

Financial Results

for Q3 FY2023

February 8, 2024



- ✓ I will explain the reasons for variation from the same period in the previous fiscal year using figures on a consolidated basis unless otherwise noted.

Financial summary

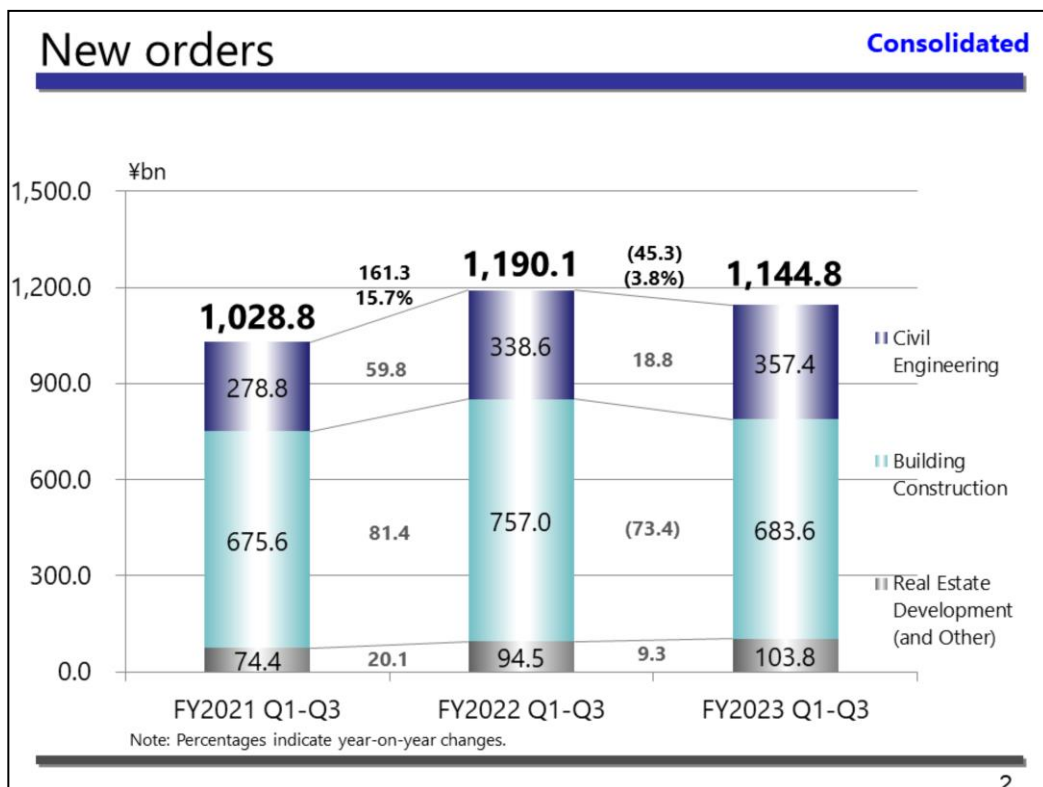
- ✓ *Net sales increased due to contribution of Civil Engineering and Real Estate Development.*
- ✓ *Each line-item profit decreased due to a significant decline in the profit ratio of domestic projects in Building Construction. Progress rate toward the full-year forecast remains low.*

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	FY2022 Q1-Q3	FY2023 Q1-Q3	YoY Change	FY2023 Forecast	Q1-Q3 Progress rate
New orders	1,190.1	1,144.8	(45.3)	1,590.0	72.0%
Net Sales	1,104.6	1,146.3	41.7	1,690.0	67.8%
Gross Profit	107.1 9.7%	87.1 7.6%	(20.0) (2.1Pt)	166.0 9.8%	52.5%
Operating income	41.9 3.8%	17.5 1.5%	(24.4) (2.3Pt)	64.0 3.8%	27.4%
Net income attributable to owners of parent	32.9 3.0%	19.8 1.7%	(13.1) (1.3Pt)	47.0 2.8%	42.0%
Net income per share (¥)	166.90	105.53	(61.37)	251.77	41.9%

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- ✓ New orders decreased due to a reactionary drop from the same period a year ago during which we won multiple large projects in Building Construction.
- ✓ Net sales increased due to an increase in the initial backlog of projects for the fiscal year and the steady progress of domestic large projects scheduled to be completed in the current term in Civil Engineering, and the sales of properties to private REIT in Real Estate Development.
- ✓ Each line-item profit decreased due to a significant decline in the profit ratio of domestic projects in Building Construction, although Civil Engineering and Real Estate Development increased.
- ✓ Progress rate of each line-item profit toward the full-year forecast remains low.



✓ New orders were 1,144.8 billion yen, down 45.3 billion yen YoY.

【Civil Engineering】

- ✓ Taisei Corporation (the Company) increased 23.6 billion yen due to new domestic large projects won.
- ✓ The subsidiaries were almost the same level as in the previous fiscal year. Overall consolidated new orders increased 18.8 billion yen.

【Building Construction】

- ✓ The Company decreased 72.3 billion yen due to a reactionary drop from the same period a year ago during which we won multiple large projects.
- ✓ The subsidiaries were almost the same level as in the previous fiscal year. Overall consolidated new orders decreased 73.4 billion yen.

【Real Estate Development (and Other)】

- ✓ The Company increased 14.8 billion yen due to the sales of properties to private REIT.
- ✓ The subsidiaries decreased 5.5 billion yen due to a decrease in the number of the sales of leasing real estate and condominiums in a real estate subsidiary, but overall consolidated new orders increased 9.3 billion yen.

Major new orders [Civil Engineering]				Non-consolidated
Order receipt period	Project	Type of construction	Client	Industry
Q2	Construction Works of the Excite-Yokohama Ryugu-Bridge Sewer Pipeline in the Kanagawa Treatment Area (Part 4)	Erosion control & Flood control	Yokohama City	Cities, wards, towns, and villages
Q2	Construction work of the 2nd Momozono-River Main Line Part 3	Water supply and sewerage	Bureau of Sewerage Tokyo Metropolitan Government	Local public enterprise
Q1	Floor slab replacement construction work of Otagawa Bridge on Tomei Expressway (Specific renewal, etc.)	Road	Central Nippon Expressway Company Limited	Enterprises of central government
Q1	Material gathering work at quarry of Naruse dam (2nd term)	Erosion control & Flood control	Tohoku Regional Development Bureau	Central government
Q1	Construction work of the bridge in the area of Hachijyo area on Yamato-Kita Road	Road	Kinki Regional Development Bureau	Central government

■ : Public
■ : Private
■ : Overseas

*New orders (Domestic construction business) by type of construction and industry are described in the Supplementary data.

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✓ These are the major new projects won by Civil Engineering of Taisei Corporation.

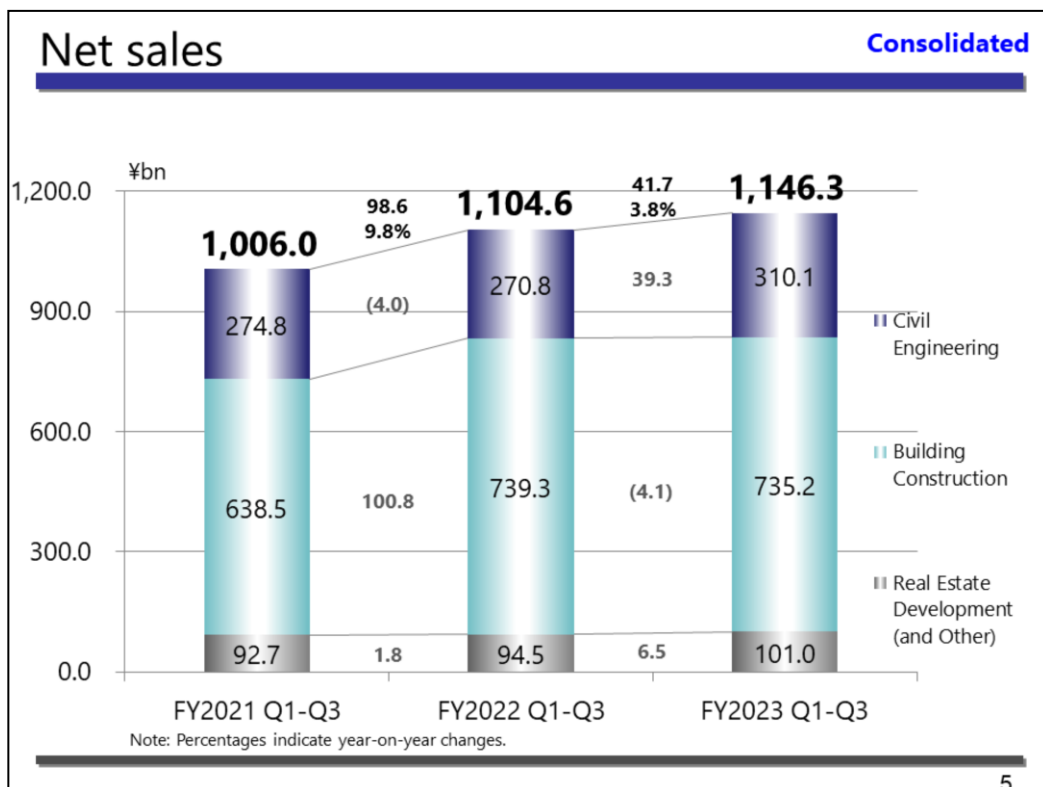
- ✓ For your information, major new projects won not listed above include the following:
- Construction work for facility and land from the central government agency [Q1]
 - Construction work for land formation from the electric and gas industry [Q2]
 - Construction work for ocean civil engineering from the central government agency [Q2 and Q3 New]

Major new orders [Building Construction] Non-consolidated				
Order receipt period	Project	Type of construction	Client	Industry
2Q	Construction work of Tono Supplier Park	Factory	SMC Corporation	Other machinery
3Q	Haneda Airport Terminal 1 Northern Satellite Construction Work	Other	Japan Airport Terminal Co., Ltd.	Real estate
3Q	Tokyo Electron Kyushu New Development Building	Factory	Tokyo Electron Kyushu Ltd.	Other machinery
1Q	Mumbai BKC Office Development Project Main Works Package [India]	Office	Goisu Realty Private Limited	Oversea Real estate
3Q	Building Design and Construction in NEO PJ	Factory	AGC Inc.	Other

: Public
 : Private
 : Overseas

*New orders (Domestic construction business) by type of construction and industry are described in the Supplementary data.

- ✓ These are the major new projects won by Building Construction of Taisei Corporation.
- ✓ For your information, major new projects won not listed above include the following:
 - Construction work for pharmaceutical factory from the chemical industry [Q3 New]



✓ Net sales was 1,146.3 billion yen, up 41.7 billion yen YoY.

【Civil Engineering】

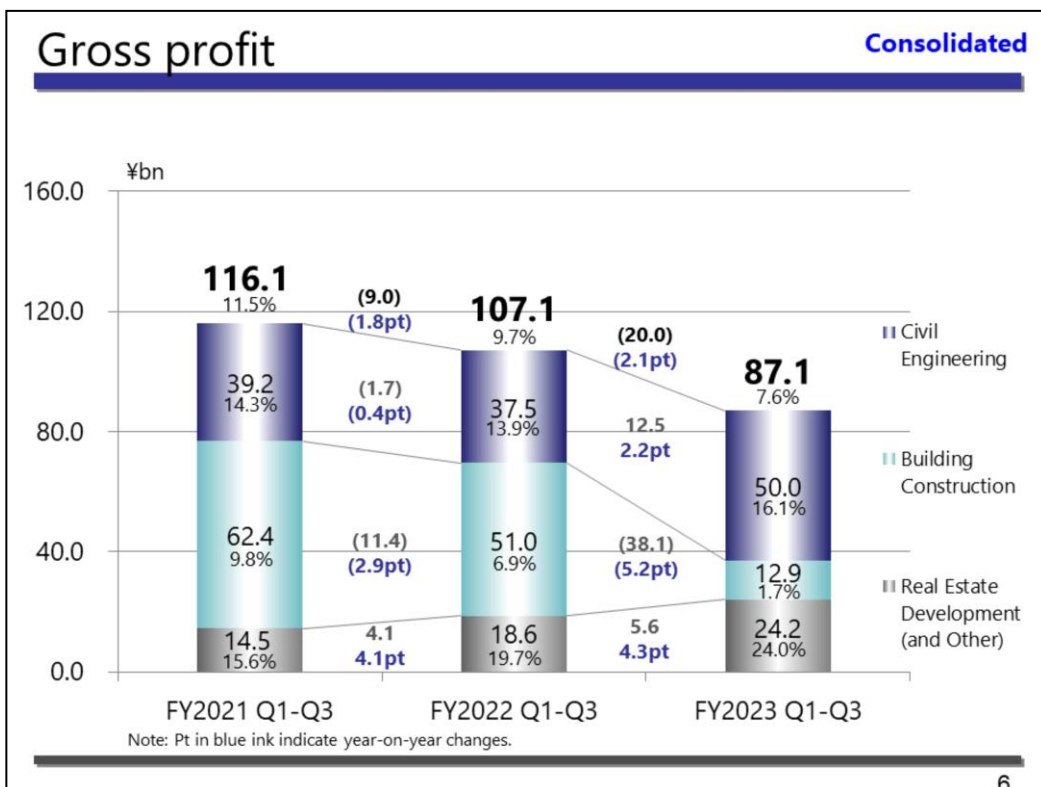
- ✓ The Company increased 34.8 billion yen due to an increase in the initial backlog of projects for the fiscal year and the steady progress of large domestic projects scheduled to be completed in the current term.
- ✓ The subsidiaries increased 4.5 billion yen due to an increase in the initial backlog of projects for the fiscal year and rising unit sales price of the product in a road pavement subsidiary. Overall consolidated net sales increased 39.3 billion yen.

【Building Construction】

- ✓ The Company decreased 7.5 billion yen due to a decrease in the initial backlog of projects for the fiscal year in overseas, although domestic was almost the same level as in the previous fiscal year.
- ✓ The subsidiaries increased 3.4 billion yen due to an increase in backlog of projects in overseas subsidiaries, but overall consolidated net sales decreased 4.1 billion yen.

【Real Estate Development (and Other)】

- ✓ The Company increased 11.8 billion yen due to the sales of properties to private REIT.
- ✓ The subsidiaries decreased 5.3 billion yen due to a decrease in the number of the sales of leasing real estate and condominiums in a real estate subsidiary, but overall consolidated net sales increased 6.5 billion yen.



- ✓ Gross profit was 87.1 billion yen, down 20.0 billion yen YoY due to a decline in the profit margin in Building Construction.

【Civil Engineering】

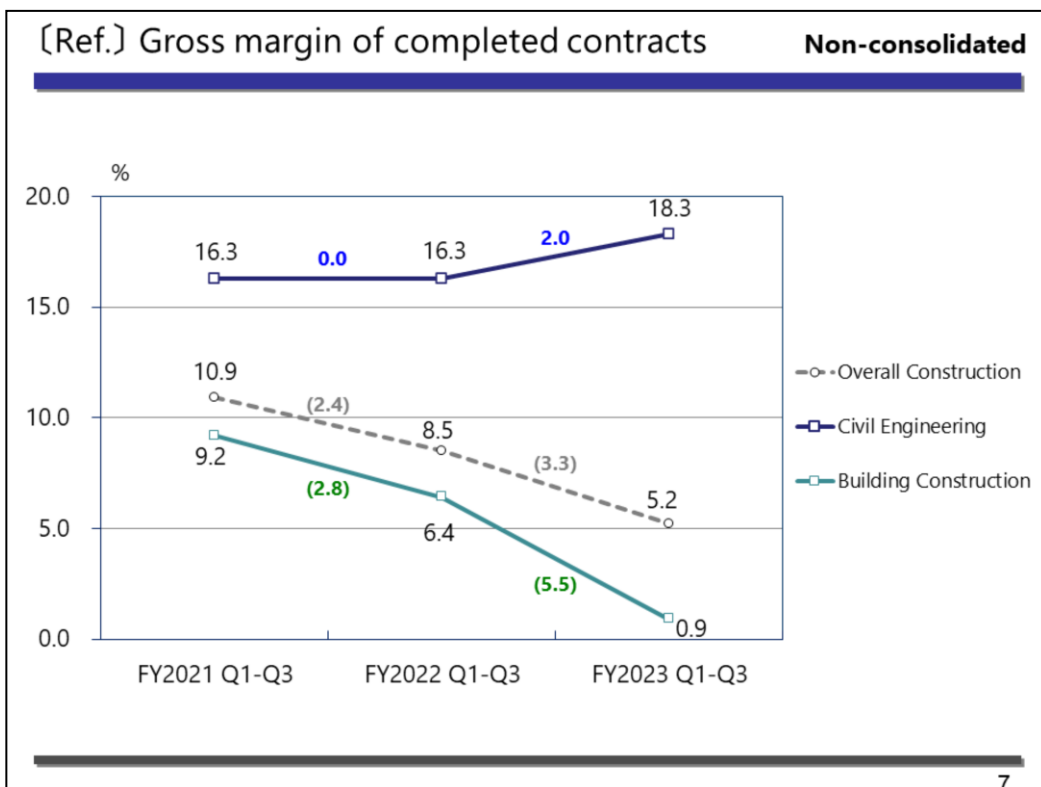
- ✓ The Company increased 10.0 billion yen due to an increase in net sales and an improvement in the profit margin.
- ✓ The subsidiaries increased 2.5 billion yen due to an increase in net sales and an improvement in the profit margin in a road pavement subsidiary. Overall consolidated gross profit increased 12.5 billion yen.

【Building Construction】

- ✓ The Company decreased 37.1 billion yen due to a decline in the profit margin of domestic projects.
- ✓ The subsidiaries were almost the same level as in the previous fiscal year. Overall consolidated gross profit decreased 38.1 billion yen.

【Real Estate Development (and Other)】

- ✓ The Company increased 5.7 billion yen due to the gain on the sale of properties to private REAT.
- ✓ The subsidiaries were almost the same level as in the previous fiscal year. Overall consolidated gross profit increased 5.6 billion yen.



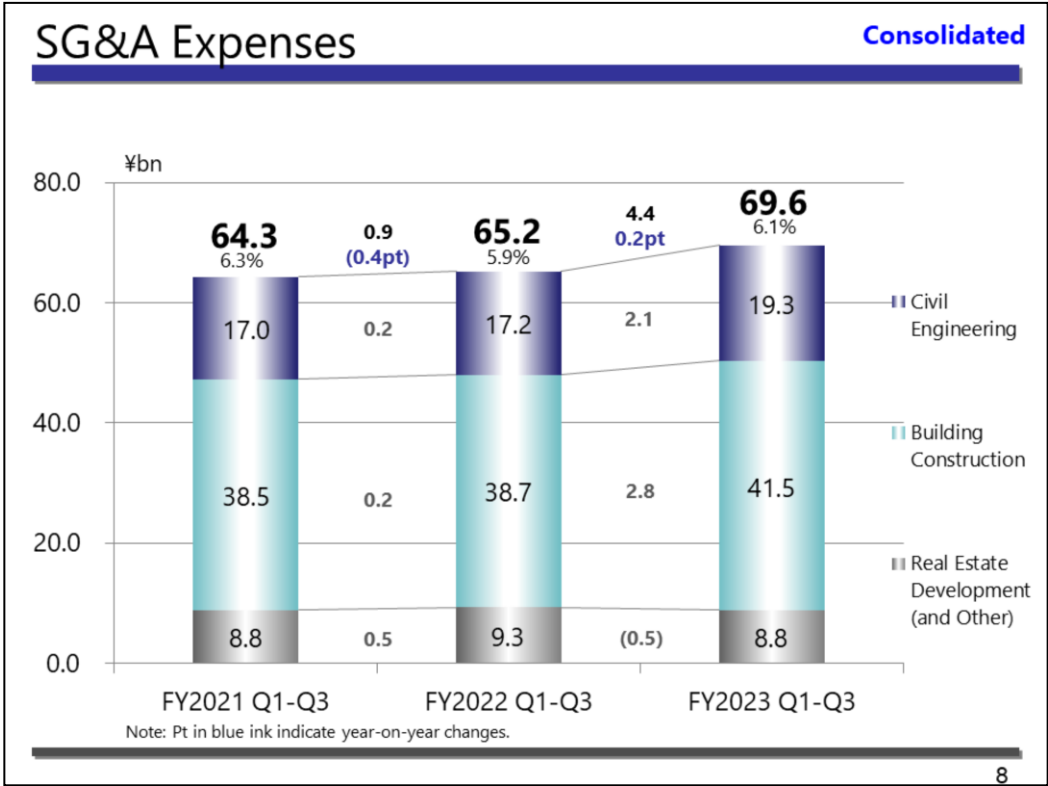
- ✓ The gross margin on a non-consolidated basis was 5.2%, down 3.3 percentage points YoY.

【 Civil Engineering 】

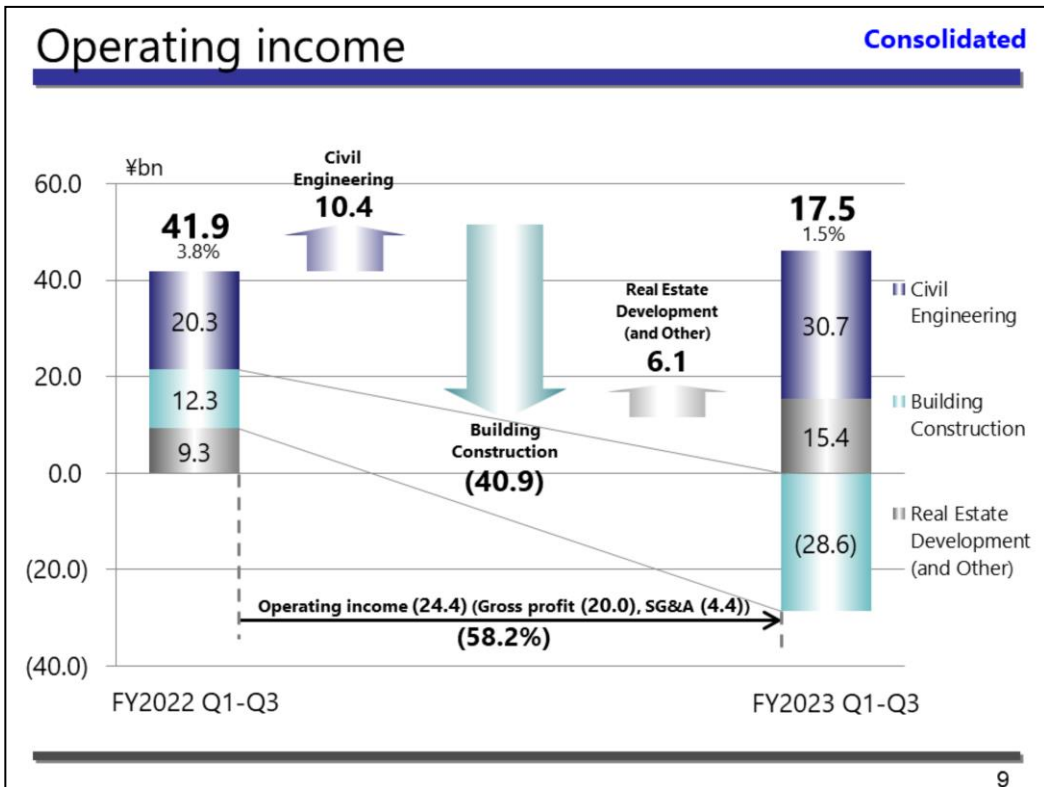
- ✓ Gross margin was 18.3%, up 2.0 percentage points YoY. Because the Company made progress in reducing costs and acquiring additional work in large domestic projects whose accounts will be finally settled in the current term.

【 Building Construction 】

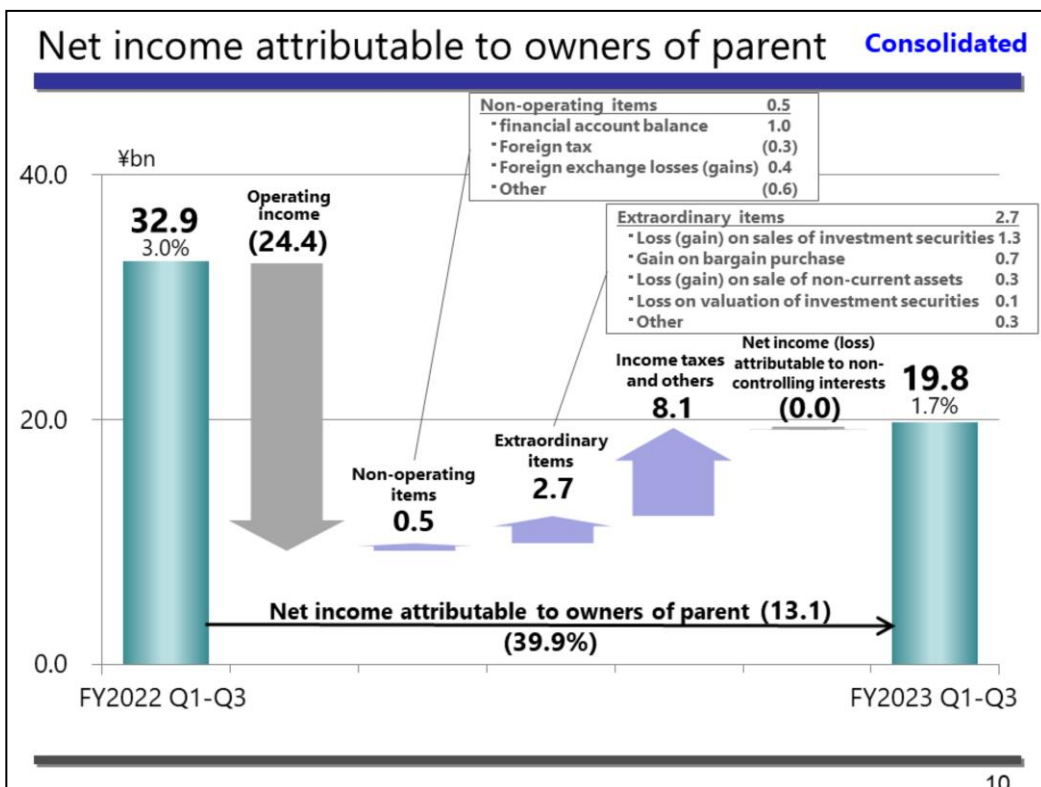
- ✓ Gross margin was 0.9%, down 5.5 percentage points YoY.
- ✓ In Building Construction during the current term, as the percentage of low-profitability large projects to total projects in progress was high, so keeping the overall profit ratio low. In addition, losses were recorded in Q1 due to the delayed process in domestic project.
- ✓ And the profits of some domestic projects deteriorated in the Q3 due to the failure to reach an agreements on the application of inflation linkage to address rising construction costs.



- ✓ The Company increased 4.1 billion yen due to an increase in personnel expenses as a result of a pay raise and an increase in technology development expenses in line with the investment plan.
- ✓ The subsidiaries were almost the same level as in the previous fiscal year, up 0.3 billion yen YoY. Overall consolidated SG&A increased 4.4 billion yen.



- ✓ Operating income was 17.5 billion yen, down 24.4 billion yen YoY due to a decrease in gross profit and an increase in SG&A.



- ✓ Net income attributable to owners of parent was 19.8 billion yen, down 13.1 billion yen YoY due to a decrease in operating income.
- ✓ Extraordinary items improved 2.7 billion yen due to an increase of gain on “sales of investment securities” and gain on “bargain purchase” in share acquisition of P. S. Mitsubishi Construction.

Disclaimer

This information was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan no Gaiyou" and this document, Japanese "Kessan no Gaiyou" shall prevail.