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# **FY3/21 (Fiscal 2020) Financial Results**

## **(April 1, 2020 to March 31, 2021)**

**May 24, 2021**

**HAZAMA ANDO CORPORATION**



# 1. FY3/21 Financial Results Outline

# FY3/21 (April 1, 2020 to March 31, 2021) Business Environment



<b>Market Environment</b>	<ul style="list-style-type: none"><li>· Firm trends in public sector construction environment throughout the year</li><li>· Downward trend in private sector construction investment due to the decrease in corporate sector earnings and uncertainty surrounding business conditions</li><li>· Incidence of harsh restrictions placed on overseas economic activity, which depending on the country included lockdowns and curfews</li></ul>
<b>Japan</b>	<ul style="list-style-type: none"><li>· At sites in Japan, thoroughgoing steps taken to prevent the spread of COVID-19; no major incidents including cluster outbreak; overall steady progress in both civil engineering and building construction</li><li>· Negative impact on private sector construction including timing postponement of certain orders</li><li>· Firm warehouse and distribution facility orders in domestic building construction</li></ul>
<b>Overseas</b>	<ul style="list-style-type: none"><li>· Restrictions on economic activities in countries where the Group operates and a period of construction suspension owing to the substantial impact of COVID-19</li><li>· Incidence of order postponement including civil engineering ODA projects</li></ul>

# Highlights



**Consolidated net sales**  
(Billion yen) **352.0**  
(YoY Change ▲6.9%)

- Decrease in net sales of completed construction contracts

**Consolidated Operating Profit** (Billion yen) **27.3**

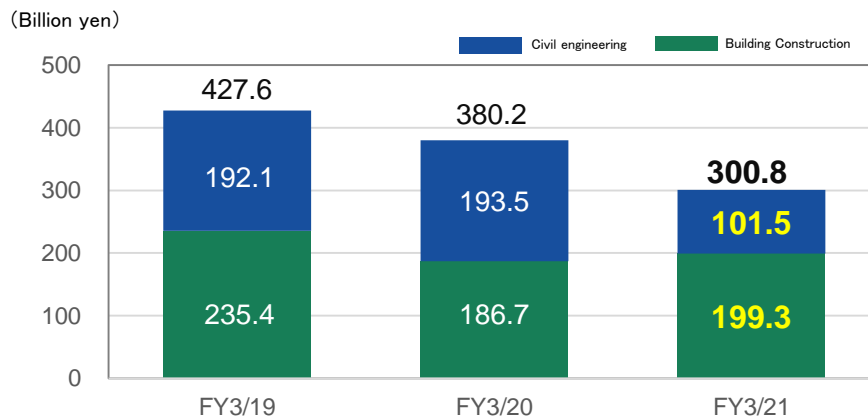
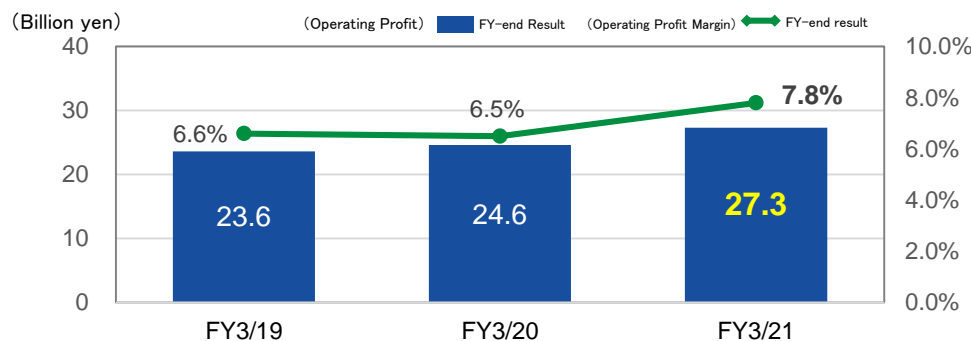
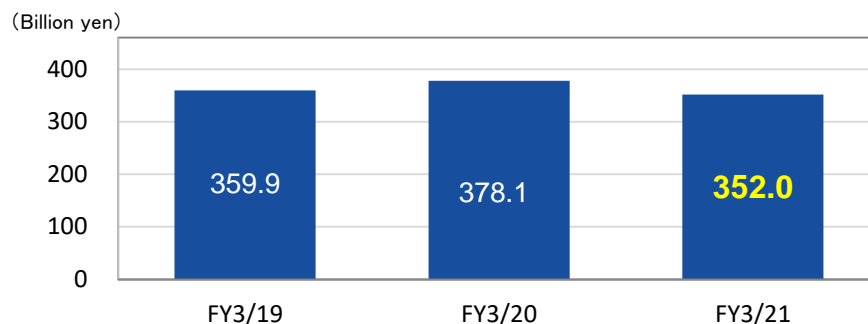
**Consolidated Operating Profit Margin** **7.8%**

(Consolidated Operating Profit YoY Change +10.8%)  
(Consolidated Operating Profit Margin YoY Change +1.3P)

- Increase in gross profit on the back of improvement in profit margins
- Decrease in selling, general and administrative expenses

**Non-consolidated Orders received** (Billion yen) **300.8**  
(YoY Change ▲20.9%)

- Negative correction in year-on-year large-scale domestic civil engineering construction orders
- Large-scale domestic building construction orders received in the 4Q
- Substantial decrease in both overseas civil engineering and building construction owing to the pandemic



# 【Consolidated】 Operating Results



	FY3/20 (Apr.1,2019-Mar.31,2020)	FY3/21 (Apr.1,2020-Mar.31,2021)			
	Result	Forecast (announced in Aug,2020)	Result	YoY Change	Change From Forecast
Net sales	378.1	365.0	352.0	△6.9%	△3.6%
Gross profit	47.2	44.1	48.1	+2.0%	+9.2%
(Gross profit margin)	(12.5%)	(12.1%)	(13.7%)	(+1.2P)	(+1.6P)
Selling, general and administrative expenses	22.5	20.5	20.8	△7.6%	+1.5%
Operating profit	24.6	23.6	27.3	+10.8%	+15.9%
(Operating profit margin)	(6.5%)	(6.5%)	(7.8%)	(+1.3P)	(+1.3P)
Ordinary profit	23.9	21.9	25.8	+8.0%	+18.2%
Profit attributable to owners of parent	16.8	14.8	17.1	+2.3%	+16.1%

(Unit: Billion yen. Rounded down to the unit)

# 【Consolidated】 Balance Sheets



	FY3/20 (Apr.1,2019-Mar.31,2020) Result ①	FY3/21 (Apr.1,2020-Mar.31,2021) Result ②	Change ②－①
Current assets	277.5	274.4	△31
Non-current assets	62.1	65.1	+29
<b>Total assets</b>	<b>339.7</b>	<b>339.6</b>	<b>△1</b>
Current liabilities	179.3	173.9	△54
Non-current liabilities	23.4	18.9	△45
<b>Total liabilities</b>	<b>202.8</b>	<b>192.9</b>	<b>△99</b>
<b>Total net assets</b>	<b>136.9</b>	<b>146.6</b>	<b>+97</b>
<b>Total liabilities and net assets</b>	<b>339.7</b>	<b>339.6</b>	<b>△1</b>
Interest-bearing debt (Billion yen)	27.1	25.2	△18
Debt/Equity ratio ※ (times)	0.20	0.17	△0.03P
Equity ratio(%)	40.0	43.0	+3.0P

- Cash and deposits (+26.3)
- Notes receivable, accounts receivable from completed construction contracts and other (△16.3)
- Securities (△14.0)
- Other inventories (+4.1)
- Other current assets (△4.2)
- Buildings and structures (+1.3)
- Investment securities (+2.9)
- Other (△0.2)

- Notes payable, accounts payable for construction contracts and other (△8.3)
- Advances received on construction contracts in progress (△3.2)
- Deposits received (+3.0)
- Other current liabilities (+4.8)
- Retirement benefit liability (△3.9)
- Other (△2.3)

- Retained earnings (+11.3)
- Treasury shares (△4.9)
- Valuation difference on available-for-sale securities (+1.8)
- Other (+1.5)

(Unit: Billion yen. Rounded down to the unit)

※ Debt/Equity ratio : Interest-bearing debt/Equity (Net assets — Share acquisition rights — Non controlling interests)



## **2. Details of Non-Consolidated Financial Results**

# 【Non-consolidated】 Orders Received



FY3/20 (Apr.1,2019-Mar.31,2020)		FY3/21 (Apr.1,2020-Mar.31,2021)			
	Result	Forecast (announced in Aug,2020)	Result	YoY Change	Change From Forecast
Orders Received	<b>380, 281</b>	<b>335, 000</b>	<b>300, 869</b>	<b>Δ20. 9%</b>	<b>Δ10. 2%</b>
Civil engineering	<b>193, 575</b>	<b>120, 000</b>	<b>101, 527</b>	<b>Δ47. 6%</b>	<b>Δ15. 4%</b>
Domestic	<b>175, 727</b>	<b>114, 000</b>	<b>100, 947</b>	<b>Δ42. 6%</b>	<b>Δ11. 4%</b>
Overseas	<b>17, 847</b>	<b>6, 000</b>	<b>579</b>	<b>Δ96. 8%</b>	<b>Δ90. 3%</b>
Building construction	<b>186, 706</b>	<b>215, 000</b>	<b>199, 341</b>	<b>+6. 8%</b>	<b>Δ7. 3%</b>
Domestic	<b>172, 293</b>	<b>210, 000</b>	<b>195, 747</b>	<b>+13. 6%</b>	<b>Δ6. 8%</b>
Overseas	<b>14, 412</b>	<b>5, 000</b>	<b>3, 593</b>	<b>Δ75. 1%</b>	<b>Δ28. 1%</b>

(Unit: Million yen. Rounded down to the unit)



【Non-consolidated】 Net Sales of Completed Construction Contracts/  
Gross Profit on Completed Construction Contracts



	FY3/20 (Apr.1,2019-Mar.31,2020)	FY3/21 (Apr.1,2020-Mar.31,2021)			
	Result	Forecast (announced in Aug,2020)	Result	YoY Change	Change From Forecast
Net sales of completed construction contracts	<b>351,527</b>	<b>335,000</b>	<b>328,044</b>	<b>Δ6.7%</b>	<b>Δ2.1%</b>
Civil engineering	124,314	135,000	135,932	+9.3%	+0.7%
Building construction	227,213	200,000	192,111	Δ15.4%	Δ3.9%
Gross profit on completed construction contracts	<b>43,174</b>	<b>40,300</b>	<b>44,036</b>	<b>+2.0%</b>	<b>+9.3%</b>
(Construction gross profit margin)	(12.3%)	(12.0%)	(13.4%)	(+1.1P)	(+1.4P)
Civil engineering	21,960	21,900	23,303	+6.1%	+6.4%
	(17.7%)	(16.2%)	(17.1%)	(Δ0.6P)	(+0.9P)
Building construction	21,214	18,400	20,732	Δ2.3%	+12.7%
	(9.3%)	(9.2%)	(10.8%)	(+1.5P)	(+1.6P)

(Unit: Million yen. Rounded down to the unit)

# 【Non-consolidated】 Year-end Backlog



	FY3/20 (Apr.1,2019-Mar.31,2020) Result	FY3/21 (Apr.1,2020-Mar.31,2021) Result	YoY Change	Change
Year-end Backlog	546,698	519,618	Δ5.0%	Δ 27,080
Civil engineering	364,119	329,835	Δ9.4%	Δ 34,283
Domestic	339,512	311,802	Δ8.2%	Δ 27,710
Overseas	24,607	18,033	Δ26.7%	Δ 6,573
Building Construction	182,578	189,782	+3.9%	+7,203
Domestic	171,489	184,593	+7.6%	+13,103
Overseas	11,089	5,189	Δ53.2%	Δ 5,900

(Unit: Million yen. Rounded down to the unit)



### **3. Medium-Term Management Plan (FY3/21 to FY3/23) Progress to Date**

# Progress under the Medium-Term Management Plan (Overview)



	FY3/21 Progress Overview	FY3/22 Implementation Outlook
Create customer value	<p><b>【Technology development, other】</b></p> <ul style="list-style-type: none"> <li>• Developed low-cost, high-quality technologies that improve productivity while shortening construction periods including an integrated control system for mountain tunnel construction and an autonomous crack detection robot</li> <li>• Promoting plans to upgrade the facilities of the Technical Research Institute to strengthen technology development capabilities</li> <li>• Set up the Group's third precast concrete (PC) factory with the aim of increasing cost competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>☞ In addition to promoting front-loading through the use of BIM and other initiatives advance digital transformation (DX) in the construction business while continuing to engage in activities that increase productivity and quality</li> <li>☞ Renew facilities at the Technical Research Institute (including large oscillation stands) to improve technological capabilities in such areas as disaster prevention and mitigation as well as environmentally friendly technologies</li> <li>☞ Strengthen manufacturing capabilities for precast products by upgrading and expanding the PC factory, and promote in-house procurement</li> </ul>
	<p><b>【Life Cycle Support (LCS) Business】</b></p> <ul style="list-style-type: none"> <li>• Set up the appropriate systems by establishing the LCS Business Headquarters and commenced operations</li> </ul>	<ul style="list-style-type: none"> <li>☞ Expand the LCS business (renewal and maintenance) and increase the customer base by collaborating with new construction divisions and rolling out one-stop services.</li> </ul>
Create shareholder value	<p><b>【Secure stable profits and transform the business structure】</b></p> <ul style="list-style-type: none"> <li>• Undertook growth investment totaling approximately ¥5 billion in such areas as technology development, a PC factory, and the acquisition of profitable properties</li> <li>• Promoting FM business plans to convert branch office buildings into profitable properties while effectively utilizing assets held</li> </ul>	<ul style="list-style-type: none"> <li>☞ Plan and undertake growth investments of roughly ¥20 billion over the two-year period to FY3/2023</li> <li>☞ Initiate FM business plans at the Tohoku branch building (take steps to consider plans at other branch buildings on a progressive basis)</li> </ul>
	<p><b>【Returns to shareholders】</b></p> <ul style="list-style-type: none"> <li>• Decision made to purchase own shares to a maximum amount of ¥10 billion over one year from November 2020 (approximately ¥4.9 billion as of March 31, 2021)</li> <li>• Total return ratio came in at 61.9% following the payment of dividends (annual dividend of ¥30 per share) and the purchase of own shares</li> </ul>	<ul style="list-style-type: none"> <li>☞ Carry on from the previous period and continue to purchase own shares; plans to purchase an amount totaling ¥5.1 billion Consider purchasing own shares on a continuous basis; carry out on a flexible basis</li> <li>☞ Maintain a high return ratio through the payment of stable dividends (plans to pay an annual dividend of ¥30 per share) and the purchase of own shares</li> </ul>

# Progress under the Medium-Term Management Plan (Overview)



	FY3/21 Progress Overview	FY3/22 Implementation Outlook
Create environmental value	<p><b>[Renewable energy business, other]</b></p> <ul style="list-style-type: none"> <li>Plans to participate in renewable energy business in Japan and overseas in progress</li> <li>Commenced activities with a view to commercialization of the solar ESP business in collaboration with the building construction business</li> <li>Promoted efforts to expand the use of renewable energy based on SBT and RE100 plans (SBT (Scope 1+2) and RE100 targets are generally on track with plans)</li> </ul>	<ul style="list-style-type: none"> <li>Continue to participate in renewable energy businesses in Japan and overseas, and undertake specific studies toward commercialization on an ongoing basis</li> <li>Actively promote the solar ESP business and expand business volume</li> <li>Continue to systematically promote and strengthen Groupwide efforts to address climate change</li> </ul>
	<p><b>[Environmentally friendly technology activities]</b></p> <ul style="list-style-type: none"> <li>Commenced trial demonstrations of net zero energy building (ZEB) and next-generation energy management systems using facilities owned by the Company, including the Technical Research Institute</li> <li>Obtained ZEB Ready certification as well as the highest CASBEE Smart Wellness certification ranking for construction work properties</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement demonstration tests and verification of the effectiveness of next-generation energy management systems and ZEB technology for actual application</li> <li>Further accumulate and deploy ZEB and other environmental technologies (achievements), including those at own properties</li> </ul>
Create Employee value	<p><b>[Work-style reforms]</b></p> <ul style="list-style-type: none"> <li>Efforts to promote health management activities in progress</li> <li>Ongoing measures taken to establish a five-day work week by the end of FY3/2022</li> <li>Introduced teleworking; undertook steps to put in place new workstyles and office environment including measures to prevent the spread of COVID-19 such as satellite offices</li> </ul>	<ul style="list-style-type: none"> <li>Continue to promote health management; strengthen measures based on the “Harassment Prevention Declaration”</li> <li>Continue to implement measures aimed at achieving a five-day work week during FY3/2022</li> <li>Continue to expand systems, promote paperless work, improve communication and other environments, and thoroughly implement measures to prevent the spread of COVID-19 in a bid to achieve a new, highly productive workstyles</li> </ul>
	<p><b>[Diversity]</b></p> <ul style="list-style-type: none"> <li>Conducted career development support training to help women excel at work</li> </ul>	<ul style="list-style-type: none"> <li>Continue to implement measure that help women excel at work based on the newly formulated 5-year action plan</li> </ul>

# Progress under the Medium-Term Management Plan (Investment Plan)



## ■ Investment plan and forecast results for the three years of the Medium-Term Management Plan (FY3/2021 to FY3/2023)

Field	Three-year investment plan (initial plan)	Target	Three-Year Current Investment Forecast (Actual Results for FY3/2021)
Energy business	Around ¥5 billion	<ul style="list-style-type: none"> <li>• Renewable energy business (Japan and overseas)</li> <li>• Energy Service Provider (ESP) business</li> </ul>	Approximately <b>¥5 billion</b> (small amount)
Real estate business/ Infrastructure management business	Around ¥5 billion	<ul style="list-style-type: none"> <li>• Owned asset (branch building) facility management business</li> <li>• Acquisition of profitable properties</li> </ul>	Approximately <b>¥3 billion</b> (Approximately ¥1.7 billion)
Partner strategic investment	Around ¥5 billion	<ul style="list-style-type: none"> <li>• Alliances with overseas business partners</li> <li>• Collaboration with startup companies</li> </ul>	Approximately <b>¥5 billion</b> (small amount)
Innovation investment, Technology development investment, Other	Around ¥10 Billion	<ul style="list-style-type: none"> <li>• Technology development investment that contributes to such benefits as improved productivity, low cost, and shorter construction periods</li> <li>• Technical Research Institute capital investment</li> <li>• Precast concrete factory expansion (third building)</li> <li>• Venture capital (VC) investment</li> </ul>	Approximately <b>¥12.0 billion</b> (Approximately ¥3.3 billion)
Total amount	¥20~30 Billion		Approximately <b>¥25.0 billion</b> (Approximately ¥5 billion)

## ■ Major investment and other results for FY3/2021

Investment in technology R&D, new PC factory (Shizuoka), profitable properties (urban business hotels), investment in VC and start-up companies

# Technology Development and Other



Improving productivity and safety with various technologies including i-NATM®, an integrated control system for mountain tunnel construction that employs ICT

- Increase productivity by improving precision and the efficiency of work while reducing labor
- Improve safety
- Realize low costs, shorter construction periods, and high quality

“Blasting pattern production program” + “Remote control of drill jumbos”

Achieve optimal blasting safety

“High-capacity, high-performance sprayed concrete system (i-shot®)”

Dramatically streamline the work cycle and improve work environment

“Tunnel face geology information acquisition system”

Automatic determination of the face geology of mountain tunnels using AI

“Tunnel Remote View”

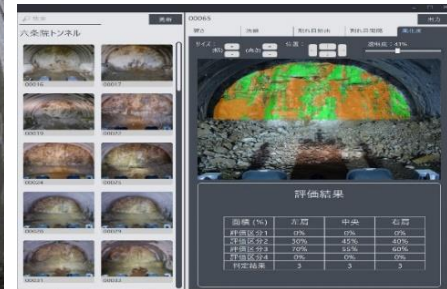
Visualize underground conditions in all mountain tunnels under construction



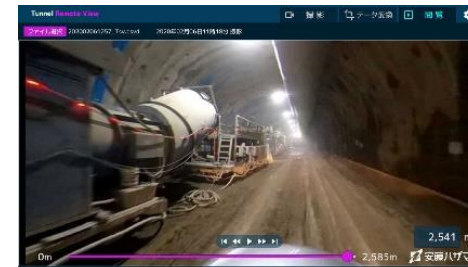
▲ Blasting pattern production program + Remote control of drill jumbos



▲ High-capacity, high-performance sprayed concrete system (i-shot®)



▲ Tunnel Face geology information acquisition system



▲ Tunnel Remote View



# Technology Development and Other

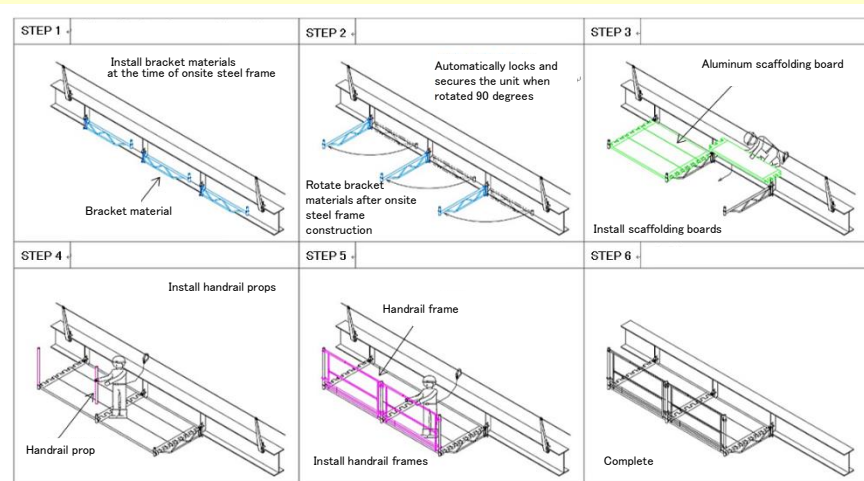


## Using technology to improve productivity and safety in building construction

- Increase productivity by improving precision and the efficiency of work while reducing labor
- Improve safety
- Realize low costs, shorter construction periods, and high quality

### 1 “Easy-to-assemble flying scaffolding for skeleton framework ends” —Development of folding bracket materials—

- Improve the safety and productivity of scaffolding for skeleton framework ends
- Easily assembled when required



▲ Assembly procedure diagram for folding flying scaffolding

### 2 Rollout of “concrete floor crack inspection robot by autonomous driving” technology

- Efficient use and management of multiple robots with a single tablet
- Confirmation of a significant reduction in inspection time and increase in inspection volume per hour at a large-scale factory construction site



- 1 **Robot information (Robot 1)**
  - Robot status
  - Running position (diagram)
  - Estimated inspection completion time
  - Strobe light intensity
  - Shutter speed, etc.
- 2 **Robot information (Robot 2)**
  - Scroll down to display up to 24 units
- 3 **Crack detection results (workstation)**
  - Workstation status
  - Number of undetected images
  - Number of detected images
  - Estimated detection completion time, etc.
- 4 **Crack detection results (workstation)**
  - Images taken (upper row)
  - Crack detection image (lower row)



# Secure Stable Profits and Transform the Business Structure



## Tohoku Branch Building Facility Management (FM) Business

- Rebuild the Tohoku Branch Building (Sendai City), which is held by the Company, into a hybrid office building for own use and a rental building; manage as a profitable property (assuming use as rental condominiums)
  - Create a new revenue sources as a real estate stock business
  - Demonstrate and utilize for further sophistication technologies developed in-house, including environmentally friendly and other ZEB-related technologies (for own office use)
  - Improve the work environment and strengthen BCP measures by rebuilding aging facilities
  
- Contribute to the decarbonization of business activities through the installation of solar power generation equipment at own facilities
  
- Promote FM commercialization at other own branch office buildings in Japan going forward



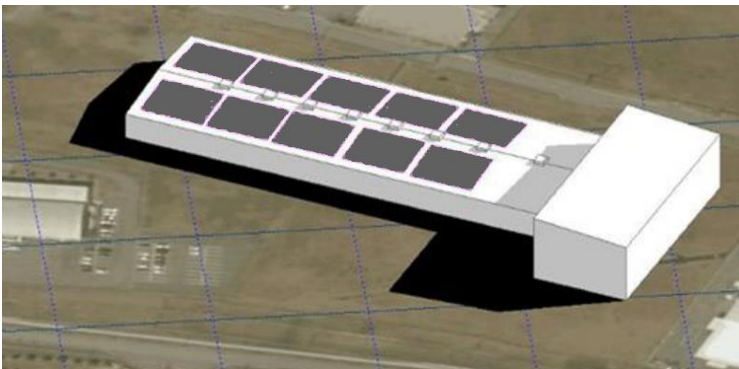
▲ Conceptual completion image (\* subject to change)

# Renewable Energy Business, Other



## Solar power generation energy service provider (ESP) business (power purchase agreement (PPA) method)

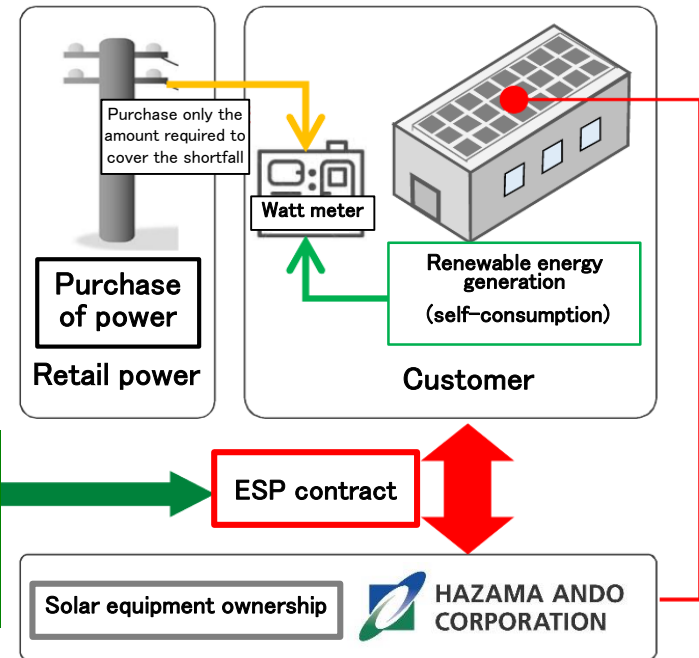
- Installation of solar power generation equipment at customer-owned facilities and on idle land at the Company's expense
  - Effective utilization of unused assets without an initial cost
- Renewable electricity produced by power generation facilities consumed solely by the customer
  - Full range of services from operation through maintenance to power supply provided by HAZAMA ANDO on a one-stop basis
- Use of renewable electricity at low cost
  - Reduction of utility costs while achieving the low carbonization of facilities



▲ Image of solar panel installation

### Solar ESP Introduction

**Self-consumption of renewable electricity**  
 + Purchase only the amount from power companies required to cover the shortfall



One-stop service from procurement and introduction (design and installation) through ownership to operation, maintenance, and supply of electricity generated

# Environmentally Friendly Technology Initiatives



Obtained ZEB Ready certification as well as the highest CASBEE Smart Wellness Office certification ranking

—SHINDENGEN Asaka Office (Saitama Prefecture/Completed in February 2021/Research facility)

- Obtained ZEB Ready certification by achieving a 52% energy reduction rate
- Obtained the highest “S” CASBEE Smart Wellness Office certification ranking

- Strengthened exterior insulation performance (exterior walls, windows, etc.)
- Adopted energy-saving technologies that utilize natural energy
- took steps to maintain and improve the health and comfort of worker
- Contributed to the improvement of intellectual productivity
- Put in place plans to stimulate communication and health-conscious behavior



▲ SHINDENGEN Asaka Office

Air conditioning system : Maintain a comfortable and clean living environment while reducing energy consumption by blowing air from a high-efficiency air conditioner through a double floor and through an air outlet

Lighting system : Conserve energy and improve intellectual productivity using lighting and other systems that analyze visual effects to provide optimal brightness by controlling the level of illumination



◀ Lighting system



▲ Atrium



## **4. Forecast of Earnings**

**FY 3/22 Full Fiscal Year**

# Our Understanding of FY3/2022 Financial Results Forecasts



## Market Environment

- Despite the ongoing spread of the pandemic, private capital and other investments are expected to recover gradually, mainly in industries and fields where business activity is exhibiting a positive turnaround
- According to the outlook put forward by the Research Institute of Construction and Economy (dated April 28), and despite year-on-year decreases in both public and private sector construction investment of 2.6% and 1.0%, respectively, in the face of COVID-19, investments in renovation and refurbishment are expected to increase slightly by 0.7%
- The status of the pandemic and economic measures differ from country to country and region to region outside of Japan; economic activities are anticipated to recover in the U.S. and other countries as vaccinations become more widespread

## Our Understanding

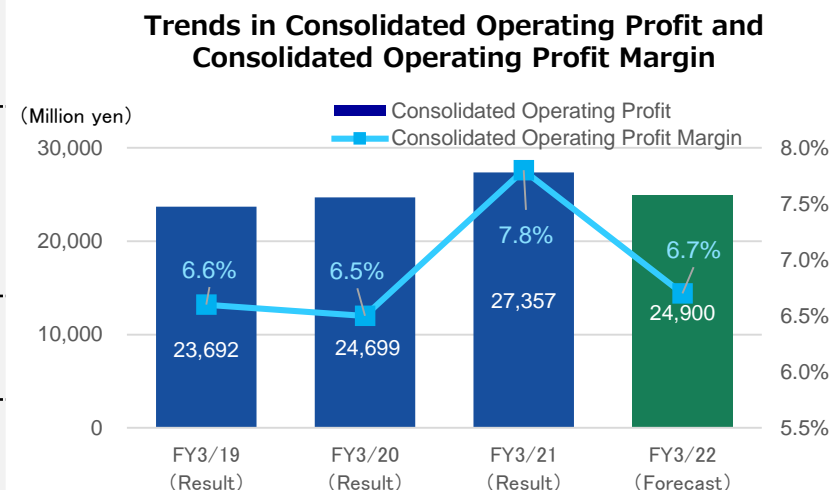
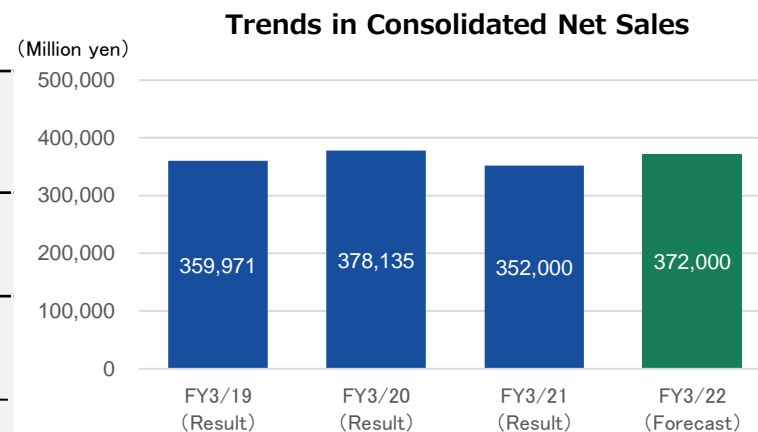
- Civil engineering and building construction revenues in Japan are forecast to progress steadily on the back of thoroughgoing pandemic prevention measures; recognizing that orders were concentrated in the 4Q of the previous fiscal year and that full-fledged construction work is only just beginning, any improvement in profit during the construction phase is not expected at this time, and the profit margin on completion is anticipated to remain unchanged from the previous fiscal year's forecast
- As far as civil engineering orders are concerned, focus on comprehensive evaluation projects, large-scale infrastructure projects, and highway renewal projects beginning with public works projects for building national land resilience; roll out information-oriented construction technologies that combine accumulated technological capabilities with digital technology
- From a building construction order perspective, steady inquiries for large warehouses, distribution facilities and data centers; also focus on capturing orders for renewal projects at the LCS Business Headquarters; improve productivity by promoting front-loading through the use of BIM and PCa, etc., and work to improve proposal capabilities in design and construction projects through environmental technology using ZEB, etc.

# 【Consolidated】 Forecast for Full Fiscal Year



	FY3/21	FY3/22	
	(Apr.1,2020-Mar.31,2021)	(Apr.1,2021-Mar.31,2022)	
	Result	Full-year forecast	YoY Change
Net sales	352,000	372,000	+5.7%
Gross profit	48,165	45,200	Δ6.2%
(Gross profit margin)	(13.7%)	(12.2%)	(Δ1.5P)
Selling, general and administrative expenses	20,808	20,300	Δ2.4%
Operating profit	27,357	24,900	Δ9.0%
(Operating profit margin)	(7.8%)	(6.7%)	(Δ1.1P)
Ordinary profit	25,891	23,400	Δ9.6%
Profit attributable to owners of parent	17,189	15,800	Δ8.1%

(Unit: Million yen. Rounded down to the unit)



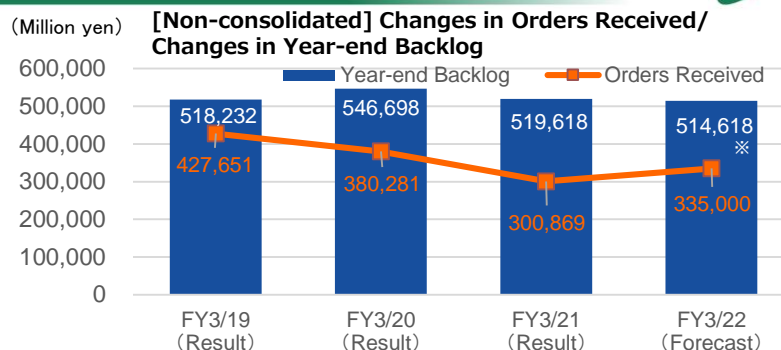


# 【Non-consolidated】 New Orders (Full-year forecast)

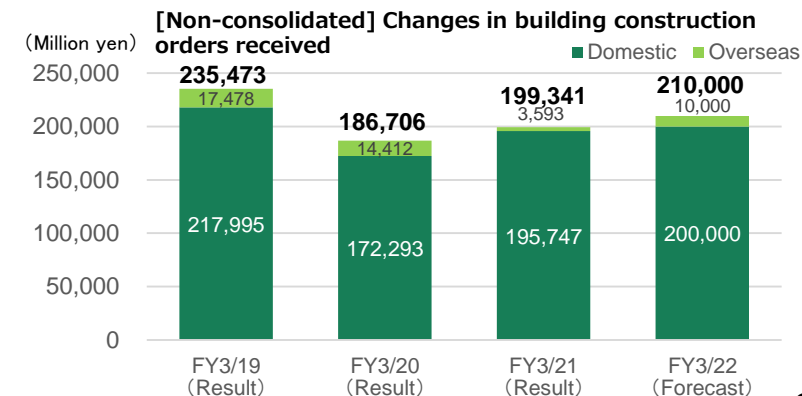
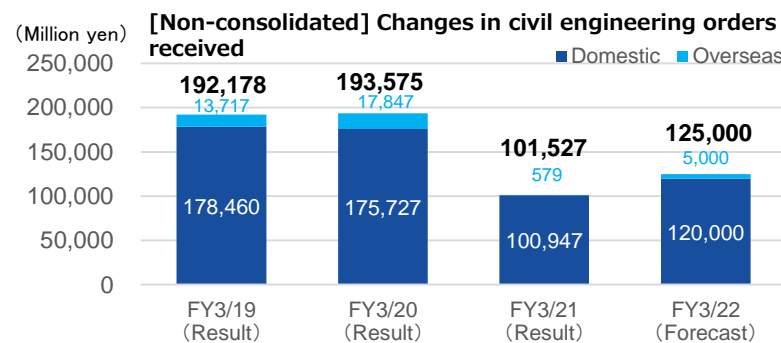


	FY3/21 (Apr.1,2020-Mar.31,2021)	FY3/22 (Apr.1,2021-Mar.31,2022)	
	Result	Full-year forecast	YoY Change
Orders Received	300,869	335,000	+11.3%
Civil engineering	101,527	125,000	+23.1%
Domestic	100,947	120,000	+18.9%
Overseas	579	5,000	+762.1%
Building construction	199,341	210,000	+5.3%
Domestic	195,747	200,000	+2.2%
Overseas	3,593	10,000	+178.2%

(Unit: Million yen. Rounded down to the unit)



※Figures are calculated for convenience using the following formula:  
Year-end backlog as of March 31, 2021 + Forecast orders for the fiscal year ending March 31, 2022 - Forecast net sales of completed construction contracts for the fiscal year ending March 31, 2022

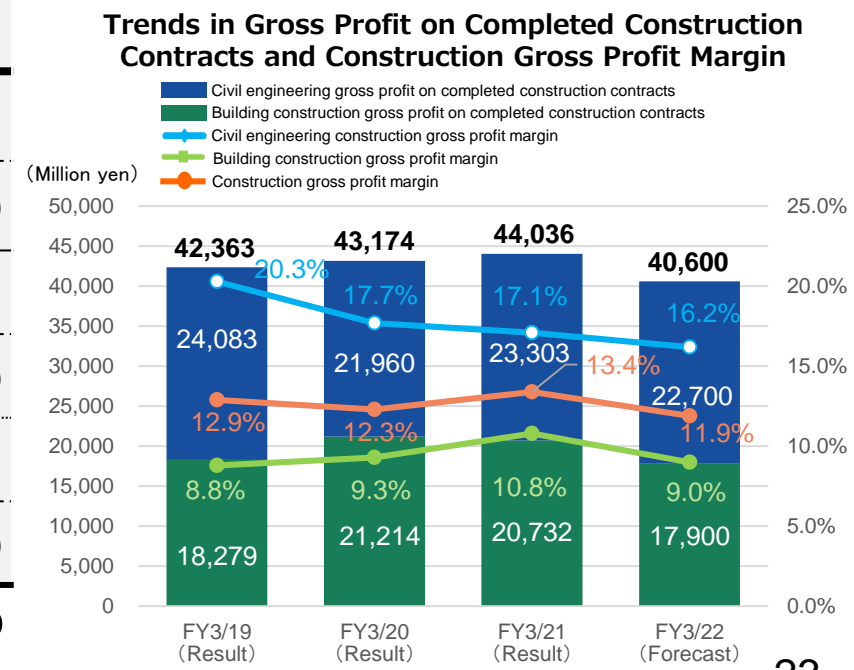
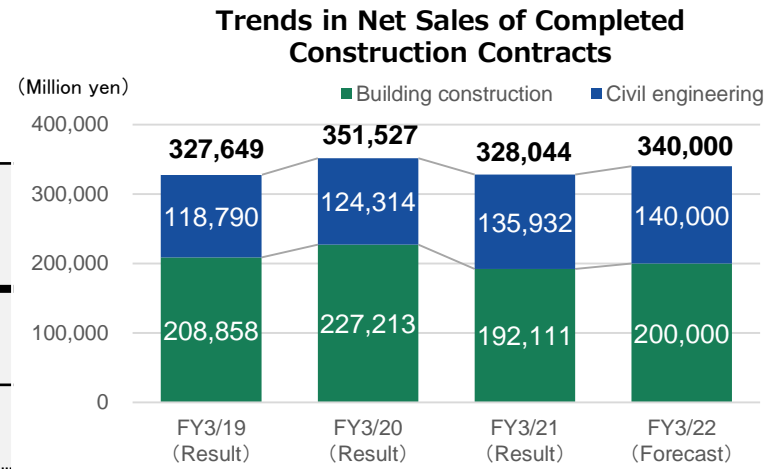


**【Non-consolidated】 Net Sales of Completed Construction Contracts/  
Gross Profit on Completed Construction Contracts (Full-year forecast)**



	FY3/21	FY3/22	
	(Apr.1,2020-Mar.31,2021)	(Apr.1,2021-Mar.31,2022)	
	Result	Full-year forecast	YoY Change
Net sales of completed construction contracts	328,044	340,000	+3.6%
Civil engineering	135,932	140,000	+3.0%
Building construction	192,111	200,000	+4.1%
Gross profit on completed construction contracts	44,036	40,600	Δ7.8%
(Construction gross profit margin)	(13.4%)	(11.9%)	(Δ1.5P)
Civil engineering	23,303	22,700	Δ2.6%
	(17.1%)	(16.2%)	(Δ0.9P)
Building construction	20,732	17,900	Δ13.7%
	(10.8%)	(9.0%)	(Δ1.8P)

(Unit: Million yen. Rounded down to the unit)



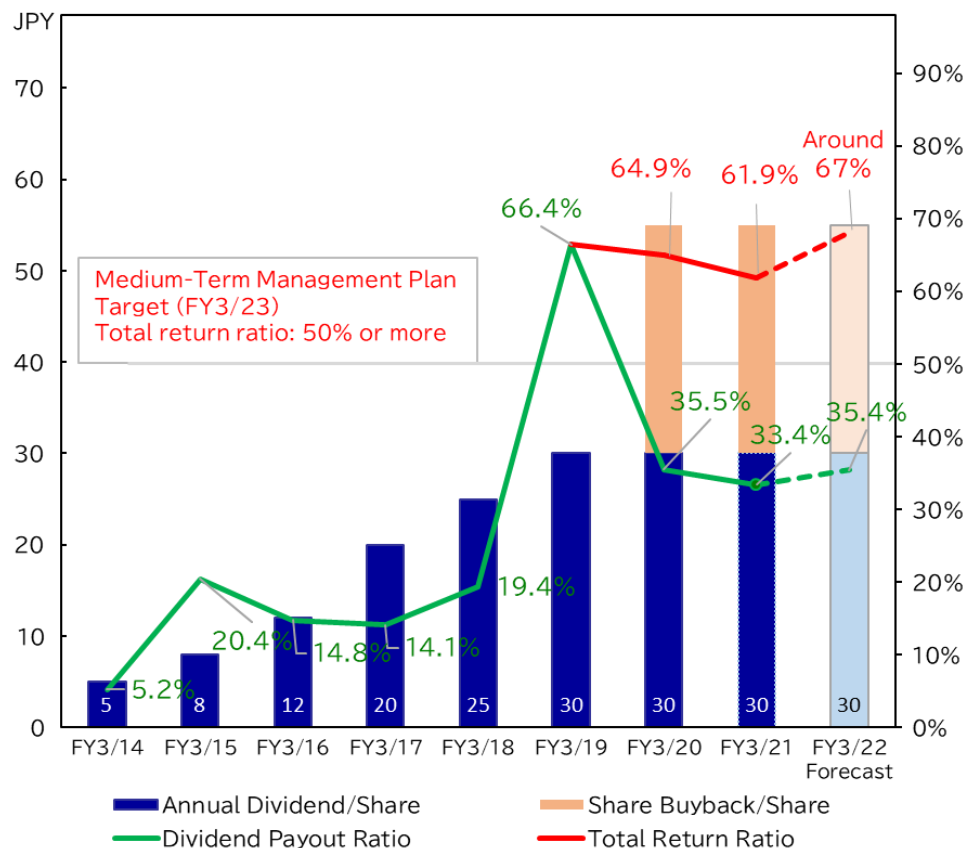


# Returning Profits to Shareholders and the Status of Implementation



Steadily expand the return of profits to shareholders while increasing investments for future growth and internal reserves

Trends and Forecasts for Annual Dividends, Dividend Payout Ratio, and Total Return Ratio



## 1. Annual dividend

	2nd quarter end	Year end	Total
<b>FY3/21</b> (Apr.1,2020-Mar.31,2021) (Result)	<b>15 Yen</b>	<b>15 Yen</b>	<b>30 Yen</b>
<b>FY3/22</b> (Apr.1,2021-Mar.31,2022) (Forecast)	<b>15 Yen</b>	<b>15 Yen</b>	<b>30 Yen</b>

Undertake the payment of continuous and stable dividends while taking into consideration financial results and future earnings

## 2. Purchase of own shares

### ① Resolution of the Board of Directors at a meeting held on November 10, 2020

Period of purchase : From November 16, 2020 to November 15, 2021  
 Total number of shares to be purchased (maximum) : 18,000 thousand shares  
 Total amount of purchase cost (maximum) : ¥10 billion

### ② Purchase status (as of March 31, 2021)

Purchase period : November 16, 2020 to March 31, 2021  
 Total number of shares purchased : 6,553,500 shares  
 Total amount of share purchase cost : ¥4,934,675,100



Presentation materials are a collection of slides prepared for IR purposes and not intended to solicit investment in the securities issued by the Company.

This document also contains information on future prospects based on current plans, estimates, forecasts, and projections by Hazama Ando Corporation with respect to the Company's business and industry trends. These forward-looking statements are therefore subject to various risks and uncertainties.



**HAZAMA ANDO  
CORPORATION**