

# Financial Results

for Q3 FY2024

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February 7, 2025



- ✓ I will explain the increase and decrease from the previous quarter using figures on a consolidated basis unless otherwise noted.
- ✓ Note:
  - Amounts less than 100 million yen are rounded down.
  - The change begins this fiscal year. The financial date including those of previous fiscal years follows this change.
  - (in previous presentations amounts less than 100 million yen were rounded off)

## Financial summary

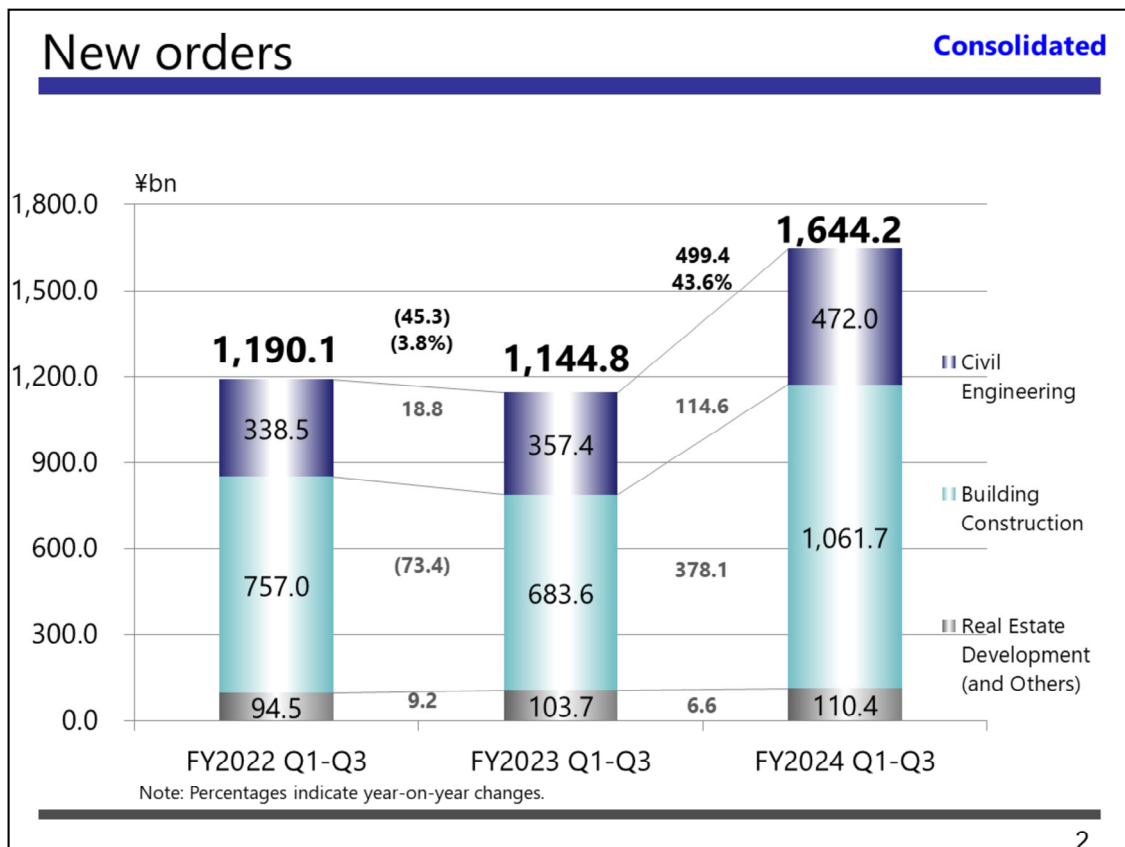
- ✓ Both net sales and profits increased in Civil Engineering, Building Construction and Real Estate Development.
- ✓ In addition to the slow progress in SG&A, an improvement in non-operating items due to the one-time amortization of negative goodwill and progress in the reduction of cross-shareholdings contributed to a high progress rate in operating income and below.

	FY2023 Q1-Q3	FY2024 Q1-Q3	YoY Change	FY2024 Forecast	Q1-Q3 Progress rate
<b>New orders</b>	1,144.8	<b>1,644.2</b>	499.4	1,910.0	86.1%
<b>Net Sales</b>	1,146.3	<b>1,527.5</b>	381.2	1,990.0	76.8%
<b>Gross Profit</b>	87.1 7.6%	<b>156.7</b> <b>10.3%</b>	69.6 2.7Pt	206.0 10.4%	76.1%
<b>Operating income</b>	17.5 1.5%	<b>79.9</b> <b>5.2%</b>	62.4 3.7Pt	87.0 4.4%	91.9%
<b>Net income attributable to owners of the parent</b>	19.7 1.7%	<b>83.7</b> <b>5.5%</b>	64.0 3.8Pt	83.0 4.2%	100.9%
<b>Net income per share (¥)</b>	105.53	<b>457.17</b>	351.64	456.96	100.0%

¥bn

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- ✓ New orders increased YoY in both Civil Engineering and Building Construction, driven by orders received for large-scale domestic projects.
- ✓ Please note that PS Construction and Satohide were acquired through M&A in the previous fiscal year and were included in the consolidated financial statements from the beginning of the current fiscal year. This has contributed to the increase in new orders and subsequent items compared to the previous fiscal year.
- ✓ Net sales increased mainly due to the fact that domestic large-scale projects in Building Construction reaching their peak.
- ✓ Each profit item increased due to an increase in operating income, which was mainly due to the impact of increased net sales and an improvement in profit ratio in Building Construction, an improvement in non-operating income and loss due to the one-time amortization of negative goodwill from the M&A of Heiwa Real Estate, and an improvement in extraordinary income and loss as a result of the progress in the reduction of cross-shareholdings.
- ✓ As for the full fiscal year forecast, although in terms of the rate of progress rate for each profit item, the progress rate of operating income and ordinary income is extremely high, and net income for the quarter has already exceeded the full fiscal year forecast, we have decided to leave the forecast unchanged because we have not been able to resolve our concerns of profit decrease in the recurring operating business cycle.



✓ New orders totaled 1,644.2 billion yen, an increase of 499.4 billion yen YoY.

### 【Civil Engineering】

- ✓ New orders for Taisei Corporation increased by 30.7 billion yen due to orders received for a large-scale domestic government project.
- ✓ New orders for subsidiaries, etc. increased by 83.9 billion yen due to the impact of newly consolidated group companies, and overall consolidated new orders increased by 114.6 billion yen.

### 【Building Construction】

- ✓ New orders for Taisei Corporation increased by 300.0 billion yen due to orders received for multiple large-scale projects.
- ✓ New orders for subsidiaries, etc. increased by 78.1 billion yen due to the impact of newly consolidated group companies, and overall consolidated new orders increased by 378.1 billion yen.

### 【Real Estate Development (and Others)】

- ✓ New orders for Taisei Corporation decreased by 5.8 billion yen due to a decrease in the number of properties sold to private REITs.
- ✓ New orders for subsidiaries, etc. increased by 12.4 billion yen due to an increase in the number of profitable real estate sales, and overall consolidated new orders increased by 6.6 billion yen.

## Major new orders [Civil Engineering]

Non-consolidated

Order receipt period	Project	Type of construction	Client	Industry
1Q	Detail Design and Construction Works for tunnel of Tokiwabashi district	Road	Metropolitan Expressway Company Limited.	Government related enterprise
3Q	Construction work of the Yonago Expressway Neubara Tunnel and other 2 tunnels	Road	West Nippon Expressway Company Limited.	Government related enterprise
2Q	The 1st construction work of the Honmyogawa Dam	Other	Kyushu Regional Development Bureau Ministry of Land, Infrastructure, Transport and Tourism	National government
1Q	The demolition project for damaged houses and structures and decontamination work(part1) at Namie town specific reconstruction and return residence area in FY2024-2025	Other	Ministry of the Environment	National government
2Q	Land leveling, demolition and utility (clean water and industrial water) works for the construction of liquefied-hydrogen base in the Ogishima initiative area	Other	JFE Steel Corporation	Iron and steel

■ : 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 orders received by Civil Engineering of Taisei Corporation.

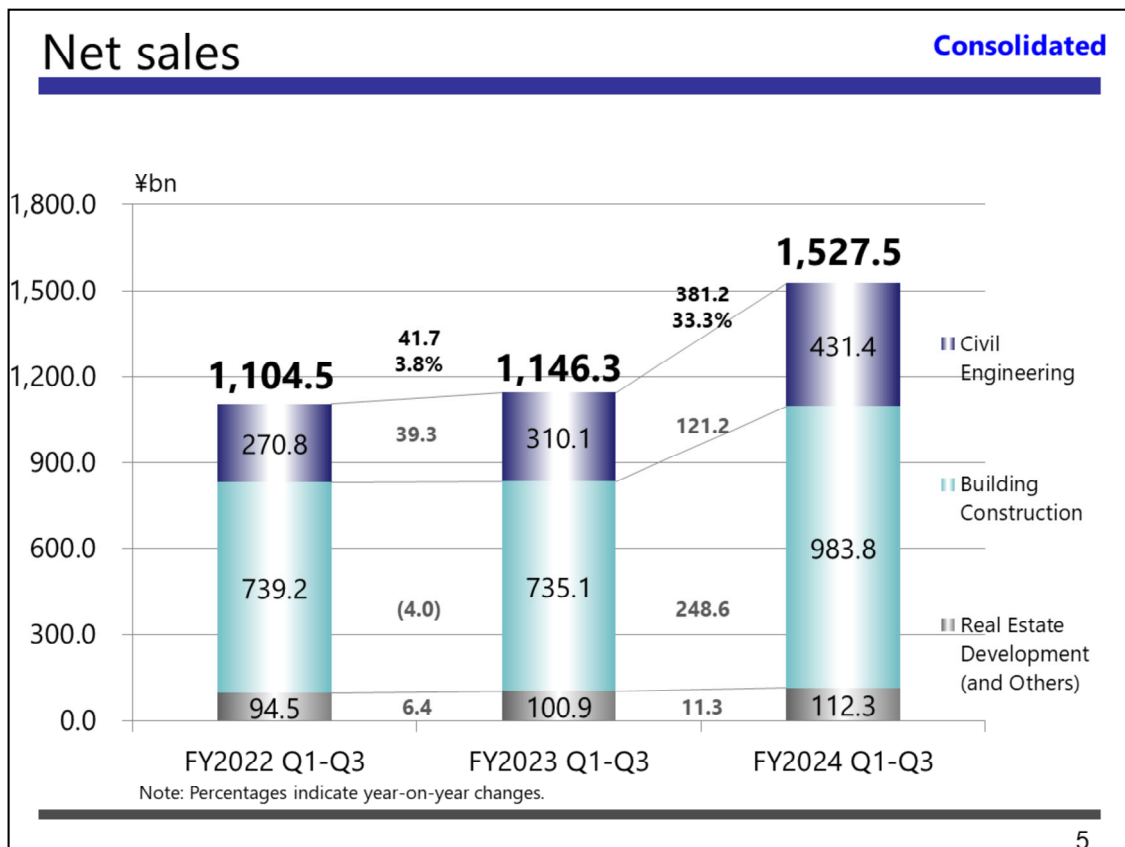
## Major new orders [Building Construction] **Non-consolidated**

Order receipt period	Project	Type of Construction	Client	Industry
3Q	Construction of facility building, etc. of the Yaesu 1-chome North District Type-1 Urban Redevelopment Project, South District	Office	Yaesu 1-chome North District Urban Redevelopment Association	Service
3Q	Construction of facility buildings of the Mita Koyama cho West District Type-1 Urban Redevelopment Project, South District	Housing	Mita Koyama cho West District Urban Redevelopment Association	Service
1Q	Ibaraki Data Center Project (tentative name) (Phase 1 Shell & Core + Initial Implementation 7MW)	Office	Tokutei Mokuteki Kaisha ZEST Holding	Information and communication
2Q	Project-LOTUS Second Phase	Factory	FUJIFILM Toyama Chemical Co., Ltd.	Chemicals
3Q	Design and renovation of the Nagoya Congress Center Building 1.	Amusement	Nagoya City	Municipal Government

☒ : 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 orders received by Building Construction of Taisei Corporation.



✓ Overall consolidated net sales were 1,527.5 billion yen, up 381.2 billion yen YoY.

### 【Civil Engineering】

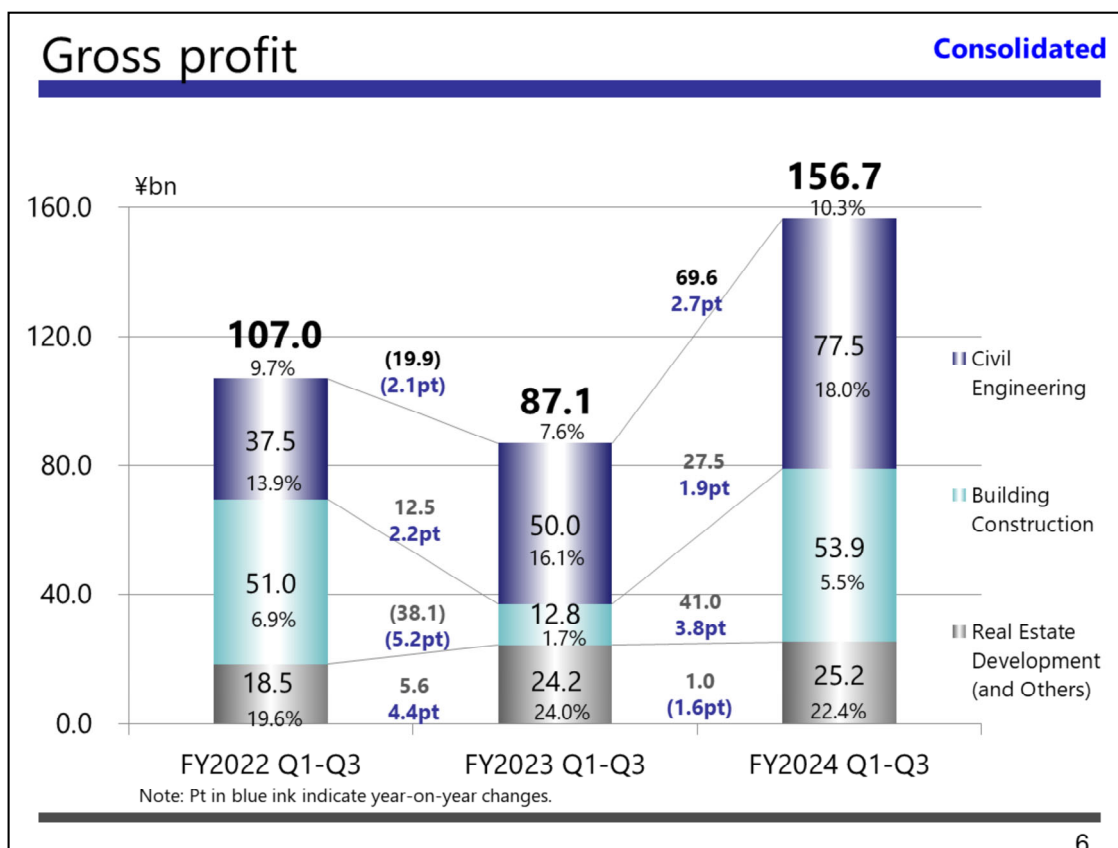
- ✓ Net sales of Taisei Corporation increased by 53.3 billion yen due to an increase in the initial backlog of projects for the fiscal year.
- ✓ Net sales of subsidiaries, etc. increased by 67.9 billion yen due to the impact of newly consolidated group companies, and overall consolidated net sales increased by 121.2 billion yen.

### 【Building Construction】

- ✓ Net sales of Taisei Corporation increased by 183.5 billion yen mainly due to large-scale projects in the Tokyo metropolitan area reaching their peak.
- ✓ Net sales of subsidiaries, etc. increased by 65.1 billion yen due to the impact of newly consolidated group companies, and overall consolidated net sales increased by 248.6 billion yen.

### 【Real Estate Development (and Others)】

- ✓ Net sales of Taisei Corporation decreased by 1.6 billion yen due to a decrease in the number of properties sold to private REITs.
- ✓ Net sales of subsidiaries, etc. increased by 12.9 billion yen due to an increase in the number of profitable real estate sales, and overall consolidated net sales increased by 11.3 billion yen.



- ✓ Overall consolidated gross profit was 156.7 billion yen, an increase of 69.6 billion yen YoY, mainly due to an improvement in profit ratio in Building Construction.

### 【 Civil Engineering 】

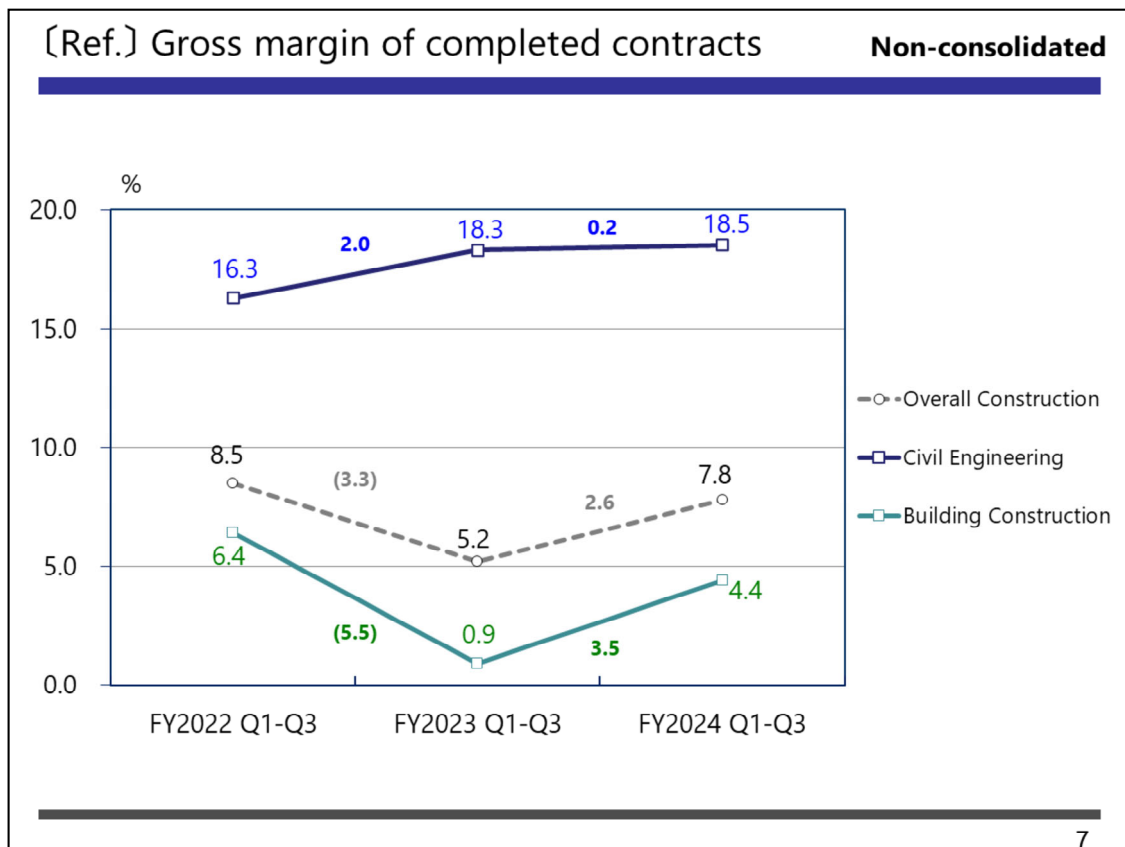
- ✓ Gross profit of Taisei Corporation increased by 10.3 billion yen due to the impact of increased net sales.
- ✓ Gross profit of subsidiaries, etc. increased by 17.2 billion yen due to the impact of newly consolidated group companies, and overall consolidated gross profit increased by 27.5 billion yen.

### 【 Building Construction 】

- ✓ Gross profit of Taisei Corporation increased by 31.4 billion yen YoY, due to the absence of the provision for losses on construction contracts recorded in the previous fiscal year, as well as the impact of increased net sales and an improvement in construction profit ratio.
- ✓ Gross profit of subsidiaries, etc. increased by 9.6 billion yen due to an increase in net sales and an improvement in profit ratio of a mechanical and electrical subsidiary, as well as the impact of newly consolidated group companies, and overall consolidated gross profit increased by 41.0 billion yen.

### 【 Real Estate Development (and Others) 】

- ✓ Gross profit of Taisei Corporation decreased by 0.6 billion yen due to a decrease in the number of properties sold to private REITs.
- ✓ Gross profit of subsidiaries, etc. increased by 1.6 billion yen due to an increase in the number of profitable real estate sales, and overall consolidated gross profit increased by 1.0 billion yen.



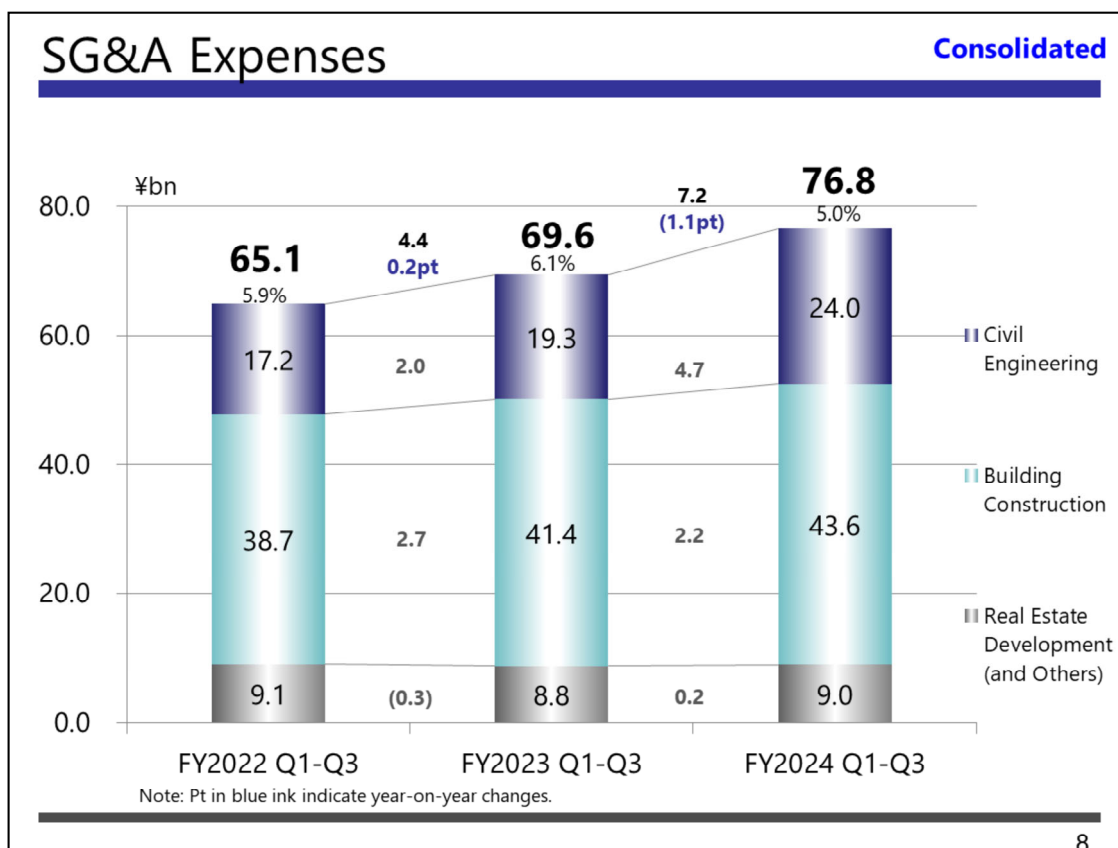
- ✓ The gross margin of completed contracts on a non-consolidated basis was 7.8%, an improvement of 2.6 percentage points.

#### 【 Civil Engineering 】

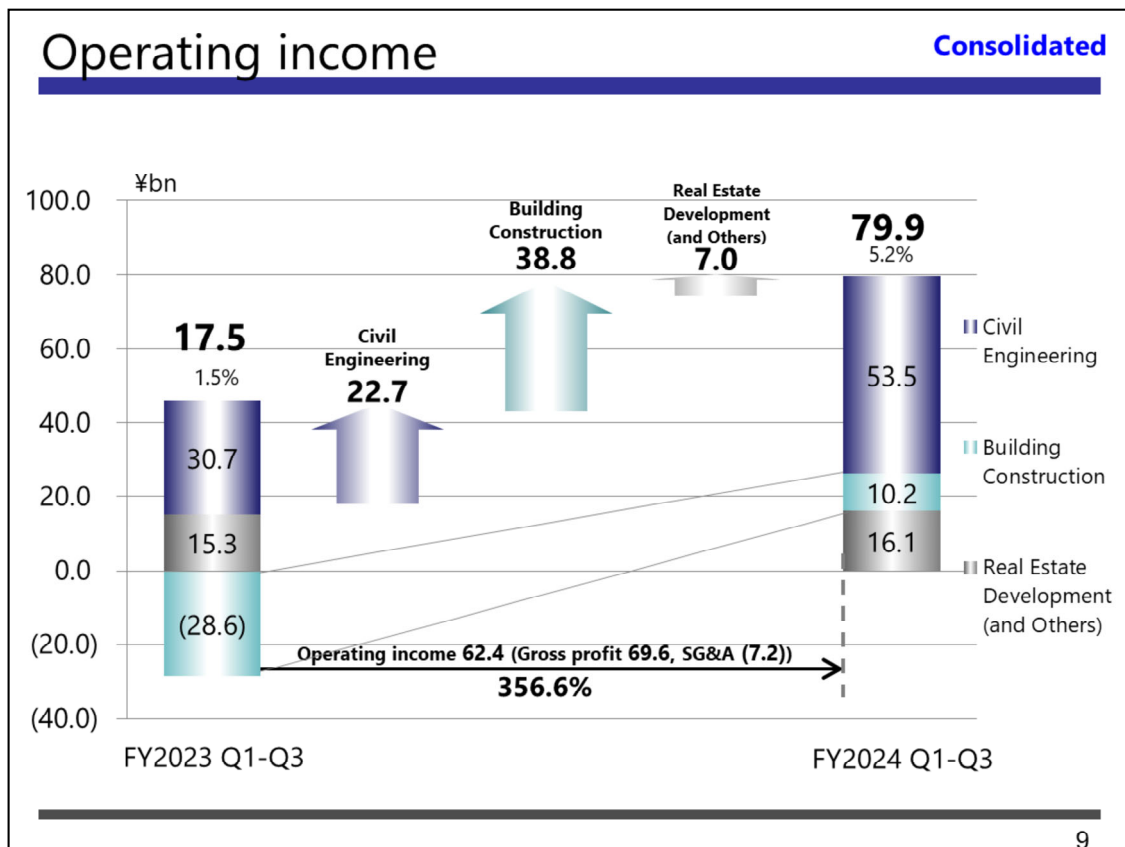
- ✓ The gross margin on completed contracts was 18.5%, an increase of 0.2 percentage points, remaining almost unchanged from the previous fiscal year, due to the steady progress in profitable large-scale projects, despite a decrease in the number of large-scale projects to be completed in FY2024 among backlog projects, compared to the previous fiscal year.

#### 【 Building Construction 】

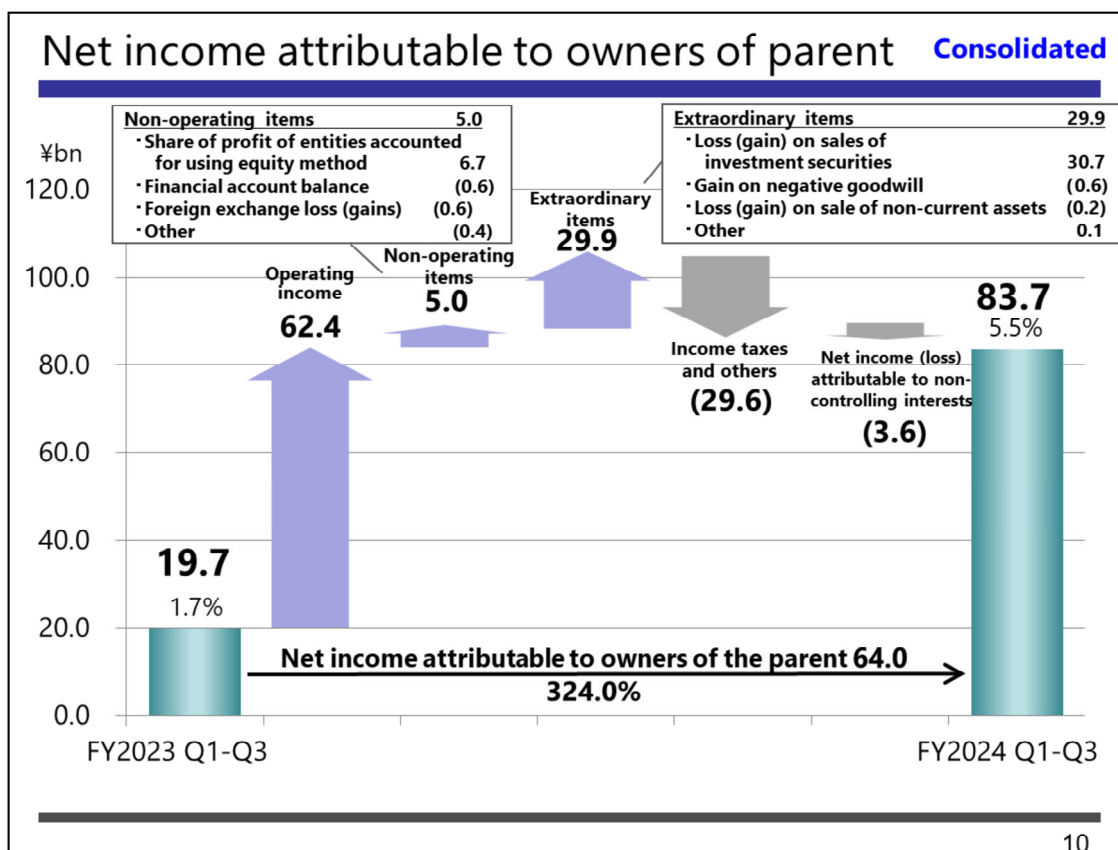
- ✓ The gross margin on completed contracts was 4.4%, an improvement of 3.5 percentage points YoY due to the absence of the provision for losses on construction contracts recorded in the previous fiscal year and an improvement in gross margin of backlog projects.



- ✓ SG&A at Taisei Corporation decreased by 0.7 billion yen due to reductions in retirement benefit expenses and in expenses related to orders received, despite an increase in personnel costs due to the implementation of a base wage increase.
- ✓ SG&A at subsidiaries, etc. increased by 7.9 billion yen due to the impact of newly consolidated group companies, and overall consolidated SG&A increased by 7.2 billion yen.



- ✓ Operating income was 79.9 billion yen, up 62.4 billion yen YoY due to the impact of increased net sales from Civil Engineering and Building Construction and an increase in gross profit due to an improvement in profit ratio, despite an increase in SG&A.



- ✓ Net income attributable to owners of the parent was 83.7 billion yen, up 64.0 billion yen YoY.
- ✓ Non-operating income and loss improved primarily due to an increase in investment gain on equity method for the one-time amortization of negative goodwill from the M&A of Heiwa Real Estate.
- ✓ Extraordinary income and loss improved primarily due to an increase in gains on sales of investment securities as a result of progress in reducing cross-shareholdings.

## [Reference] Progress on the reduction of Cross-holding Shares

### Progress of the plan

**Reduction plan** (publicly announced in Dec.2023)  
The amount will be **less than 20%** of our consolidated net assets by **the end of the fiscal year 2026**

Planned sale amount sold (planned): **195.5 billion yen**

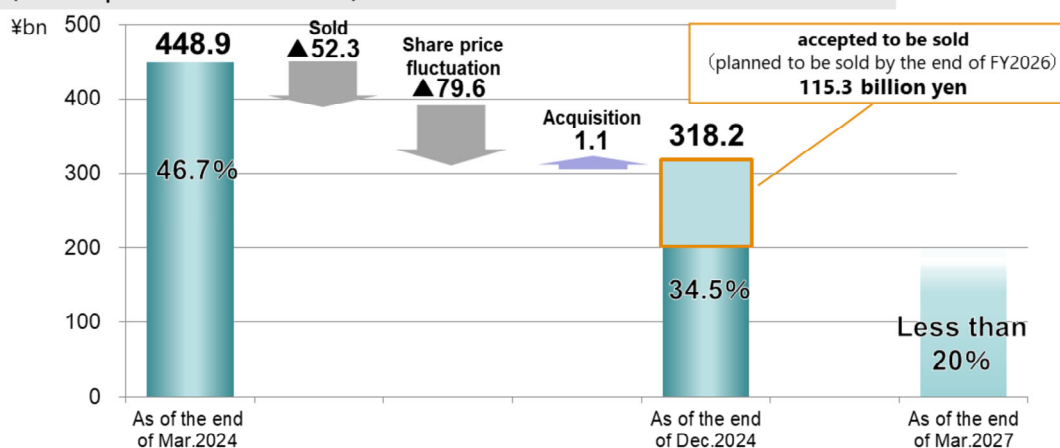
Number of brands (planned): **114 brands\***

\*Listed shares & Deemed possessed shares

**(sold + agreed to be sold but not sold) / reduction plan [progress rate]**  
**191.7 billion yen / 195.5 billion yen [98.0%]**  
**102 brands / 114 brands [89.5%]**

※the market prices at the time of the formulation of the plan (as of the end of Mar.2023)

### Change in the balance of Cross-holdings Shares against consolidated net assets (the market prices as of the end of Dec.2024)



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- ✓ Lastly, the progress in the reduction of cross-shareholdings is as stated above.
- ✓ The balance of cross-shareholdings as of December 31 was 318.2 billion yen, accounting for 34.5% of consolidated net assets.
- ✓ Regarding the outlook for future sales, as of December 31, our proposed sale of 115.3 billion yen has been accepted, so we plan to complete these sales by the end of FY2026.
- ✓ We will continue to work to achieve our reduction plan.

## Disclaimer

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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 Setsumeikai Shiryou" and this document, Japanese "Kessan Setsumeikai Shiryou" shall prevail.