

# 2nd Quarter Financial Results

(April 1, 2021 to September 30, 2021)

November 8, 2021



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Disclaimer: This "Financial Results" is the English version of the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" released on November 8, 2021. It was translated into English and presented solely for the convenience of users who are not familiar with Japanese. If there is any discrepancy between Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" and this document, the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" will prevail. This document includes forward-looking statements based on the information available at the time the Japanese "Kessan Tanshin" and "Kessan Setsumei Shiryo" were released. Actual results may vary from the forward-looking statements contained herein due to various factors. Obayashi Corporation (non-consolidated) is called the "Company" in these materials.

# 1 Summary of Financial Results

## (1) Consolidated Financial Results for the Six Months Ended September 30, 2021

### 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	%
Six Months Ended September 30, 2021	899,160	5.5	19,298	(64.8)	23,146	(59.5)	18,889	(59.9)
Six Months Ended September 30, 2020	852,681	(11.7)	54,871	(24.6)	57,127	(25.6)	47,155	(17.0)

(Note) Comprehensive income : [Six Months Ended September 30, 2021]29,943million yen, (35.5)% ; [Six Months Ended September 30, 2020] 46,399 million yen, (10.5)%

	Profit attributable to owners of parent per Share (EPS)	
	Yen	
Six Months Ended September 30, 2021		26.32
Six Months Ended September 30, 2020		65.71

### ② Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share (BPS)	
	Yen in millions		Yen in millions		%	Yen		
As of September 30, 2021	2,302,302		982,170		41.3	1,325.28		
As of March 31, 2021	2,272,628		961,979		41.0	1,297.25		

(For reference) Equity (net assets less non-controlling interests) : [As of September 30, 2021]950,208million yen ; [As of March 31, 2021] 931,008 million yen

## (2) Consolidated Forecast for Fiscal Year Ending March 31, 2022

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit attributable to owners of parent		Profit attributable to owners of parent per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	
Full Year	1,960,000	10.9	34,500	(72.0)	40,000	(68.9)	35,000	(64.6)		48.82

※ The forecasts previously announced on August 5, 2021 have been revised. Please see "OBAYASHI CORPORATION announces its revised financial forecasts for FY2021" (disclosed on November 8, 2021) for the latest Consolidated forecasts for fiscal year ending March 31, 2022.

## (3) Non-consolidated Financial Results for the Six Months Ended September 30, 2021

### 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	
Six Months Ended September 30, 2021	650,709	12.6	4,448	(89.2)	10,009	(78.9)	10,627	(73.2)		14.81
Six Months Ended September 30, 2020	577,809	(13.7)	41,016	(27.3)	47,421	(23.6)	39,610	(13.6)		55.19

### 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 September 30, 2021	1,745,234		748,560		42.9	1,044.04		
As of September 30, 2020	1,758,937		748,087		42.5	1,042.38		

(Reference) Equity (net assets less non-controlling interests) : [As of June 30, 2021] 748,560 million yen ; [As of March 31, 2021] 748,087 million yen

## (4) Non-consolidated Forecast for Fiscal Year Ending March 31, 2022

(Percentages indicate the percentage year on year change)

	Net Sales		Operating Income		Ordinary Income		Profit		Profit per Share (EPS)	
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen	
Full Year	1,405,000	14.2	4,000	(95.7)	12,000	(88.4)	16,000	(80.3)		22.32

※ Please see "OBAYASHI CORPORATION announces its revised financial forecasts for FY2021" (disclosed on November 8, 2021) for the latest non-consolidated forecasts for fiscal year ending March 31, 2022.

## (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 Mar. 31, 2021	—	Yen 16.00	—	Yen 16.00	Yen 32.00	Yen 22,977	23.2	2.6
FY ending Mar. 31, 2022 (including Forecast)		16.00	—	16.00	32.00		65.5	

※ There have been no revisions to the forecasts previously announced on August 5, 2021.

## 2 Qualitative Information

### (1) Overview of consolidated business results

During the first six months of the fiscal year under review (from April 1 to September 30, 2021), the outlook for the Japanese economy remained severe due to the impact of the novel coronavirus (COVID-19). Although signs of a recovery such as a decline in the number of people infected and improvement in corporate revenues were seen toward the end of the first half, the risk of an economic downswing resulting from a resurgence in infections remains, causing uncertainty over the future.

Orders in the domestic construction market remained firm for public construction. Movement toward a recovery in private-sector construction orders was seen, however, there are still concerns over an economic recession resulting from a resurgence in COVID-19 and the future environment for orders received can therefore not be predicted.

Amid these conditions, our consolidated net sales for the first six months of fiscal year ending March 31, 2022 amounted to 899.1 billion yen, an increase of 46.4 billion yen (5.5%) from the first six months of the previous fiscal year, due to growth in sales recognized for the domestic building construction business. The recognition of a provision for loss on construction contracts on multiple large construction projects in our domestic building construction business leading to a decline in gross profit on completed construction contracts and other factors resulted in operating income of 19.2 billion yen, a decrease of 35.5 billion yen (64.8%) from the same period in the previous fiscal year. Ordinary income was 23.1 billion yen, a decrease of 33.9 billion yen (59.5%) year-on-year, and profit attributable to owners of parent was 18.8 billion yen, a decrease of 28.2 billion yen (59.9%) year-on-year.

The Obayashi Group consolidated performance by business segment for the first six months of fiscal year ending March 31, 2022 was as follows:

(Construction business)

Consolidated construction orders received increased by 249.9 billion yen (39.0%) over the first six months of the previous fiscal year to 891.5 billion yen. This resulted from the fact that orders received in our domestic building construction business in the previous fiscal year were concentrated in the second half, and to the receipt of orders for large projects in the domestic civil engineering business in the first half of fiscal year ending March 31, 2022. More specifically, orders received for domestic building construction were 497.3 billion yen; for overseas building construction, 147 billion yen; for domestic civil engineering, 218.9 billion yen; and for overseas civil engineering, 28.3 billion yen.

Consolidated net sales for the construction business increased by 41.4 billion yen (5.1%) from the same period in the previous fiscal year to 850.2 billion yen. This increase resulted from the recognition of net sales from steady progress on multiple large construction projects in our domestic building construction business, despite a decline in the overseas building construction business of subsidiaries. More specifically, net sales for domestic building construction were 509.5 billion yen; for overseas building construction, 144.9 billion yen; for domestic civil engineering, 155.7 billion yen; and for overseas civil engineering, 39.9 billion yen.

Operating income decreased by 36.3 billion yen (76.7%) to 11 billion yen from the same period in the previous fiscal year. The decrease mainly resulted from a provision for loss on construction contracts in multiple large construction projects in our domestic building construction business.

(Real estate business)

In the real estate business, net sales decreased 3.8 billion yen (17.6%) from the same period in the previous fiscal year to 18.1 billion yen. Operating income increased by 0.4 billion yen (7.3%) year-on-year to 6.2 billion yen.

(Other businesses)

Net sales of other businesses increased by 8.8 billion yen (40.5%) to 30.7 billion yen from the same period in the previous fiscal year. Operating income increased by 0.3 billion yen (23.0%) year-on-year to 1.9 billion yen. The increase mainly resulted from net sales recognized on large PFI projects.

<Consolidated Net Sales and Operating Income (Loss) 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	509,570	144,946	155,778	39,965	850,262	18,113	30,784	899,160
Operating Income (Loss)	4,274	1,625	5,052	92	11,045	6,283	1,969	19,298

(2) Overview of consolidated financial position

Total assets as of September 30, 2021 increased by 29.6 billion yen (1.3%) compared with the balance at the end of the previous fiscal year (March 31, 2021), to 2,302.3 billion yen. This was mainly due to increases 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 in “Construction in progress” mainly due to the acquisition of commercial real estate, which exceeded decreases in “Costs on uncompleted construction contracts” and in “Inventories for PFI and other projects.”

Total liabilities as of September 30, 2021 increased by 9.4 billion yen (0.7%) compared with the balance at the end of the previous fiscal year, to 1,320.1 billion yen. This was mainly due to increases in “Nonrecourse loans” and other interest-bearing debt and in “Advances received on uncompleted construction contracts” which exceeded a decrease in trade payables related to construction costs, which are the sum of “Notes and accounts payable for construction contracts and other” and “Electronically recorded obligations.” The balance of interest-bearing debt as of September 30, 2021 increased by 14.6 billion yen (5.5%) compared with the balance at the end of the previous fiscal year (March 31, 2021), to 280.6 billion yen.

Total net assets as of September 30, 2021 increased by 20.1 billion yen (2.1%) compared with the balance at the end of the previous fiscal year, to 982.1 billion yen. This was mainly due to an increase in “Retained earnings” from the recognition of profit attributable to owners of parent.

As a result, the equity ratio as of September 30, 2021 was 41.3%, up 0.3 percentage points from the end of the previous fiscal year.

### (3) Overview of consolidated cash flows

During the first six months of fiscal year ending March 31, 2022, net cash provided by operating activities amounted to 21.7 billion yen, primarily due to improvement in income versus expenditures in the domestic construction business (net cash used in operating activities amounted to 31.2 billion yen in the same period during the previous fiscal year). Net cash used in investment activities amounted to 39.2 billion yen, primarily due to the acquisition of commercial real estate (net cash used in investment activities amounted to 57.2 billion yen in the same period during the previous fiscal year). Net cash provided in financing activities amounted to 60 million, primarily due to an increase in loan proceeds, which exceeded the payment of dividends (net cash provided in financing activities amounted to 10.6 billion yen in the same period during the previous fiscal year).

Consequently, cash and cash equivalents as of September 30, 2021 decreased by 14.5 billion yen to 221.9 billion yen compared with the balance at the end of the previous fiscal year.

### (4) Consolidated forecasts for fiscal year ending March 31, 2022

The consolidated forecasts for the full year (ending March 31, 2022) are 1,990 billion yen in orders received (the same as the previously announced forecast), net sales of 1,960 billion yen (an increase of 50 billion yen from the previously announced forecast), operating income of 34.5 billion yen (a decrease of 60.5 billion yen from the previously announced forecast), ordinary income of 40 billion yen (a decrease of 58.5 billion yen from the previously announced forecast), and profit attributable to owners of parent of 35 billion yen (a decrease of 36.5 billion yen from the previously announced forecast).

### (5) Response to COVID-19

The Company formulated the Basic Plan of Action to Prevent the Spread of the Novel Coronavirus in May 2020, based on guidelines formulated by industry organizations. A version for construction sites, Guidelines for Actions to Prevent the Spread of the Novel Coronavirus at Construction Sites, was formulated in June 2020.

Based on these plans of action, we are working to maintain business activities and achieve results on par with pre-COVID-19 levels, as we take steps to establish office and work environments that avoid the three crowded conditions of “close contacts, crowded places and closed spaces” and other steps to prevent the spread of novel coronavirus infections and to minimize the impact when someone is infected.

As we focus on maintaining business activities overseas in countries where we do business, we are taking steps to ensure the safety of employees and their families who are living overseas, in light of the status of COVID-19 spread, the state of the healthcare system, and other considerations in these countries.

The Obayashi Group will continue to place the highest priority on protecting the health and lives of and ensuring safe living conditions for all involved, and will implement additional safety measures as needed in the future as we work in earnest to respond to the demand for new construction needed in the COVID-19 and post-COVID-19 eras. Such demand includes establishment of public infrastructure and construction needed to ensure the continuity of private-sector businesses, as well as data center construction and renovation work to adapt to new lifestyles.

(6) Reduction of cross-shareholdings

The Company owns shares in our customers' businesses (hereafter, "cross-shareholdings") to maintain and strengthen trade relationships with our customers. The Company reviews the significance of owning shares in each company by regularly reporting to the Board of Directors on valuation gains/losses, and collective consideration of indicators of profitability such as capital cost and return on business from maintaining and strengthening our transactional relationship with a company. We verify the economic rationale for owning shares over the medium and long term, and sell shares as needed when the business significance of owning the shares has weakened. (Shares in listed companies sold over 10 years, from fiscal year ended March 31, 2012 to fiscal year ended March 31, 2021: Approx. 63.9 billion yen; approx. 7.6 billion yen of which were sold in fiscal year ended March 31, 2021, on a consolidated market value basis).

In the next medium-term business plan, which is currently being formulated, we will proceed further on reassessment of the significance of owning shares and overall investment efficiency for the company, and intend to establish the goal of about 150 billion yen in share sales to bring cross-shareholdings to 20% of consolidated net assets or below by the end of March, 2027.

The Company plans to use the proceeds from sales of cross-shareholdings effectively to enhance corporate value, by investing in areas that will contribute to sustained growth with medium and long-term growth in mind, in addition to investing for the purpose of securing stable investment revenue.

### 3 Financial Highlights

#### (1) Financial Results for the Six Months Ended September 30, 2021 (YoY Comparison)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results April 1, 2020 September 30, 2020		Results April 1, 2021 September 30, 2021		Change	% Change	Results April 1, 2020 September 30, 2020		Results April 1, 2021 September 30, 2021		Change	% Change
	%		%					%		%		
Net sales of completed construction contracts		8,087		8,502	414	5.1		5,674		6,399	724	12.8
Building Construction		—		—	—	—		4,379		5,026	646	14.8
Civil Engineering		—		—	—	—		1,295		1,372	77	6.0
Gross profit on completed construction contracts	11.4	925	7.1	607	(318)	(34.4)	12.8	724	6.3	403	(320)	(44.2)
Building Construction		—		—	—	—	10.7	466	5.2	262	(203)	(43.7)
Civil Engineering		—		—	—	—	19.9	257	10.3	141	(116)	(45.2)
Net sales of real estate business and other		438		488	50	11.4		103		107	4	4.2
Gross profit on real estate business and other	25.3	111	25.4	124	13	11.9	25.2	26	21.2	22	(3)	(12.4)
<b>Net sales</b>		<b>8,526</b>		<b>8,991</b>	<b>464</b>	<b>5.5</b>		<b>5,778</b>		<b>6,507</b>	<b>728</b>	<b>12.6</b>
Gross profit	12.2	1,036	8.1	731	(305)	(29.4)	13.0	750	6.6	426	(323)	(43.1)
Selling, general and administrative expenses (Personnel expenses)	5.8	488	6.0	538	50	10.4	5.9	340	5.9	382	42	12.4
(Other personnel expenses)		280		297	16			183		192	8	
(Other)		207		241	33			156		190	33	
<b>Operating income</b>	<b>6.4</b>	<b>548</b>	<b>2.1</b>	<b>192</b>	<b>(355)</b>	<b>(64.8)</b>	<b>7.1</b>	<b>410</b>	<b>0.7</b>	<b>44</b>	<b>(365)</b>	<b>(89.2)</b>
Non-operating income		44		50	6	14.3		77		61	(15)	(20.3)
Non-operating expenses		22		12	(9)	(43.5)		13		6	(7)	(54.1)
<b>Ordinary income</b>	<b>6.7</b>	<b>571</b>	<b>2.6</b>	<b>231</b>	<b>(339)</b>	<b>(59.5)</b>	<b>8.2</b>	<b>474</b>	<b>1.5</b>	<b>100</b>	<b>(374)</b>	<b>(78.9)</b>
Extraordinary income		35		44	9	26.3		34		44	10	29.3
Extraordinary loss		3		8	4	133.8		36		7	(28)	(78.7)
Income before income taxes	7.1	603	3.0	267	(335)	(55.6)	8.2	471	2.1	136	(335)	(71.1)
Total income taxes		122		69	(52)	(43.0)		75		30	(45)	(60.0)
Profit		480		197	(282)	(58.8)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		8		8	0	0.0		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>5.5</b>	<b>471</b>	<b>2.1</b>	<b>188</b>	<b>(282)</b>	<b>(59.9)</b>	<b>6.9</b>	<b>396</b>	<b>1.6</b>	<b>106</b>	<b>(289)</b>	<b>(73.2)</b>

#### Orders Received

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Results April 1, 2020 September 30, 2020		Results April 1, 2021 September 30, 2021		Change	% Change	Results April 1, 2020 September 30, 2020		Results April 1, 2021 September 30, 2021		Change	% Change
Building Construction		4,672		6,443	1,770	37.9		3,035		4,757	1,722	56.7
Domestic		3,231		4,973	1,741	53.9		3,018		4,749	1,730	57.3
Overseas		1,440		1,470	29	2.1		16		8	(8)	(52.2)
Civil Engineering		1,743		2,472	728	41.8		1,257		1,721	464	36.9
Domestic		1,615		2,189	573	35.5		1,250		1,710	460	36.8
Overseas		128		283	155	120.6		7		11	3	50.1
Construction Total		6,415		8,915	2,499	39.0		4,293		6,479	2,186	50.9
Domestic		4,846		7,162	2,315	47.8		4,268		6,460	2,191	51.3
Overseas		1,569		1,753	184	11.8		24		19	(5)	(21.0)
Real Estate Business and Other		429		384	(44)	(10.4)		103		107	4	4.2
<b>Total Orders received</b>		<b>6,845</b>		<b>9,300</b>	<b>2,455</b>	<b>35.9</b>		<b>4,396</b>		<b>6,587</b>	<b>2,190</b>	<b>49.8</b>

#### Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	March 31, 2021		September 30, 2021		Change	% Change	March 31, 2021		September 30, 2021		Change	% Change
Interest-bearing debt (except nonrecourse loans)		1,963		1,941	(21)	(1.1)		1,604		1,580	(23)	(1.5)
Nonrecourse loans		695		864	168	24.2		—		—	—	—
<b>Total Interest-bearing debt</b>		<b>2,659</b>		<b>2,806</b>	<b>146</b>	<b>5.5</b>		<b>1,604</b>		<b>1,580</b>	<b>(23)</b>	<b>(1.5)</b>

(2) Forecasts for Fiscal Year Ending March 31, 2022 (Comparison with the forecasts announced on August 5)

(Yen in 100 millions)

	Consolidated						Non-consolidated					
	Forecasts announced on August 5, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change	Forecasts announced on August 5, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
%		%		%								
Net sales of completed construction contracts		17,800		18,400	600	3.4		13,400		13,820	420	3.1
Building Construction		—		—	—	—		10,350		10,700	350	3.4
Civil Engineering		—		—	—	—		3,050		3,120	70	2.3
Gross profit on completed construction contracts	10.3	1,830	6.7	1,230	(600)	(32.8)	10.4	1,390	5.8	800	(590)	(42.4)
Building Construction		—		—	—	—	8.9	925	3.2	340	(585)	(63.2)
Civil Engineering		—		—	—	—	15.2	465	14.7	460	(5)	(1.1)
Net sales of real estate business and other		1,300		1,200	(100)	(7.7)		250		230	(20)	(8.0)
Gross profit on real estate business and other	18.5	240	21.3	255	15	6.3	24.0	60	21.7	50	(10)	(16.7)
<b>Net sales</b>		<b>19,100</b>		<b>19,600</b>	<b>500</b>	<b>2.6</b>		<b>13,650</b>		<b>14,050</b>	<b>400</b>	<b>2.9</b>
Gross profit	10.8	2,070	7.6	1,485	(585)	(28.3)	10.6	1,450	6.0	850	(600)	(41.4)
Selling, general and administrative expenses	5.8	1,120	5.8	1,140	20	1.8	5.8	800	5.7	810	10	1.3
(Personnel expenses)		590		595	5			391		385	(6)	
(Others)		530		545	15			409		425	16	
<b>Operating income</b>	<b>5.0</b>	<b>950</b>	<b>1.8</b>	<b>345</b>	<b>(605)</b>	<b>(63.7)</b>	<b>4.8</b>	<b>650</b>	<b>0.3</b>	<b>40</b>	<b>(610)</b>	<b>(93.8)</b>
Non-operating income		70		87	17	24.3		90		100	10	11.1
Non-operating expenses		35		32	(3)	(8.6)		15		20	5	33.3
<b>Ordinary income</b>	<b>5.2</b>	<b>985</b>	<b>2.0</b>	<b>400</b>	<b>(585)</b>	<b>(59.4)</b>	<b>5.3</b>	<b>725</b>	<b>0.9</b>	<b>120</b>	<b>(605)</b>	<b>(83.4)</b>
Extraordinary income		30		110	80	266.7		30		90	60	200.0
Extraordinary loss		—		15	15	—		—		10	10	—
Income before income taxes	5.3	1,015	2.5	495	(520)	(51.2)	5.5	755	1.4	200	(555)	(73.5)
Total income taxes		280		125	(155)	(55.4)		205		40	(165)	(80.5)
Profit		735		370	(365)	(49.7)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		20		20	—	—		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	<b>3.7</b>	<b>715</b>	<b>1.8</b>	<b>350</b>	<b>(365)</b>	<b>(51.0)</b>	<b>4.0</b>	<b>550</b>	<b>1.1</b>	<b>160</b>	<b>(390)</b>	<b>(70.9)</b>

※ Please see "OBAYASHI CORPORATION announces its revised financial forecasts for FY2021" (disclosed on November 8, 2021) for the latest forecasts for fiscal year ending March 31, 2022.

Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Forecasts announced on August 5, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change	Forecasts announced on August 5, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
Building Construction		14,400		14,400			—	—		10,550		
Domestic		10,950		10,950	—	—		10,500		10,500	—	—
Overseas		3,450		3,450	—	—		50		50	—	—
Civil Engineering		4,550		4,550	—	—		3,250		3,250	—	—
Domestic		3,700		3,700	—	—		2,800		2,800	—	—
Overseas		850		850	—	—		450		450	—	—
Construction Total		18,950		18,950	—	—		13,800		13,800	—	—
Domestic		14,650		14,650	—	—		13,300		13,300	—	—
Overseas		4,300		4,300	—	—		500		500	—	—
Real Estate Business and Other		950		950	—	—		250		250	—	—
<b>Total Orders received</b>		<b>19,900</b>		<b>19,900</b>	<b>—</b>	<b>—</b>		<b>14,050</b>		<b>14,050</b>	<b>—</b>	<b>—</b>

Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated				Non-consolidated			
	March 31, 2021	Forecasts March 31, 2022	Change	% Change	March 31, 2021	Forecasts March 31, 2022	Change	% Change
Interest-bearing debt (except nonrecourse loans)	1,900	2,100	200	10.5	1,500	1,800	300	20.0
Nonrecourse loans	1,100	900	(200)	(18.2)	—	—	—	—
<b>Total Interest-bearing debt</b>	<b>3,000</b>	<b>3,000</b>	<b>—</b>	<b>—</b>	<b>1,500</b>	<b>1,800</b>	<b>300</b>	<b>20.0</b>

### (3) Forecasts for Fiscal Year Ending March 31, 2022 (YoY Comparison)

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
	%		%					%		%		
Net sales of completed construction contracts		16,832		18,400	1,567	9.3		12,095		13,820	1,724	14.3
[ Building Construction		—		—	—	—		9,267		10,700	1,432	15.5
Civil Engineering		—		—	—	—		2,828		3,120	291	10.3
Gross profit on completed construction contracts	12.1	2,033	6.7	1,230	(803)	(39.5)	13.3	1,607	5.8	800	(807)	(50.2)
[ Building Construction		—		—	—	—	11.2	1,036	3.2	340	(696)	(67.2)
Civil Engineering		—		—	—	—	20.2	570	14.7	460	(110)	(19.3)
Net sales of real estate business and other		836		1,200	363	43.5		208		230	21	10.4
Net sales of real estate business and other	26.9	224	21.3	255	30	13.5	24.5	51	21.7	50	(1)	(2.0)
<b>Net sales</b>		17,668		19,600	1,931	10.9		12,304		14,050	1,745	14.2
Gross profit	12.8	2,257	7.6	1,485	(772)	(34.2)	13.5	1,658	6.0	850	(808)	(48.7)
Selling, general and administrative expenses	5.8	1,026	5.8	1,140	113	11.1	5.9	723	5.7	810	86	11.9
(Personnel expenses)		563		595	31			365		385	19	
(Others)		462		545	82			358		425	66	
<b>Operating income</b>	7.0	1,231	1.8	345	(886)	(72.0)	7.6	934	0.3	40	(894)	(95.7)
Non-operating income		89		87	(2)	(2.3)		129		100	(29)	(22.7)
Non-operating expenses		32		32	(0)	(2.5)		24		20	(4)	(19.4)
<b>Ordinary income</b>	7.3	1,287	2.0	400	(887)	(68.9)	8.4	1,038	0.9	120	(918)	(88.4)
Extraordinary income		79		110	30	37.6		77		90	12	16.5
Extraordinary loss		22		15	(7)	(31.9)		52		10	(42)	(80.9)
Income before income taxes	7.6	1,345	2.5	495	(850)	(63.2)	8.6	1,063	1.4	200	(863)	(81.2)
Total income taxes		337		125	(212)	(62.9)		251		40	(211)	(84.1)
Profit		1,008		370	(638)	(63.3)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		20		20	(0)	(3.1)		—		—	—	—
<b>Profit attributable to owners of parent (Non-consolidated: Profit)</b>	5.6	987	1.8	350	(637)	(64.6)	6.6	812	1.1	160	(652)	(80.3)

※ Please see "OBAYASHI CORPORATION announces its revised financial forecasts for FY2021" (disclosed on November 8, 2021) for the latest forecasts for fiscal year ending March 31, 2022.

### Orders Received

(Yen in 100 millions)

	Consolidated					Non-consolidated						
	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
Building Construction		13,787		14,400			612	4.4		11,640		
Domestic		11,749		10,950	(799)	(6.8)		11,621		10,500	(1,121)	(9.7)
Overseas		2,037		3,450	1,412	69.3		19		50	30	160.1
Civil Engineering		4,789		4,550	(239)	(5.0)		3,450		3,250	(200)	(5.8)
Domestic		4,193		3,700	(493)	(11.8)		3,369		2,800	(569)	(16.9)
Overseas		595		850	254	42.8		81		450	368	452.8
Construction Total		18,576		18,950	373	2.0		15,091		13,800	(1,291)	(8.6)
Domestic		15,943		14,650	(1,293)	(8.1)		14,990		13,300	(1,690)	(11.3)
Overseas		2,633		4,300	1,666	63.3		100		500	399	396.9
Real Estate Business and Other		909		950	40	4.4		208		250	41	20.0
Total Orders received		19,486		19,900	413	2.1		15,299		14,050	(1,249)	(8.2)

### Interest-bearing Debt Balances

(Yen in 100 millions)

	Consolidated					Non-consolidated				
	March 31, 2021	Forecasts March 31, 2022	Change	% Change		March 31, 2021	Forecasts March 31, 2022	Change	% Change	
Interest-bearing debt (except nonrecourse loans)	1,963	2,100	136	6.9		1,604	1,800	195	12.2	
Nonrecourse loans	695	900	204	29.3		—	—	—	—	
Total Interest-bearing debt	2,659	3,000	340	12.8		1,604	1,800	195	12.2	

## 4 Operating Results and Forecasts for Reportable Segments

### (1) Operating Results for the Six Months Ended September 30, 2021 (YoY Comparison)

#### 【Consolidated】

(Yen in millions)

	Net Sales				Operating Income					
	Results		Change	% Change	Results		Change	% Change		
	April 1, 2020 - September 30, 2020	April 1, 2021 - September 30, 2021			April 1, 2020 - September 30, 2020	April 1, 2021 - September 30, 2021			% Profit	% Profit
<b>Building Construction</b>										
Domestic	455,771	509,570	53,799	11.8	5.8	26,266	0.8	4,274	(21,992)	(83.7)
Overseas	164,848	144,946	(19,901)	(12.1)	1.5	2,459	1.1	1,625	(834)	(33.9)
Subtotal	620,619	654,517	33,898	5.5	4.6	28,726	0.9	5,899	(22,826)	(79.5)
<b>Civil Engineering</b>										
Domestic	155,816	155,778	(37)	(0.0)	12.3	19,165	3.2	5,052	(14,112)	(73.6)
Overseas	32,349	39,965	7,616	23.5	(1.5)	(477)	0.2	92	570	—
Subtotal	188,165	195,744	7,578	4.0	9.9	18,688	2.6	5,145	(13,542)	(72.5)
<b>Construction Total</b>										
Domestic	611,587	665,349	53,762	8.8	7.4	45,432	1.4	9,327	(36,105)	(79.5)
Overseas	197,198	184,912	(12,285)	(6.2)	1.0	1,982	0.9	1,718	(263)	(13.3)
Subtotal	808,785	850,262	41,476	5.1	5.9	47,414	1.3	11,045	(36,368)	(76.7)
<b>Real Estate Business and Other</b>										
Real Estate Business	21,992	18,113	(3,878)	(17.6)	26.6	5,855	34.7	6,283	427	7.3
Other	21,902	30,784	8,881	40.5	7.3	1,601	6.4	1,969	367	23.0
Subtotal	43,895	48,898	5,002	11.4	17.0	7,457	16.9	8,252	795	10.7
<b>Total</b>	<b>852,681</b>	<b>899,160</b>	<b>46,479</b>	<b>5.5</b>	<b>6.4</b>	<b>54,871</b>	<b>2.1</b>	<b>19,298</b>	<b>(35,573)</b>	<b>(64.8)</b>

※ Consolidated net sales and operating income for each segment show the sales and operating income for external customers.

#### 【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Results		Change	% Change	Results		Change	% Change		
	April 1, 2020 - September 30, 2020	April 1, 2021 - September 30, 2021			April 1, 2020 - September 30, 2020	April 1, 2021 - September 30, 2021			% Gross Profit	% Gross Profit
<b>Building Construction</b>										
Domestic	434,806	499,233	64,427	14.8	10.7	46,640	5.2	26,182	(20,457)	(43.9)
Overseas	3,156	3,416	260	8.2	0.1	3	2.3	78	74	—
Subtotal	437,962	502,649	64,687	14.8	10.7	46,644	5.2	26,261	(20,382)	(43.7)
<b>Civil Engineering</b>										
Domestic	120,860	119,684	(1,175)	(1.0)	20.9	25,249	11.3	13,467	(11,781)	(46.7)
Overseas	8,645	17,603	8,958	103.6	6.1	526	3.7	652	126	24.0
Subtotal	129,505	137,288	7,782	6.0	19.9	25,775	10.3	14,119	(11,655)	(45.2)
<b>Construction Total</b>										
Domestic	555,666	618,918	63,251	11.4	12.9	71,889	6.4	39,649	(32,239)	(44.8)
Overseas	11,801	21,020	9,218	78.1	4.5	530	3.5	731	201	38.0
Subtotal	567,468	639,938	72,469	12.8	12.8	72,419	6.3	40,380	(32,038)	(44.2)
<b>Real Estate Business and Other</b>										
	10,341	10,771	429	4.2	25.2	2,608	21.2	2,284	(323)	(12.4)
<b>Total</b>	<b>577,809</b>	<b>650,709</b>	<b>72,899</b>	<b>12.6</b>	<b>13.0</b>	<b>75,027</b>	<b>6.6</b>	<b>42,665</b>	<b>(32,361)</b>	<b>(43.1)</b>

(2) Forecasts for Fiscal Year Ending March 31, 2022 (Comparison with the forecasts announced on August 5)

**[Consolidated]**

(Yen in millions)

	Net Sales				Operating Income					
	Forecasts announced on August 5, 2021	Forecasts April 1, 2021 - March 31, 2022	Change	% Change	Forecasts announced on August 5, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
					% Profit		% Profit			
<b>Building Construction</b>										
Domestic	1,030,000	1,090,000	60,000	5.8	4.4	45,500	(1.3)	(14,000)	(59,500)	—
Overseas	310,000	305,000	(5,000)	(1.6)	1.1	3,500	0.8	2,500	(1,000)	(28.6)
Subtotal	1,340,000	1,395,000	55,000	4.1	3.7	49,000	(0.8)	(11,500)	(60,500)	—
<b>Civil Engineering</b>										
Domestic	360,000	355,000	(5,000)	(1.4)	8.6	31,000	8.2	29,000	(2,000)	(6.5)
Overseas	80,000	90,000	10,000	12.5	0.6	500	0.6	500	—	—
Subtotal	440,000	445,000	5,000	1.1	7.2	31,500	6.6	29,500	(2,000)	(6.3)
<b>Construction Total</b>										
Domestic	1,390,000	1,445,000	55,000	4.0	5.5	76,500	1.0	15,000	(61,500)	(80.4)
Overseas	390,000	395,000	5,000	1.3	1.0	4,000	0.8	3,000	(1,000)	(25.0)
Subtotal	1,780,000	1,840,000	60,000	3.4	4.5	80,500	1.0	18,000	(62,500)	(77.6)
<b>Real Estate Business and Other</b>										
Real Estate Business	53,000	53,000	—	—	22.6	12,000	24.5	13,000	1,000	8.3
Other	77,000	67,000	(10,000)	(13.0)	3.2	2,500	5.2	3,500	1,000	40.0
Subtotal	130,000	120,000	(10,000)	(7.7)	11.2	14,500	13.8	16,500	2,000	13.8
<b>Total</b>	<b>1,910,000</b>	<b>1,960,000</b>	<b>50,000</b>	<b>2.6</b>	<b>5.0</b>	<b>95,000</b>	<b>1.8</b>	<b>34,500</b>	<b>(60,500)</b>	<b>(63.7)</b>

※ Consolidated net sales and operating income for each segment show the sales and operating income for external customers.

**[Non-consolidated]**

(Yen in millions)

	Net Sales				Gross Profit					
	Forecasts announced on August 5, 2021	Forecasts April 1, 2021 - March 31, 2022	Change	% Change	Forecasts announced on August 5, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
					% Gross Profit		% Gross Profit			
<b>Building Construction</b>										
Domestic	1,030,000	1,065,000	35,000	3.4	9.0	92,500	3.2	34,000	(58,500)	(63.2)
Overseas	5,000	5,000	—	—	—	—	—	—	—	—
Subtotal	1,035,000	1,070,000	35,000	3.4	8.9	92,500	3.2	34,000	(58,500)	(63.2)
<b>Civil Engineering</b>										
Domestic	275,000	275,000	—	—	16.0	44,000	16.0	44,000	—	—
Overseas	30,000	37,000	7,000	23.3	8.3	2,500	5.4	2,000	(500)	(20.0)
Subtotal	305,000	312,000	7,000	2.3	15.2	46,500	14.7	46,000	(500)	(1.1)
<b>Construction Total</b>										
Domestic	1,305,000	1,340,000	35,000	2.7	10.5	136,500	5.8	78,000	(58,500)	(42.9)
Overseas	35,000	42,000	7,000	20.0	7.1	2,500	4.8	2,000	(500)	(20.0)
Subtotal	1,340,000	1,382,000	42,000	3.1	10.4	139,000	5.8	80,000	(59,000)	(42.4)
<b>Real Estate Business and Other</b>										
Real Estate Business	25,000	23,000	(2,000)	(8.0)	24.0	6,000	21.7	5,000	(1,000)	(16.7)
Other	—	—	—	—	—	—	—	—	—	—
Subtotal	25,000	23,000	(2,000)	(8.0)	24.0	6,000	21.7	5,000	(1,000)	(16.7)
<b>Total</b>	<b>1,365,000</b>	<b>1,405,000</b>	<b>40,000</b>	<b>2.9</b>	<b>10.6</b>	<b>145,000</b>	<b>6.0</b>	<b>85,000</b>	<b>(60,000)</b>	<b>(41.4)</b>

### (3) Forecasts for Fiscal Year Ending March 31, 2022 (YoY Comparison)

**【Consolidated】**

(Yen in millions)

	Net Sales				Operating Income					
	Results April 1, 2020 - March 31, 2021	Forecasts April 1, 2021 - March 31, 2022	Change	% Change	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
					% Profit		% Profit			
<b>Building Construction</b>										
Domestic	964,683	1,090,000	125,316	13.0	6.2	59,956	(1.3)	(14,000)	(73,956)	—
Overseas	304,388	305,000	611	0.2	1.1	3,445	0.8	2,500	(945)	(27.4)
Subtotal	1,269,072	1,395,000	125,927	9.9	5.0	63,402	(0.8)	(11,500)	(74,902)	—
<b>Civil Engineering</b>										
Domestic	342,203	355,000	12,796	3.7	13.3	45,389	8.2	29,000	(16,389)	(36.1)
Overseas	72,004	90,000	17,995	25.0	(0.3)	(210)	0.6	500	710	—
Subtotal	414,208	445,000	30,791	7.4	10.9	45,178	6.6	29,500	(15,678)	(34.7)
<b>Construction Total</b>										
Domestic	1,306,887	1,445,000	138,112	10.6	8.1	105,345	1.0	15,000	(90,345)	(85.8)
Overseas	376,393	395,000	18,606	4.9	0.9	3,234	0.8	3,000	(234)	(7.3)
Subtotal	1,683,280	1,840,000	156,719	9.3	6.5	108,580	1.0	18,000	(90,580)	(83.4)
<b>Real Estate Business and Other</b>										
Real Estate Business	42,426	53,000	10,573	24.9	28.1	11,937	24.5	13,000	1,062	8.9
Other	41,186	67,000	25,813	62.7	6.4	2,644	5.2	3,500	855	32.4
Subtotal	83,612	120,000	36,387	43.5	17.4	14,581	13.8	16,500	1,918	13.2
<b>Total</b>	<b>1,766,893</b>	<b>1,960,000</b>	<b>193,106</b>	<b>10.9</b>	<b>7.0</b>	<b>123,161</b>	<b>1.8</b>	<b>34,500</b>	<b>(88,661)</b>	<b>(72.0)</b>

※ Consolidated net sales and operating income for each segment show the sales and operating income for external customers.

**【Non-consolidated】**

(Yen in millions)

	Net Sales				Gross Profit					
	Results April 1, 2020 - March 31, 2021	Forecasts April 1, 2021 - March 31, 2022	Change	% Change	Results April 1, 2020 - March 31, 2021		Forecasts April 1, 2021 - March 31, 2022		Change	% Change
					% Gross Profit		% Gross Profit			
<b>Building Construction</b>										
Domestic	920,380	1,065,000	144,619	15.7	11.2	103,538	3.2	34,000	(69,538)	(67.2)
Overseas	6,331	5,000	(1,331)	(21.0)	2.4	149	—	—	(149)	(100.0)
Subtotal	926,711	1,070,000	143,288	15.5	11.2	103,688	3.2	34,000	(69,688)	(67.2)
<b>Civil Engineering</b>										
Domestic	262,685	275,000	12,314	4.7	21.6	56,758	16.0	44,000	(12,758)	(22.5)
Overseas	20,192	37,000	16,807	83.2	1.3	264	5.4	2,000	1,735	656.3
Subtotal	282,878	312,000	29,121	10.3	20.2	57,022	14.7	46,000	(11,022)	(19.3)
<b>Construction Total</b>										
Domestic	1,183,066	1,340,000	156,933	13.3	13.5	160,296	5.8	78,000	(82,296)	(51.3)
Overseas	26,523	42,000	15,476	58.4	1.6	413	4.8	2,000	1,586	383.2
Subtotal	1,209,589	1,382,000	172,410	14.3	13.3	160,710	5.8	80,000	(80,710)	(50.2)
<b>Real Estate Business and Other</b>										
Real Estate Business	20,828	23,000	2,171	10.4	24.5	5,101	21.7	5,000	(101)	(2.0)
Subtotal	20,828	23,000	2,171	10.4	24.5	5,101	21.7	5,000	(101)	(2.0)
<b>Total</b>	<b>1,230,418</b>	<b>1,405,000</b>	<b>174,581</b>	<b>14.2</b>	<b>13.5</b>	<b>165,812</b>	<b>6.0</b>	<b>85,000</b>	<b>(80,812)</b>	<b>(48.7)</b>

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

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

(Yen in millions)

	April 1, 2020 - September 30, 2020		April 1, 2021 - September 30, 2021		Change		Previous FY Results April 1, 2020 - March 31, 2021	
		% of Total		% of Total		% Change		% of Total
<b>Building Construction</b>								
Domestic Public	9,313	2.1	18,928	2.9	9,615	103.2	68,495	4.5
Domestic Private	292,579	66.5	456,048	69.2	163,468	55.9	1,093,668	71.5
Domestic total	301,893	68.6	474,977	72.1	173,083	57.3	1,162,163	76.0
Overseas total	1,686	0.4	806	0.1	(880)	(52.2)	1,922	0.1
Subtotal	303,579	69.0	475,783	72.2	172,203	56.7	1,164,086	76.1
<b>Civil Engineering</b>								
Domestic Public	78,483	17.8	110,607	16.8	32,123	40.9	221,893	14.5
Domestic Private	46,519	10.6	60,448	9.2	13,928	29.9	115,040	7.5
Domestic total	125,003	28.4	171,055	26.0	46,052	36.8	336,934	22.0
Overseas total	741	0.2	1,113	0.2	371	50.1	8,140	0.5
Subtotal	125,745	28.6	172,168	26.2	46,423	36.9	345,074	22.5
<b>Construction Total</b>								
Domestic Public	87,797	19.9	129,535	19.7	41,738	47.5	290,388	19.0
Domestic Private	339,099	77.1	516,496	78.4	177,397	52.3	1,208,709	79.0
Domestic total	426,896	97.0	646,032	98.1	219,135	51.3	1,499,097	98.0
Overseas total	2,428	0.6	1,919	0.3	(508)	(21.0)	10,063	0.6
Subtotal	429,324	97.6	647,952	98.4	218,627	50.9	1,509,161	98.6
Real Estate Business and Other	10,341	2.4	10,771	1.6	429	4.2	20,828	1.4
Total	439,666	100	658,723	100	219,056	49.8	1,529,989	100

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

(Yen in millions)

	April 1, 2020 - September 30, 2020		April 1, 2021 - September 30, 2021		Change		Previous FY Results April 1, 2020 - March 31, 2021	
		% of Total		% of Total		% Change		% of Total
<b>Building Construction</b>								
Domestic Public	22,456	3.9	36,582	5.6	14,125	62.9	65,480	5.3
Domestic Private	412,349	71.4	462,651	71.1	50,301	12.2	854,899	69.5
Domestic total	434,806	75.3	499,233	76.7	64,427	14.8	920,380	74.8
Overseas total	3,156	0.5	3,416	0.5	260	8.2	6,331	0.5
Subtotal	437,962	75.8	502,649	77.2	64,687	14.8	926,711	75.3
<b>Civil Engineering</b>								
Domestic Public	72,850	12.6	66,324	10.2	(6,526)	(9.0)	157,568	12.8
Domestic Private	48,009	8.3	53,360	8.2	5,350	11.1	105,117	8.6
Domestic total	120,860	20.9	119,684	18.4	(1,175)	(1.0)	262,685	21.4
Overseas total	8,645	1.5	17,603	2.7	8,958	103.6	20,192	1.6
Subtotal	129,505	22.4	137,288	21.1	7,782	6.0	282,878	23.0
<b>Construction Total</b>								
Domestic Public	95,307	16.5	102,906	15.8	7,599	8.0	223,049	18.1
Domestic Private	460,358	79.7	516,011	79.3	55,652	12.1	960,016	78.1
Domestic total	555,666	96.2	618,918	95.1	63,251	11.4	1,183,066	96.2
Overseas total	11,801	2.0	21,020	3.2	9,218	78.1	26,523	2.1
Subtotal	567,468	98.2	639,938	98.3	72,469	12.8	1,209,589	98.3
Real Estate Business and Other	10,341	1.8	10,771	1.7	429	4.2	20,828	1.7
Total	577,809	100	650,709	100	72,899	12.6	1,230,418	100

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

(Yen in millions)

	September 30, 2020		September 30, 2021		Change		March 31, 2021	
		% of Total		% of Total		% Change		% of Total
<b>Building Construction</b>								
Domestic Public	146,582	8.8	145,086	6.9	(1,495)	(1.0)	162,740	7.7
Domestic Private	1,022,221	61.1	1,374,157	64.9	351,935	34.4	1,380,759	65.5
Domestic total	1,168,803	69.9	1,519,244	71.8	350,440	30.0	1,543,500	73.2
Overseas total	9,625	0.6	4,076	0.2	(5,549)	(57.7)	6,686	0.3
Subtotal	1,178,428	70.5	1,523,320	72.0	344,891	29.3	1,550,186	73.5
<b>Civil Engineering</b>								
Domestic Public	229,280	13.7	332,254	15.7	102,974	44.9	287,972	13.7
Domestic Private	181,447	10.9	199,948	9.4	18,501	10.2	192,860	9.1
Domestic total	410,727	24.6	532,203	25.1	121,475	29.6	480,832	22.8
Overseas total	82,358	4.9	61,720	2.9	(20,638)	(25.1)	78,211	3.7
Subtotal	493,086	29.5	593,924	28.0	100,837	20.5	559,044	26.5
<b>Construction Total</b>								
Domestic Public	375,862	22.5	477,341	22.6	101,478	27.0	450,712	21.4
Domestic Private	1,203,668	72.0	1,574,105	74.3	370,437	30.8	1,573,620	74.6
Domestic total	1,579,531	94.5	2,051,447	96.9	471,916	29.9	2,024,332	96.0
Overseas total	91,984	5.5	65,796	3.1	(26,187)	(28.5)	84,897	4.0
Subtotal	1,671,515	100	2,117,244	100	445,728	26.7	2,109,230	100
Real Estate Business and Other	—	—	—	—	—	—	—	—
<b>Total</b>	<b>1,671,515</b>	<b>100</b>	<b>2,117,244</b>	<b>100</b>	<b>445,728</b>	<b>26.7</b>	<b>2,109,230</b>	<b>100</b>

## 6 Main Projects

### (1) Orders received

Owner	Project Name
Organizing Committee for Urban Redevelopment Project for Yaesu 1-Chome East Area District B in Front of Tokyo Station	Urban Redevelopment Project for Yaesu 1-Chome East Area District B in Front of Tokyo Station, Facilities Construction
Yodoyabashi Station West Area Category 1 Urban Redevelopment Association	Yodoyabashi Station West Area Category 1 Urban Redevelopment Project, Facilities Construction
East Nippon Expressway Company Limited	Yokohama Ring Expressway South Line Kuden Interchange Construction Project
Kansai Airports	Kansai International Airport (KIX) Terminal 1 (T1) Renovation Project
Japan Post Real Estate Co., Ltd.	(Tentative Name) Gotanda Project, Facilities Construction
K-Commercial Pte. Ltd.	Keppel Tower (Singapore) ※

※ Undertaken by Obayashi Singapore

### (2) Completed projects

Owner	Project Name
Mitsui Fudosan CO., Ltd.	Mitsui Fudosan Logistics Park Funabashi III Construction Project
Kyushu Railway Company	(Tentative Name) Kumamoto Station Building Construction Project
Heiwa Real Estate Co., Ltd. Yamatane Corporation Chibagin Securities Co., Ltd.	KABUTO ONE Construction Project
MUFG Bank, Ltd.	(Tentative Name) N3 Construction Project
Japan Railway Construction, Transport and Technology Agency	Hokuriku Shinkansen Fukui Kaihotsu Viaduct Project
San Francisco International Airport	SFO T1 New Boarding Area B (U.S.A.) ※

※ Undertaken by WEBCOR (Subsidiary of Obayashi USA)

### (3) Projects in Process

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
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
Mitsubishi Estate Co., Ltd. Osaka Gas Urban Development Co., Ltd. ORIX Real Estate Corporation Kanden Realty & Development Co., Ltd. Sekisui House, Ltd. Takenaka Corporation Hankyu Corporation Umekita Development SPC	(Tentative Name) Umekita 2nd Project Development, Construction of South Block Lease Building and North Block Lease Building
Metropolitan Expressway Co., Ltd.	No.1 Haneda Route (Higashi - Shinagawa Sanbashi and Samezu reclaimed land) Upgrade Construction Project
San Francisco Public Utilities Commission (SFPUC)	SFPUC Digester (U.S.A.) ※

※ Undertaken by WEBCOR (Subsidiary of Obayashi USA)

## 7 Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	September 30, 2021	Change
<b>Assets</b>			
Current assets			
Cash and deposits	258,549	<b>245,053</b>	(13,495)
Notes and accounts receivable from completed construction contracts and other	744,473	<b>782,933</b>	38,460
Electronically recorded monetary claims	21,327	<b>11,981</b>	(9,346)
Short-term investment securities	4,401	<b>7,585</b>	3,184
Real estate for sale	12,160	<b>25,012</b>	12,851
Costs on uncompleted construction contracts	69,198	<b>47,013</b>	(22,184)
Costs on real estate business	22,826	<b>26,772</b>	3,946
Inventories for PFI and other projects	38,095	<b>18,471</b>	(19,623)
Other inventories	8,206	<b>8,677</b>	470
Accounts receivable	64,501	<b>62,659</b>	(1,841)
Other	25,812	<b>43,739</b>	17,926
Allowance for doubtful accounts	(147)	<b>(148)</b>	(0)
<b>Total current assets</b>	<b>1,269,405</b>	<b>1,279,753</b>	<b>10,347</b>
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	117,083	<b>114,869</b>	(2,213)
Machinery, vehicles, tools, furniture and fixtures	50,846	<b>49,945</b>	(901)
Land	385,157	<b>382,140</b>	(3,017)
Lease assets	1,081	<b>774</b>	(306)
Construction in progress	55,087	<b>72,563</b>	17,475
<b>Total property, plant and equipment</b>	<b>609,256</b>	<b>620,293</b>	<b>11,036</b>
Intangible assets	6,437	<b>6,521</b>	83
Investments and other assets			
Investment securities	340,079	<b>343,289</b>	3,209
Long-term loans receivable	1,769	<b>2,137</b>	367
Deferred tax assets	2,126	<b>2,072</b>	(53)
Other	43,730	<b>48,412</b>	4,681
Allowance for doubtful accounts	(177)	<b>(177)</b>	0
<b>Total investments and other assets</b>	<b>387,528</b>	<b>395,734</b>	<b>8,206</b>
<b>Total noncurrent assets</b>	<b>1,003,222</b>	<b>1,022,549</b>	<b>19,326</b>
<b>Total assets</b>	<b>2,272,628</b>	<b>2,302,302</b>	<b>29,674</b>

## (1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	September 30, 2021	Change
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable for construction contracts and other	466,213	<b>439,465</b>	(26,748)
Electronically recorded obligations	106,456	<b>116,705</b>	10,249
Short-term loans payable	54,634	<b>57,061</b>	2,427
Current portion of nonrecourse loans	7,445	<b>13,696</b>	6,251
Lease obligations	740	<b>504</b>	(235)
Income taxes payable	13,415	<b>10,368</b>	(3,047)
Advances received on uncompleted construction contracts	127,845	<b>136,065</b>	8,219
Deposits received	121,289	<b>119,846</b>	(1,442)
Provision for warranties for completed construction	2,975	<b>3,204</b>	228
Provision for loss on construction contracts	13,551	<b>23,302</b>	9,750
Other	78,357	<b>78,255</b>	(102)
<b>Total current liabilities</b>	<b>992,925</b>	<b>998,475</b>	<b>5,550</b>
Noncurrent liabilities			
Bonds payable	40,000	<b>40,000</b>	—
Long-term loans payable	101,722	<b>97,130</b>	(4,592)
Nonrecourse loans	62,151	<b>72,725</b>	10,573
Lease obligations	296	<b>203</b>	(93)
Deferred tax liabilities	21,229	<b>19,155</b>	(2,073)
Deferred tax liabilities for land revaluation	18,644	<b>18,568</b>	(75)
Provision for stock payments for directors	401	<b>321</b>	(80)
Provision for environmental measures	26	<b>26</b>	—
Liability for retirement benefits	47,758	<b>48,689</b>	930
Other	25,493	<b>24,837</b>	(655)
<b>Total noncurrent liabilities</b>	<b>317,723</b>	<b>321,656</b>	<b>3,933</b>
<b>Total liabilities</b>	<b>1,310,648</b>	<b>1,320,132</b>	<b>9,483</b>
<b>Net assets</b>			
Shareholders' equity			
Capital stock	57,752	<b>57,752</b>	—
Capital surplus	42,641	<b>42,641</b>	0
Retained earnings	661,512	<b>671,656</b>	10,143
Treasury stock	(2,090)	<b>(2,726)</b>	(635)
<b>Total shareholders' equity</b>	<b>759,816</b>	<b>769,324</b>	<b>9,508</b>
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	138,542	<b>140,563</b>	2,021
Deferred gains (losses) on hedges	7,471	<b>9,156</b>	1,685
Revaluation reserve for land	20,379	<b>20,205</b>	(173)
Foreign currency translation adjustments	1,349	<b>7,832</b>	6,482
Retirement benefit asset and liability adjustments	3,449	<b>3,125</b>	(324)
<b>Total accumulated other comprehensive income</b>	<b>171,191</b>	<b>180,883</b>	<b>9,691</b>
Non-controlling interests	30,970	<b>31,962</b>	991
<b>Total net assets</b>	<b>961,979</b>	<b>982,170</b>	<b>20,190</b>
<b>Total liabilities and net assets</b>	<b>2,272,628</b>	<b>2,302,302</b>	<b>29,674</b>
<b>(Reference)</b>			
Interest-bearing debt balances	265,953	<b>280,613</b>	14,660

## (2) Consolidated Statements of Income

(Yen in millions)

	April 1, 2020 - September 30, 2020	April 1, 2021 - September 30, 2021	Change
<b>Net sales</b>			
Net sales of completed construction contracts	808,785	<b>850,262</b>	41,476
Net sales of real estate business and other	43,895	<b>48,898</b>	5,002
<b>Total net sales</b>	<b>852,681</b>	<b>899,160</b>	46,479
<b>Cost of sales</b>			
Cost of sales on completed construction contracts	716,192	<b>789,502</b>	73,309
Cost of sales on real estate business and other	32,793	<b>36,473</b>	3,679
<b>Total cost of sales</b>	<b>748,985</b>	<b>825,975</b>	76,989
<b>Gross profit</b>			
Gross profit on completed construction contracts	92,593	<b>60,759</b>	(31,833)
Gross profit on real estate business and other	11,102	<b>12,425</b>	1,323
<b>Total gross profit</b>	<b>103,695</b>	<b>73,185</b>	(30,509)
Selling, general and administrative expenses	48,823	<b>53,887</b>	5,063
<b>Operating income</b>	<b>54,871</b>	<b>19,298</b>	(35,573)
<b>Non-operating income</b>			
Interest income	471	<b>282</b>	(189)
Dividends income	3,437	<b>3,516</b>	78
Other	548	<b>1,295</b>	746
<b>Total non-operating income</b>	<b>4,458</b>	<b>5,093</b>	635
<b>Non-operating expenses</b>			
Interest expenses	1,136	<b>995</b>	(141)
Other	1,066	<b>249</b>	(816)
<b>Total non-operating expenses</b>	<b>2,203</b>	<b>1,245</b>	(957)
<b>Ordinary income</b>	<b>57,127</b>	<b>23,146</b>	(33,980)
<b>Extraordinary income</b>			
Gain on sales of investing securities	1,992	<b>4,403</b>	2,411
Other	1,547	<b>66</b>	(1,480)
<b>Total extraordinary income</b>	<b>3,539</b>	<b>4,470</b>	930
<b>Extraordinary loss</b>			
Loss on sales of noncurrent assets	11	<b>408</b>	396
Impairment loss	187	<b>178</b>	(9)
Other	167	<b>270</b>	102
<b>Total extraordinary losses</b>	<b>366</b>	<b>856</b>	490
<b>Profit before income taxes</b>	<b>60,300</b>	<b>26,760</b>	(33,540)
Income taxes-current	9,524	<b>10,577</b>	1,053
Income taxes-deferred	2,738	<b>(3,588)</b>	(6,326)
<b>Total income taxes</b>	<b>12,263</b>	<b>6,989</b>	(5,273)
<b>Profit</b>	<b>48,037</b>	<b>19,770</b>	(28,266)
Profit attributable to non-controlling interests	881	<b>881</b>	0
<b>Profit attributable to owners of parent</b>	<b>47,155</b>	<b>18,889</b>	(28,266)

### (3) Consolidated Statements of Comprehensive Income

(Yen in millions)

	April 1, 2020 - September 30, 2020	April 1, 2021 - September 30, 2021
Profit	48,037	19,770
Other comprehensive income		
Valuation difference on available-for-sale securities	958	2,036
Deferred gains (losses) on hedges	66	1,939
Foreign currency translation adjustment	(2,624)	6,759
Retirement benefit adjustment	(153)	(324)
Share of other comprehensive income of associates accounted for using equity method	115	(237)
Total other comprehensive income	(1,637)	10,172
Comprehensive income	46,399	29,943
Comprehensive income attributable to owners of parent	46,614	28,754
Comprehensive income attributable to non-controlling interests	(214)	1,189

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

(Yen in millions)

	April 1, 2020 - September 30, 2020	April 1, 2021 - September 30, 2021	Change
<b>Net cash provided by (used in) operating activities</b>			
Income before income taxes	60,300	26,760	(33,540)
Depreciation and amortization	9,572	9,632	60
Impairment loss	187	178	(9)
Increase (decrease) in allowance for doubtful accounts	4	(3)	(8)
Increase (decrease) in provision for loss on construction contracts	(875)	9,732	10,608
Increase (decrease) in liability for retirement benefits	378	422	44
Interest and dividends income	(3,909)	(3,798)	111
Interest expenses	1,136	995	(141)
Loss (gain) on sales of noncurrent assets	(1,312)	349	1,662
Loss (gain) on sales of short-term and long-term investment securities	(1,977)	(4,370)	(2,393)
Decrease (increase) in notes and accounts receivable—trade	53,523	20,150	(33,372)
Decrease (increase) in costs on uncompleted construction contracts	(14,421)	22,429	36,850
Decrease (increase) in inventories	1,207	(4,630)	(5,837)
Decrease (increase) in inventories for PFI and other projects	14,552	(7,455)	(22,008)
Decrease (increase) in other assets	(15,845)	(15,752)	93
Increase (decrease) in notes and accounts payable—trade	(111,234)	(27,004)	84,230
Increase (decrease) in advances received on uncompleted construction contracts	27,397	6,955	(20,442)
Increase (decrease) in other liabilities	(27,661)	(2,775)	24,886
Other, net	79	934	855
Subtotal	(8,898)	32,751	41,649
Interest and dividends income received	4,617	3,974	(642)
Interest expenses	(1,117)	(1,071)	45
Income taxes (paid) refund	(25,895)	(13,876)	12,018
Net cash provided by (used in) operating activities	(31,293)	21,777	53,071
<b>Net cash provided by (used in) investing activities</b>			
Payments into time deposits	(23,077)	(9,619)	13,457
Proceeds from withdrawal of time deposits	16,176	8,720	(7,455)
Purchase of property, plant and equipment and intangible assets	(29,294)	(29,270)	24
Proceeds from sales of property, plant and equipment and intangible assets	557	235	(321)
Purchase of short-term and long-term investment securities	(3,443)	(6,584)	(3,140)
Proceeds from sales and redemption of short-term and long-term investment securities	6,502	7,685	1,182
Payments of loans receivable	(47)	(430)	(382)
Collection of loans receivable	87	282	194
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,671)	(530)	6,140
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	(9,689)	(9,689)
Other, net	(18,028)	—	18,028
Net cash provided by (used in) investing activities	(57,240)	(39,201)	18,038
<b>Net cash provided by (used in) financing activities</b>			
Net increase (decrease) in short-term loans payable	1,616	—	(1,616)
Repayments of lease obligations	(445)	(475)	(30)
Proceeds from long-term loans payable	32,716	2,508	(30,208)
Repayment of long-term loans payable	(6,290)	(6,128)	161
Proceeds from nonrecourse loans payable	90	20,911	20,821
Payment of nonrecourse loans payable	(4,127)	(4,083)	44
Purchase of treasury stock	(1)	(710)	(709)
Cash dividends paid	(11,488)	(11,488)	0
Cash dividends paid to non-controlling interests	(1,197)	(463)	734
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(195)	(2)	192
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	2	2
Net cash provided by (used in) financing activities	10,674	66	(10,607)
Effect of exchange rate change on cash and cash equivalents	(1,875)	2,793	4,669
Net increase (decrease) in cash and cash equivalents	(79,735)	(14,564)	65,171
Cash and cash equivalents at beginning of period	298,945	236,474	(62,470)
Cash and cash equivalents at end of period	219,209	221,910	2,700

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

(Change in Accounting Policies)

(Implementation of the Accounting Standard for Revenue Recognition and Related Guidance)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, revised March 31, 2020; hereafter, the "Revenue Recognition Accounting Standard") and related guidance were implemented from the beginning of the first quarter of consolidated fiscal year ending March 31, 2022. Under this standard, the amount the company expects to receive in exchange for goods and services is recognized as revenue when control over the promised goods or services is transferred to the customer.

The main changes from implementation of the Revenue Recognition Accounting Standard and related guidance are as follows:

(1) Recognition of revenue on construction contracts

For construction contracts in which the obligation is fulfilled over a certain period of time in the domestic and overseas building construction and the domestic and overseas civil engineering segments, revenue was not recognized until the degree of progress on fulfilling the obligation could be reasonably estimated in the past. This has changed to the method of recognizing revenue according to the cost recovery method when the degree of progress on fulfilling the obligation cannot be reasonably estimated, but recovery of the costs incurred can be expected.

(2) Recognition of revenue on agency transactions

For revenue on commercial business in the domestic building construction segment, the total amount of payments received from the customer was recognized as revenue in the past. However, we have changed the method of revenue recognition when the Obayashi Group serves as an agent in providing a product to the customer. Under the new method, the net amount after deducting the amount paid to the supplier of the product from the amount received from the customer is recognized as revenue.

The implementation of the Revenue Recognition Accounting Standard and related guidance follows the transitional treatment in the exception clause of Paragraph 84 of the Revenue Recognition Accounting Standard. The new accounting standard was applied to the balance of retained earnings from the beginning of the period and retained earnings were adjusted for the cumulative impact assuming application of the new accounting standard retroactively before the beginning of the accounting period for the first quarter of consolidated fiscal year ending March 31, 2022.

This resulted in an decrease of "Net sales" of 6,014 million yen, an decrease of 6,016 million yen in "Cost of sales," and a increase of 2 million yen in "Operating income" in the second quarter of consolidated fiscal year ending March 31, 2022. "Non-operating income" decreased by 5 million yen, and "Ordinary income" and "Profit attributable to owners of parent" each decreased by 2 million yen in the same consolidated fiscal period. The balance of "Retained earnings" at the beginning of the period also increased by 2,569 million yen.

(Implementation of the Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; hereafter, "Fair Value Accounting Standard") and related guidance were implemented from the beginning of the first quarter of consolidated fiscal year ending March 31, 2022. In accordance with the transitional treatment specified in Paragraph 19 of the Fair Value Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policy specified in the Fair Value Accounting Standard and related standards were applied prospectively. The change did not have any impact on the quarterly consolidated financial statements.

## 8 Non-consolidated Financial Statements

### (1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	September 30, 2021	Change
<b>Assets</b>			
Current assets			
Cash and deposits	141,431	<b>131,467</b>	(9,964)
Notes receivable—trade	2,293	<b>2,163</b>	(130)
Electronically recorded monetary claims	18,818	<b>9,942</b>	(8,876)
Accounts receivable from completed construction contracts	581,160	<b>573,563</b>	(7,596)
Accounts receivable—real estate business and other	4,476	<b>3,305</b>	(1,171)
Short-term investment securities	16	<b>22</b>	6
Real estate for sale	3,611	<b>3,592</b>	(19)
Costs on uncompleted construction contracts	62,968	<b>46,181</b>	(16,787)
Costs on real estate business and other	3,995	<b>3,599</b>	(396)
Short-term loans receivable	61,964	<b>58,487</b>	(3,476)
Accounts receivable—other	62,148	<b>57,637</b>	(4,510)
Other	23,096	<b>46,133</b>	23,036
Allowance for doubtful accounts	(72)	<b>(67)</b>	5
<b>Total current assets</b>	<b>965,911</b>	<b>936,029</b>	<b>(29,882)</b>
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	48,808	<b>48,176</b>	(631)
Machinery, equipment and vehicles	8,112	<b>8,189</b>	76
Tools, furniture and fixtures	3,200	<b>3,428</b>	227
Land	173,116	<b>175,304</b>	2,188
Leased assets	23	<b>19</b>	(3)
Construction in progress	18,585	<b>23,520</b>	4,935
<b>Total property, plant and equipment</b>	<b>251,845</b>	<b>258,639</b>	<b>6,793</b>
Intangible assets	3,908	<b>4,311</b>	403
Investments and other assets			
Investment securities	326,421	<b>328,283</b>	1,862
Shares and investments in capital of subsidiaries and affiliates	123,517	<b>126,861</b>	3,343
Long-term loans receivable	76,267	<b>82,273</b>	6,005
Claims provable in bankruptcy, claims provable in rehabilitation and other	2,982	<b>580</b>	(2,402)
Other	9,692	<b>9,251</b>	(440)
Allowance for doubtful accounts	(1,609)	<b>(996)</b>	612
<b>Total investments and other assets</b>	<b>537,272</b>	<b>546,254</b>	<b>8,982</b>
<b>Total noncurrent assets</b>	<b>793,026</b>	<b>809,205</b>	<b>16,178</b>
<b>Total assets</b>	<b>1,758,937</b>	<b>1,745,234</b>	<b>(13,703)</b>

## (1) Non-consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	September 30, 2021	Change
<b>Liabilities</b>			
Current liabilities			
Notes payable—trade	11,338	11,286	(52)
Electronically recorded obligations	103,571	115,955	12,384
Accounts payable for construction contracts	338,368	311,943	(26,424)
Accounts payable—real estate and other	803	524	(278)
Short-term loans payable	40,394	42,540	2,146
Lease obligations	7	7	(0)
Accounts payable	3,573	2,914	(659)
Accrued expenses	16,343	16,909	566
Income taxes payable	11,610	8,646	(2,963)
Advances received on uncompleted construction contracts	104,989	110,972	5,982
Deposit received—real estate and other	3,247	2,418	(828)
Deposits received	119,133	111,469	(7,663)
Provision for warranties for completed construction	2,593	2,770	177
Provision for loss on construction contracts	13,220	22,843	9,623
Deposits received from employees	27,226	27,622	395
Other	1,074	1,159	84
<b>Total current liabilities</b>	<b>797,494</b>	<b>789,981</b>	<b>(7,512)</b>
Noncurrent liabilities			
Bonds payable	40,000	40,000	—
Long-term loans payable	80,039	75,496	(4,543)
Lease obligations	17	13	(3)
Deferred tax liabilities	25,624	22,878	(2,746)
Deferred tax liabilities for land revaluation	15,305	15,054	(251)
Provision for retirement benefits	44,665	44,955	290
Provision for stock payments for directors	401	321	(80)
Provision for loss on business of subsidiaries and affiliates	2,157	3,023	866
Other	5,144	4,948	(195)
<b>Total noncurrent liabilities</b>	<b>213,355</b>	<b>206,691</b>	<b>(6,664)</b>
<b>Total liabilities</b>	<b>1,010,850</b>	<b>996,673</b>	<b>(14,177)</b>
<b>Net assets</b>			
Shareholders' equity			
Capital stock	57,752	57,752	—
Capital surplus			
Legal capital surplus	41,694	41,694	—
<b>Total capital surpluses</b>	<b>41,694</b>	<b>41,694</b>	<b>—</b>
Retained earnings			
Legal retained earnings	14,438	14,438	—
Other retained earnings			
Reserve for advanced depreciation of noncurrent assets	2,414	2,392	(22)
General reserve	315,000	435,000	120,000
Retained earnings brought forward	163,088	42,823	(120,265)
<b>Total retained earnings</b>	<b>494,941</b>	<b>494,654</b>	<b>(287)</b>
Treasury stock	(2,090)	(2,726)	(635)
<b>Total shareholders' equity</b>	<b>592,297</b>	<b>591,375</b>	<b>(922)</b>
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	138,326	140,296	1,969
Deferred gains (losses) on hedges	11	12	0
Revaluation reserve for land	17,451	16,877	(573)
<b>Total valuation and translation adjustments</b>	<b>155,789</b>	<b>157,185</b>	<b>1,396</b>
<b>Total net assets</b>	<b>748,087</b>	<b>748,560</b>	<b>473</b>
<b>Total liabilities and net assets</b>	<b>1,758,937</b>	<b>1,745,234</b>	<b>(13,703)</b>
<b>(Reference)</b>			
Interest-bearing debt balances	160,433	158,036	(2,397)

## (2) Non-consolidated Statements of Income

(Yen in millions)

	April 1, 2020 - September 30, 2020	April 1, 2021 - September 30, 2021	Change
<b>Net sales</b>			
Net sales of completed construction contracts	567,468	<b>639,938</b>	72,469
Net sales of real estate business and other	10,341	<b>10,771</b>	429
Total net sales	577,809	<b>650,709</b>	72,899
<b>Cost of sales</b>			
Cost of sales on completed construction contracts	495,049	<b>599,557</b>	104,508
Cost of sales on real estate business and other	7,732	<b>8,486</b>	753
Total cost of sales	502,781	<b>608,043</b>	105,261
<b>Gross profit</b>			
Gross profit on completed construction contracts	72,419	<b>40,380</b>	(32,038)
Gross profit on real estate business and other	2,608	<b>2,284</b>	(323)
Total gross profit	75,027	<b>42,665</b>	(32,361)
Selling, general and administrative expenses	34,011	<b>38,217</b>	4,206
Operating income	41,016	<b>4,448</b>	(36,568)
<b>Non-operating income</b>			
Interest and dividend income	7,602	<b>5,863</b>	(1,739)
Other	162	<b>322</b>	160
Total non-operating income	7,765	<b>6,186</b>	(1,579)
<b>Non-operating expenses</b>			
Interest expenses	451	<b>439</b>	(12)
Provision of allowance for doubtful accounts	63	<b>30</b>	(33)
Other	844	<b>154</b>	(690)
Total non-operating expenses	1,360	<b>624</b>	(736)
Ordinary income	47,421	<b>10,009</b>	(37,411)
<b>Extraordinary income</b>			
Gain on sales of investment securities	1,920	<b>4,403</b>	2,483
Other	1,500	<b>18</b>	(1,481)
Total extraordinary income	3,420	<b>4,422</b>	1,001
<b>Extraordinary loss</b>			
Loss on sales of noncurrent assets	3,254	<b>552</b>	(2,702)
Other	430	<b>233</b>	(197)
Total extraordinary losses	3,685	<b>785</b>	(2,899)
Profit before income taxes	47,156	<b>13,646</b>	(33,509)
Income taxes-current	5,918	<b>6,881</b>	963
Income taxes-deferred	1,627	<b>(3,862)</b>	(5,490)
Total income taxes	7,545	<b>3,018</b>	(4,526)
Profit	39,610	<b>10,627</b>	(28,983)