

# Financial Results

for the fiscal year ended March 2022

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May 18, 2022  
(Revised version)



**TAISEI CORPORATION**

*For a Lively World*

# **I. Review of the First Year of Medium-Term Business Plan**

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# Numerical targets

- Financial results for FY2021
  - ✓ *Group net sales fell short of the target.*
  - ✓ *Group operating income and group net income met the targets.*
- Numerical targets for FY2023
  - ✓ *As the environment has changed from the assumptions underlying the plan due to the recent rises in material prices and the situation in Ukraine, further efforts are necessary to meet the targets.*
  - ✓ *We will strive to meet the earnings targets by carefully evaluating profitability in receiving orders and mainly focusing on renovation and engineering projects.*

Medium-Term Business Plan (FY2021-FY2023)				¥bn
	FY2021 result	FY2022 forecast	FY2023 target	
Group net sales	1,543.2	1,800.0	2,000.0	
Group operating income	96.0	97.0	140.0	
Group net income	71.4	67.0	100.0	
ROE	8.4%	7.7%	About 10%	
Dividend payout ratio	37.0%	37.5%	About 25%	
Net interest-bearing debt*	(274.7)	-	Maintain effectively zero debt	

\* Net interest-bearing debt = Interest-bearing debt – Cash and deposits

# Investment plan

Investment plan			¥bn
Area	FY2021 Result	FY2022 Forecast	3-year plan
1. Investment in technological development	20.6	29.1	76.0
2. Investment in information	15.1	16.8	60.0
3. Capital and personnel-related investment	4.7	5.5	19.0
4. Business-related investment	29.4	50.6	105.0
<b>Investment amount</b>	<b>68.0</b>	<b>100.0</b>	<b>250.0</b>

Of which environment-related investment			¥bn
Area	FY2021 Result	FY2022 Forecast	3-year plan
Investment in technological development <small>Technological development that contributes to industry areas where growth is expected due to a favorable economic and environmental cycle</small>	12.3	22.2	56.0
Business-related investment <small>Investment in renewable energy business</small>	0.9	2.6	11.0
<b>Investment amount</b>	<b>13.2</b>	<b>24.8</b>	<b>67.0</b>

\*1 Figures in items 1 and 2 above include some double counting.

### <Investment projects>

#### FY2021 results

- Business-related: Acquisition of large CBD office buildings (Otemachi Nomura Building and others)
- Technology: Automation of heavy machinery, development of control systems (T-digital Field and others)
- Information: Infrastructure improvement for the use of BIM

#### FY2022 plan

- Business-related: Expansion of new acquisition of urban development projects in Japan
- Information: Development of a data integration platform

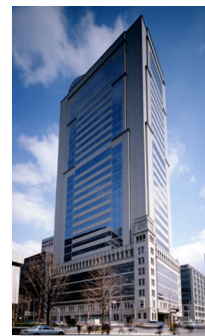
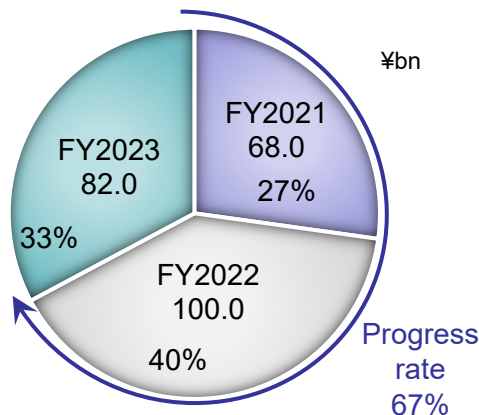
### <Investment projects>

#### FY2021 results

- Technological development: Application of carbon-recycle concrete, etc.
- Business-related: Investment in photovoltaic power generation projects

#### FY2022 plan

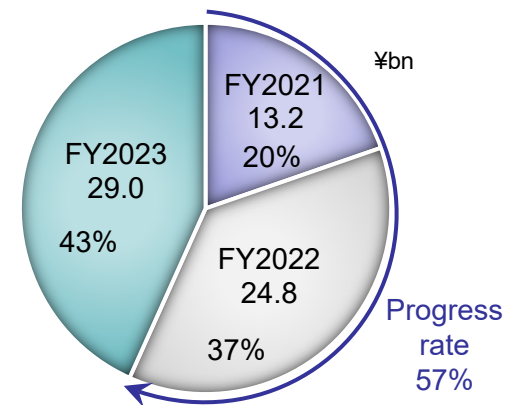
- Technological development: Conversion of facilities held by the Company to ZEBs
- : Development of technologies related to offshore wind generation



Otemachi Nomura Building



T-digital Field



# Sustainability-related initiatives (1)

## (1) Establishment of the Sustainability Div. (Integrated)

- In order to accelerate the Group's sustainability initiatives and respond more strategically, we have centralized the organizational structure concerning sustainability management (effective April 2022).

## (2) Establishment of the 2030 environmental targets of the Group

- Toward the achievement of our long-term environmental targets "TAISEI Green Target 2050," we have set new targets for FY2030, a milestone year.
- By FY2030, we aim to reduce CO2 emissions per net sales by 50% as compared with FY2019.

## (3) Introduction of human rights due diligence

- We have introduced the human rights due diligence process prescribed by the United Nations' Guiding Principles on Business and Human Rights to identify human rights risks in the supply chain by obtaining advice of external experts.

## (4) Endorsement of the basic concept of the GX (Green Transformation) League\*

\* GX League:

An industry-government-academia collaboration initiative lead by the Ministry of Economy, Trade and Industry for the purpose of market creation and rulemaking in the carbon neutral era.

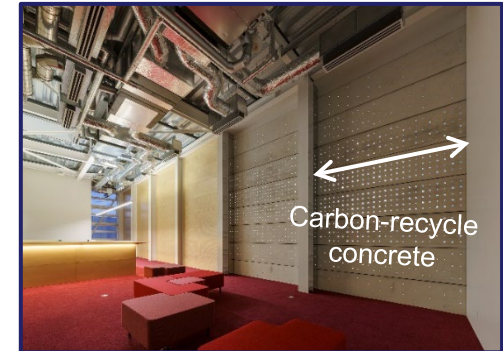
## (5) Development of an AI-powered construction site CO2 emission measurement and aggregation system (T-Carbon Watch)

- This system will be used at construction sites to measure and aggregate CO2 emissions by combining AI image recognition of the operation status of construction machinery with electricity usage, electronic manifest (waste transportation), and fuel purchase amount.

# Sustainability-related initiatives (2)

## (6) Application of carbon-recycle concrete, etc.

- Toward the decarbonization of overall value chain, we have developed carbon-recycle concrete that will achieve a negative net CO2 balance for concrete, which is a main material in construction work.
- Used for wall members and passage pavement at the Taisei Technology Center

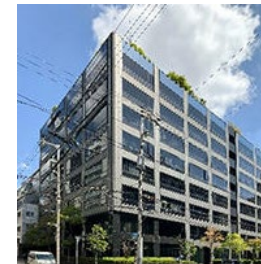


Taisei Technology Center

## (7) Promotion of conversion to ZEB and ZEF\*

- ZEB renovation: We plan to renovate Kansai Branch Building, Yokohama Branch Building, and TAISEI U-LEC Kawasaki Plant, which are buildings owned by the Company, for conversion to ZEBs (from fiscal 2022 onwards).
- ZEF: We define ZEF as achieving an annual net zero primary energy balance necessary for the manufacturing environment, excluding production facilities, through energy saving from conversion to smart factory and energy creation by the introduction of renewable energy, thereby helping the conversion of existing facilities to net zero energy production facilities.

- \* ZEB: Net Zero Energy Building  
ZEF: Net Zero Energy Factory



Taisei Kansai Branch Building



OKI Honjo Plant H1 Building  
(The first ZEF project completed in April 2022)

## **II. FY2021 Financial Results FY2022 Financial Forecasts**

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# Financial summary

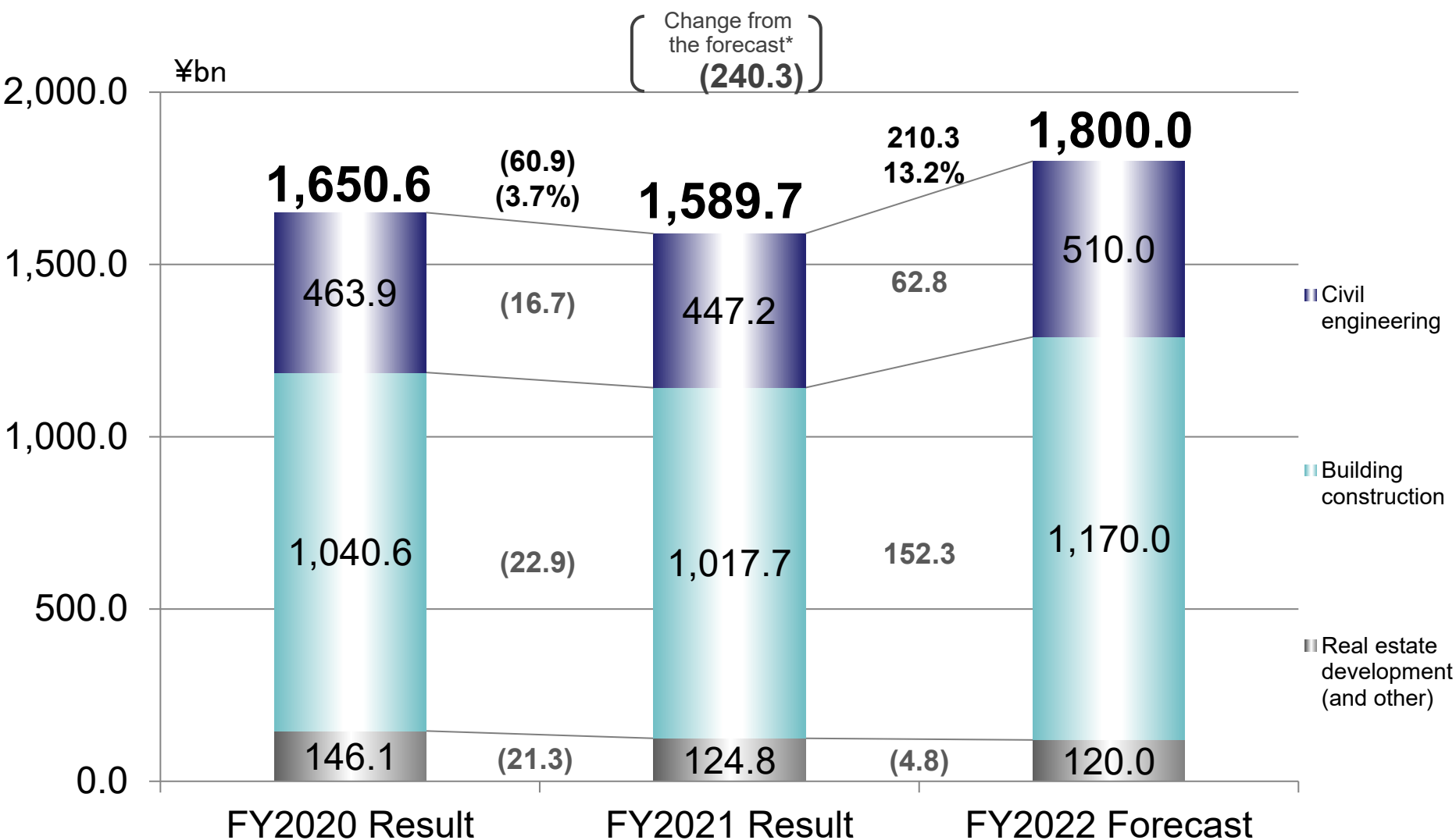
- ✓ *All profit levels of FY2021 decreased due to drop of profit ratio by construction orders received under a severe competitive environment in domestic building construction.*
- ✓ *New order and net sales of FY2022 is expected to increase, but all profit levels are expected to be at the same level YoY due to an increase in the ratio of domestic building construction orders received under a severe competitive environment.*

	FY2020 Result	FY2021 Result	Change	FY2022 Forecast	Change (vs. FY2021)
<b>New orders</b>	1,650.6	1,589.7	(60.9)	1,800.0	210.3
<b>Net sales</b>	1,480.1	1,543.2	63.1	1,800.0	256.8
<b>Gross profit</b>	218.8 14.8%	187.7 12.2%	(31.1) (2.6Pt)	194.0 10.8%	6.3 (1.4Pt)
<b>Operating income</b>	130.5 8.8%	96.1 6.2%	(34.4) (2.6Pt)	97.0 5.4%	0.9 (0.8Pt)
<b>Net income attributable to owners of parent</b>	926 6.3%	714 4.6%	(21.2) (1.7Pt)	67.0 3.7%	(4.4) (0.9Pt)
<b>Net income per share (¥)</b>	442.66	350.88	(91.78)	346.56 <sup>*</sup>	(4.32)
<b>ROE</b>	11.6%	8.4%	(3.2Pt)	7.7% <sup>*</sup>	(0.7Pt)

\* Net income per share and ROE of FY2022 forecast is described with consideration of the effect of share repurchase.

# New orders

[Consolidated]



Note: Percentages indicate the rate of change from the previous fiscal year.

\* The forecast announced on February 2022.

# Major new orders [Civil engineering]

Order time	Project	Type of construction	Client	Industry
2Q	Hokkaido Shinkansen, Sasson Tunnel (Soen) and Others	Railroad	Japan Railway Construction, Transport and Technology Agency	Independent administrative agency
2Q	Vientiane Capital Water Supply Expansion Project CP-1: Construction of Water Treatment Plant & Pipelines [ Laos ]	Erosion control & Flood control	Department of Public Works and Transport, Vientiane Capital	Oversea National
3Q	Construction work of the Umeda district tunnel on Naniwasuji Line	Railroad	West Japan Railway Company	Transport
4Q	Reconstruction work of Shibaura Water Reclamation Center Central Water Treatment Facility (part 6)	Water supply and sewerage	Bureau of Sewerage Tokyo Metropolitan Government	Local public enterprise
3Q	Construction work of Shigaraki section on Shin-Meishin Expressway	Road	West Nippon Expressway Company Limited	Enterprises of central government

- : Public
- : Private
- : Overseas

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

# Major new orders [Building construction]

Order time	Project	Type of construction	Client	Industry
3Q	(Tentative Name) Kyushu Factory No.2 of Sawai Pharmaceutical CO., LTD, New Factory Construction Work	Factory	Sawai Pharmaceutical Co., Ltd.	Chemicals
2Q	(Tentative Name) Sapporo Kita 1 Nishi 5 Project	Office, Hotel and Shop	NTT Urban Development Corporation	Real estate
4Q	Musashino Red Cross Hospital Development Project (Extension・Renovation・Demolition Works and Others)	Medical & Welfare	Japanese Red Cross Society	Service
2Q	Urban Redevelopment Project for Yaesu 1-Chome East District B in Front of Tokyo Station	Shop	Organizing Committee for Urban Redevelopment Project for Yaesu 1-Chome East District B in Front of Tokyo Station	Service
3Q	Design and Build Project of Tegarayama Sports Facilities	Amusement	Himeji Tegarayama PFI Corporation (Special Purpose Company)	Cities, wards, towns, and villages

: Public

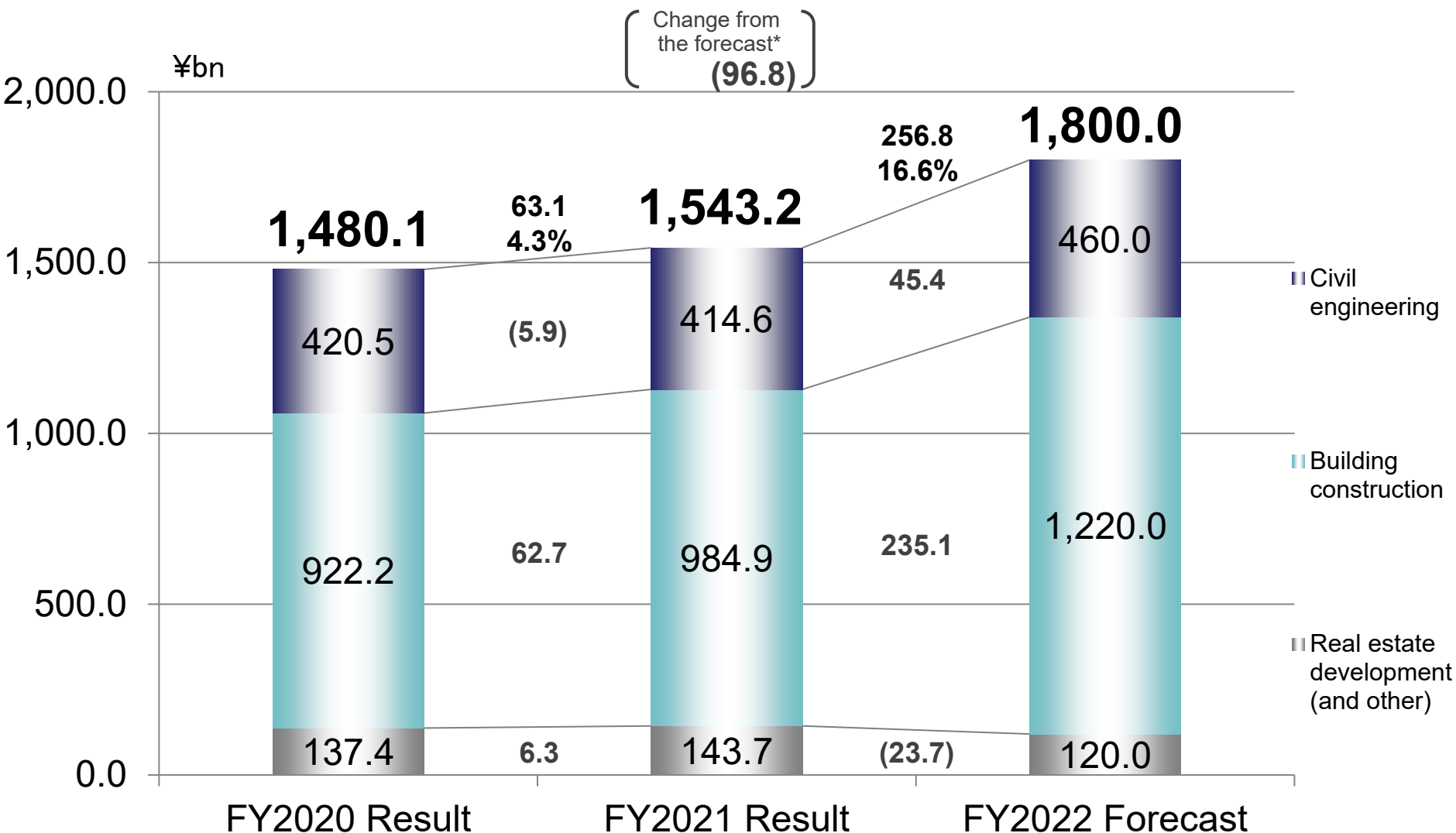
: Private

: Overseas

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

# Net sales

[Consolidated]

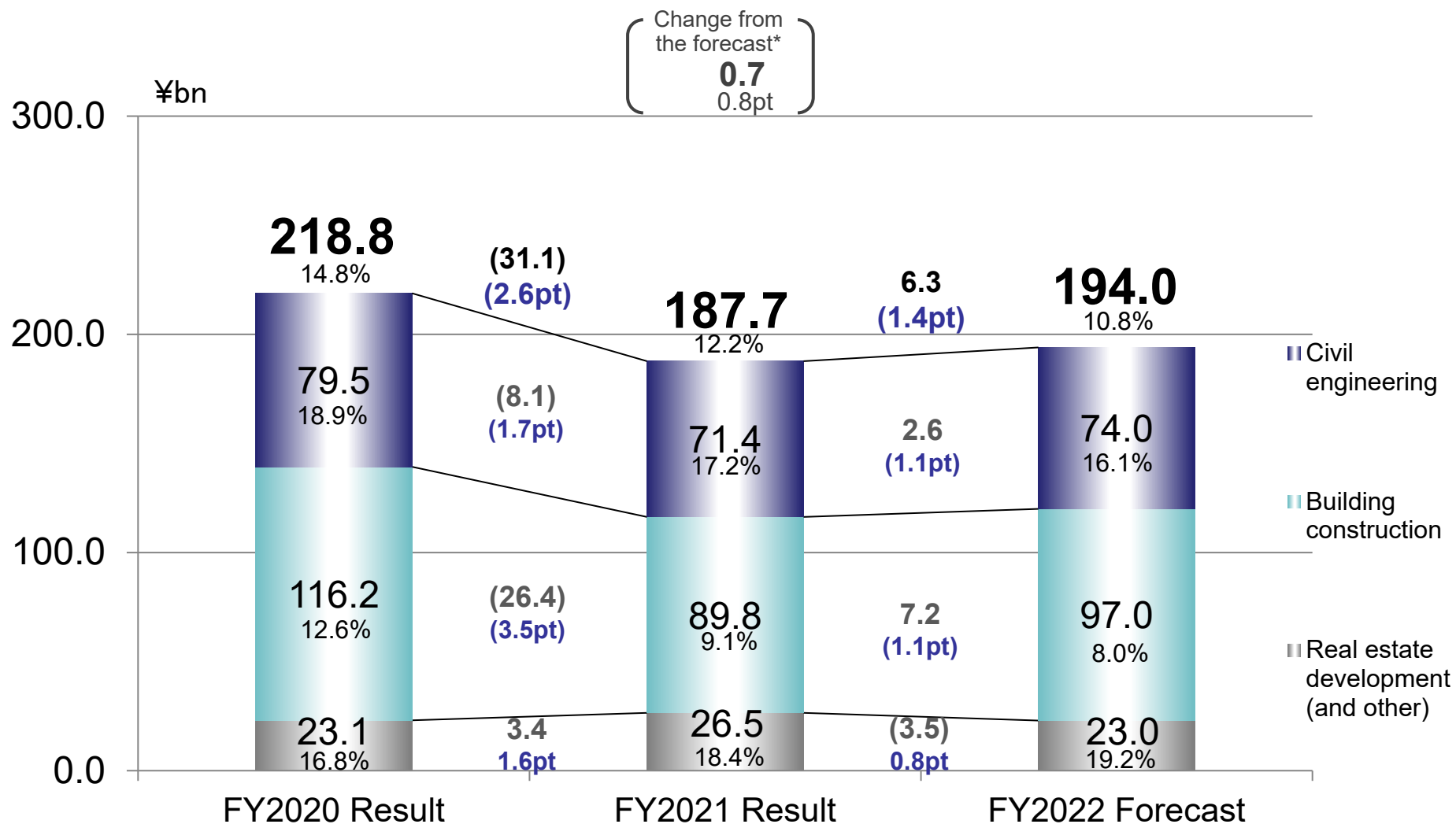


Note: Percentages indicate the rate of change from the previous fiscal year.

\* The forecast announced on February 2022.

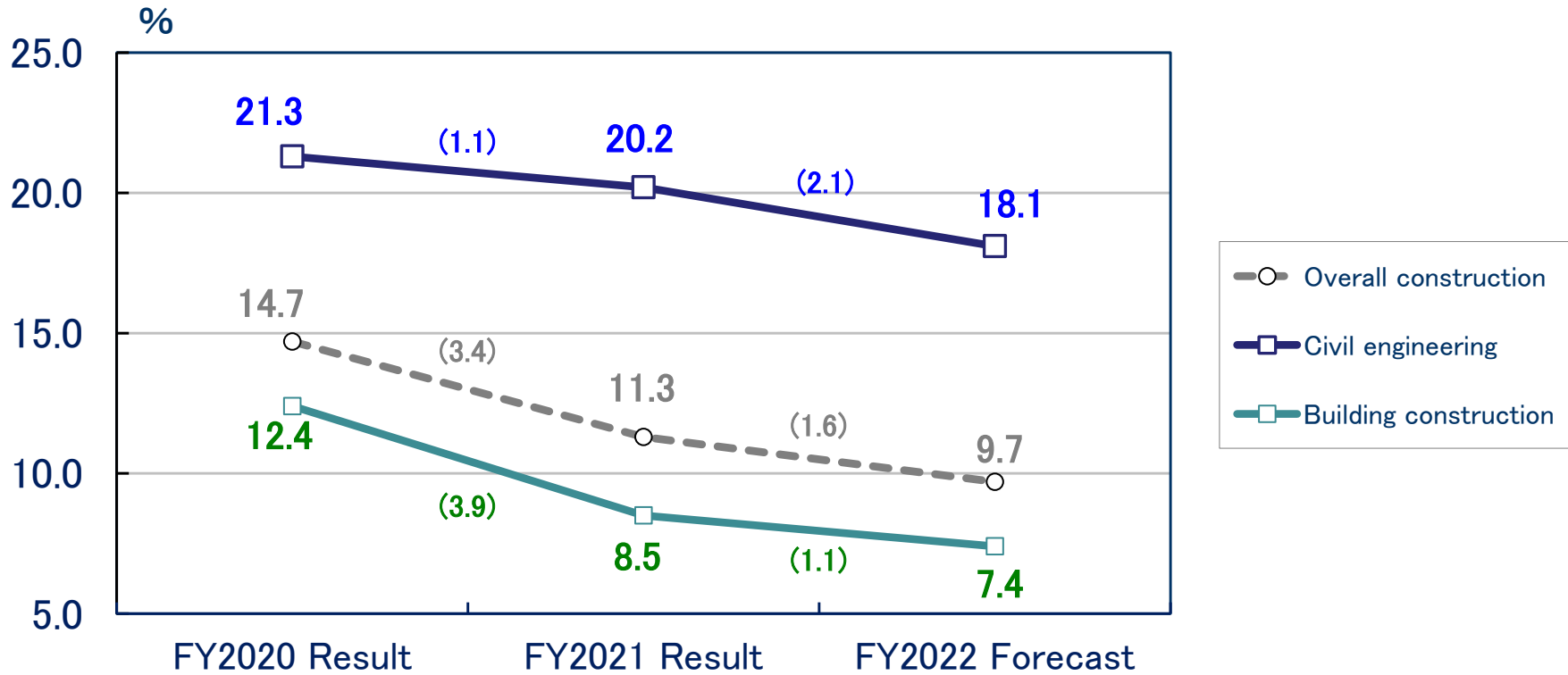
# Gross profit

[Consolidated]



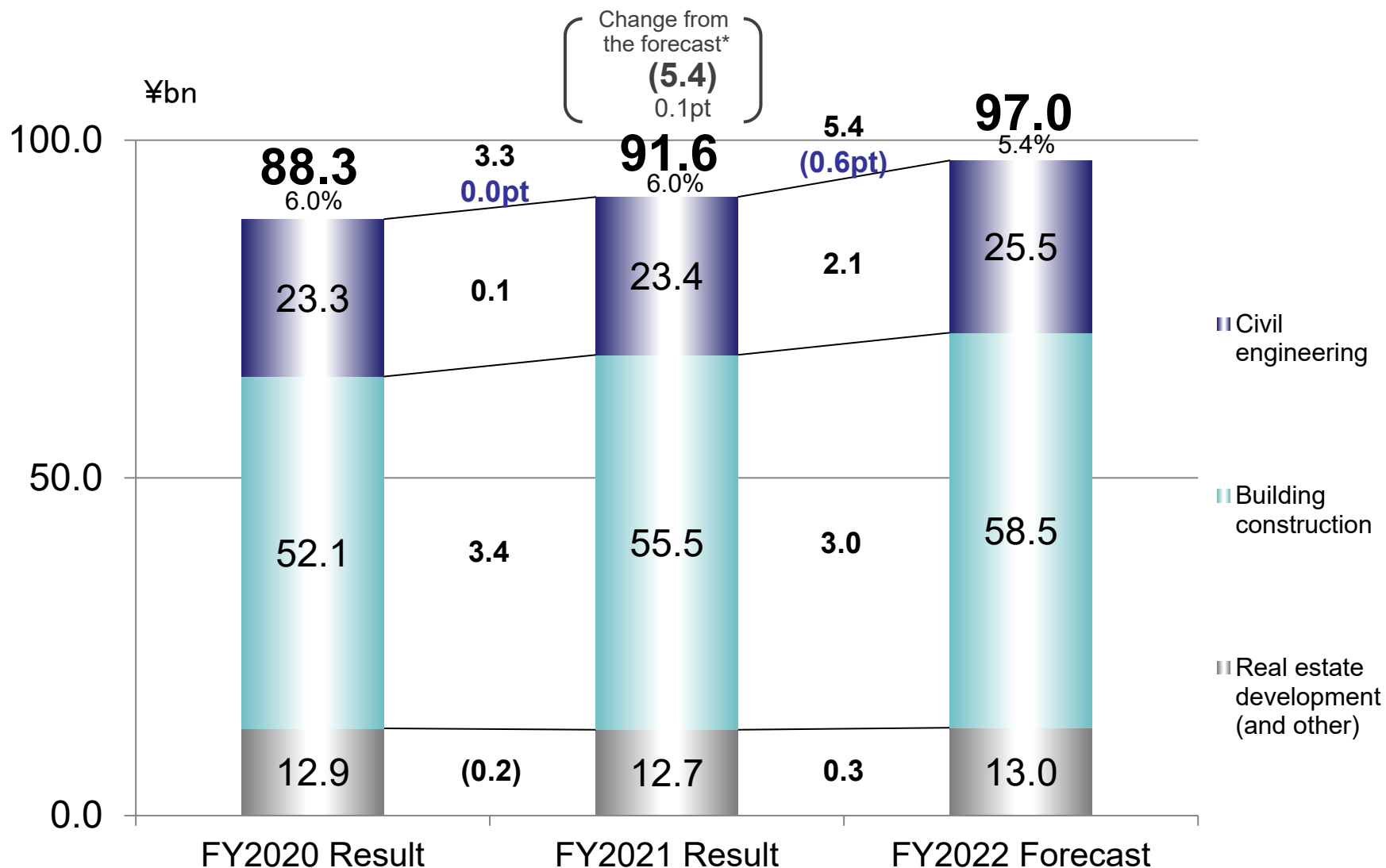
Note: Pt in blue ink indicate the changes from the previous fiscal year.

\* The forecast announced on February 2022. (Pt indicate the rate of changes from the forecast.)



# Selling, General and Administrative Expenses

[Consolidated]

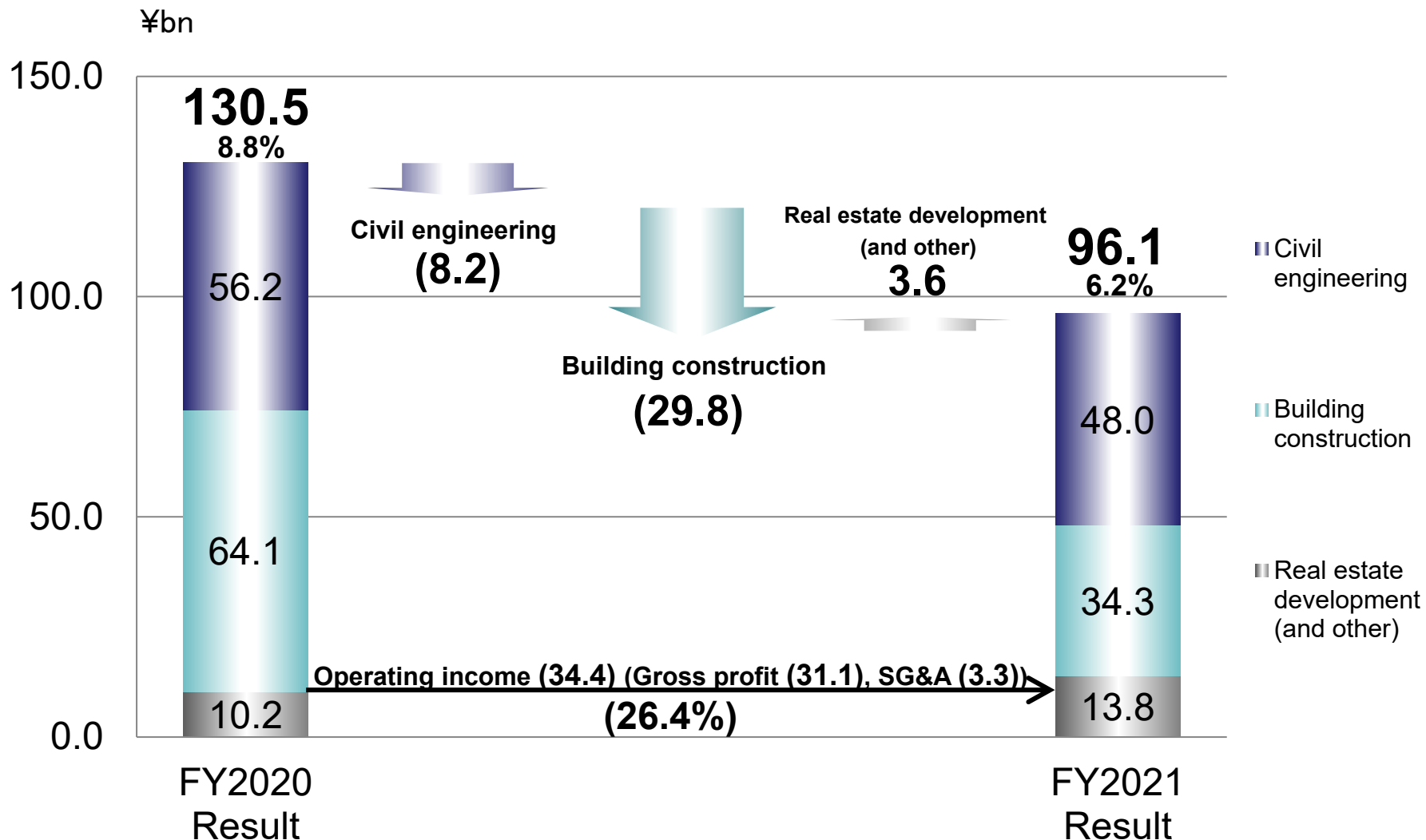


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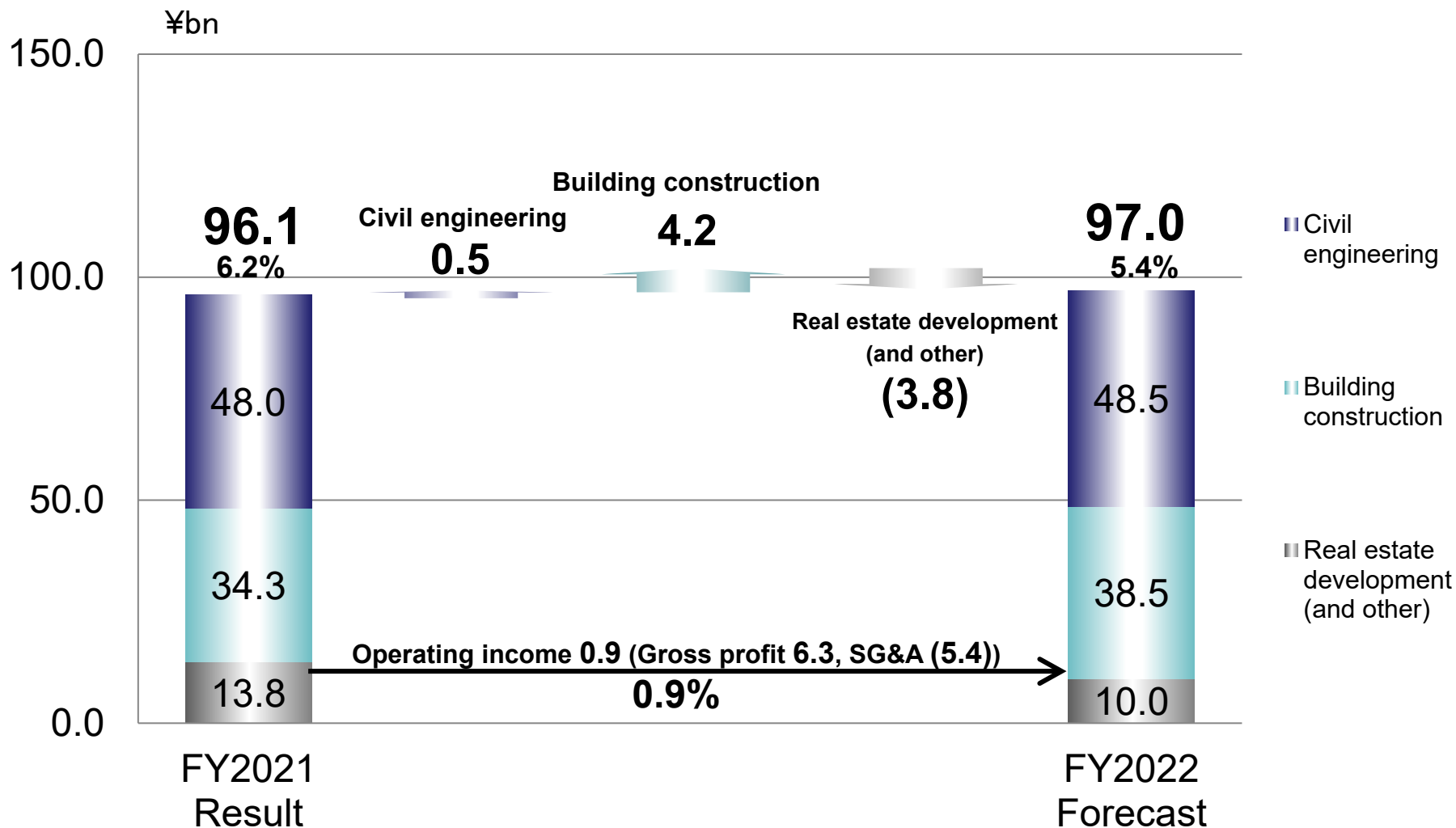
# Operating income (over FY2020 result)

**FY2021 Result**  
**[Consolidated]**



# Operating income (over FY2021 result)

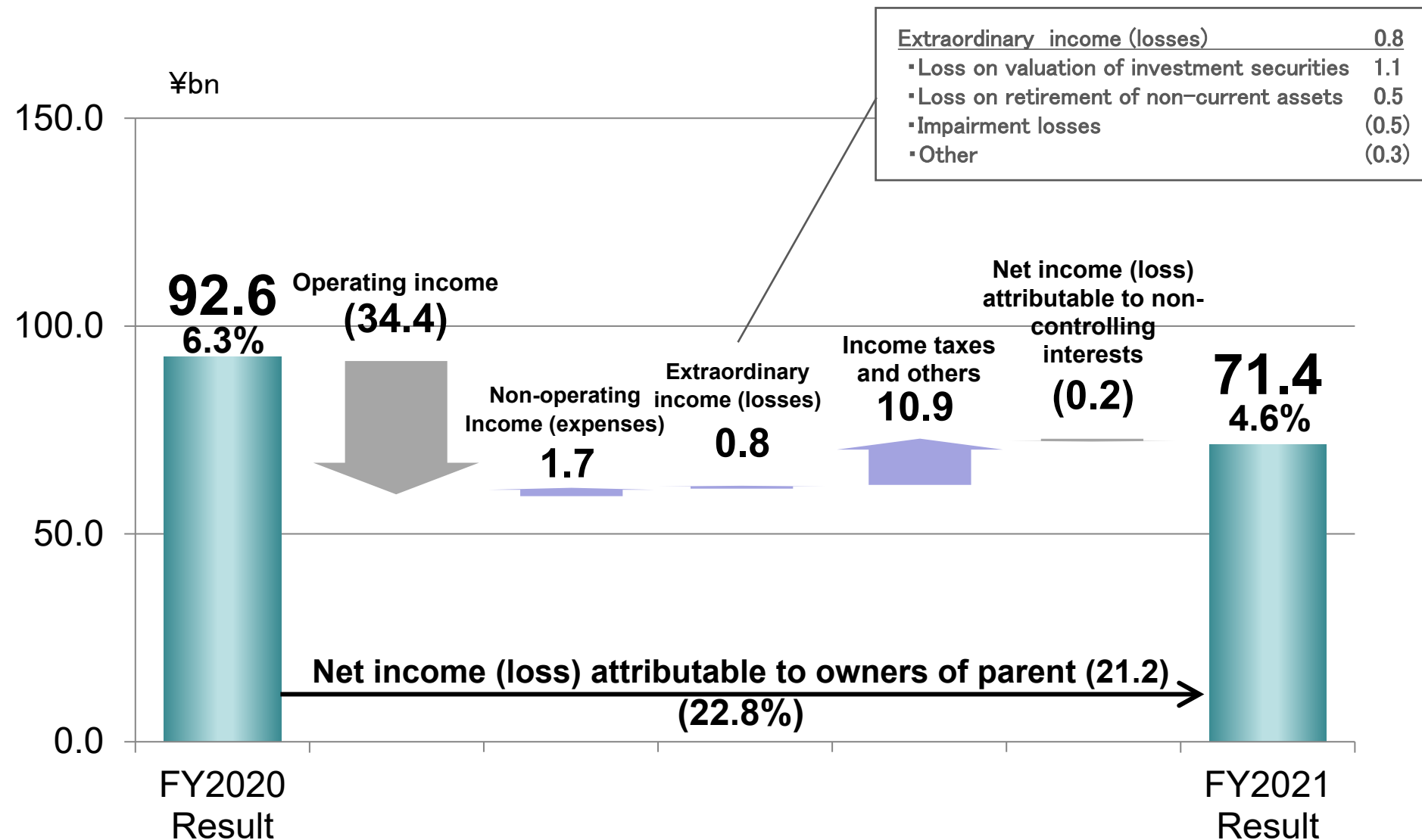
FY2022 Forecast  
[Consolidated]



# Net income attributable to owners of parent

(over FY2020 result)

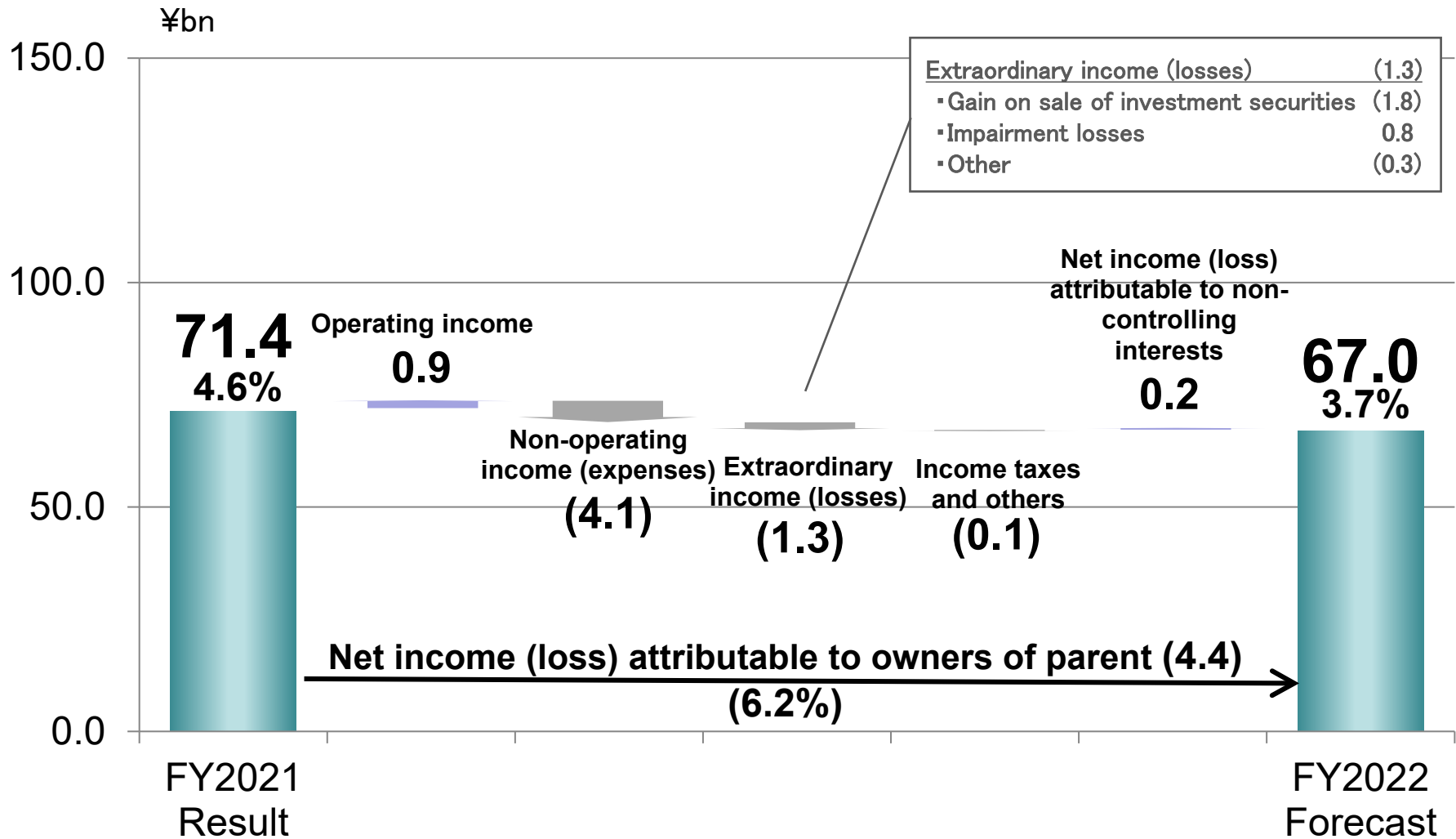
**FY2021 Result**  
**[Consolidated]**



# Net income attributable to owners of parent

(over FY2021 result)

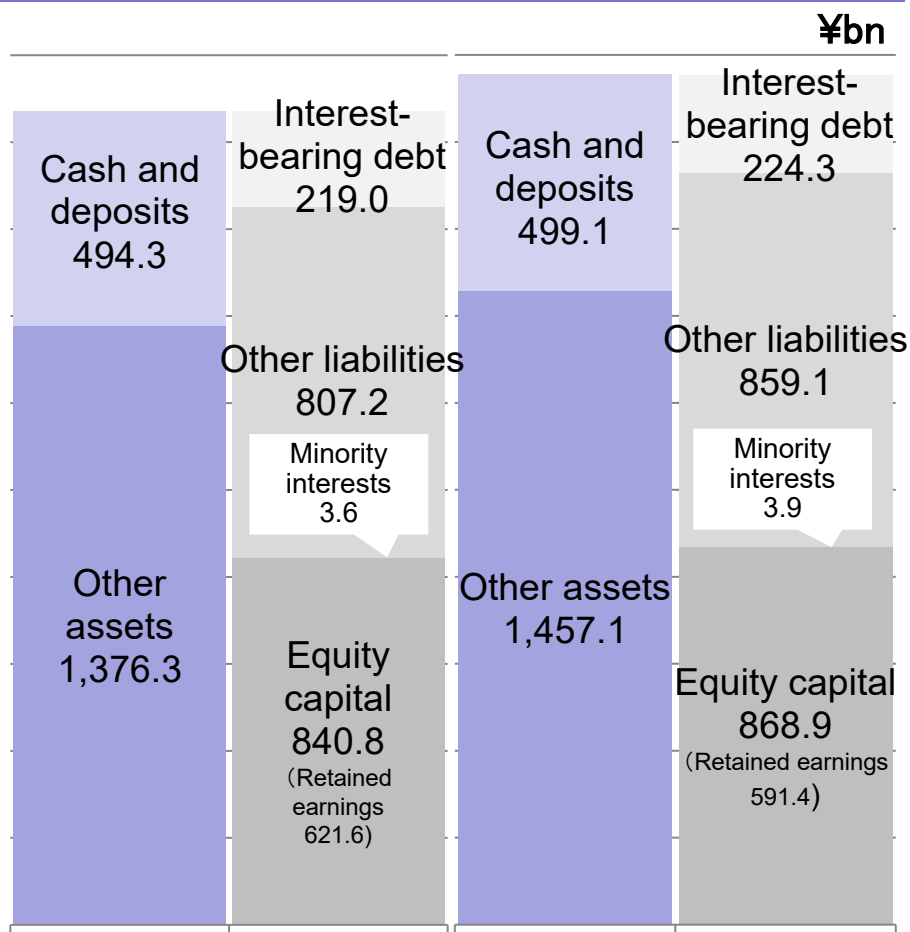
**FY2022 Forecast**  
**[Consolidated]**



# Balance sheet

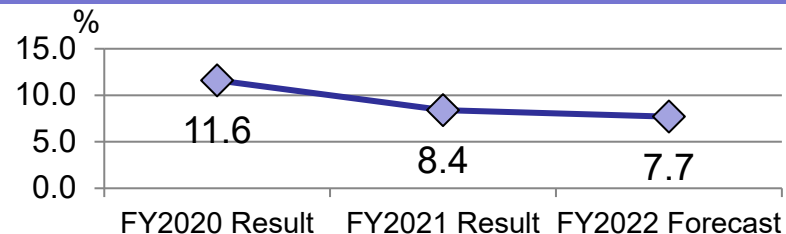
[Consolidated]

## Balance sheet

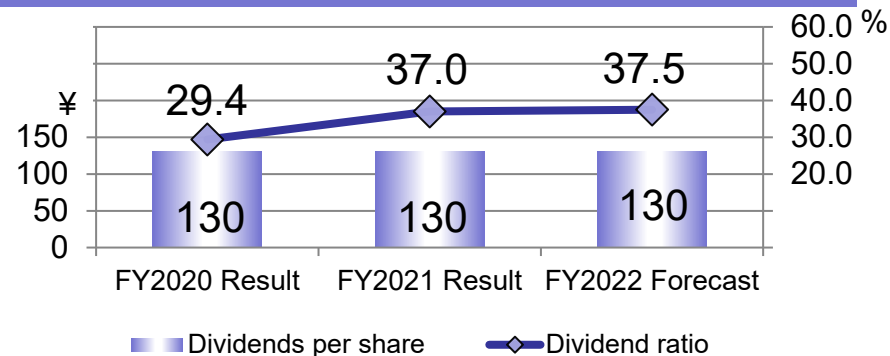


【Total assets: ¥bn 1,870.6】**As of Mar. 31, 2021**  
 【Total assets: ¥bn 1,956.2】**As of Mar. 31, 2022**

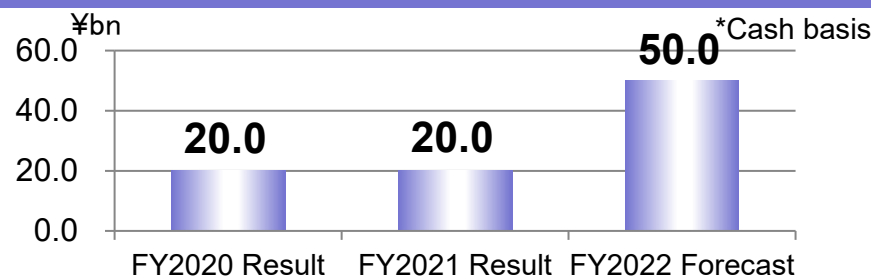
## ROE (Full-year)



## Dividends per share · Dividend ratio (Full-year)

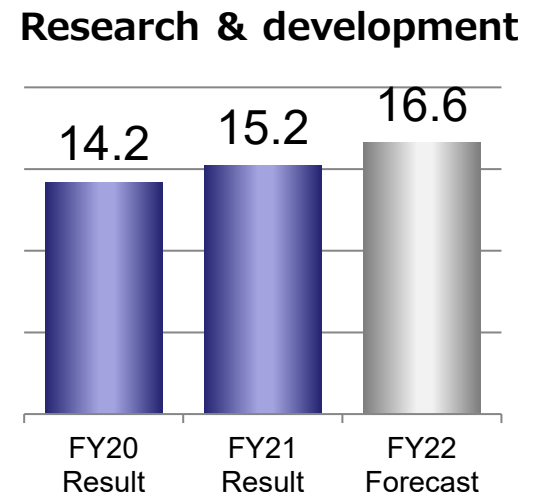
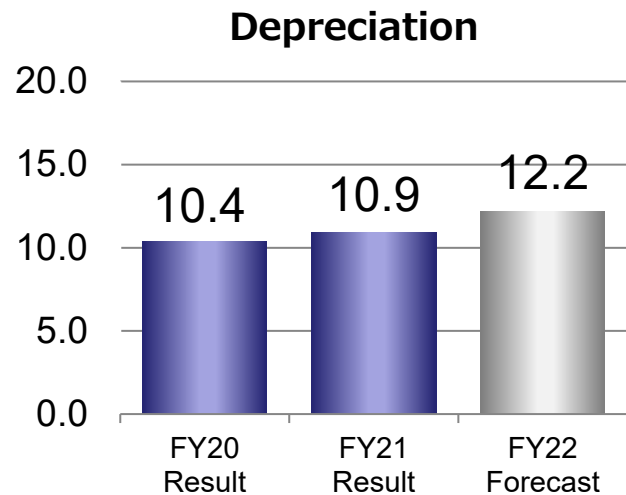
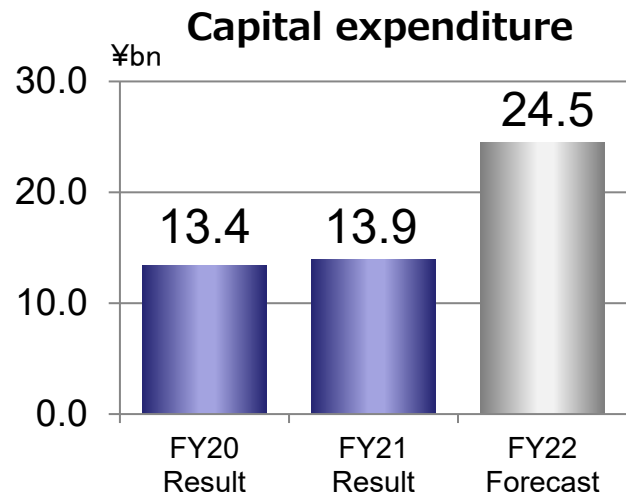
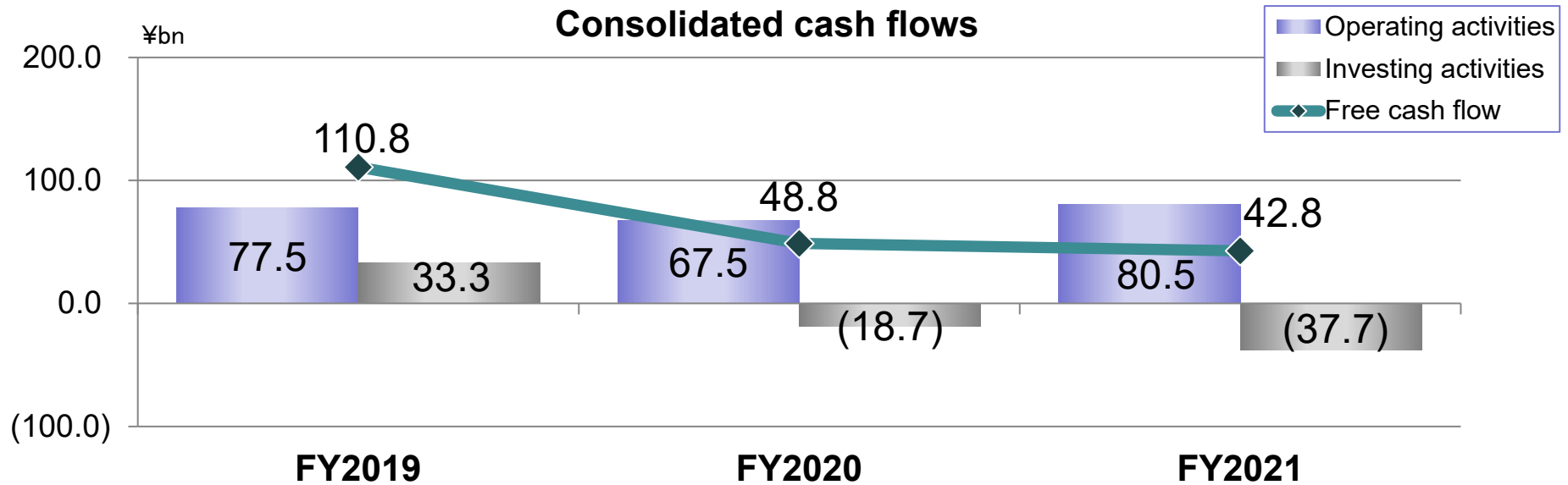


## Share Repurchase (Full-year)



# Cash flows etc.

[Consolidated]



# Disclaimer

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