

Financial Results of FY3/22 & Forecasts for FY3/23

May 2022



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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 of FY3/22 & Forecasts for FY3/23

■ Orders Received for FY3/22

● Domestic Civil Engineering Business Unit: JPY165.5 bn (down JPY20.2 bn YoY)

➢ Marine: JPY94.2bn (down JPY5.2 bn YoY)
Decreased in reaction to the large-scale public port project received in previous term, despite a slight increase in private sector

➢ Land: JPY71.3 bn (down JPY15 bn YoY)
Decreased both in public and private sectors, a sharper decline in public sector

● Domestic Building Construction Business Unit: JPY160.1 bn (down JPY18.2 bn YoY)

➢ Residential: JPY15.6 bn (down JPY21.2 bn YoY)

Decreased due to lack of large-scale orders

➢ Non-Residential: JPY144.5 bn (up JPY3.1 bn YoY)

Increased thanks to better performance in private sectors reflecting robust demand in logistics, offsetting a drop in public sectors

● Overseas Business Unit:

JPY 48 bn (down JPY93.1 bn YoY)

➢ Civil Engineering: JPY47.6 bn (up JPY40 bn YoY)

Received order for a large-scale MRT project in Singapore

➢ Building Construction: JPY0.4 bn (down JPY133 bn YoY)

Decrease due to lack of large-scale orders

■ Order Forecasts for FY3/23

- We expect a significant increase in orders in Japan with multiple large-scale construction projects

➢ Domestic Civil Engineering Business Unit: JPY300 bn (significant Increase)

In addition to robust demand for public works projects including the five-year acceleration plan for building national resilience, we expect orders for large port construction projects and offshore wind power construction projects

➢ Domestic Building Construction Business Unit: JPY230 bn (significant increase)

In addition to robust demand for logistics facilities, we expect order receipt for large-scale redevelopment projects, etc.

➢ Overseas Business Unit: JPY150 bn (average)

In addition to large-scale ODA projects, steady demand for construction in Singapore and Hong Kong is expected

		(JPY bn)						
		FY3/21	FY3/22		FY3/23			
		Result	Result	Changes from FY3/21	YoY	Forecast	Changes from FY3/22	YoY
Domestic Civil Engineering	Public Sector	125.8	104.9	-20.9	-16.6%	230.0	125.1	119.3%
	Private Sector	59.9	60.6	0.7	1.2%	70.0	9.4	15.5%
	Total	185.7	165.5	-20.2	-10.9%	300.0	134.5	81.3%
	Marine Civil Engineering	99.3	94.2	-5.2	-5.2%	220.0	125.8	133.6%
	Land Civil Engineering	86.3	71.3	-15.0	-17.4%	80.0	8.7	12.2%
Share of Marine Civil		53.5%	56.9%	—	—	73.3%	—	—
Domestic Building Construction	Public Sector	37.3	12.1	-25.2	-67.5%	15.0	2.9	23.7%
	Private Sector	140.9	147.9	7.0	5.0%	215.0	67.1	45.3%
	Total	178.2	160.1	-18.2	-10.2%	230.0	69.9	43.7%
	Residential	36.8	15.6	-21.2	-57.7%	70.0	54.4	350.1%
	Non-Residential	141.4	144.5	3.1	2.2%	160.0	15.5	10.7%
Share of Residential		20.6%	9.7%	—	—	30.4%	—	—
Domestic Construction Total	Public Sector	163.1	117.0	-46.1	-28.3%	245.0	128.0	109.4%
	Private Sector	200.8	208.5	7.7	3.9%	285.0	76.5	36.7%
Domestic Construction Total		363.9	325.5	-38.3	-10.5%	530.0	204.5	62.8%
Overseas	Civil Engineering	7.7	47.6	40.0	522.2%	80.0	32.4	68.0%
	Building Const.	133.4	0.4	-133.0	-99.7%	70.0	69.6	18912.5%
	Overseas Total	141.1	48.0	-93.1	-66.0%	150.0	102.0	212.7%
Construction Total	Civil Engineering	193.3	213.1	19.8	10.2%	380.0	166.9	78.3%
	Building Const.	311.6	160.4	-151.2	-48.5%	300.0	139.6	87.0%
Construction Total		505.0	373.5	-131.4	-26.0%	680.0	306.5	82.1%
Others		0.3	1.4	1.1	361.8%	0.5	-0.9	-64.5%
Total		505.3	374.9	-130.3	-25.8%	680.5	305.6	81.5%

Business Results of FY3/22

Decrease in both sales and profits - Construction losses recorded overseas

■ Non-consolidated *vs. FCST (against forecast issued in February 2022)

● **Net Sales: JPY429 bn** (down JPY16.2 bn/down 3.6% YoY, up JPY2.5 bn vs. FCST)

➢ Domestic Civil Engineering Business Unit: Decrease in sales due to completion of Tokyo 2020 Olympic and Paralympic related projects in the previous term and a drop in orders for land civil engineering projects in public sector in the current term

➢ Domestic Building Construction Business Unit: Increased thanks to steady progress of projects at hand

➢ Overseas Business Unit: Unchanged thanks to progress of projects at hand despite a decline in ODA projects

● **Gross Profit: JPY32.6 bn** (down JPY12.1 bn/down 27.1% YoY, down JPY 2.9bn vs. FCST)

➢ Domestic Civil Engineering Business Unit: Secured high-level profit margins despite a decrease in profits due to fewer completion of projects

➢ Domestic Building Construction Business Unit: Increased slightly thanks to more completion of projects despite slightly lower profit margins

➢ Overseas Business Unit: Recorded construction losses in the large-scale civil engineering project in Singapore (Amount of loss: JPY5 bn in 3Q, JPY4 bn in 4Q, JPY9 bn in total)

1. Loss in reclamation work: JPY6 bn (JPY 5bn in 3Q, JPY1 bn in 4Q)

- Non-conformity in ground conditions (increase in quantity of sand for reclamation, process delays)

- Impact of COVID-19 infection (construction halts, worker shortage, rise of material and subcontracting prices) + additional losses due to further hike in material prices

2. Loss in ground improvement work: JPY3 bn

- Difficult negotiations on design changes due to non-conformity in site conditions, etc.

● **Operating Profit: JPY 13.3 bn**

(down JPY13.7bn/down 50.7% YoY, down JPY2.2 bn vs. FCST)

● **Ordinary Income: JPY13.2 bn**

(down JPY 14.1 bn/down 51.7% YoY, down JPY1.3 bn vs. FCST)

● **Net Income: JPY9.1 bn**

(down JPY 9.6bn/down 51.2% YoY, down JPY 0.9 bn vs. FCST)

■ Consolidated

● Net Sales: JPY458.2 bn (down JPY12.8 bn/ down 2.7% YoY, down JPY 1.8 bn vs. FCST)

● Gross Profit: JPY 37.2 bn (down JPY12.8 bn/down 25.6% YoY, down JPY 2.8 bn vs. FCST)

● Operating Profit: JPY15.9 bn

(down JPY14.5 bn/down 47.7% YoY, down JPY 2.1 bn vs. FCST)

● Ordinary Income: JPY15.7 bn

(down JPY14.9 bn/down 48.7% YoY, down JPY 1.3 bn vs. FCST)

● Net Income: JPY10.8 bn (down JPY10.2 bn/down 48.8% YoY, down JPY 0.7 bn vs. FCST)

(JPY bn)

	Non-Consolidated						Consolidated					
	FY3/22		YoY		FY3/22 Forecast		FY3/22		YoY		FY3/22 Forecast	
Domestic Civil	160.6		-25.0	-13.5%	160.0		174.2		-23.7	-12.0%	175.0	
Domestic Building	151.7		9.6	6.7%	150.0		153.4		9.0	6.2%	150.0	
Overseas	115.3		-1.9	-1.6%	115.0		120.4		-1.6	-1.3%	125.0	
Construction Total	427.6		-17.3	-3.9%	425.0		448.0		-16.2	-3.5%	450.0	
Others	1.4		1.1	361.8%	1.5		10.2		3.4	49.6%	10.0	
Net Sales	429.0		-16.2	-3.6%	426.5		458.2		-12.8	-2.7%	460.0	
Domestic Civil	26.0	16.2%	-4.5	-0.3p	26.0	16.3%	27.6	15.9%	-5.1	-0.7p	28.0	16.0%
Domestic Building	10.5	6.9%	0.3	-0.2p	10.5	7.0%	10.8	7.0%	0.2	-0.3p	10.5	7.0%
Overseas	-4.4	-3.8%	-8.3	-7.1p	-1.5	-1.3%	-3.4	-2.8%	-8.4	-7.0p	-0.5	-0.4%
Gross Profit on Construction	32.2	7.5%	-12.5	-2.5p	35.0	8.2%	35.1	7.8%	-13.3	-2.6p	38.0	8.4%
Others	0.5	32.7%	0.3	-4.7p	0.5	33.3%	2.2	21.3%	0.5	-3.0p	2.0	20.0%
Total Gross Profit	32.6	7.6%	-12.1	-2.4p	35.5	8.3%	37.2	8.1%	-12.8	-2.5p	40.0	8.7%
SG & A	19.3	4.5%	1.5	0.5p	20.0	4.7%	21.3	4.6%	1.7	0.5p	22.0	4.8%
Domestic Civil	15.5	9.7%	-5.3	-1.5p	15.0	9.4%	16.6	9.5%	-5.9	-1.8p	17.0	9.7%
Domestic Building	3.5	2.3%	-0.3	-0.3p	3.5	2.3%	3.6	2.4%	-0.4	-0.4p	3.0	2.0%
Overseas	-6.2	-5.4%	-8.5	-7.3p	-3.5	-3.0%	-5.9	-4.9%	-8.7	-7.2p	-3.0	-2.4%
Others	0.4	30.1%	0.3	1.6p	0.5	33.3%	1.5	15.1%	0.5	-0.4p	1.0	10.0%
Operating Profit	13.3	3.1%	-13.7	-3.0p	15.5	3.6%	15.9	3.5%	-14.5	-3.0p	18.0	3.9%
Non-Operating Income or Expenses	-0.1		-0.4		-1.0		-0.3		-0.4		-1.0	
Ordinary Income	13.2	3.1%	-14.1	-3.1p	14.5	3.4%	15.7	3.4%	-14.9	-3.1p	17.0	3.7%
Extraordinary Income or Expenses	0.4		0.8		0.0		0.4		0.8		0.0	
Income before Taxes	13.6	3.2%	-13.3	-2.9p	14.5	3.4%	16.1	3.5%	-14.1	-2.9p	17.0	3.7%
Net Income	9.1	2.1%	-9.6	-2.1p	10.0	2.3%	10.8	2.3%	-10.2	-2.1p	11.5	2.5%

	FY3/22		YoY		FY3/22 Forecast		FY3/22		YoY		FY3/22 Forecast	
Total Assets	456.0		9.5		420.0		467.4		15.1		430.0	
Net Assets	139.8	30.7%	-0.2	-0.7p	140.8	33.5%	159.8	34.1%	1.4	-0.9p	161.9	37.6%
Interest-bearing Debt	85.8	18.8%	8.9	1.6p	77.0	18.3%	92.6	19.8%	10.3	1.6p	83.0	19.3%
Cash and Deposits	40.0		-15.6		48.0		44.8		-14.9		52.0	
Net Debt	45.8	10.1%	24.5	5.3p	29.0	6.9%	47.7	10.2%	25.3	5.3p	31.0	7.2%
Net D/E Ratio (Point)	0.3				0.2		0.3				0.2	
Return on Equity (ROE)	6.5%		-7.5p		7.1%		6.8%		-7.3p		7.2%	

■ Outline of Revised Business Forecasts for FY3/23

■ Forecasts for FY 3/23

–Anticipation for a V-shaped recovery to the FY 3/21 level

■ Consolidated

● **Sales: JPY 515 bn** (up JPY56.8 bn/up 12.4% YoY)

- Domestic Civil Engineering Business Unit: Increase in sales thanks to progress of projects at hand and start of a large-scale port construction project, as well as construction start of offshore wind power facilities in port areas
- Domestic Building Construction Business Unit: Increase in sales thanks to progress of projects at hand and construction start of a large-scale redevelopment project
- Overseas Business Unit: Expected to be at a par-performance with steady progress of projects at hand, however, fewer carried-over projects due to a decline in order-receipt since FY 3/20 put downward pressure

● **Operating Profit: JPY 53.5 bn** (up JPY16.3 bn/up 43.7% YoY)

- Domestic Civil Engineering Business Unit: Significant increase in profits thanks to increase in completion and high-level profit margins
- Domestic Building Construction Business Unit: Increase in profits thanks to increase in completion and high-level profit margins, although conditions such as material price hikes, supply restrictions must be monitored
- Overseas Business Unit: Expected to recover to a certain level due to provision for construction losses in the previous fiscal year, however, we need to watch out for material price hikes, supply restrictions, worker shortage, wage hikes due to COVID-19 and other factors

● **Operating Profit: JPY 31.5 bn** (up JPY15.6bn/up 97.6% YoY)

● **Ordinary Income: JPY31 bn** (up JPY15.3bn/up 98.0% YoY)

● **Net Income: JPY21 bn** (up JPY10.2bn/up 95.3% YoY)

(Reference) Outlook for FY 3/24

● **Business volume expected to expand thanks to progress of large-scale construction projects**

Sales likely to achieve record-high performance:

(Consolidated) JPY620 bn, (Unconsolidated) JPY580 bn

* Domestic Civil Engineering: JPY230 bn, Domestic Building Construction: JPY200 bn, Overseas: JPY 150 bn.

● **Further improvement of profit margins for domestic projects**

Possibility of record-high profits

- Profit margins: Domestic civil engineering projects: 16% level

Domestic building construction projects: 7% level

* Profit margins are expected to improve due to revised cost estimation standards for governmental port construction projects

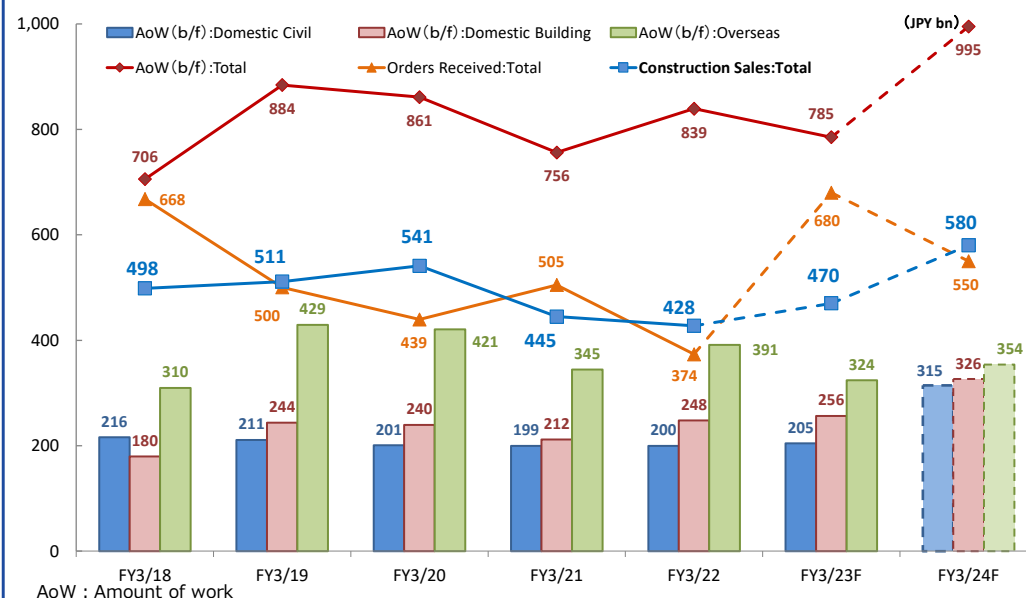
-Soaring prices of construction materials and equipment, fuel, and labor costs, and supply constraints must be monitored (especially in domestic building construction and overseas)

■ Forecasts for FY 3/23 (Consolidated)

(JPY bn)

	Non-Consolidated						Consolidated					
	FY3/22		FY3/23 (May 2022)		YoY		FY3/22		FY3/23 (May 2022)		YoY	
Net Sales	429.0		470.5		41.5		458.2		515.0		56.8	
Domestic Civil Engineering	160.6		190.0		29.4		174.2		205.0		30.8	
Domestic Building Construction	151.7		160.0		8.3		153.4		165.0		11.6	
Overseas	115.3		120.0		4.7		120.4		135.0		14.6	
Others	1.4		0.5		-0.9		10.2		10.0		-0.2	
Total Gross Profit	32.6	7.6%	48.0	10.2%	15.4	2.6p	37.2	8.1%	53.5	10.4%	16.3	2.3p
Domestic Civil Engineering	26.0	16.2%	32.0	16.8%	6.0	0.6p	27.6	15.9%	34.0	16.6%	6.4	0.7p
Domestic Building Construction	10.5	6.9%	12.0	7.5%	1.5	0.6p	10.8	7.0%	12.5	7.6%	1.7	0.5p
Overseas	-4.4	-3.8%	4.0	3.3%	8.4	7.1p	-3.4	-2.8%	5.5	4.1%	8.9	6.9p
Others	0.5	32.7%	0.0	0.0%	-0.5	-32.7p	2.2	21.3%	1.5	15.0%	-0.7	-6.3p
SG&A	19.3	4.5%	20.0	4.3%	0.7	-0.2p	21.3	4.6%	22.0	4.3%	0.7	-0.4p
Operating Profit	13.3	3.1%	28.0	6.0%	14.7	2.8p	15.9	3.5%	31.5	6.1%	15.6	2.6p
Ordinary Income	13.2	3.1%	27.5	5.8%	14.3	2.8p	15.7	3.4%	31.0	6.0%	15.3	2.6p
Net Income	9.1	2.1%	19.0	4.0%	9.9	1.9p	10.8	2.3%	21.0	4.1%	10.2	1.7p

■ (Reference) Forecasts of carryover and sales at the beginning of FY3/24(Non-consolidated)



■ Business Forecasts for FY3/23

(JPY bn)

	FY3/22		Changes From FY3/22F (May 2020)		FY3/23F (May 2022)		Changes From FY3/23F (May 2020)		Changes From FY3/22	
Domestic Civil Engineering	160.6		-39.4		190.0		-20.0		29.4	
Domestic Building Construction	151.7		-18.3		160.0		-30.0		8.3	
Overseas	115.3		-39.7		120.0		-40.0		4.7	
Construction Total	427.6		-97.4		470.0		-90.0		42.4	
Others	1.4		0.9		0.5		0.0		-0.9	
Net Sales	429.0		-96.5		470.5		-90.0		41.5	
Domestic Civil Engineering	26.0	16.2%	-2.5	1.9p	32.0	16.8%	2.0	2.6p	6.0	0.6p
Domestic Building Construction	10.5	6.9%	-2.0	-0.4p	12.0	7.5%	-2.0	0.1p	1.5	0.6p
Overseas	-4.4	-3.8%	-11.9	-8.6p	4.0	3.3%	-4.0	-1.7p	8.4	7.1p
Gross Profit on Construction	32.2	7.5%	-16.3	-1.7p	48.0	10.2%	-4.0	0.9p	15.8	2.7p
Others	0.5	32.7%	0.5	32.7p	0.0	0.0%	0.0	0.0p	-0.5	-32.7p
Total Gross Profit	32.6	7.6%	-15.9	-1.6p	48.0	10.2%	-4.0	0.9p	15.4	2.6p
SG & A	19.3	4.5%	0.0	0.8p	20.0	4.3%	0.0	0.7p	0.7	-0.2p
Domestic Civil Engineering	15.5	9.7%	-2.5	0.7p	21.0	11.1%	2.0	2.0p	5.5	1.4p
Domestic Building Construction	3.5	2.3%	-2.2	-1.0p	5.0	3.1%	-2.0	-0.6p	1.5	0.8p
Overseas	-6.2	-5.4%	-11.7	-8.9p	2.0	1.7%	-4.0	-2.1p	8.2	7.0p
Others	0.4	30.1%	0.4	30.1p	0.0	0.0%	0.0	0.0p	-0.4	-30.1p
Operating Profit	13.3	3.1%	-15.9	-2.5p	28.0	6.0%	-4.0	0.2p	14.7	2.8p
Non-Operating Income or Expenses	-0.1		0.4		-0.5		0.0		-0.4	
Ordinary Income	13.2	3.1%	-15.5	-2.4p	27.5	5.8%	-4.0	0.2p	14.3	2.8p
Extraordinary Income or Losses	0.4		0.9		-0.5		0.0		-0.9	
Income before Taxes	13.6	3.2%	-14.6	-2.2p	27.0	5.7%	-4.0	0.2p	13.4	2.6p
Net Income	9.1	2.1%	-10.9	-1.7p	19.0	4.0%	-3.0	0.1p	9.9	1.9p
Earning per share (yen)	32.0		-38.1		66.6		-10.4		34.6	
Total Assets	456.0		26.0		450.0		10.0		-6.0	
Net Assets	139.8	30.7%	-9.4	-4.0p	152.3	33.8%	-11.8	-3.4p	12.4	3.2p
Interest-bearing Debt	85.8	18.8%	8.8	0.9p	86.0	19.1%	9.0	1.6p	0.2	0.3p
Cash and Deposits	40.0		-5.0		39.0		-11.0		-1.0	
Net Interest-bearing Debt	45.8	10.1%	13.8	2.6p	47.0	10.4%	20.0	4.3p	1.2	0.4p
Net D/E Ratio (Point)	0.3		0.1		0.3		0.1		0.0	
Return On Equity (ROE)	6.5%		-7.5p		13.0%		-1.0p		6.5p	

FY3/22		Changes From FY3/22F (May 2020)		FY3/23F (May 2022)		Changes From FY3/23F (May 2020)		Changes From FY3/22		
174.2		-37.8		205.0		-17.0		30.8		
153.4		-20.6		165.0		-29.0		11.6		
120.4		-48.1		135.0		-43.5		14.6		
448.0		-106.5		505.0		-89.5		57.0		
10.2		-0.3		10.0		-0.5		-0.2		
458.2		-106.8		515.0		-90.0		56.8		
27.6	15.9%	-2.6	1.6p	34.0	16.6%	2.2	2.3p	6.4	0.7p	
10.8	7.0%	-2.3	-0.5p	12.5	7.6%	-2.2	-0.0p	1.7	0.5p	
-3.4	-2.8%	-12.2	-8.0p	5.5	4.1%	-4.1	-1.3p	8.9	6.9p	
35.1	7.8%	-17.0	-1.6p	52.0	10.3%	-4.1	0.9p	16.9	2.5p	
2.2	21.3%	-0.0	0.3p	1.5	15.0%	-0.9	-7.9p	-0.7	-6.3p	
37.2	8.1%	-17.1	-1.5p	53.5	10.4%	-5.0	0.7p	16.3	2.3p	
21.3	4.6%	0.3	0.9p	22.0	4.3%	0.0	0.6p	0.7	-0.4p	
16.6	9.5%	-2.5	0.5p	22.5	11.0%	2.4	1.9p	5.9	1.4p	
3.6	2.4%	-2.5	-1.1p	5.0	3.0%	-2.5	-0.8p	1.4	0.7p	
-5.9	-4.9%	-12.5	-8.8p	3.0	2.2%	-4.3	-1.9p	8.9	7.1p	
1.5	15.1%	0.0	0.8p	1.0	10.0%	-0.6	-5.2p	-0.5	-5.1p	
15.9	3.5%	-17.4	-2.4p	31.5	6.1%	-5.0	0.1p	15.6	2.6p	
-0.3		0.2		-0.5		0.0		-0.2		
15.7	3.4%	-17.1	-2.4p	31.0	6.0%	-5.0	0.1p	15.3	2.6p	
0.4		0.9		-0.5		0.0		-0.9		
16.1	3.5%	-16.2	-2.2p	30.5	5.9%	-5.0	0.1p	14.4	2.4p	
10.8	2.3%	-11.7	-1.6p	21.0	4.1%	-4.0	-0.1p	10.2	1.7p	
37.7		-41.1		73.7		-13.9		35.9		
467.4		27.4		480.0		10.0		12.6		
159.8	34.1%	-8.5	-4.1p	174.2	36.3%	-11.9	-3.3p	14.4	2.1p	
92.6	19.8%	9.6	0.9p	96.0	20.0%	11.0	1.9p	3.4	0.2p	
44.8		-4.2		44.5		-8.5		-0.3		
47.7	10.2%	13.7	2.5p	51.5	10.7%	19.5	3.9p	3.8	0.5p	
0.3		0.1		0.3		0.1		-0.0		
6.8%		-7.3p		12.6%		-1.5p		5.8p		

Progress of Medium Term Management Plan① (FY3/21-FY3/23)

Management targets

Consolidated	Original (May 2020)	Forecast (May 2022)
Net Sales	JPY 605 bn	JPY 525 bn
Net Income	JPY 25 bn	JPY 21 bn
Interest-bearing Debt	JPY 85 bn	JPY 96 bn
ROE	10% or higher	10% or higher
Dividends payout ratio	30% or higher	30% or higher
Total payout ratio	— — —	40%

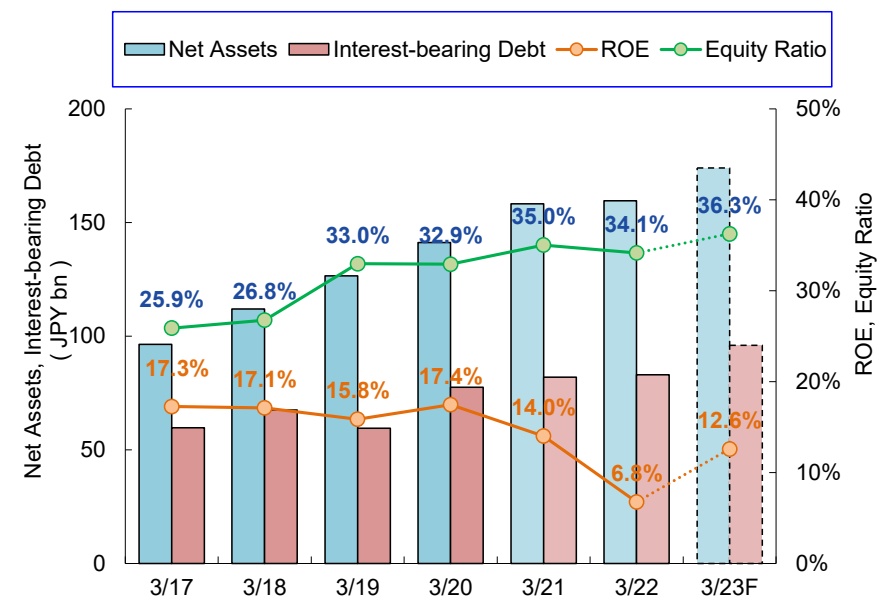
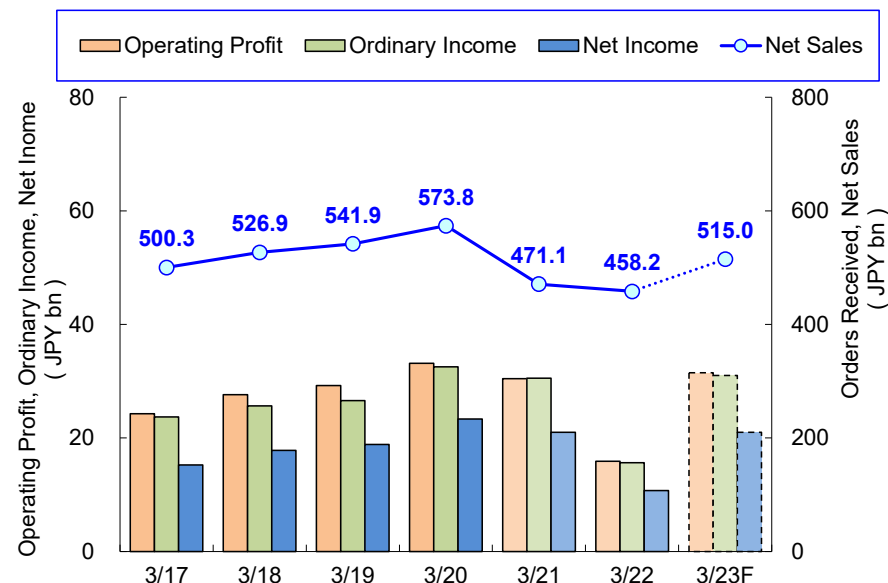
(JPY bn)

	Mid-term Management Plan (FY3/21 - FY3/23) Targets for FY3/23			
	Original (May 2020)		Forecast (May 2022)	
	Non-Consolidated	Consolidated	Non-Consolidated	Consolidated
Financial Targets				
Orders Received	600.0		680.0	
Net Sales	560.5	605.0	470.5	515.0
Operating Income	32.0	36.5	28.0	31.5
Ordinary Income	31.5	36.0	27.5	31.0
Net Income	22.0	25.0	19.0	21.0
Earning Per Share (Yen)	77.1	87.6	66.6	73.7

Consolidated targets of financial status

Interest-bearing Debt	85.0	96.0
Net D/E Ratio (times)	approx. 0.2	approx. 0.3
ROE	14.0%	12.6%

Changes in principle figures on a consolidated basis



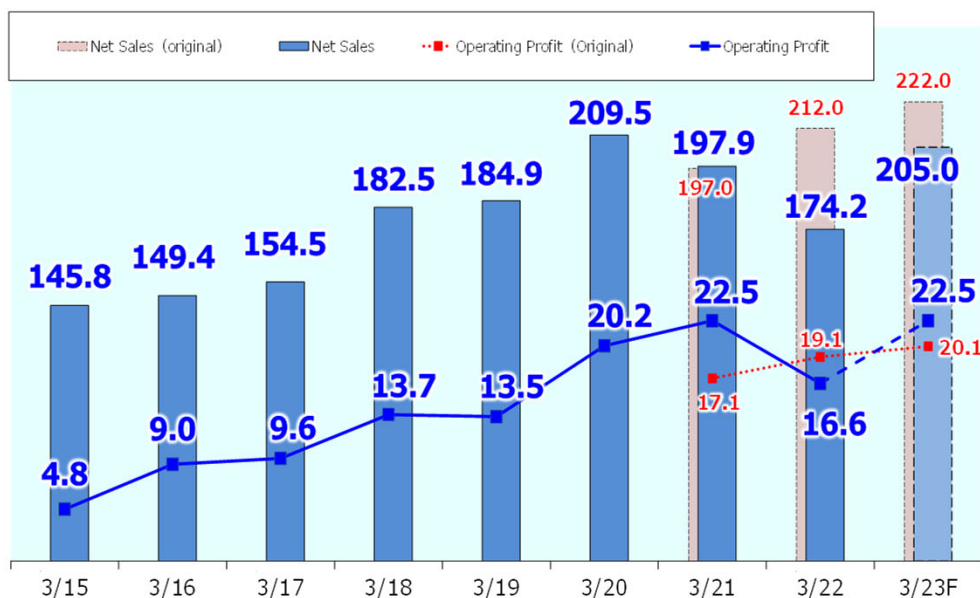
■ Progress of Medium Term Management Plan② (FY3/21-FY3/23)

(JPY bn)

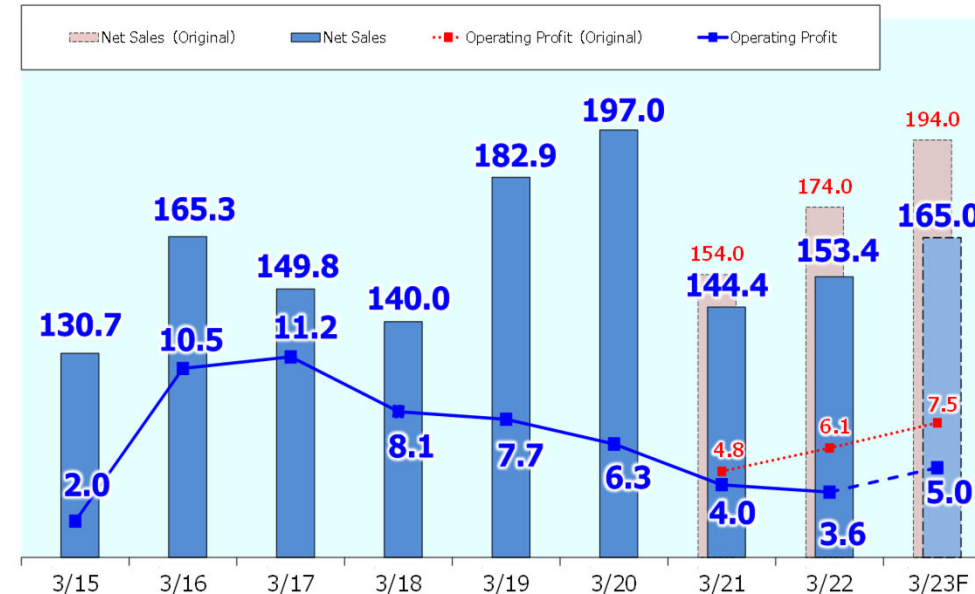
	Non-Consolidated												Consolidated											
	Mid-term Management Plan Original (May 2020)						Mid-term Management Plan (May 2022)						Mid-term Management Plan Original (May 2020)						Mid-term Management Plan (May 2022)					
	FY3/21F		FY3/22F		FY3/23F		FY3/21		FY3/22		FY3/23F		FY3/21F		FY3/22F		FY3/23F		FY3/21		FY3/22		FY3/23F	
Domestic Civil Engineering	200.0		210.0		240.0		185.7		165.5		300.0													
Domestic Building Construction	180.0		200.0		200.0		178.2		160.1		230.0													
Overseas	175.0		155.0		160.0		141.1		48.0		150.0													
Construction Total Orders Received	555.0		565.0		600.0		505.0		373.5		680.0													
Domestic Civil Engineering	185.0		200.0		210.0		185.5		160.6		190.0		197.0		212.0		222.0		197.9		174.2		205.0	
Domestic Building Construction	150.0		170.0		190.0		142.1		151.7		160.0		154.0		174.0		194.0		144.4		153.4		165.0	
Overseas	130.0		155.0		160.0		117.2		115.3		120.0		135.0		168.5		178.5		121.9		120.4		135.0	
Construction Total	465.0		525.0		560.0		444.8		427.6		470.0		486.0		554.5		594.5		464.2		448.0		505.0	
Others	0.5		0.5		0.5		0.3		1.4		0.5		7.0		10.5		10.5		6.8		10.2		10.0	
Net Sales	465.5		525.5		560.5		445.1		429.0		470.5		493.0		565.0		605.0		471.1		458.2		515.0	
Domestic Civil Engineering	26.0	14.1%	28.5	14.3%	30.0	14.3%	30.5	16.5%	26.0	16.2%	32.0	16.8%	27.6	14.0%	30.2	14.2%	31.8	14.3%	32.7	16.5%	27.6	15.9%	34.0	16.6%
Domestic Building Construction	11.0	7.3%	12.5	7.4%	14.0	7.4%	10.2	7.2%	10.5	6.9%	12.0	7.5%	11.5	7.5%	13.1	7.5%	14.7	7.6%	10.6	7.4%	10.8	7.0%	12.5	7.6%
Overseas	6.0	4.6%	7.5	4.8%	8.0	5.0%	3.9	3.3%	-4.4	-3.8%	4.0	3.3%	6.9	5.1%	8.8	5.2%	9.6	5.4%	5.1	4.1%	-3.4	-2.8%	5.5	4.1%
Gross Profit on Construction	43.0	9.2%	48.5	9.2%	52.0	9.3%	44.6	10.0%	32.2	7.5%	48.0	10.2%	46.0	9.5%	52.1	9.4%	56.1	9.4%	48.4	10.4%	35.1	7.8%	52.0	10.3%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.1	37.4%	0.5	32.7%	0.0	0.0%	1.5	21.4%	2.2	21.0%	2.4	22.9%	1.7	24.3%	2.2	21.3%	1.5	15.0%
Total Gross Profit	43.0	9.2%	48.5	9.2%	52.0	9.3%	44.8	10.1%	32.6	7.6%	48.0	10.2%	47.5	9.6%	54.3	9.6%	58.5	9.7%	50.0	10.6%	37.2	8.1%	53.5	10.4%
SG & A	18.5	4.0%	19.3	3.7%	20.0	3.6%	17.8	4.0%	19.3	4.5%	20.0	4.3%	20.0	4.1%	21.0	3.7%	22.0	3.6%	19.6	4.2%	21.3	4.6%	22.0	4.3%
Domestic Civil Engineering	16.0	8.6%	18.0	9.0%	19.0	9.0%	20.8	11.2%	15.5	9.7%	21.0	11.1%	17.1	8.7%	19.1	9.0%	20.1	9.1%	22.5	11.4%	16.6	9.5%	22.5	11.0%
Domestic Building Construction	4.5	3.0%	5.7	3.4%	7.0	3.7%	3.8	2.7%	3.5	2.3%	5.0	3.1%	4.8	3.1%	6.1	3.5%	7.5	3.9%	4.0	2.8%	3.6	2.4%	5.0	3.0%
Overseas	4.0	3.1%	5.5	3.5%	6.0	3.8%	2.3	2.0%	-6.2	-5.4%	2.0	1.7%	4.7	3.5%	6.6	3.9%	7.3	4.1%	2.9	2.3%	-5.9	-4.9%	3.0	2.2%
Others	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.1	28.5%	0.4	30.1%	0.0	0.0%	0.9	12.9%	1.5	14.3%	1.6	15.2%	1.1	15.5%	1.5	15.1%	1.0	10.0%
Operating Profit	24.5	5.3%	29.2	5.6%	32.0	5.7%	27.0	6.1%	13.3	3.1%	28.0	6.0%	27.5	5.6%	33.3	5.9%	36.5	6.0%	30.5	6.5%	15.9	3.5%	31.5	6.1%
Non-Operating Income or Expenses	-0.5		-0.5		-0.5		0.3		-0.1		-0.5		-0.5		-0.5		-0.5		0.1		-0.3		-0.5	
Ordinary Income	24.0	5.2%	28.7	5.5%	31.5	5.6%	27.3	6.1%	13.2	3.1%	27.5	5.8%	27.0	5.5%	32.8	5.8%	36.0	6.0%	30.5	6.5%	15.7	3.4%	31.0	6.0%
Extraordinary Income or Losses	-0.5		-0.5		-0.5		-0.4		0.4		-0.5		-0.5		-0.5		-0.5		-0.4		0.4		-0.5	
Income before Taxes	23.5	5.0%	28.2	5.4%	31.0	5.5%	26.9	6.0%	13.6	3.2%	27.0	5.7%	26.5	5.4%	32.3	5.7%	35.5	5.9%	30.2	6.4%	16.1	3.5%	30.5	5.9%
Net Income	16.5	3.5%	20.0	3.8%	22.0	3.9%	18.7	4.2%	9.1	2.1%	19.0	4.0%	18.5	3.8%	22.5	4.0%	25.0	4.1%	21.0	4.5%	10.8	2.3%	21.0	4.1%
Earning per share (yen)	57.8		70.1		77.1		65.6		32.0		66.6		64.8		78.8		87.6		73.6		37.7		73.7	
Total Assets	400.0		430.0		440.0		446.5		456.0		450.0		420.0		440.0		470.0		452.2		467.4		480.0	
Net Assets	136.3	34.1%	149.2	34.7%	164.1	37.3%	140.0	31.4%	139.8	30.7%	152.3	33.8%	152.9	36.4%	168.3	38.2%	186.2	39.6%	158.4	35.0%	159.8	34.1%	174.2	36.3%
Interest-bearing Debt	77.0	19.3%	77.0	17.9%	77.0	17.5%	77.0	17.2%	85.8	18.8%	86.0	19.1%	82.0	19.5%	83.0	18.9%	85.0	18.1%	82.2	18.2%	92.6	19.8%	96.0	20.0%
Cash and Deposits	50.0		45.0		50.0		55.6		40.0		39.0		54.0		49.0		53.0		59.8		44.8		44.5	
Net Interest-bearing Debt	27.0	6.8%	32.0	7.4%	27.0	6.1%	21.4	4.8%	45.8	10.1%	47.0	10.4%	28.0	6.7%	34.0	7.7%	32.0	6.8%	22.4	5.0%	47.7	10.2%	51.5	10.7%
Net D/E Ratio (Point)	0.2		0.2		0.2		0.2		0.3		0.3		0.2		0.2		0.2		0.1		0.3		0.3	
Return On Equity (ROE)	12.5%		14.0%		14.0%		14.0%		6.5%		13.0%		12.6%		14.0%		14.1%		14.0%		6.8%		12.6%	

Trends of Sales and Operating Profit by Business Unit (Consolidated)

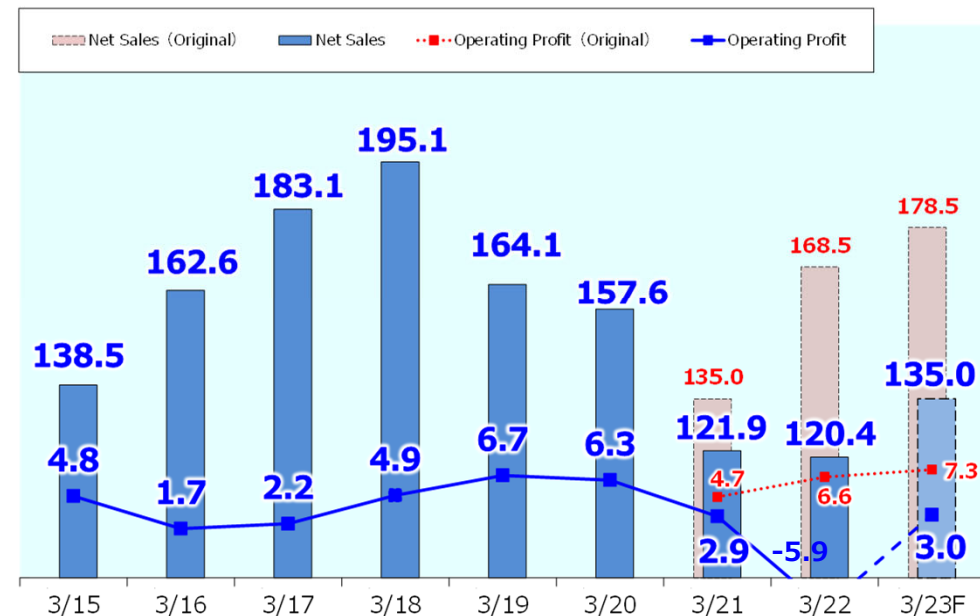
Domestic Civil Engineering



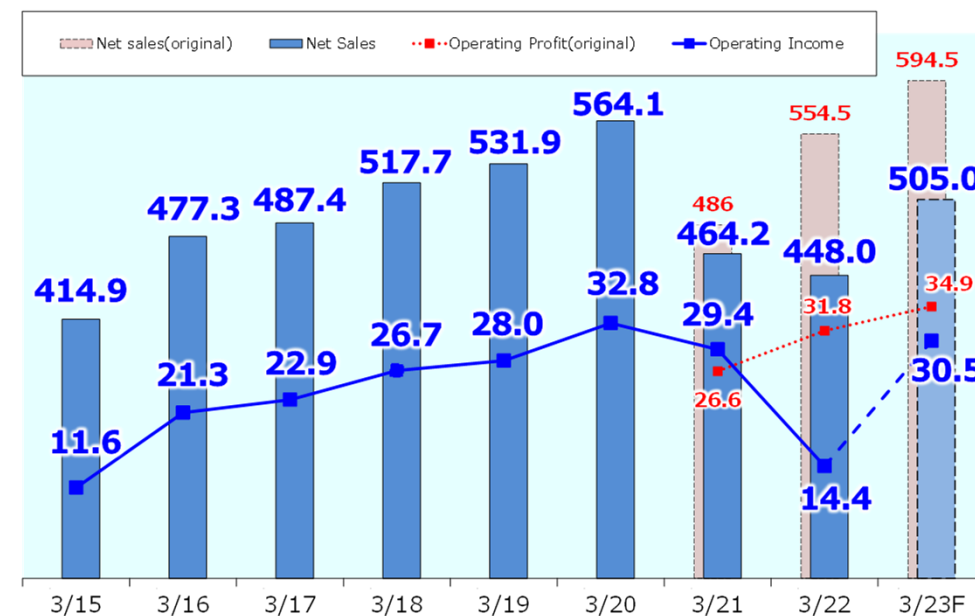
Domestic Building Construction



Overseas



Total



■ Financial Planning and Dividends

■ Financial planning - securing funds in response to expanding business volume and strategic investments

➤ Strategic investments

FY 3/22: Capital alliance with Koh Brothers Eco Engineering (listed on Catalist, SGX): June (approx. JPY 3.1 bn, percentage of shares held: 28.8%) (strategic alliance aiming at future project development in Singapore)

FY 3/23: New Muroran factory/ Carbon Neutral (CN) facilities (Completion scheduled for September 2022, approx. JPY 4 bn)

Planning stage: Annual capital investments worth JPY10 bn

- CN conversion of work vessels (electrification of cranes, automatic and autonomous operation, electrically powered vessels, etc.)
- Construction of vessels for offshore wind power projects (a cable installation vessel, the third offshore installation vessel*)

* Scheduled to be owned by Japan Offshore Marine, a JV with DEME Offshore(Belgium)

■ Appropriate management of Foreign Exchange risk

➤ Appropriate currency hedging including minor currencies

➤ Monitoring interest rate trends closely and restructuring funding methods eyeing a rise in interest rates

■ Shareholder returns

○ Basic profit distribution policy

Aiming at enhancement of capital adequacy and capital investment while providing steady and appropriate profit return 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

FY3/21: Ordinary dividend: **JPY23 (Payout ratio: 31.3%)**

Plus JPY 5 commemorative dividend for the 125th founding anniversary

= **JPY 28 in total (Payout ratio: 38.1%)**

FY 3/22: Ordinary dividend **JPY 23 (Payout ratio: 61.1%) (initial plan: 32.9%)**

* Maintained the same level of dividend because the downturn in business performance for FY 3/22 was considered temporary

FY 3/23: Ordinary Dividend **JPY 24 (Payout ratio 32.7%)**

Plus share buyback (Premised on approval of the amendment to the articles of incorporation at the Ordinary General Meeting of Shareholders in June)

Balance of interest-bearing debt

(JPY bn)

	3/20	3/21	3/22	3/23F
Consolidated				
Cash flow from operations	4.4	30.7	-7.7	20.0
Cash flow from investment	-9.1	-12.8	-11.8	-15.0
Cash flow from financing	13.5	-3.1	1.4	-4.0
Balance of cash and deposit	43.6	59.8	44.8	44.5
Balance of debt with interest	77.5	82.2	92.6	96.0
(Change from the previous year)	18.0	4.7	10.3	3.4
Non-Consolidated				
Balance of cash and deposit	40.5	55.6	40.0	39.0
Balance of debt with interest	74.7	77.0	85.8	86.0
(Change from the previous year)	16.9	2.3	8.9	0.2

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

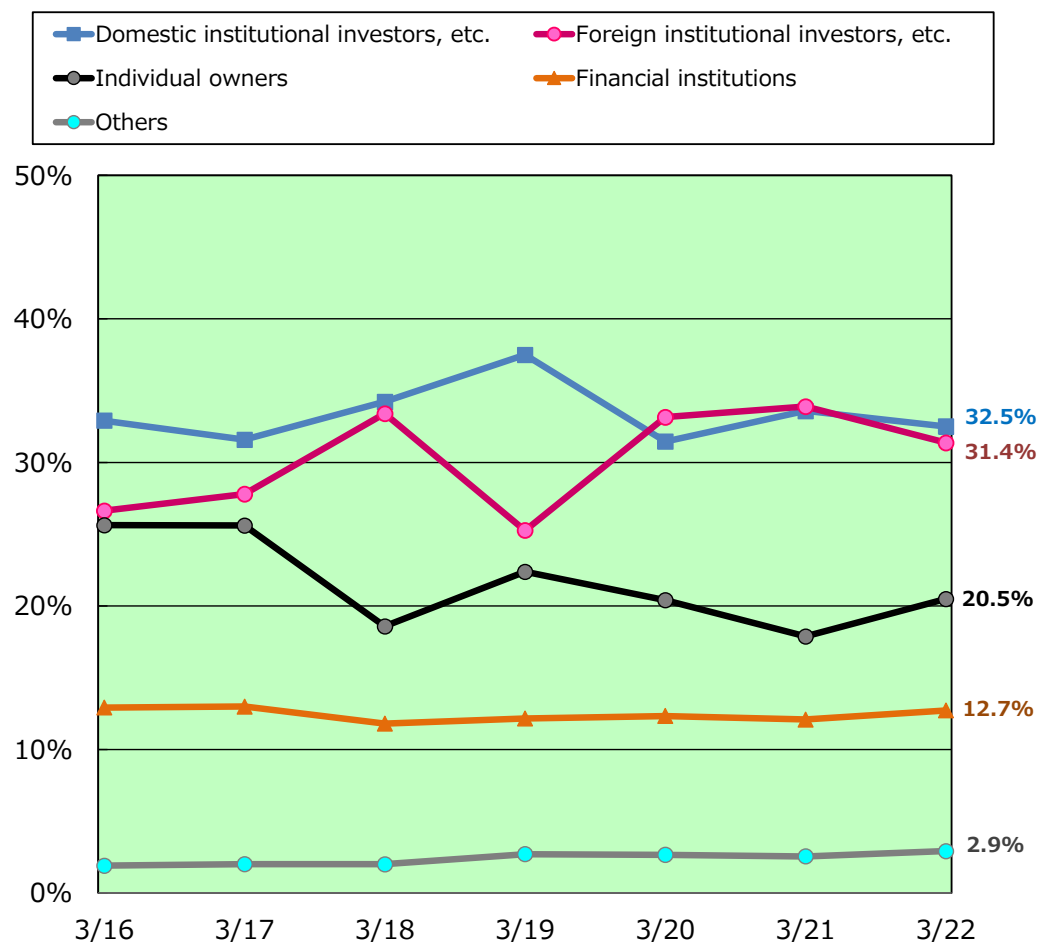
	3/20	3/21	3/21※	3/22F	3/22	3/23F
Dividend per share (Yen)	24.0	23.0	28.0	23.0	23.0	24.0
Dividend payout ratio (%)	29.4	31.3	38.1	32.9	61.1	32.7
Equity ratio (%)	32.9	35.0		37.0	34.1	36.3

※Including commemorative dividend

■ Shareholder Composition

- Issued common stock: 286,013,910, including 211,117 of the treasury stocks
- Number of shareholders: 44,934 (up 8,349 over the previous term)
- Shareholder composition: Domestic Institutional investors, etc. 32.5% (down 1.1p), Foreign institutional investors, etc. 31.4% (down 2.5p), Individual owners 20.5% (up 2.6p), Financial institutions 12.7% (up 0.6p), Other domestic corporations 2.9% (up 0.4p) → Institutional investors in and out of Japan 63.9% (down 3.6p)

Top 10 shareholders



As of 31 Mar. 2022

Name of shareholders	Shares held (in thousands)	Voting right ratio(%)
The Master Trust Bank of Japan, Ltd. (Trust account)	48,618	17.0
Custody Bank of Japan, Ltd. (Trust account)	24,511	8.6
STATE STREET BANK AND TRUST COMPANY 505001	8,414	2.9
Mizuho Bank, Ltd.	7,059	2.5
Meiji Yasuda Life Insurance Company	6,656	2.3
STATE STREET LONDON CAREOF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENTS- UNITED KINGDOM	5,483	1.9
Tokio Marine & Nichido Fire Insurance Co., Ltd.	4,763	1.7
Sompo Japan Insurance Inc.	4,280	1.5
Penta-Ocean Construction Partner Shareholding Association	4,063	1.4
JUNIPER	3,931	1.4
Total held by top 10 shareholders	117,780	41.2