

Financial Results for 2Q of FY3/24

Nov. 2023



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【Disclaimer】

This documents contains forward-looking statements. These statements are not guaranteed of future performance and involve risks and uncertainties and actual results may materially differ from those contains in the forward-looking statements as a result of various factors.

Orders Received for 2Q of FY3/24 (Non-Consolidated)

(JPY bn)

		FY3/23 2Q	FY3/24 2Q	Change fm FY3/23 2Q	YoY	FY3/23	FY3/24 Forecast	FY3/24 Revised Forecast	Achievement ratio
Domestic Civil Engineering	Public Sector	113.5	85.6	-28.0	-24.6%	219.8	170.0	170.0	50.3%
	Private Sector	15.1	41.6	26.5	175.9%	90.8	50.0	50.0	83.2%
	Total	128.6	127.2	-1.5	-1.1%	310.6	220.0	220.0	57.8%
Domestic Building Construction	Public Sector	16.9	63.7	46.7	276.0%	55.9	20.0	70.0	91.0%
	Private Sector	104.5	67.2	-37.4	-35.8%	165.8	200.0	150.0	44.8%
	Total	121.5	130.8	9.3	7.7%	221.7	220.0	220.0	59.5%
Overseas	Civil Engineering	0.1	6.6	6.5	9651.1%	30.6	70.0	70.0	9.4%
	Building Construction	87.1	11.6	-75.4	-86.7%	105.8	30.0	30.0	38.7%
	Total	87.1	18.2	-68.9	-79.1%	136.4	100.0	100.0	18.2%
	Civil Engineering	128.7	133.7	5.0	3.9%	341.2	290.0	290.0	46.1%
	Building Construction	208.6	142.5	-66.1	-31.7%	327.5	250.0	250.0	57.0%
	Construction Total	337.2	276.2	-61.0	-18.1%	668.7	540.0	540.0	51.1%
Real Estates and Others		0.1	0.2	0.0	3.1%	0.4	0.5	0.5	30.9%
Total		337.4	276.3	-61.0	-18.1%	669.1	540.5	540.5	51.1%

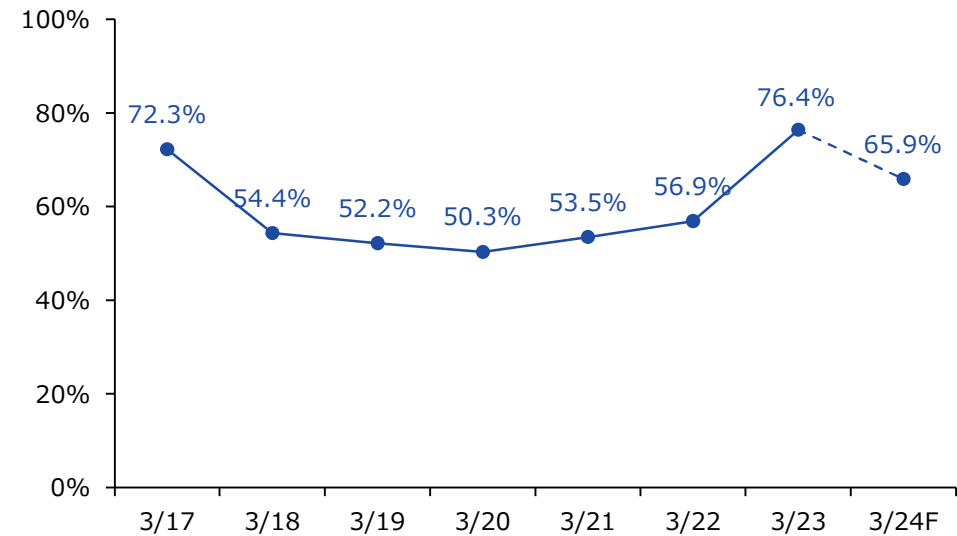
■ Proportion of Orders Received Results (Non-Consolidated)

● Domestic Civil Engineering

(JPY bn)

		FY3/21	FY3/22	FY3/23	FY3/24			
		Result	Result	Result	FY3/24 (Initial Forecast)	FY3/24 (Revised Forecast)	FY3/24 2Q	Achievement ratio
Proportion of Public & Private	Public Sector	125.8	104.9	219.8	170.0	170.0	85.6	50.3%
	Private Sector	59.9	60.6	90.8	50.0	50.0	41.6	83.2%
	Total	185.7	165.5	310.6	220.0	220.0	127.2	57.8%
	Proportion of Private Sector	32.3%	36.6%	29.2%	22.7%	22.7%	32.7%	—
Proportion of Marine & Land	Marine Civil Engineering	99.3	94.2	237.4	145.0	145.0	82.5	56.9%
	Land Civil Engineering	86.3	71.3	73.2	75.0	75.0	44.6	59.5%
	Total	185.7	165.5	310.6	220.0	220.0	127.2	57.8%
	Proportion of Marine Civil	53.5%	56.9%	76.4%	65.9%	65.9%	64.9%	—

Marine Civil Portion

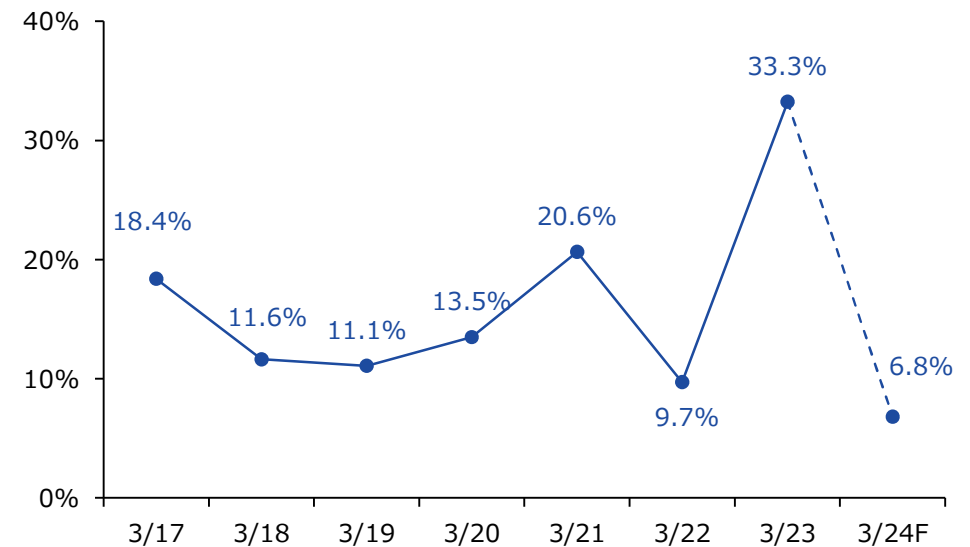


● Domestic Building Construction

(JPY bn)

		FY3/21	FY3/22	FY3/23	FY3/24			
		Result	Result	Result	FY3/24 (Initial Forecast)	FY3/24 (Revised Forecast)	FY3/24 2Q	Achievement ratio
Proportion of Public & Private	Public Sector	37.3	12.1	55.9	20.0	70.0	63.7	91.0%
	Private Sector	140.9	147.9	165.8	200.0	150.0	67.2	44.8%
	Total	178.2	160.1	221.7	220.0	220.0	130.8	59.5%
	Proportion of Private Sector	79.1%	92.4%	74.8%	90.9%	68.2%	51.3%	—
Proportion of Residential & Non-Residential	Residential	36.8	15.6	73.7	10.0	15.0	13.9	92.6%
	Non-Residential	141.4	144.5	148.0	210.0	205.0	116.9	57.0%
	Total	178.2	160.1	221.7	220.0	220.0	130.8	59.5%
	Proportion of Residential	20.6%	9.7%	33.3%	4.5%	6.8%	10.6%	—

Residential Portion



Business Results for 2Q of FY3/24

(JPY bn)

Increase in sales and profits

Domestic: Significant increase in both sales and profits

Overseas: Decrease in both sales and profits

■Non-consolidated

- Sales: JPY 253.2 bn (Up JPY 41.3 bn, or up 19.5% YoY)
 - Domestic Civil Engineering: A significant increase thanks to due to steady progress of projects at hand including a large-scale port project
 - Domestic Building Construction: Increased thanks to steady progress of projects at hand
 - Overseas: Declined due to a decrease in work at hand (mainly in civil engineering projects)
- Total Gross Profit: JPY 22.8bn (Up JPY 6.6bn up 40.7% YoY)
 - Domestic Civil Engineering: Significantly increased thanks to growth in construction total because of steady progress of work at hand and improvement in profit margin
 - Domestic Building Construction: Profits increased thanks to an increase in construction total despite a slight decrease in profit margin
 - Overseas: Decreased mainly due to an increase in provision for loss on construction contracts caused by foreign exchange rate fluctuation
- SG&A Expenses:JPY 10.7bn (Up JPY 0.6 bn YoY)
- Operating Profit:JPY 12.1 bn (Up JPY 6.0 bn,or up 98.2% YoY)
- Ordinary Income:JPY 12.3 bn(Up JPY 5.8bn,or up 89.0% YoY)
- Net Income:JPY 8.4 bn(Up JPY 3.9 bn, or up 86.2% YoY)

■Consolidated

- Net Sales: JPY 278.6 bn (Up JPY 50.9 bn, or up 22.4% YoY)
- Total Gross Profit:JPY 25.2 bn
(Up JPY 7.3 bn,or up 41.0% YoY)
- Operating Profit:JPY 13.3bn
(Up JPY 6.7bn or up 99.9% YoY)
- Ordinary Income:JPY 13.0 bn
(Up JPY 5.9 bn,or up 84.8% YoY)
- Net Income:JPY 8.8 bn
(Up JPY 4.0 bn,or up 82.7% YoY)

	Non-Consolidated						Consolidated					
	FY3/23 2Q		FY3/24 2Q		Change from FY3/23 2Q		FY3/23 2Q		FY3/24 2Q		Change from FY3/23 2Q	
Domestic Civil	79.8		117.0		37.2		85.9		126.0		40.2	
Domestic Building	71.5		81.2		9.7		72.8		82.7		10.0	
Overseas	60.4		54.8		-5.6		64.3		62.3		-2.1	
Construction Total	211.7		253.0		41.3		222.9		271.0		48.1	
Others	0.1		0.2		0.0		4.7		7.5		2.8	
Net Sales	211.9		253.2		41.3		227.7		278.6		50.9	
Domestic Civil	10.8	13.6%	19.2	16.4%	8.3	2.8p	11.2	13.1%	20.1	15.9%	8.8	2.9p
Domestic Building	4.5	6.3%	4.8	5.9%	0.4	-0.3p	4.7	6.5%	5.0	6.1%	0.3	-0.4p
Overseas	0.8	1.3%	-1.3	-2.4%	-2.1	-3.7p	1.3	1.9%	-0.7	-1.1%	-1.9	-3.0p
Gross Profit on Construction	16.1	7.6%	22.7	9.0%	6.6	1.4p	17.2	7.7%	24.4	9.0%	7.2	1.3p
Others	0.1	47.6%	0.1	44.6%	-0.0	-3.0p	0.6	13.3%	0.7	9.4%	0.1	-3.9p
Total Gross Profit	16.2	7.6%	22.8	9.0%	6.6	1.4p	17.8	7.8%	25.2	9.0%	7.3	1.2p
SG & A	10.1	4.8%	10.7	4.2%	0.6	-0.5p	11.2	4.9%	11.8	4.2%	0.7	-0.7p
Domestic Civil	5.3	6.6%	13.3	11.4%	8.1	4.8p	5.3	6.2%	13.9	11.1%	8.6	4.8p
Domestic Building	0.9	1.3%	0.9	1.2%	0.0	-0.1p	1.0	1.4%	1.0	1.2%	-0.0	-0.2p
Overseas	-0.1	-0.2%	-2.2	-4.1%	-2.1	-3.9p	-0.0	0.0%	-2.0	-3.2%	-2.0	-3.2p
Others	0.1	39.2%	0.1	37.2%	-0.0	-2.0p	0.3	6.5%	0.4	4.9%	0.1	-1.6p
Operating Profit	6.1	2.9%	12.1	4.8%	6.0	1.9p	6.7	2.9%	13.3	4.8%	6.7	1.9p
Non-Operating Income or Expenses	0.4		0.2		-0.2		0.3		-0.4		-0.7	
Ordinary Income	6.5	3.1%	12.3	4.9%	5.8	1.8p	7.0	3.1%	13.0	4.7%	5.9	1.6p
Extraordinary Income or Expenses	-0.1		-0.0		0.1		-0.1		-0.0		0.1	
Income before Taxes	6.4	3.0%	12.3	4.9%	5.9	1.8p	6.9	3.0%	12.9	4.6%	6.0	1.6p
Net Income	4.5	2.1%	8.4	3.3%	3.9	1.2p	4.8	2.1%	8.8	3.2%	4.0	1.0p

	FY3/23		FY3/24 2Q		Changes from FY3/23		FY3/23		FY3/24 2Q		Changes from FY3/23	
Total Assets	495.5		546.0		50.5		508.2		559.3		51.2	
Net Assets	135.1	27.3%	137.0	25.1%	1.9	-2.2p	157.0	30.9%	160.2	28.6%	3.3	-2.2p
Interest-bearing Debt	86.3	17.4%	137.9	25.2%	51.5	7.8p	93.7	18.4%	147.2	26.3%	53.5	7.9p
Cash and Deposits	46.5		40.0		-6.5		50.5		47.2		-3.3	
Net Debt	39.9	8.0%	97.9	17.9%	58.0	9.9p	43.2	8.5%	100.0	17.9%	56.8	9.4p

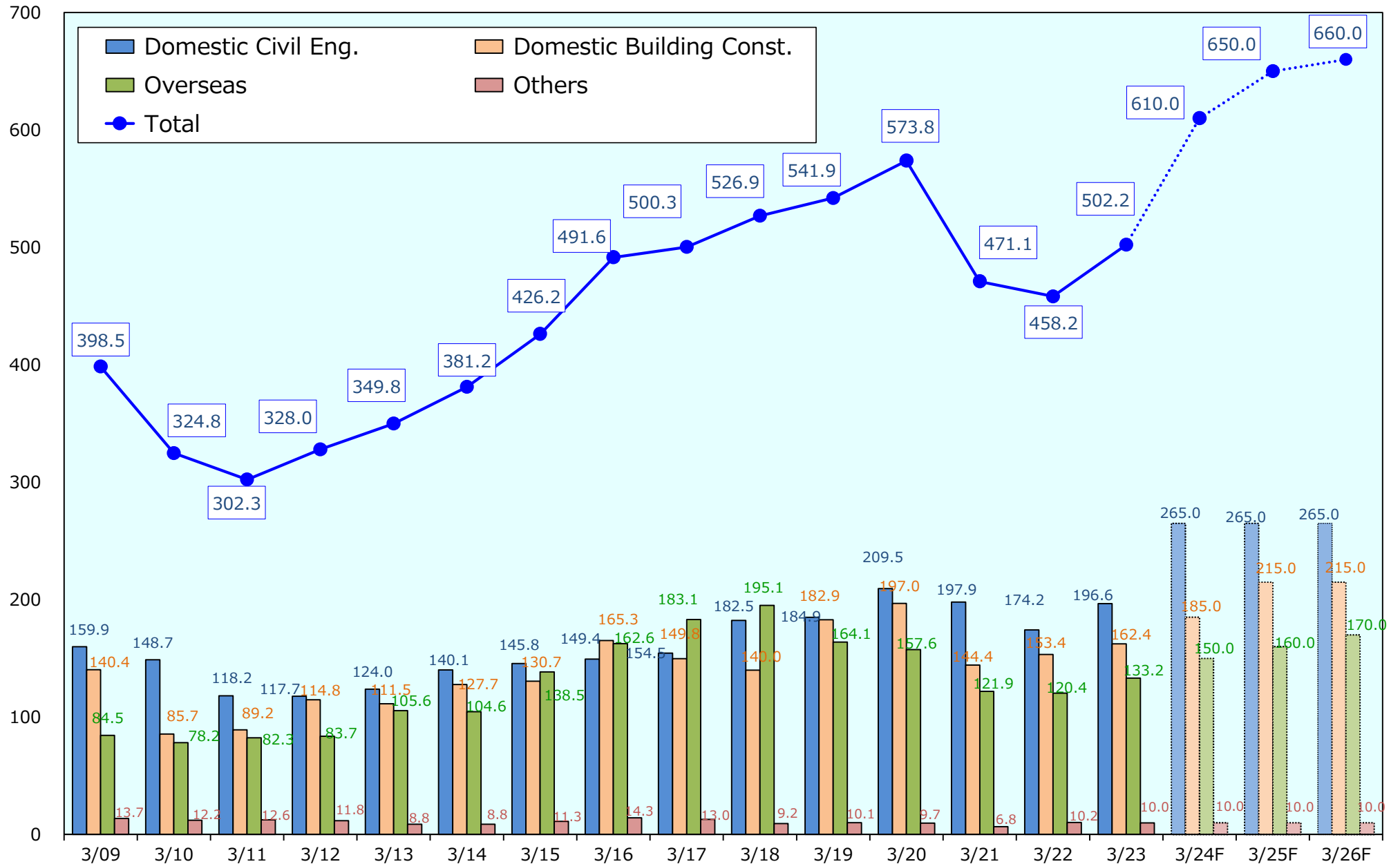
Business Forecasts for FY3/24

(JPY bn)

	Non-Consolidated										Consolidated									
	2Q					Entire term					2Q					Entire term				
	FY3/23 2Q		FY3/24 2Q		Change fm FY3/23 2Q	FY3/23		FY3/24 Forecast (2023.05)			FY3/23 2Q		FY3/24 2Q		Change fm FY3/23 2Q	FY3/23		FY3/24 Forecast (2023.05)		
Domestic Civil	79.8		117.0		37.2		185.0		250.0		85.9		126.0		40.2		196.6		265.0	
Domestic Building	71.5		81.2		9.7		160.1		180.0		72.8		82.7		10.0		162.4		185.0	
Overseas	60.4		54.8		-5.6		123.5		140.0		64.3		62.3		-2.1		133.2		150.0	
Construction Total	211.7		253.0		41.3		468.6		570.0		222.9		271.0		48.1		492.2		600.0	
Others	0.1		0.2		0.0		0.4		0.5		4.7		7.5		2.8		10.0		10.0	
Net Sales	211.9		253.2		41.3		469.1		570.5		227.7		278.6		50.9		502.2		610.0	
Domestic Civil	10.8	13.6%	19.2	16.4%	8.3	2.8p	27.9	15.1%	40.0	16.0%	11.2	13.1%	20.1	15.9%	8.8	2.9p	28.7	14.6%	41.8	15.8%
Domestic Building	4.5	6.3%	4.8	5.9%	0.4	-0.3p	9.1	5.7%	11.0	6.1%	4.7	6.5%	5.0	6.1%	0.3	-0.4p	9.5	5.9%	11.5	6.2%
Overseas	0.8	1.3%	-1.3	-2.4%	-2.1	-3.7p	-14.3	-11.6%	2.0	1.4%	1.3	1.9%	-0.7	-1.1%	-1.9	-3.0p	-13.4	-10.1%	3.0	2.0%
Gross Profit on Construction	16.1	7.6%	22.7	9.0%	6.6	1.4p	22.7	4.8%	53.0	9.3%	17.2	7.7%	24.4	9.0%	7.2	1.3p	24.8	5.0%	56.3	9.4%
Others	0.1	47.6%	0.1	44.6%	-0.0	-3.0p	0.2	43.8%	0.0	0.0%	0.6	13.3%	0.7	9.4%	0.1	-3.9p	1.6	16.2%	1.5	15.0%
Total Gross Profit	16.2	7.6%	22.8	9.0%	6.6	1.4p	22.9	4.9%	53.0	9.3%	17.8	7.8%	25.2	9.0%	7.3	1.2p	26.4	5.3%	57.8	9.5%
SG & A	10.1	4.8%	10.7	4.2%	0.6	-0.5p	20.1	4.3%	21.5	3.8%	11.2	4.9%	11.8	4.2%	0.7	-0.7p	22.3	4.4%	23.8	3.9%
Domestic Civil	5.3	6.6%	13.3	11.4%	8.1	4.8p	16.9	9.1%	28.0	11.2%	5.3	6.2%	13.9	11.1%	8.6	4.8p	17.1	8.7%	29.2	11.0%
Domestic Building	0.9	1.3%	0.9	1.2%	0.0	-0.1p	1.8	1.1%	3.5	1.9%	1.0	1.4%	1.0	1.2%	-0.0	-0.2p	2.1	1.3%	3.8	2.1%
Overseas	-0.1	-0.2%	-2.2	-4.1%	-2.1	-3.9p	-16.1	-13.0%	0.0	0.0%	-0.0	0.0%	-2.0	-3.2%	-2.0	-3.2p	-16.0	-12.0%	0.2	0.1%
Others	0.1	39.2%	0.1	37.2%	-0.0	-2.0p	0.2	37.9%	0.0	0.0%	0.3	6.5%	0.4	4.9%	0.1	-1.6p	1.0	9.6%	0.8	8.0%
Operating Profit	6.1	2.9%	12.1	4.8%	6.0	1.9p	2.8	0.6%	31.5	5.5%	6.7	2.9%	13.3	4.8%	6.7	1.9p	4.1	0.8%	34.0	5.6%
Non-Operating Income or Expenses	0.4		0.2		-0.2		-2.3		-2.0		0.3		-0.4		-0.7		-2.7		-2.0	
Ordinary Income	6.5	3.1%	12.3	4.9%	5.8	1.8p	0.5	0.1%	29.5	5.2%	7.0	3.1%	13.0	4.7%	5.9	1.6p	1.4	0.3%	32.0	5.2%
Extraordinary Income or Expenses	-0.1		-0.0		0.1		0.2		-0.5		-0.1		-0.0		0.1		0.3		-0.5	
Income before Taxes	6.4	3.0%	12.3	4.9%	5.9	1.8p	0.7	0.2%	29.0	5.1%	6.9	3.0%	12.9	4.6%	6.0	1.6p	1.7	0.3%	31.5	5.2%
Net Income	4.5	2.1%	8.4	3.3%	3.9	1.2p	0.2	0.0%	20.0	3.5%	4.8	2.1%	8.8	3.2%	4.0	1.0p	0.7	0.1%	22.0	3.6%
	FY3/23		FY3/24 2Q		Change fm FY3/23	FY3/23		FY3/24 Forecast (2023.05)			FY3/23		FY3/24 2Q		Change fm FY3/21	FY3/23		FY3/24 Forecast (2023.05)		
Total Assets	495.5		546.0		50.5		495.5		530.0		508.2		559.3		51.2		508.2		550.0	
Net Assets	135.1	27.3%	137.0	25.1%	1.9	-2.2p	135.1	27.3%	148.2	28.0%	157.0	30.9%	160.2	28.6%	3.3	-2.2p	157.0	30.9%	172.1	31.3%
Interest-bearing Debt	86.3	17.4%	137.9	25.2%	51.5	7.8p	86.3	17.4%	96.0	18.1%	93.7	18.4%	147.2	26.3%	53.5	7.9p	93.7	18.4%	113.5	20.6%
Cash and Deposits	46.5		40.0		-6.5		46.5		49.5		50.5		47.2		-3.3		50.5		56.5	
Net Debt	39.9	8.0%	97.9	17.9%	58.0	9.9p	39.9	8.0%	46.5	8.8%	43.2	8.5%	100.0	17.9%	56.8	9.4p	43.2	8.5%	57.0	10.4%

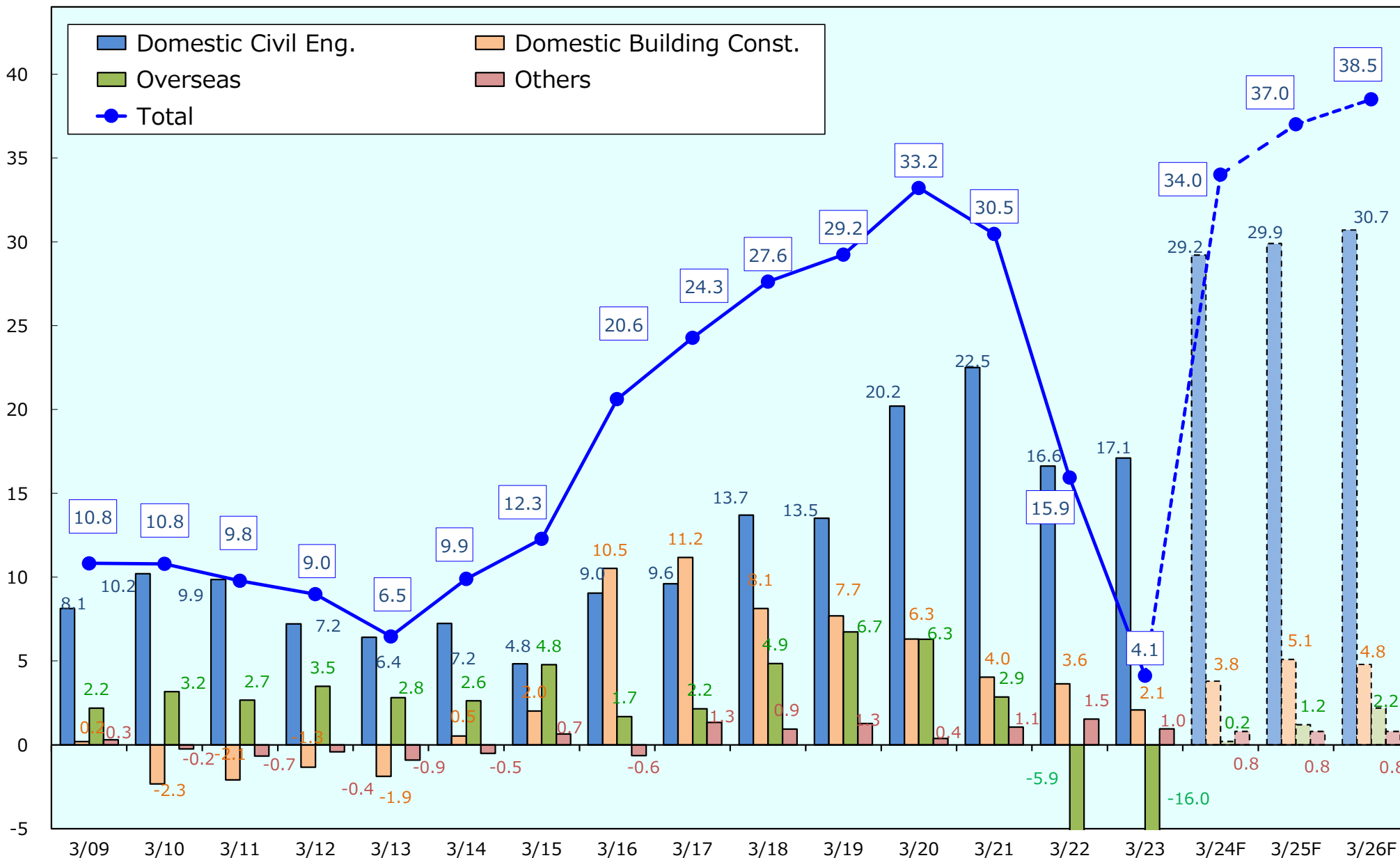
Trends of Sales by Business Unit (consolidated)

(JPY bn)



Trends of Operating Profit by Business Unit (consolidated)

(JPY bn)



Financial Planning and Capital Policies

● Financial Plan – Securing funds in response to expanding business volume and strategic investments

○ Expanding business volume :

Increase in consolidated sales

JPY 227.7 bn (2Q, FY 3/23) → JPY 278.6 bn (2Q, FY 3/24)

JPY 502.2 bn (Full year, FY 3/23) → JPY 610.0 bn (Forecast for FY 3/24)

○ Strategic investments : Capital investment JPY 10.0 bn/year → JPY 30.0 bn/year

FY 3/24 : A cable installation vessel (completion scheduled for FY 3/27)

After FY 3/25 : Third offshore installation vessel “Sea Challenger”
(to be upgraded with a 1,600t lifting crane) (completion scheduled for FY 3/27)

A large-scale foundation installation vessel and a wind turbine transportation vessel, etc.

*To be owned by Japan Offshore Marine (JOM), a JV with DEME Offshore (Belgium)

Others : Use of ICT and AI, CN conversion of work vessels, etc.

○ Funding

➤ Responding to growing funding needs from larger capital investments and business volume expansion

➤ Bank borrowings : Increased by JPY 10.0 bn in FY 3/24

➤ Corporate bonds:

October 2023 Redemption of JPY 10.0 bn (3-year bonds)

October 2023 Issuance of JPY 11.0 bn (5-year bonds)

By the end of FY 3/24 Issuance, approx. JPY 10.0 bn scheduled

➤ Commercial paper: Flexible use during this period

● Shareholder returns

○ Basic policy distribution policy

Aiming at enhancement of capital adequacy and capital investments while providing steady and appropriate profit returns to shareholders

○ Shareholder returns: Setting targets for dividend payout ratio as well as total payout ratio

Targets (Consolidated) : **Total payout ratio 40%** (Dividend payout ratio 30% or higher)

FY 3/24 : Ordinary dividend **JPY 24 (Dividend payout ratio 31.2%)**

+ Share buybacks: Payout ratio: Approx. 10%

Balance of interest-bearing debt

(JPY bn)

	Entire Term			2Q	
	3/22	3/23	3/24F	3/23 2Q	3/24 2Q
Consolidated					
Cash flow from operations	-7.7	19.7	22.0	-3.9	-44.7
Cash flow from investment	-11.8	-11.7	-29.0	-8.0	-4.0
Cash flow from financing	1.4	-7.0	13.0	10.3	44.3
Balance of cash and deposit	44.8	50.5	56.5	48.8	47.2
Balance of debt with interest	92.6	93.7	113.5	110.6	147.2
(Change from the previous year)	10.3	1.1	19.8	18.0	53.5
Non-Consolidated					
Balance of cash and deposit	40.0	46.5	49.5	42.7	40.0
Balance of debt with interest	85.8	86.3	96.0	103.6	137.9
(Change from the previous year)	8.9	0.5	9.7	17.8	51.6

Dividend per share, Dividends payout ratio, Equity ratio on a consolidated basis

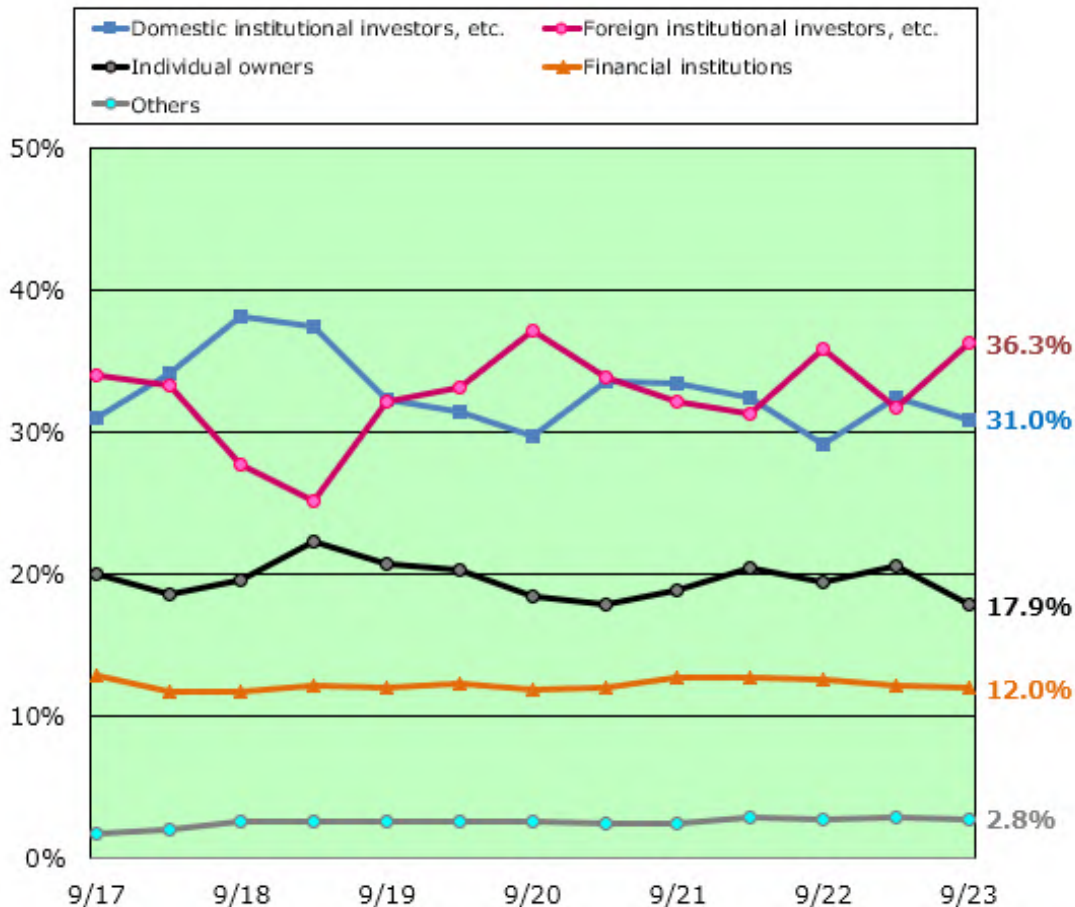
	3/21	3/21※	3/22	3/23F	3/23	3/24F
Dividend per share (Yen)	23	28	23	24	24	24
Dividend payout ratio (%)	31.3	38.1	61.1	32.7	1002	31
Total payout ratio (%)				40	1002	40

※Including commemorative dividend

Shareholder Composition

- Issued common stock: 286,013,910, including 211,493 of the treasury stocks
- Number of shareholders: 40,796 (down 6,009 over the previous term)
- Shareholder composition: Domestic institutional investors, etc 31.0% (down 1.5p), Foreign institutional investors, etc 36.3% (up 4.5p), Individual owners 17.9% (down 2.8p), Financial institutions 12.0% (down 0.2p), Other domestic corporations 2.8% (down 0.0p) → Institutional investors in and out of Japan 67.3% (up 3.0p)

Top 10 shareholders



Name of shareholders	Shares held (in thousands)	Voting right ratio(%)
The Master Trust Bank of Japan, Ltd. (Trust account)	48,026	16.8
Custody Bank of Japan, Ltd. (Trust account)	31,524	11.0
Government of Norway	8,517	3.0
STATE STREET BANK AND TRUST COMPANY 505001	7,697	2.7
Mizuho Bank, Ltd.	7,059	2.5
Meiji Yasuda Life Insurance Company	5,990	2.1
SSBTC CLIENT OMNIBUS ACCOUNT	4,816	1.7
Tokio Marine & Nichido Fire Insurance Co., Ltd.	4,763	1.7
STATE STREET LONDON CAREOF STATE STREET BANK AND TRUST, BOSTON SSBTC A /C UK LONDON BRANCH CLIENTS- UNITED KINGDOM	4,551	1.6
JUNIPER	4,454	1.6
Total held by top 10 shareholders	127,402	44.6