Supplementary Document

Financial Results for 3Q of FY3/22 & Revised Business Forecasts for FY3/22

Feb. 2022



Contents



■ Orders Received for 3Q of FY3/22 & Forecast for FY3/22 ······	1
■ Proportion of Orders Received Results (Non-Consolidated) ······	2
■ Business Results for 3Q of FY3/22 ·····	3
■ Outline of Revised Business Forecasts for FY3/22 · · · · · · · · · · · · · · · · · ·	4
■ Revised Business Forecasts for FY3/22 ·····	5

Orders Received for 3Q of FY3/22 & Forecasts for FY3/22



Results for 3Q of FY 3/22 Obomestic Civil Engineering : Private sector maintained the same level of orders YoY, while public sector showed a certain drop Obomestic Building Construction : Secured the same level of orders YoY thanks to an increase in private sector offsetting a decrease in public sector Overseas : Decreased significantly due to lack of large-scale orders	FY 3/22 full-year forecasts Omestic Civil Engineering : Down JPY 30 bn : Due to a decrease in orders in public sector Omestic Building Construction : Unchanged : Robust demand in private sector such as logistics facilities, despite of fierce competition Overseas : Down JPY 100 bn : Demand for large-scale projects taking long to pick up
	(JPY bn)

			FY3/22 3Q ©	Change fm FY3/21 3Q (②─①)	YoY	FY3/21	FY3/22 F (May 2021)	FY3/22 F (Feb 2022) ③	Achievement ratio (②/③)
Domestic	Public Sector	77.0	69.0	-8.0	-10.4%	125.8	150.0	110.0	62.7%
Civil	Private Sector	43.6	43.7	0.1	0.3%	59.9	50.0	60.0	72.9%
Engineering	Total	120.6	112.7	-7.9	-6.5%	185.7	200.0	170.0	66.3%
Domestic	Public Sector	31.0	9.9	-21.1	-68.0%	37.3	10.0	10.0	99.2%
Building	Private Sector	80.7	101.8	21.1	26.2%	140.9	170.0	170.0	59.9%
Construction	Total	111.7	111.8	0.0	0.0%	178.2	180.0	180.0	62.1%
	Civil Engineering	4.4	9.6	5.1	115.8%	7.7	90.0	42.5	22.6%
Overseas	Building Construction	98.6	6.7	-91.9	-93.2%	133.4	60.0	7.5	88.8%
	Total	103.0	16.3	-86.7	-84.2%	141.1	150.0	50.0	32.5%
	Civil Engineering	125.1	122.3	-2.7	-2.2%	193.3	290.0	212.5	57.6%
	Building Construction	210.3	118.4	-91.9	-43.7%	311.6	240.0	187.5	63.2%
	Construction Total	335.4	240.7	-94.6	-28.2%	505.0	530.0	400.0	60.2%
Others		0.2	1.2	1.0	428.2%	0.3	1.0	1.5	81.4%
	Total	335.6	242.0	-93.6	-27.9%	505.3	531.0	401.5	60.3%

(JPY bn)



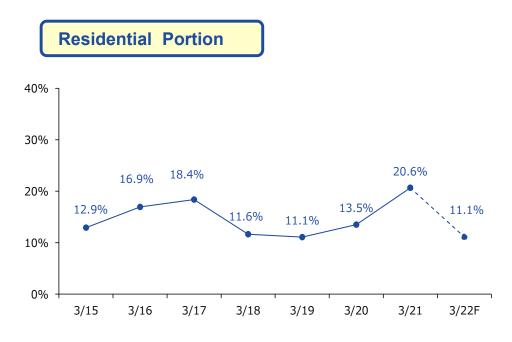
Domestic Civil Engineering

								(JPY bn)						
		FY3/19	FY3/20	FY3/21	FY3/22									
		Result	Result	Result	FY3/22 F (May 2021)	FY3/22 F (Feb 2022)	FY3/22 3Q	Achievement ratio						
	Public Sector	134.0	126.7	125.8	150.0	110.0	69.0	62.7%						
Proportion of Public	Private Sector	28.4	66.1	59.9	50.0	60.0	43.7	72.9%						
& Private	Total	162.4	192.8	185.7	200.0	170.0	112.7	66.3%						
	Proportion of Private Sector	17.5%	34.3%	32.3%	25.0%	35.3%	38.8%	—						
	Marine Civil Engineering	84.7	97.0	99.3	100.0	100.0	67.9	67.9%						
Proportion of Marine	Land Civil Engineering	77.6	95.7	86.3	100.0	70.0	44.8	64.0%						
& Land	Total	162.4	192.8	185.7	200.0	170.0	112.7	66.3%						
	Proportion of Marine Civil	52.2%	50.3%	53.5%	50.0%	58.8%	60.3%	_						

Domestic Building Construction

		FY3/19	FY3/20	FY3/21				
		Result	Result	Result	FY3/22 F (May 2021)	FY3/22 F (Feb 2022)	FY3/22 3Q	Achievement ratio
	Public Sector	14.8	24.5	37.3	10.0	10.0	9.9	99.2%
Proportion of Public	Private Sector	159.1	140.6	140.9	170.0	170.0	101.8	59.9%
& Private	Total	173.9	165.1	178.2	180.0	180.0	111.8	62.1%
	Proportion of Private Sector	91.5%	85.2%	79.1%	94.4%	94.4%	91.1%	-
	Residential	19.3	22.3	36.8	20.0	20.0	14.7	73.5%
Proportion of Residential &	Non- Residential	154.6	142.8	141.4	160.0	160.0	97.1	60.7%
Non- Residential	Total	173.9	165.1	178.2	180.0	180.0	111.8	62.1%
	Proportion of Residential	11.1%	13.5%	20.6%	11.1%	11.1%	13.2%	_

100% 80% 72.3% 63.5% 58.8% 54.4% 53.5% 60% 52.2% 51.2% 50.3% 40% 20% 0% 3/15 3/16 3/17 3/18 3/19 3/20 3/21 3/22F



Business Results for 3Q of FY3/22



Profits decreased due to losses incurred in a												(JPY bn)
large-scale project overseas			1	Non-Consolidated					Consoli	idated		
 Non-Consolidated Sales : JPY 306.9 bn (down JPY 16.9 bn YoY) 		FY3/21 30	3Q	FY3/22 3Q	Change from FY3/21 3Q		FY3/21 3Q		FY3/22 3Q		Change from FY3/21 3Q	
➢Domestic Civil Engineering :	Domestic Civil	136.8		117.7	-19.1		145.2		127.3		-17.9	
Dropped due to the completion of Tokyo 2020 Olympic	Domestic Building	100.5		104.8	4.2		102.4		105.7		3.3	
and Paralympic Games related projects in FY 3/21 and a	Overseas	86.2		83.4	-2.8		89.6		86.9		-2.8	
decrease in new orders in FY 3/22	Construction Total	323.5		305.9	-17.7		337.2		319.8		-17.4	
➢Domestic Building Construction :	Others	0.2		1.1	0.8		5.1		6.8		1.7	
Increased slightly thanks to the construction start of	 Net Sales	323.8		306.9	-16.9		342.3		326.6		-15.7	
projects awarded in FY 3/21 and the progress of projects at hand	Domestic Civil		4.9%	19.9 16.9%	-0.5	2.0p	22.1	15.2%	21.3	16.7%	-0.8	1.5p
>Overseas :	Domestic Building		6.9%	7.0 6.7%	0.0	-0.3p	7.3	7.2%	7.1	6.7%	-0.3	-0.5p
Dropped slightly with a decrease from the completion of	Overseas	-	5.6%	-1.4 -1.6%	-6.2	-7.3p	5.7	6.4%	-0.7	-0.8%	-0.3 -6.4	-0.5p
ODA related projects offsetting an increase in the	Gross Profit on Construction	-	0.0%	25.5 8.3%	-0.2 -6.8	-1.6p	35.2	10.4%	27.7	-0.0%	-0.4	· ·
completion of projects in Singapore and Hong Kong						<u> </u>					-	-1.8p
Gross Profit : JPY 25.8 bn (down JPY 6.5 bn YoY)	Others		32.9%	0.3 30.8%	0.3	-2.2p	1.2	23.8%	1.3	18.6%	0.0	-5.3p
➢Domestic Civil Engineering :	Total Gross Profit		0.0%	25.8 8.4%	-6.5	-1.6p	36.4	10.6%	29.0	8.9%	-7.4	-1.8p
Only a small decline thanks to the improved profit	SG & A		4.0%	14.5 4.7%	1.5	0.7p	14.3	4.2%	16.0	4.9%	1.7	0.7p
margins despite a significant decrease in completed projects	Domestic Civil	13.3 9	9.7%	12.0 10.2%	-1.3	0.5p	14.6	10.1%	13.0	10.2%	-1.6	0.1p
➢Domestic Building Construction :	Domestic Building	2.3 2	2.3%	1.8 1.7%	-0.5	-0.6p	2.5	2.5%	1.7	1.6%	-0.8	-0.8p
Maintained the same level of profit YoY despite the	Overseas	3.7 4	4.3%	-2.7 -3.3%	-6.5	-7.6p	4.2	4.7%	-2.5	-2.9%	-6.7	-7.6p
completion of loss-making projects	Others	0.1 23	23.7%	0.3 28.1%	0.2	4.4p	0.8	14.9%	0.8	11.6%	0.0	-3.3p
≻Overseas :	Operating Profit	19.4 6	6.0%	11.3 3.7%	-8.0	-2.3p	22.1	6.5%	13.0	4.0%	-9.1	- 2.5p
Decreased substantially due to losses incurred in a large-	Non-Operating Income or Expenses	-0.1		-0.1	0.1		-0.3		-0.2		0.1	
scale civil engineering project in Singapore (*please see	Ordinary Income	19.2 5	5.9%	11.3 3.7%	-8.0	-2.3p	21.8	6.4%	12.7	3.9%	-9.1	-2.5p
details on next page)	Extraordinary Income or Expenses	-0.4		0.3	0.7		-0.4		0.3		0.7	
 SG&A Expenses : JPY 14.5 bn (up JPY 1.5 bn YoY) Operating Profit :JPY 11.3 bn (down JPY 8.0 bn YoY) 	Income before Taxes	18.9 5	5.8%	11.6 3.8%	-7.3	-2.1p	21.4	6.3%	13.1	4.0%	-8.4	-2.3p
• Ordinary Income: JPY 11.3 bn (down JPY 8.0 bn YoY)	Net Income	13.2 4	4.1%	8.0 2.6%	-5.2	-1.5p	15.0	4.4%	9.0	2.8%	-6.0	-1.6p
• Net Income : JPY 8.0 bn (down JPY 5.2 bn YoY)					Ohan						Ohana	. f
Consolidated • Net Sales : JPY 326.6 bn (down 15.7 bn YoY)		FY3/21	1	FY3/22 3Q	Chan FY3	ge fm 3/21	FY3	/21	FY3/22 3Q		Change FY3/2	
• Gross Profit : JPY 29.0 bn (down JPY 7.4 bn YoY)	Total Assets	446.5		458.7	12.2		452.2		468.3		16.1	
Operating Profit : JPY 13.0 bn (down JPY 9.1 bn)	Net Assets	140.0 31	81.4%	139.1 30.3%	-0.9	-1.0p	158.4	35.0%	158.6	33.8%	0.2	-1.2p
 Ordinary Income : JPY 12.7 bn (down JPY 9.1 bn YoY) 	Interest-bearing Debt	77.0 17	7.2%	110.9 24.2%	33.9	6.9p	82.2	18.2%	116.1	24.8%	33.9	6.6p
Net Income : JPY 9.0 bn (down JPY 6.0 bn YoY)	Cash and Deposits	55.6		44.5	-11.1		59.8		52.2		-7.6	
	Net Debt	21.4 4	4.8%	66.3 14.5%	45.0	9.7p	22.4	5.0%	63.9	13.6%	41.4	8.7p

Outline of Revised Business Forecasts for FY3/22



Forecasts for FY 3/22 (Consolidated) – Downward revision Sales : JPY 460.0 bn (down JPY 31.0 bn compared to the last forecast) (down 2.3% YoY) Orders in Domestic Civil Engineering and Overseas have been revised downward compared to the forecast made at the beginning of the current term Operating Profit : JPY 18.0 bn (down JPY 11.0 bn compared to the last forecast) (down 40.9% YoY) Losses in a large-scale civil engineering project in Singapore (approx. JPY 5.0 bn) Non-conformity of ground condition (volume of reclamation materials [sand, etc.] increased during work, delay in construction

materials [sand, etc.] increased during work, delay in consi period)

>Effects of the prolonged COVID-19 crisis

(Interruption of work due to anti-COVID-19 lockdowns, delay in construction period due to worker shortage and price hike of materials/subcontracting fees)

%The loss is appropriated to the 3Q business results

2Other factors :

Decline in Gross Profit due to (1)a decrease in the completion both in Domestic Civil Engineering and Overseas, and (2) an increase in SG&A expenses

• Net Income: JPY 11.5 bn

(down JPY 8.5 bn compared to the last forecast) (down 45.2% YoY)

(Reference)

Outlook for FY 3/23 – Expectation for business recovery

- >Higher sales thanks to start of large-scale projects
- Construction start of multiple large-scale projects and steady progress of projects at hand are expected in all segments; Domestic Civil Engineering, Domestic Building Construction and Overseas
- Improved profit margins for domestic construction projects : Civil engineering: Approx. 16%, Building Construction : Approx. 7%
- Consolidated Sales: Likely to exceed JPY 500.0 bn Net Income : Likely to exceed JPY 20.0 bn
- ⇒ Results are expected to recover to the same level as FY 3/21
 ※Sales growth is expected to continue after FY 3/24 thanks to steady progress of large-scale projects

[Consolidated]										(JPY bn)
Teorisonaatea			FY3/22	:F			[F	Reference】	FY3/23	
	FY3/2 (May 2		FY3/2 (Feb 2		Change From FY3/22F (May 2021)	Mid-te Managem (May 2	ent Plan	Outlo (Feb 2		Change From FY3/23F (May 2020)
Construction Total Orders Received (Non-Consolidated)	530.0		400.0		-130.0	600.0		690.0		90.0
Domestic Civil Engineering	200.0		170.0		-30.0	240.0		300.0		60.0
Domestic Building Construction	180.0		180.0		0.0	200.0		230.0		30.0
Overseas	150.0		50.0		-100.0	160.0		160.0		0.0
Net Sales	491.0		460.0		-31.0	605.0		525.0		-80.0
Domestic Civil Engineering	197.5		175.0		-22.5	222.0		215.0		-7.0
Domestic Building Construction	153.5		150.0		-3.5	194.0		165.0		-29.0
Overseas	131.5		125.0		-6.5	178.5		135.0		-43.5
Others	8.5		10.0		1.5	10.5		10.0		-0.5
Total Gross Profit	49.8	10.1%	40.0	8.7%	-9.8	58.5	9.7%	53.5	10.2%	-5.0
Domestic Civil Engineering	30.2	15.3%	28.0	16.0%	-2.2	31.8	14.3%	34.0	15.8%	2.2
Domestic Building Construction	11.5	7.5%	10.5	7.0%	-1.0	14.7	7.6%	12.5	7.6%	-2.2
Overseas	6.0	4.6%	-0.5	-0.4%	-6.5	9.6	5.4%	5.5	4.1%	-4.1
Others	2.1	24.7%	2.0	20.0%	-0.1	2.4	22.9%	1.5	15.0%	-0.9
SG&A	20.8	4.2%	22.0	4.8%	1.2	22.0	3.6%	22.0	4.2%	0.0
Operating Profit	29.0	5.9%	18.0	3.9%	-11.0	36.5	6.0%	31.5	6.0%	-5.0
Ordinary Income	28.5	5.8%	17.0	3.7%	-11.5	36.0	6.0%	31.0	5.9%	-5.0
Net Income	20.0	4.1%	11.5	2.5%	-8.5	25.0	4.1%	21.0	4.0%	-4.0

Dividends

OBasic profit distribution policy

Aiming at enhancement of capital adequacy and capital investment while providing steady and appropriate shareholder returns OTarget of payout ratio (Consolidated) 30% or higher from FY 3/21

As announced at the beginning of the current term, we maintain the dividend per share at **JPY 23** (Payout ratio 57.2%)

*Because the business downturn for FY 3/22 is considered transitory

Revised Business Forecasts for FY3/22



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																			(JPY bn)
					Non-Con	solidated									Consol	lidated				
	FY3,	/21	FY3/ (May 2		FY3/ (Feb 2		Chang FY3, (May		Chang FY3		FY3	FY3/21		′22F 2021)	FY3/22F (Feb 2022)		Change from FY3/22F (May 2021)		Change FY3,	
Domestic Civil Engineering	185.5		185.0		160.0		-25.0	-13.5%	-25.5	-13.7%	197.9		197.5		175.0		-22.5	-11.4%	-22.9	-11.6%
Domestic Building Construction	142.1		150.0		150.0		0.0	0.0%	7.9	5.6%	144.4		153.5		150.0		-3.5	-2.3%	5.6	3.9%
Overseas	117.2		120.0		115.0		-5.0	-4.2%	-2.2	-1.9%	121.9		131.5		125.0		-6.5	-4.9%	3.1	2.5%
Construction Total	444.8		455.0		425.0		-30.0	-6.6%	-19.8	-4.5%	464.2		482.5		450.0		-32.5	-6.7%	-14.2	-3.1%
Net Sales	445.1		456.0		426.5		-29.5	-6.5%	-18.6	-4.2%	471.1		491.0		460.0		-31.0	-6.3%	-11.1	-2.3%
Domestic Civil Engineering	30.5	16.5%	28.5	15.4%	26.0	16.3%	-2.5	-8.8%	-4.5	-14.8%	32.7	16.5%	30.2	15.3%	28.0	16.0%	-2.2	-7.3%	-4.7	-14.4%
Domestic Building Construction	10.2	7.2%	11.0	7.3%	10.5	7.0%	-0.5	-4.5%	0.3	2.8%	10.6	7.4%	11.5	7.5%	10.5	7.0%	-1.0	-8.7%	-0.1	-1.3%
Overseas	3.9	3.3%	4.8	4.0%	-1.5	-1.3%	-6.3	-131.3%	-5.4	-138.3%	5.1	4.1%	6.0	4.6%	-0.5	-0.4%	-6.5	-108.3%	-5.6	-109.9%
Gross Profit on Construction	44.6	10.0%	44.3	9.7%	35.0	8.2%	-9.3	-21.0%	-9.6	-21.6%	48.4	10.4%	47.7	9.9%	38.0	8.4%	-9.7	-20.3%	-10.4	-21.5%
Total Gross Profit	44.8	10.1%	44.8	9.8%	35.5	8.3%	-9.3	-20.8%	-9.3	-20.7%	50.0	10.6%	49.8	10.1%	40.0	8.7%	-9.8	-19.7%	-10.0	-20.1%
SG & A	17.8	4.0%	18.8	4.1%	20.0	4.7%	1.2		2.2		19.6	4.2%	20.8	4.2%	22.0	4.8%	1.2		2.4	
Domestic Civil Engineering	20.8	11.2%	18.0	9.7%	15.0	9.4%	-3.0	-16.7%	-5.8	-27.9%	22.5	11.4%	19.0	9.6%	17.0	9.7%	-2.0	-10.5%	-5.5	-24.4%
Domestic Building Construction	3.8	2.7%	4.5	3.0%	3.5	2.3%	-1.0	-22.2%	-0.3	-7.8%	4.0	2.8%	4.8	3.1%	3.0	2.0%	-1.8	-37.5%	-1.0	-25.8%
Overseas	2.3	2.0%	3.0	2.5%	-3.5	-3.0%	-6.5	-216.7%	-5.8	-252.0%	2.9	2.3%	3.7	2.8%	-3.0	-2.4%	-6.7	-181.1%	-5.9	-204.9%
Operating Profit	27.0	6.1%	26.0	5.7%	15.5	3.6%	-10.5	-40.4%	-11.5	-42.6%	30.5	6.5%	29.0	5.9%	18.0	3.9%	-11.0	-37.9%	-12.5	-40.9%
Non-Operating Income or Expenses	0.3		-0.5		-1.0		-0.5		-1.3		0.1		-0.5		-1.0		-0.5		-1.1	
Ordinary Income	27.3	6.1%	25.5	5.6%	14.5	3.4%	-11.0	-43.1%	-12.8	-46.8%	30.5	6.5%	28.5	5.8%	17.0	3.7%	-11.5	-40.4%	-13.5	-44.3%
Extraordinary Income or Losses	-0.4		0.0		0.0		0.0		0.4		-0.4		0.0		0.0		0.0		0.4	
Income before Taxes	26.9	6.0%	25.5	5.6%	14.5	3.4%	-11.0	-43.1%	-12.4	-46.1%	30.2	6.4%	28.5	5.8%	17.0	3.7%	-11.5	-40.4%	-13.2	-43.6%
Net Income	18.7	4.2%	18.0	3.9%	10.0	2.3%	-8.0	-44.4%	-8.7	-46.5%	21.0	4.5%	20.0	4.1%	11.5	2.5%	-8.5	-42.5%	-9.5	-45.2%
Total Assets	446.5		440.0		420.0						452.2		460.0		430.0					
Net Assets	140.0	31.4%	149.6	34.0%	140.8	33.5%					158.4	36.4%	170.4	37.0%	161.9	37.6%				
Interest-bearing Debt	77.0	17.2%	77.0	17.5%	77.0	18.3%					82.2	18.2%	83.0	18.0%	83.0	19.3%				
Cash and Deposits	55.6		48.0		48.0						59.8		52.0		52.0					
Net Interest-bearing Debt	21.4	4.8%	29.0	6.6%	29.0	6.9%					22.4	5.0%	31.0	6.7%	31.0	7.2%				
Net D/E Ratio (Point)	0.2		0.2		0.2						0.1		0.2		0.2					
Return On Equity (ROE)	14.0%		12.4%		7.1%						14.0%		12.2%		7.2%					



[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.