

# FY2022 3<sup>rd</sup> Quarter Financial Results

February 14, 2023



**1**

Key Points 3

**2**

Financial Highlights 4

**3**

Segment Performance 6

**4**

Stockholder Returns and Cross-Shareholdings  
11

# 1 Key Points

## FY2022 3<sup>rd</sup> Quarter Financial Results

### Consolidated and non-consolidated revenues and income increased YoY

- **Non-consolidated** : Income increased YoY due to higher revenues thanks to steady headway on construction in progress
- **Overseas subsidiaries and affiliates** : Revenues and income increased due to steady U.S. development business

## Upward Revision of Full-year Forecast

### Consolidated and non-consolidated revenues and net income are expected to increase YoY

### Consolidated net income forecast was revised upward to 105.0 billion yen

- **Non-consolidated** : **Revenues and income are expected to increase from the previous forecast announced in November 2022** due to steady progress in construction projects, including large-scale projects, and an expected improvement in the gross profit margin of the construction business
- **Overseas subsidiaries and affiliates** : Revenues and income are expected to be lower than the previous forecast due to a decrease in foreign currency translation and other factors

## Revision of Dividend Forecast

### The year-end dividend forecast was raised by 4 yen, and the annual dividend per share was revised to 62 yen

## 2 Financial Highlights | FY2022 Q3 Financial Results

### Consolidated and non-consolidated revenues and net income increased year-on-year

- Mainly due to increased revenues in the non-consolidated civil engineering and building construction businesses and steady performance in the U.S. development business

| Billions of yen                 | Consolidated         |                      |                          | Non-Consolidated     |                      |                          |
|---------------------------------|----------------------|----------------------|--------------------------|----------------------|----------------------|--------------------------|
|                                 | FY2021<br>Q3 Results | FY2022<br>Q3 Results | YoY Change               | FY2021<br>Q3 Results | FY2022<br>Q3 Results | YoY Change               |
| Revenues                        | 1,482.5              | 1,753.1              | 270.5                    | 879.1                | 1,017.9              | 138.7                    |
| Operating Income                | 88.6                 | 93.2                 | 4.6                      | 55.5                 | 57.5                 | 1.9                      |
| Ordinary Income                 | 106.8                | 121.2                | 14.4                     | 66.6                 | 77.3                 | 10.6                     |
| Net Income                      | 81.4                 | 82.0                 | 0.6                      | 52.9                 | 56.4                 | 3.5                      |
| Construction<br>Contract Awards | 1,297.0              | 1,746.1              | 449.1                    | 804.8                | 1,133.6              | 328.8                    |
| Exchange rates: US\$=           | ¥111.92              | ¥144.81              |                          |                      |                      |                          |
|                                 | As of Mar 31, 2022   |                      | Change from Mar 31, 2022 | As of Mar 31, 2022   |                      | Change from Mar 31, 2022 |
| Interest-bearing<br>Debt        | 359.9                | 609.4                | 249.4                    | 199.3                | 324.3                | 125.0                    |

## 2 Financial Highlights | FY2022 Full-Year Forecast

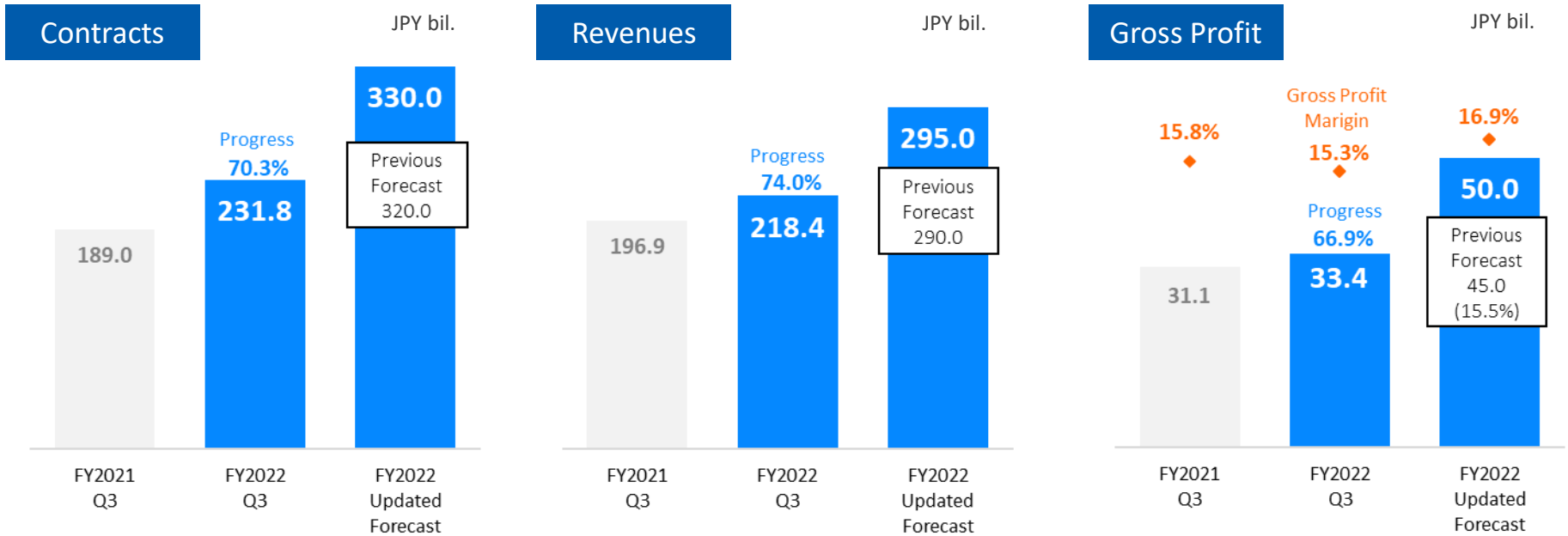
### Consolidated and non-consolidated revenues and net income are expected to increase YoY

- Improvement in non-consolidated results is expected to exceed the decrease in foreign currency translation

| Billions of yen              | Consolidated        |   |  |            |                               | Non-Consolidated    |   |  |            |                               |
|------------------------------|---------------------|---|--|------------|-------------------------------|---------------------|---|--|------------|-------------------------------|
|                              | FY2021 Results      | FY2022 Previous Forecast<br>Announced on<br>Nov. 10, 2022 | FY2022 Updated Forecast<br>Announced on<br>Feb. 14, 2023 | YoY Change | Change from Previous Forecast | FY2021 Results      | FY2022 Previous Forecast<br>Announced on<br>Nov. 10, 2022 | FY2022 Updated Forecast<br>Announced on<br>Feb. 14, 2023 | YoY Change | Change from Previous Forecast |
| Revenues                     | 2,079.6             | 2,430.0   | 2,400.0  | 320.3      | (30.0)                        | 1,244.9             | 1,390.0   | 1,440.0  | 195.0      | 50.0                          |
| Operating Income             | 123.3               | 113.0   | 121.0  | (2.3)      | 8.0                           | 81.0                | 72.0  | 82.0   | 0.9        | 10.0                          |
| Ordinary Income              | 152.1               | 141.0   | 150.0  | (2.1)      | 9.0                           | 92.4                | 87.0  | 101.0  | 8.5        | 14.0                          |
| Net Income                   | 103.8               | 100.0   | 105.0  | 1.1        | 5.0                           | 72.1                | 68.0  | 77.0   | 4.8        | 9.0                           |
| Construction Contract Awards | 1,929.8             | 2,230.0   | 2,110.0  | 180.1      | (120.0)                       | 1,150.8             | 1,370.0   | 1,380.0  | 229.1      | 10.0                          |
| Exchange rates: US\$=        | ¥115.02             | ¥144.81   | ¥132.70  |            |                               |                     |   |  |            |                               |
|                              | As of Mar. 31, 2022 |   | Change from Mar. 31, 2022                                |            |                               | As of Mar. 31, 2022 |   | Change from Mar. 31, 2022                                |            |                               |
| Interest-bearing Debt        | 359.9               | 550.0   | 550.0  | 190.0      | 0.0                           | 199.3               | 230.0   | 230.0  | 30.6       | 0.0                           |

(note) Estimated decline in foreign currency translation of overseas subsidiaries and affiliates results from the previous forecast:  
 Revenues 49.0 billion yen; Operating Income 2.0 billion yen; Ordinary Income 4.0 billion yen; Net Income 2.5 billion yen;  
 Construction Contract Awards 41.5 billion yen

# 3 Segment Performance | Civil Engineering (Kajima Corp)



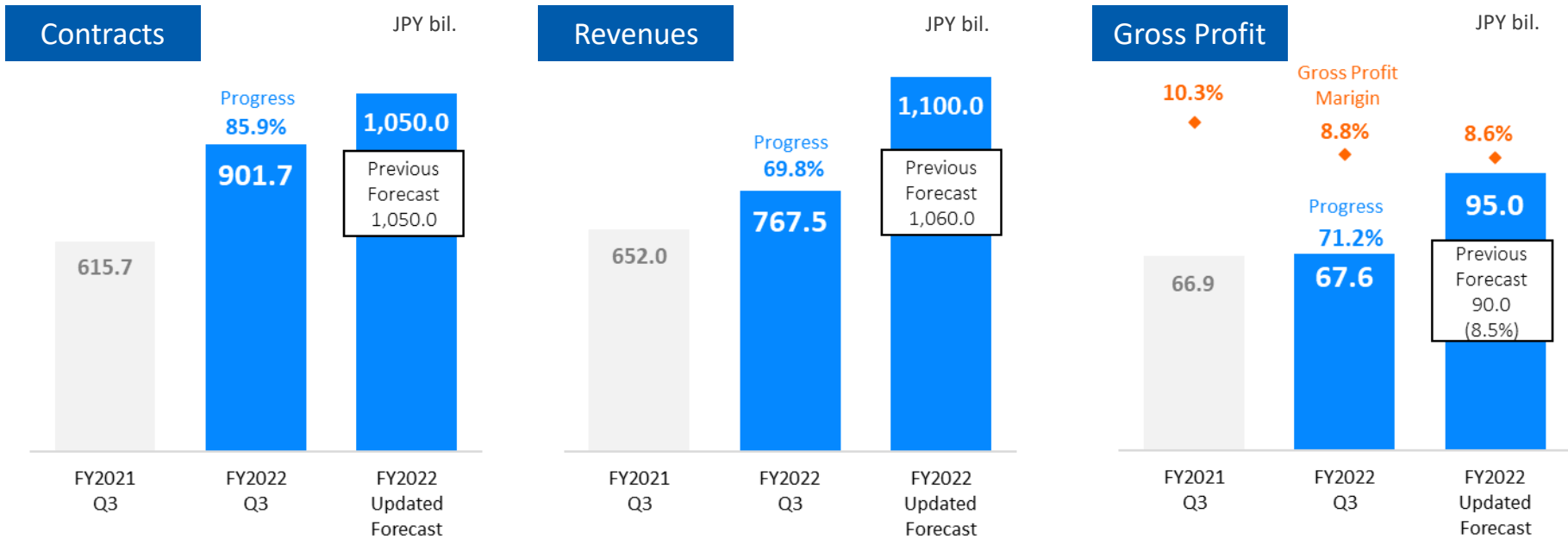
## FY2022 Q3 Results

- Contract awards increased YoY mainly due to orders for large-scale construction projects
- Revenues increased due to steady progress of construction in progress
- Gross profit increased YoY due to higher revenues

## FY2022 Full-Year Forecast

- Contract awards are expected to increase by 10.0 billion yen from the previous forecast, taking into account orders received for large-scale construction and other projects
- Revenues are expected to increase by 5.0 billion yen in light of Q3 progress
- A higher gross profit margin of 16.9% is expected due to increased profitability mainly on construction projects completed at the end of FY2022

# 3 Segment Performance | Building Construction (Kajima Corp)



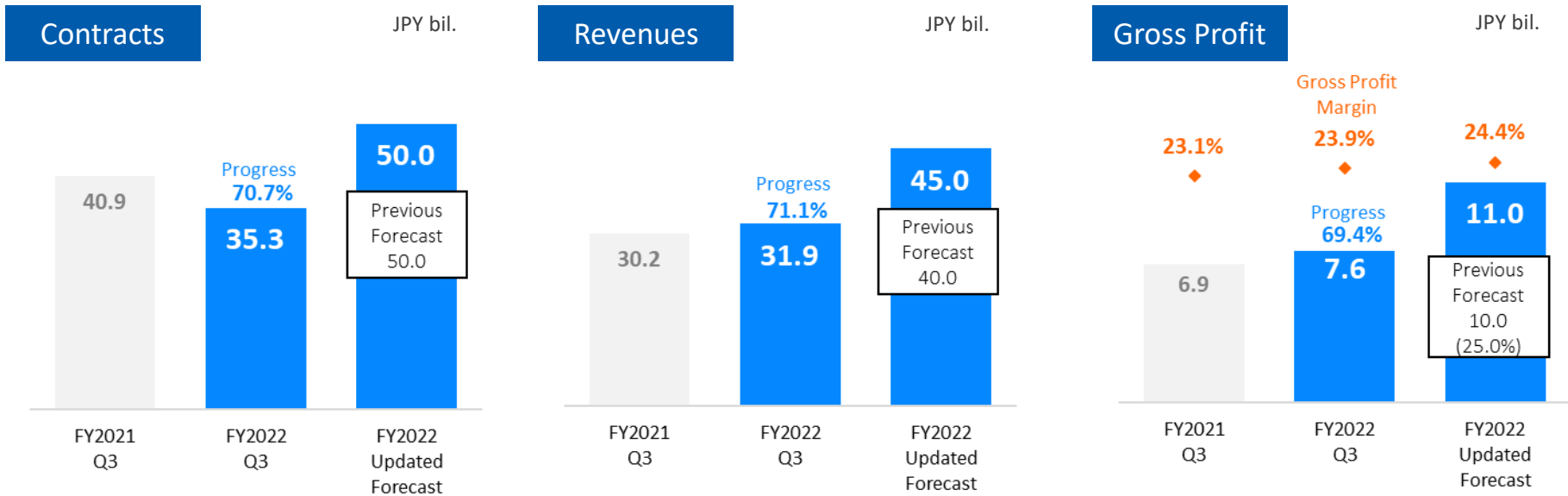
## FY2022 Q3 Results

- Contract awards increased significantly YoY due to multiple orders for large-scale construction projects
- Revenues increased due to the start of full-scale construction of large-scale projects
- Gross profit increased due to the increase in revenues, despite a YoY decline in the gross profit margin

## FY2022 Full-Year Forecast

- Contract awards remained unchanged from the previous forecast
- Revenues are expected to increase by 40.0 billion yen based on progress in large-scale construction projects ordered by Q3
- Gross profit is expected to increase by 5.0 billion yen due to higher revenues

# 3 Segment Performance | Real Estate and Other (Kajima Corp)



## FY2022 Q3 Results

- Performance was in line with that of the same period of the previous fiscal year due to stable profits in the leasing business

## FY2022 Full-Year Forecast

- In addition to the leasing business, the design and engineering businesses are expected to fare well and revenues and gross profit are expected to increase
- We plan to sell noncurrent assets (real estate for rent) in Q4 and expect to record extraordinary income (about 4.0 billion yen)

Reference: The full-year forecast is unchanged for the combined net income of the non-consolidated real estate development business and real estate development-related domestic subsidiaries and affiliates (business management figures for the domestic development business), at 7.6 billion yen.



# 3 Segment Performance | Domestic Subsidiaries and Affiliates

## Contracts

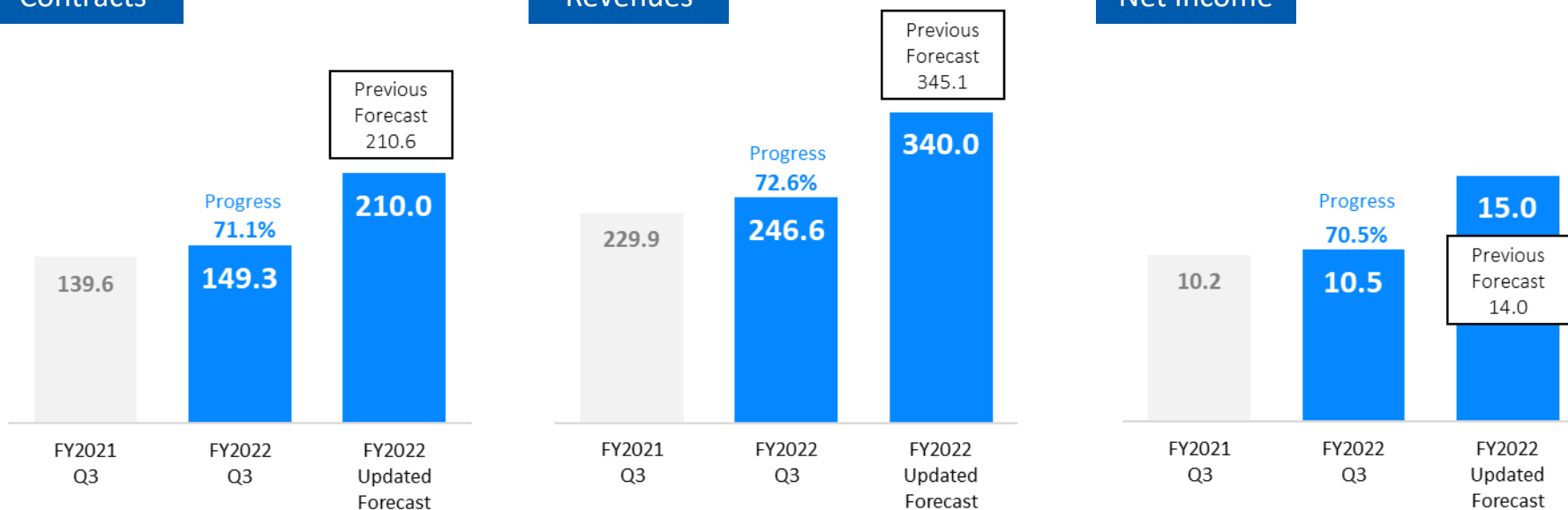
JPY bil.

## Revenues

JPY bil.

## Net Income

JPY bil.



### FY2022 Q3 Results

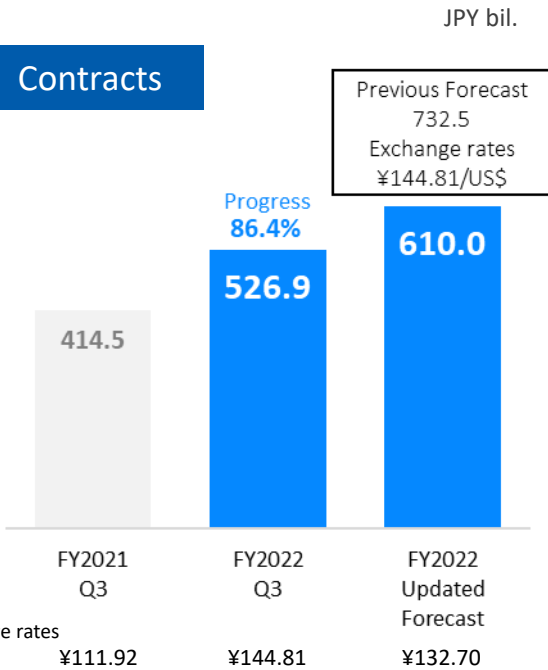
- Contract awards increased YoY mainly due to orders for large-scale construction projects
- Revenues increased due to steady headway in construction work in progress
- Net income increased YoY mainly due to improved profit from large construction projects and the sale of leased properties

### FY2022 Full-Year Forecast

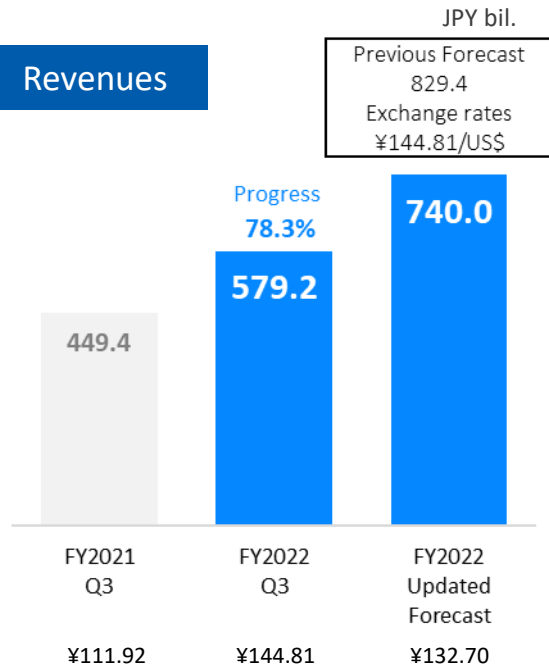
- Revenues are expected to decrease by 5.0 billion yen from the previous forecast in light of Q3 progress
- Net income is expected to increase by 10.0 billion yen from the previous forecast due to expected improvement in the performance of equity-method affiliates, etc.

# 3 Segment Performance | Overseas Subsidiaries and Affiliates

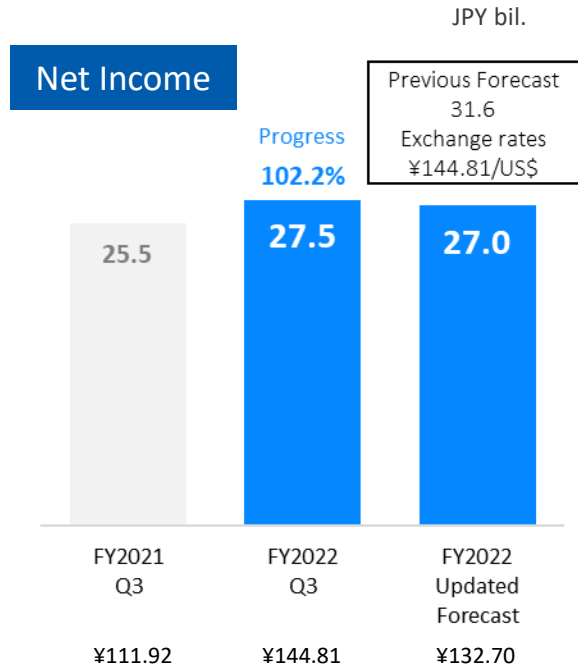
## Contracts



## Revenues



## Net Income



### FY2022 Q3 Results

- In addition to a strong U.S. real estate development business, revenues and income increased due to higher foreign currency translation effects

### FY2022 Full-Year Forecast

- Contract awards, revenues, and net income will all be revised due to the yen's appreciation since the previous forecast and contract awards and property sales will be postponed in light of economic trends
- Estimated decline in foreign currency translation effects due to exchange rate fluctuations (Previous forecast: 144.81 yen/US\$ ➔ Updated forecast: 132.70 yen/US\$)  
Contract awards: 41.0 billion yen; Revenues: 49.0 billion; Net income: 2.5 billion yen

## 4 Stockholder Returns and Cross-Shareholdings

### Stockholder Returns

- Based on our policy on stockholder returns, **year-end dividend is revised to 33 yen per share, an increase of 4 yen from the previous forecast, and annual dividend per share is revised to 62 yen per share**
- Consolidated payout ratio is expected to be **29.0%**, and total return ratio including share buybacks already conducted is expected to be **38.5%**

|                            | FY2020<br>Result | FY2021<br>Result | FY2022   |   |
|----------------------------|------------------|------------------|--|---|
|                            |                  |                  | Previous Forecast<br>Announced on<br>Nov. 10, 2022 | Updated Forecast<br>Announced on<br>Feb. 14, 2023   |
| Dividend per Share         | ¥54              | ¥58              | ¥58  | <b>¥62</b><br><small>Interim dividends      Year-end dividends</small><br>¥29      + <b>¥33</b> |
| Basic Net Income per Share | ¥193.13          | ¥208.00          | ¥203.02  | <b>¥214.14</b>  |
| Payout Ratio               | 28.0%            | 27.9%            | 28.6%  | <b>29.0%</b>  |
| Own share acquisition      | ¥10.0 bil.       | ¥20.0 bil.       | ¥10.0 bil.   | ¥10.0 bil.  |

### Policy on Stockholder Returns

The basic policy is to strive for a dividend payout ratio of 30%, as well as to flexibly contribute to stockholder returns by acquiring own shares and other means with consideration of business performance, financial condition and business environment

## 4 Stockholder Returns and Cross-Shareholdings

### Reduction of Cross-Shareholdings

- Cumulative sales since FY2021 came to 23.9 billion yen
- Made steady progress toward achieving our sales target of “at least 30 billion yen over 3years” as set forth in the Medium-Term Business Plan

| <u>Reduction status</u> | FY2021<br>Result | FY2022<br>Q3 Result | FY2023<br>Target                       |
|-------------------------|------------------|---------------------|--|
| Number of stocks sold   | 17 stocks        | 15 stocks           | —                                      |
| Amount of sales         | 14.8 bil. Yen    | 9.0 bil. Yen        | At least 30.0 bil. Yen over<br>3 years |

### Reference

| <u>Holding status</u>               | End of FY2020              | End of FY2021              |
|-------------------------------------|----------------------------|----------------------------|
| Number of stocks<br>(listed stocks) | 320 stocks<br>(144 stocks) | 316 stocks<br>(135 stocks) |
| Balance sheet amount                | 266.5 bil. Yen             | 258.7 bil. Yen             |



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Disclaimer: All financial information has been prepared in accordance with generally accepted accounting principles in Japan. While every attempt has been made to ensure the accuracy of information, forecasts contained in this slides are based on the judgments made with information available as at February 14, 2023, and are subject to risks and uncertainties that may cause the actual results to vary.