</u>						
Domestic Public	274,081	16.4	223,647	12.4	(50,434)	(18.4)
Domestic Private	147,357	8.8	182,936	10.1	35,578	24.1
Domestic total	421,439	25.2	406,584	22.5	(14,855)	(3.5)
Overseas total	29,560	1.8	90,263	5.0	60,702	205.4
Subtotal	451,000	27.0	496,847	27.5	45,847	10.2
<u>Construction Total</u>						
Domestic Public	368,398	22.0	383,373	21.2	14,975	4.1
Domestic Private	1,260,817	75.5	1,324,927	73.2	64,109	5.1
Domestic total	1,629,215	97.5	1,708,300	94.4	79,085	4.9
Overseas total	40,833	2.5	101,357	5.6	60,524	148.2
Subtotal	1,670,049	100.0	1,809,658	100	139,609	8.4
Real Estate Business and Other	44	0.0	—	—	(44)	(100.0)
Total	1,670,093	100	1,809,658	100	139,564	8.4

6 Main Projects

(1) Orders Received

Owner	Project Name
Mita 3,4-chome District Urban Redevelopment Association	Mita 3,4-chome District Class 1 Urban Redevelopment Projects, Tower 1 Construction Project
Fighters Sports & Entertainment Co., Ltd.	ES CON FIELD HOKKAIDO Construction Project
Shiseido Company, Limited	(Tentative name) Shiseido Fukuoka Kurume Factory Construction Project
Department of Rapid Transit Systems, Taoyuan	Taoyuan MRT Green Line GC03 Civil Construction Project (Taiwan)
MUFG Bank, Ltd.	(Tentative name) N3 Construction Project
Maguire Properties - 775 South Figueroa, LLC	945 W 8th Street (U.S.A.) ※

※ Undertaken by Webcor. (Subsidiary of Obayashi USA)

(2) Completed Projects

Owner	Project Name
Toranomon 1-chome Area Urban Redevelopment Association	Toranomon Hills Business Tower Construction Project
Roads and Highways Department (RHD), Road Transport and Highway Division, Ministry of Road Transport and Bridges, Government of the People's Republic of Bangladesh	The Construction of Kanchpur, Meghna, Gumti 2nd Bridges and Rehabilitation of Existing Bridges, Package No. PW-01 (Bangladesh)
New Chitose Airport Terminal Building Co.,Ltd.	New Chitose Airport International Terminal Renovation Project
Tokyo Metropolitan Government	Tokyo Aquatics Centre Construction Project
East Japan Railway Company	Takanawa Gateway Station Construction Project
KASEMSUBBHAKDI	SAMYAM MITRTOWN (Thailand) ※

※ Undertaken by Thai Obayashi.

(3) Projects in Process

Owner	Project Name
Central Nippon Expressway Company Limited	Tokyo Outer Ring Road, Main Line Tunnel (Northbound) Tomei North Construction Project
Shirokane 1-chome East-North District Category 1 Urban Redevelopment Association	Shirokane 1-chome East-North District Category 1 Urban Redevelopment Project, Public Facilities Construction
Tokyo Medical University	Tokyo Medical University, New University Hospital, etc. Construction Project
Mizuho Financial Group, Inc. Japanese Bankers Association Mitsubishi Estate Co., Ltd	(Tentative name) Marunouchi 1-3 Construction Project
Kansai Airports	Osaka International Airport Terminal Building Renovation Project
Plenary Properties Merced	UC MERCED 2020 EXPANSION (U.S.A) ※

※ Undertaken by Webcor. (Subsidiary of Obayashi USA)

7 Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	March 31, 2020	Change
Assets			
Current assets			
Cash and deposits	168,698	315,027	146,329
Notes and accounts receivable from completed construction contracts and other	859,096	773,694	(85,402)
Electronically recorded monetary claims	11,895	12,680	784
Short-term investment securities	6,980	7,103	123
Real estate for sale	12,209	11,937	(272)
Costs on uncompleted construction contracts	35,369	38,141	2,771
Costs on real estate business	22,163	15,171	(6,991)
Inventories for PFI and other projects	44,108	53,500	9,391
Other inventories	9,734	8,744	(990)
Accounts receivable	92,554	75,125	(17,429)
Other	20,204	22,749	2,545
Allowance for doubtful accounts	(150)	(118)	31
Total current assets	1,282,866	1,333,757	50,891
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	125,103	120,866	(4,237)
Machinery, vehicles, tools, furniture and fixtures	55,746	55,274	(472)
Land	355,925	367,701	11,776
Lease assets	289	236	(53)
Construction in progress	7,493	28,112	20,618
Total property, plant and equipment	544,558	572,190	27,632
Intangible assets	4,997	6,367	1,370
Investments and other assets			
Investment securities	360,627	290,719	(69,908)
Long-term loans receivable	1,767	2,109	342
Assets for retirement benefits	13	—	(13)
Deferred tax assets	1,761	1,846	85
Other	18,130	23,496	5,366
Allowance for doubtful accounts	(210)	(191)	19
Total investments and other assets	382,090	317,981	(64,109)
Total noncurrent assets	931,646	896,539	(35,106)
Total assets	2,214,512	2,230,297	15,785

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	March 31, 2020	Change
Liabilities			
Current liabilities			
Notes and accounts payable for construction contracts and other	551,181	536,863	(14,318)
Electronically recorded obligations	119,956	118,976	(979)
Short-term loans payable	58,713	54,823	(3,890)
Current portion of nonrecourse loans	10,079	7,631	(2,448)
Current portion of bonds	10,000	—	(10,000)
Lease obligations	103	839	736
Income taxes payable	24,790	27,209	2,419
Advances received on uncompleted construction contracts	116,424	109,216	(7,208)
Deposits received	108,952	121,611	12,658
Provision for warranties for completed construction	4,365	4,313	(51)
Provision for loss on construction contracts	1,968	12,694	10,726
Provision for loss on Antimonopoly Act	10,324	4,145	(6,179)
Other	78,324	91,845	13,521
Total current liabilities	1,095,184	1,090,170	(5,013)
Noncurrent liabilities			
Bonds payable	30,000	40,000	10,000
Long-term loans payable	84,347	78,104	(6,243)
Nonrecourse loans	79,076	67,993	(11,083)
Lease obligations	200	442	241
Deferred tax liabilities	30,667	5,336	(25,330)
Deferred tax liabilities for land revaluation	18,953	18,893	(59)
Provision for stock payments for directors	381	433	52
Provision for loss on real estate business and other	993	—	(993)
Provision for environmental measures	274	239	(35)
Liability for retirement benefits	50,809	52,598	1,788
Other	25,472	25,584	112
Total noncurrent liabilities	321,178	289,627	(31,550)
Total liabilities	1,416,362	1,379,798	(36,564)
Net assets			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus	42,540	42,825	285
Retained earnings	498,195	587,012	88,817
Treasury stock	(2,132)	(2,121)	10
Total shareholders' equity	596,355	685,469	89,113
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	150,115	104,775	(45,339)
Deferred gains (losses) on hedges	1,113	6,837	5,723
Revaluation reserve for land	19,214	19,076	(138)
Foreign currency translation adjustments	(33)	1,306	1,340
Retirement benefit asset and liability adjustments	2,178	426	(1,752)
Total accumulated other comprehensive income	172,588	132,422	(40,165)
Non-controlling interests	29,204	32,606	3,401
Total net assets	798,149	850,498	52,349
Total liabilities and net assets	2,214,512	2,230,297	15,785
(Reference)			
Interest-bearing debt balances	272,218	248,552	(23,665)

(2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2018 - March 31, 2019	April 1, 2019 - March 31, 2020	Change
Net sales			
Net sales of completed construction contracts	1,945,514	1,952,419	6,904
Net sales of real estate business and other	94,170	120,623	26,453
Total net sales	2,039,685	2,073,043	33,358
Cost of sales			
Cost of sales on completed construction contracts	1,714,360	1,720,769	6,408
Cost of sales on real estate business and other	71,301	96,726	25,425
Total cost of sales	1,785,661	1,817,495	31,833
Gross profit			
Gross profit on completed construction contracts	231,154	231,650	496
Gross profit on real estate business and other	22,869	23,897	1,028
Total gross profit	254,023	255,547	1,524
Selling, general and administrative expenses	98,542	102,675	4,132
Operating income	155,480	152,871	(2,608)
Non-operating income			
Interest income	1,221	1,385	163
Dividends income	8,198	8,202	4
Other	1,348	1,490	141
Total non-operating income	10,768	11,078	309
Non-operating expenses			
Interest expenses	1,836	1,800	(35)
Foreign exchange losses	—	1,294	1,294
Other	1,359	1,849	490
Total non-operating expenses	3,195	4,944	1,749
Ordinary income	163,054	159,005	(4,048)
Extraordinary income			
Gain on sales of investment securities	2,539	5,161	2,621
Reversal of provision for loss on Antimonopoly Act	—	2,096	2,096
Other	307	644	337
Total extraordinary income	2,847	7,902	5,055
Extraordinary loss			
Loss on valuation of investment securities	8	3,116	3,107
Impairment loss	0	511	510
Loss on sales of investment securities	660	444	(216)
Other	594	333	(261)
Total extraordinary losses	1,265	4,405	3,140
Profit before income taxes	164,635	162,503	(2,132)
Income taxes-current	48,968	50,241	1,272
Income taxes-deferred	(703)	(4,900)	(4,196)
Total income taxes	48,265	45,340	(2,924)
Profit	116,370	117,162	791
Profit attributable to non-controlling interests	3,214	4,068	854
Profit attributable to owners of parent	113,155	113,093	(62)

(3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2018 - March 31, 2019	April 1, 2019 - March 31, 2020
Profit	116,370	117,162
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,046)	(45,357)
Deferred gains (losses) on hedges	2,757	5,971
Foreign currency translation adjustment	(1,312)	2,693
Retirement benefit adjustment	(1,066)	(1,753)
Share of other comprehensive income of associates accounted for using equity method	(10)	(250)
Total other comprehensive income	(8,678)	(38,697)
Comprehensive income	107,691	78,465
Comprehensive income attributable to owners of parent	104,856	73,065
Comprehensive income attributable to non-controlling interests	2,835	5,399

(4) Consolidated Statements of Cash Flows

(Yen in millions)

	April 1, 2018 - March 31, 2019	April 1, 2019 - March 31, 2020	Change
Net cash provided by (used in) operating activities			
Income before income taxes	164,635	162,503	(2,132)
Depreciation and amortization	17,672	19,880	2,207
Impairment loss	0	511	510
Increase (decrease) in allowance for doubtful accounts	(30)	(50)	(20)
Increase (decrease) in provision for loss on construction contracts	(3,218)	10,743	13,961
Increase (decrease) in provision for loss on Antimonopoly Act	(204)	(6,179)	(5,975)
Increase (decrease) in provision for loss on real estate business and other	—	(993)	(993)
Increase (decrease) in liability for retirement benefits	(186)	(788)	(602)
Loss (gain) on valuation of short-term and long term investment securities	175	3,128	2,952
Interest and dividends income	(9,420)	(9,588)	(168)
Interest expenses	1,836	1,800	(35)
Loss (gain) on sales of short-term and long term investment securities	(1,873)	(4,717)	(2,843)
Decrease (increase) in notes and accounts receivable—trade	(97,996)	84,441	182,437
Decrease (increase) in costs on uncompleted construction contracts	9,977	(2,772)	(12,750)
Decrease (increase) in inventories	3,622	8,421	4,798
Decrease (increase) in inventories for PFI and other projects	2,039	(9,391)	(11,430)
Decrease (increase) in other assets	(16,408)	15,370	31,778
Increase (decrease) in notes and accounts payable—trade	15,550	(14,922)	(30,472)
Increase (decrease) in advances received on uncompleted construction contracts	6,653	(7,472)	(14,125)
Increase (decrease) in other liabilities	(2,918)	26,292	29,211
Other, net	641	5,565	4,924
Subtotal	90,549	281,781	191,232
Interest and dividends income received	9,609	9,698	89
Interest expenses	(1,841)	(1,777)	63
Income taxes (paid) refund	(53,898)	(47,991)	5,906
Surcharges paid	(215)	(4,083)	(3,867)
Net cash provided by (used in) operating activities	44,203	237,628	193,424
Net cash provided by (used in) investing activities			
Payments into time deposits	(29,417)	(38,901)	(9,484)
Proceeds from withdrawal of time deposits	22,972	33,359	10,387
Purchase of property, plant and equipment and intangible assets	(36,552)	(47,471)	(10,919)
Proceeds from sales of property, plant and equipment and intangible assets	423	504	80
Purchase of short-term and long term investment securities	(10,782)	(5,369)	5,412
Proceeds from sales and redemption of short-term and long term investment securities	7,913	10,859	2,945
Payments of loans receivable	(129)	(408)	(278)
Collection of loans receivable	270	224	(46)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(113)	(113)
Net cash provided by (used in) investing activities	(45,302)	(47,318)	(2,016)
Net cash provided by (used in) financing activities			
Net increase (decrease) in short-term loans payable	(26,640)	(1,700)	24,940
Repayments of lease obligations	(107)	(344)	(236)
Proceeds from long-term loans payable	36,354	10,212	(26,141)
Repayment of long-term loans payable	(20,630)	(17,879)	2,751
Proceeds from nonrecourse loans payable	6,924	3,302	(3,621)
Payment of nonrecourse loans payable	(9,771)	(16,835)	(7,063)
Proceeds from issuance of bonds	20,000	10,000	(10,000)
Redemption of bonds	(10,000)	(10,000)	—
Cash dividends paid	(20,105)	(24,413)	(4,308)
Cash dividends paid to non-controlling interests	(814)	(1,370)	(555)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(364)	(364)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	267	—	(267)
Other, net	(298)	(5)	293
Net cash provided by (used in) financing activities	(24,823)	(49,397)	(24,573)
Effect of exchange rate change on cash and cash equivalents	(1,162)	332	1,495
Net increase (decrease) in cash and cash equivalents	(27,083)	141,245	168,329
Cash and cash equivalents at beginning of period	184,783	157,699	(27,083)
Cash and cash equivalents at end of period	157,699	298,945	141,245

8 Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	March 31, 2020	Change
Assets			
Current assets			
Cash and deposits	53,879	183,648	129,769
Notes receivable—trade	2,922	1,609	(1,312)
Electronically recorded monetary claims	8,371	10,324	1,952
Accounts receivable from completed construction contracts	678,744	604,250	(74,493)
Accounts receivable—real estate business and other	7,597	8,349	752
Short-term investment securities	143	154	10
Real estate for sale	3,576	3,512	(63)
Costs on uncompleted construction contracts	29,821	33,765	3,944
Costs on real estate business and other	4,843	4,144	(698)
Short-term loans receivable	34,621	79,583	44,962
Accounts receivable—other	88,136	71,619	(16,517)
Other	18,454	21,587	3,132
Allowance for doubtful accounts	(79)	(76)	3
Total current assets	931,032	1,022,474	91,441
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	63,843	61,546	(2,297)
Machinery, equipment and vehicles	8,824	10,131	1,306
Tools, furniture and fixtures	2,503	2,688	184
Land	184,551	198,186	13,635
Leased assets	13	7	(6)
Construction in progress	2,070	8,960	6,889
Total property, plant and equipment	261,807	281,520	19,713
Intangible assets	3,137	3,551	413
Investments and other assets			
Investment securities	348,474	278,000	(70,474)
Shares and investments in capital of subsidiaries and affiliates	59,660	60,544	883
Long-term loans receivable	86,375	48,628	(37,746)
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,930	1,865	(64)
Other	9,308	9,031	(277)
Allowance for doubtful accounts	(795)	(945)	(150)
Total investments and other assets	504,954	397,124	(107,830)
Total noncurrent assets	769,898	682,195	(87,703)
Total assets	1,700,931	1,704,670	3,738

(1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2019	March 31, 2020	Change
Liabilities			
Current liabilities			
Notes payable—trade	14,924	10,327	(4,597)
Electronically recorded obligations	121,424	119,469	(1,954)
Accounts payable for construction contracts	402,701	388,886	(13,814)
Accounts payable—real estate and other	921	1,149	227
Short-term loans payable	36,726	39,729	3,003
Current portion of bonds	10,000	—	(10,000)
Lease obligations	6	4	(2)
Accounts payable	5,500	18,854	13,354
Accrued expenses	18,408	17,880	(528)
Income taxes payable	23,802	24,588	785
Advances received on uncompleted construction contracts	79,471	72,956	(6,515)
Deposit received—real estate and other	1,933	1,276	(657)
Deposits received	100,855	115,711	14,855
Provision for warranties for completed construction	3,972	3,867	(105)
Provision for loss on construction contracts	1,105	11,881	10,776
Provision for loss on Antimonopoly Act	4,145	4,145	—
Deposits received from employees	25,514	26,439	924
Other	970	1,195	225
Total current liabilities	852,385	858,362	5,976
Noncurrent liabilities			
Bonds payable	30,000	40,000	10,000
Long-term loans payable	73,282	69,443	(3,839)
Lease obligations	8	3	(4)
Deferred tax liabilities	36,785	12,000	(24,785)
Deferred tax liabilities for land revaluation	15,615	15,555	(59)
Provision for retirement benefits	46,320	45,293	(1,026)
Provision for stock payments for directors	381	433	52
Provision for loss on real estate business and other	993	—	(993)
Provision for loss on business of subsidiaries and affiliates	2,736	2,068	(668)
Provision for environmental measures	247	213	(34)
Other	4,927	5,140	213
Total noncurrent liabilities	211,297	190,152	(21,145)
Total liabilities	1,063,683	1,048,514	(15,169)
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	2,545	2,463	(81)
General reserve	240,000	315,000	75,000
Retained earnings brought forward	119,533	105,861	(13,672)
Total retained earnings	376,516	437,763	61,246
Treasury stock	(2,132)	(2,121)	10
Total shareholders' equity	473,831	535,088	61,257
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	149,866	104,712	(45,153)
Deferred gains (losses) on hedges	0	(16)	(16)
Revaluation reserve for land	13,549	16,370	2,820
Total valuation and translation adjustments	163,416	121,067	(42,349)
Total net assets	637,248	656,156	18,907
Total liabilities and net assets	1,700,931	1,704,670	3,738
(Reference)			
Interest-bearing debt balances	150,008	149,172	(836)

(2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2018 - March 31, 2019	April 1, 2019 - March 31, 2020	Change
Net sales			
Net sales of completed construction contracts	1,376,688	1,392,825	16,136
Net sales of real estate business and other	21,597	23,536	1,938
Total net sales	1,398,286	1,416,361	18,075
Cost of sales			
Cost of sales on completed construction contracts	1,191,386	1,213,460	22,073
Cost of sales on real estate business and other	16,272	18,799	2,527
Total cost of sales	1,207,658	1,232,259	24,601
Gross profit			
Gross profit on completed construction contracts	185,302	179,365	(5,937)
Gross profit on real estate business and other	5,325	4,736	(588)
Total gross profit	190,628	184,101	(6,526)
Selling, general and administrative expenses	67,361	71,082	3,720
Operating income	123,266	113,019	(10,247)
Non-operating income			
Interest and dividend income	13,878	11,570	(2,308)
Other	984	695	(288)
Total non-operating income	14,863	12,266	(2,596)
Non-operating expenses			
Interest expenses	760	801	40
Provision of allowance for doubtful accounts	67	51	(16)
Foreign exchange losses	—	1,213	1,213
Other	1,587	1,605	18
Total non-operating expenses	2,415	3,672	1,256
Ordinary income	135,714	121,614	(14,100)
Extraordinary income			
Gain on sales of investment securities	2,539	5,034	2,495
Other	3,612	620	(2,992)
Total extraordinary income	6,151	5,655	(496)
Extraordinary loss			
Loss on valuation of investment securities	6	3,116	3,110
Loss on sales of investment securities	586	439	(147)
Other	2,029	292	(1,736)
Total extraordinary losses	2,622	3,848	1,226
Profit before income taxes	139,244	123,420	(15,823)
Income taxes-current	40,096	39,961	(134)
Income taxes-deferred	712	(5,022)	(5,735)
Total income taxes	40,809	34,939	(5,869)
Profit	98,435	88,480	(9,954)