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## Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



August 9, 2022

Company name: HAZAMA ANDO CORPORATION  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 1719  
 URL: <https://www.ad-hzm.co.jp/>  
 Representative: Masato Fukutomi, Representative Director and President  
 Contact: Toshihisa Kino, Corporate Communication Department General Manager  
 Phone: +81-3-3575-6094  
 Scheduled date of filing quarterly securities report: August 9, 2022  
 Scheduled date of commencing dividend payments: —  
 Availability of supplementary briefing material on quarterly financial results: No  
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	72,444	(1.7)	1,908	(61.6)	2,274	(49.9)	3,245	8.3
June 30, 2021	73,728	(10.3)	4,966	(5.5)	4,542	3.8	2,995	3.6

(Note) Comprehensive income: Three months ended June 30, 2022: ¥5,094 million [48.8%]  
 Three months ended June 30, 2021: ¥3,424 million [(7.5)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	19.48	—
June 30, 2021	16.23	16.23

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	285,397	140,267	48.9
As of March 31, 2022	295,332	141,682	47.7

(Reference) Equity: As of June 30, 2022: ¥139,454 million  
 As of March 31, 2022: ¥140,921 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2022	Yen -	Yen 20.00	Yen -	Yen 20.00	Yen 40.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		20.00	-	20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	162,000	1.9	8,200	(34.1)	7,600	(36.7)	4,700	(42.0)	28.32
Full year	377,000	10.8	24,000	(9.8)	23,100	(10.6)	15,600	(11.7)	94.20

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022 (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - June 30, 2022: 181,021,197 shares
    - March 31, 2022: 181,021,197 shares
  - 2) Total number of treasury shares at the end of the period:
    - June 30, 2022: 15,748,711 shares
    - March 31, 2022: 12,050,920 shares
  - 3) Average number of shares during the period:
    - Three months ended June 30, 2022: 166,613,377 shares
    - Three months ended June 30, 2021: 184,585,857 shares

The Company has adopted a performance-linked stock remuneration plan using a trust. The Company's shares held by the trust (639,519 shares) are included in the total number of treasury shares at the end of the period and the average number of shares during the period is calculated and stated taking into account shares held by the trust.

### \* Explanation of the proper use of financial results forecast and other notes

- (1) The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to a wide range of factors.

1. Quarterly Consolidated Financial Statements  
(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	66,080	59,334
Notes receivable, accounts receivable from completed construction contracts and other	140,431	129,672
Costs on construction contracts in progress	4,075	4,803
Other inventories	7,930	8,163
Other	9,567	14,218
Allowance for doubtful accounts	(14)	(13)
<b>Total current assets</b>	<b>228,070</b>	<b>216,178</b>
Non-current assets		
Property, plant and equipment		
Land	15,852	15,759
Other, net	14,334	14,470
<b>Total property, plant and equipment</b>	<b>30,186</b>	<b>30,230</b>
Intangible assets	1,542	1,537
Investments and other assets		
Investment securities	20,960	22,698
Deferred tax assets	7,091	6,605
Other	7,482	8,621
Allowance for doubtful accounts	(1)	(473)
<b>Total investments and other assets</b>	<b>35,532</b>	<b>37,451</b>
<b>Total non-current assets</b>	<b>67,262</b>	<b>69,218</b>
<b>Total assets</b>	<b>295,332</b>	<b>285,397</b>

(Million yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts and other	47,134	36,357
Short-term borrowings	16,676	16,637
Current portion of bonds	237	237
Advances received on construction contracts in progress	18,237	29,102
Deposits received	34,038	30,663
Provision for warranties for completed construction	1,442	1,421
Provision for bonuses	2,690	776
Provision for loss on construction contracts	595	492
Provision for loss on damage due to fire	3,921	—
Other	15,415	16,295
Total current liabilities	140,388	131,983
Non-current liabilities		
Bonds payable	162	162
Long-term borrowings	7,640	7,555
Deferred tax liabilities	37	35
Retirement benefit liability	3,816	3,805
Provision for environmental measures	138	138
Provision for management board incentive plan trust	162	207
Other	1,302	1,239
Total non-current liabilities	13,261	13,146
Total liabilities	153,650	145,130
<b>Net assets</b>		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,058	17,058
Retained earnings	114,124	113,977
Treasury shares	(10,422)	(13,539)
Total shareholders' equity	137,766	134,502
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,996	4,098
Deferred gains or losses on hedges	(345)	280
Foreign currency translation adjustment	85	162
Remeasurements of defined benefit plans	417	410
Total accumulated other comprehensive income	3,154	4,952
Non-controlling interests	761	812
Total net assets	141,682	140,267
<b>Total liabilities and net assets</b>	<b>295,332</b>	<b>285,397</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(Three Months Ended June 30)

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
<b>Net sales</b>		
Net sales of completed construction contracts	69,050	66,152
Sales in other businesses	4,677	6,292
Total net sales	73,728	72,444
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	59,995	59,110
Cost of sales in other businesses	3,776	5,710
Total cost of sales	63,772	64,821
<b>Gross profit</b>		
Gross profit on completed construction contracts	9,055	7,041
Gross profit - other business	900	581
Total gross profit	9,956	7,623
Selling, general and administrative expenses	4,989	5,714
Operating profit	4,966	1,908
<b>Non-operating income</b>		
Dividend income	30	60
Foreign exchange gains	—	508
Other	44	113
Total non-operating income	75	682
<b>Non-operating expenses</b>		
Interest expenses	76	76
Share of loss of entities accounted for using equity method	—	11
Commission expenses	137	144
Foreign exchange losses	126	—
Compensation for damage	85	66
Other	73	17
Total non-operating expenses	499	316
Ordinary profit	4,542	2,274
<b>Extraordinary income</b>		
Compensation for damage received	—	2,700
Gain on reversal of provision for loss on damage due to fire	—	305
Subsidy income	—	94
Total extraordinary income	—	3,100
<b>Extraordinary losses</b>		
Loss on damage due to fire	1	—
Loss on tax purpose reduction entry of non-current assets	—	90
Loss on retirement of non-current assets	—	43
Loss on valuation of investment securities	26	—
Head office relocation expenses	—	338
Loss on litigation	12	—
Total extraordinary losses	40	472
Profit before income taxes	4,502	4,902
Income taxes	1,509	1,661
Profit	2,992	3,240
Loss attributable to non-controlling interests	(3)	(5)
Profit attributable to owners of parent	2,995	3,245

(Quarterly Consolidated Statements of Comprehensive Income)

(Three Months Ended June 30)

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Profit	2,992	3,240
Other comprehensive income		
Valuation difference on available-for-sale securities	356	1,101
Foreign currency translation adjustment	63	132
Remeasurements of defined benefit plans	12	(7)
Share of other comprehensive income of entities accounted for using equity method	—	626
Total other comprehensive income	432	1,854
Comprehensive income	3,424	5,094
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,403	5,043
Comprehensive income attributable to non-controlling interests	20	50

(Changes in accounting policy)

The Company has adopted ASBJ Guidance No.31“Implementation Guidance on Accounting Standard for Fair Value Measurement” (June 17, 2021) (hereinafter referred to as “The Guidance”) since the beginning of the first quarter of the current consolidated fiscal year, and adopts the new accounting policies specified in The Guidance into the future, in accordance with the transitional treatment specified in Paragraph 27-2 of The Guidance.

For your information, there is no impact caused by the application on the quarterly consolidated financial statements.

## 2. (Reference) Quarterly Non-Consolidated Financial Statements

### (1) Quarterly Non-Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	56,845	50,012
Notes receivable, accounts receivable from completed construction contracts and other	139,294	128,934
Costs on construction contracts in progress	4,420	4,803
Other inventories	1,410	1,420
Other	8,953	13,493
Allowance for doubtful accounts	(14)	(13)
<b>Total current assets</b>	<b>210,910</b>	<b>198,651</b>
Non-current assets		
Property, plant and equipment		
Land	12,979	12,977
Other, net	10,821	11,030
<b>Total property, plant and equipment</b>	<b>23,800</b>	<b>24,007</b>
Intangible assets	1,285	1,282
Investments and other assets		
Investment securities	23,359	25,106
Deferred tax assets	6,638	6,133
Other	9,126	9,637
Allowance for doubtful accounts	(1)	(473)
<b>Total investments and other assets</b>	<b>39,123</b>	<b>40,404</b>
<b>Total non-current assets</b>	<b>64,209</b>	<b>65,694</b>
<b>Total assets</b>	<b>275,120</b>	<b>264,346</b>



(Million yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts and other	48,743	38,100
Short-term borrowings	16,590	16,552
Current portion of bonds	237	237
Advances received on construction contracts in progress	17,599	28,179
Deposits received	32,452	28,802
Provision for warranties for completed construction	1,440	1,419
Provision for bonuses	2,567	655
Provision for loss on construction contracts	594	481
Provision for loss on damage due to fire	3,921	—
Other	8,497	9,325
<b>Total current liabilities</b>	<b>132,644</b>	<b>123,754</b>
Non-current liabilities		
Bonds payable	162	162
Long-term borrowings	7,254	7,190
Provisions for retirement benefits	2,989	3,071
Provision for environmental measures	138	138
Provision for management board incentive plan trust	162	207
Other	1,036	1,029
<b>Total non-current liabilities</b>	<b>11,744</b>	<b>11,801</b>
<b>Total liabilities</b>	<b>144,389</b>	<b>135,556</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,123	17,123
Retained earnings	104,058	104,127
Treasury shares	(10,422)	(13,539)
<b>Total shareholders' equity</b>	<b>127,765</b>	<b>124,716</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,965	4,073
<b>Total valuation and translation adjustments</b>	<b>2,965</b>	<b>4,073</b>
<b>Total net assets</b>	<b>130,730</b>	<b>128,790</b>
<b>Total liabilities and net assets</b>	<b>275,120</b>	<b>264,346</b>

(2) Quarterly Non-Consolidated Statements of Income  
(Three Months Ended June 30)

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
<b>Net sales</b>		
Net sales of completed construction contracts	68,741	65,017
Sales in other businesses	1,270	1,061
Total net sales	70,012	66,079
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	59,807	58,133
Cost of sales in other businesses	1,099	945
Total cost of sales	60,906	59,079
<b>Gross profit</b>		
Gross profit on completed construction contracts	8,934	6,883
Gross profit - other business	171	116
Total gross profit	9,105	6,999
Selling, general and administrative expenses	4,585	5,285
Operating profit	4,520	1,714
Non-operating income	354	1,007
Non-operating expenses	489	296
Ordinary profit	4,385	2,424
Extraordinary income	—	3,005
Extraordinary losses	40	380
Profit before income taxes	4,345	5,050
Income taxes	1,362	1,589
Profit	2,982	3,460

### 3. Supplementary Information

(1) Results for the three months ended June 30, 2022 and forecasts for the six months ending September 30, 2022 and full year

#### 1. Non-consolidated

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

Items		Results for the three months ended June 30, 2021	Results for the three months ended June 30, 2022	Fiscal year ending March 31, 2023	
				Forecasts for the six months ending September 30, 2022 (announced in May 2022)	Full year forecasts (announced in May 2022)
Orders received	Civil engineering	15,480	15,768	50,000	125,000
	Building construction	34,471	52,354	112,500	230,000
	Total orders received	49,952	68,123	162,500	355,000
Net sales of completed construction contracts	Civil engineering	29,698	27,799	62,000	145,000
	Building construction	39,043	37,218	85,000	200,000
	Total net sales of completed construction contracts	68,741	65,017	147,000	345,000
Gross profit on completed construction contracts	Civil engineering	4,177 [14.1%]	3,971 [14.3%]	9,800 [15.8%]	23,200 [16.0%]
	Building construction	4,756 [12.2%]	2,911 [7.8%]	7,300 [8.6%]	17,500 [8.8%]
	Total gross profit on completed construction contracts	8,934 [13.0%]	6,883 [10.6%]	17,100 [11.6%]	40,700 [11.8%]

<b>Gross sales</b>	<b>70,012</b>	<b>66,079</b>	<b>151,000</b>	<b>353,000</b>
Gross profit	9,105 [13.0%]	6,999 [10.6%]	17,500 [11.6%]	41,500 [11.8%]
Selling, general and administrative expenses	4,585	5,285	9,500	18,900
<b>Operating profit</b>	<b>4,520</b> [6.5%]	<b>1,714</b> [2.6%]	<b>8,000</b> [5.3%]	<b>22,600</b> [6.4%]
Non-operating income/expenses [Interest income/expenses]	(134) [235]	710 [323]	(300) [220]	(500) [230]
<b>Ordinary profit</b>	<b>4,385</b> [6.3%]	<b>2,424</b> [3.7%]	<b>7,700</b> [5.1%]	<b>22,100</b> [6.3%]
Extraordinary income/losses	(40)	2,625	(300)	(300)
Profit before income taxes	4,345 [6.2%]	5,050 [7.6%]	7,400 [4.9%]	21,800 [6.2%]
Tax expenses	1,362	1,589	2,400	6,700
<b>Profit</b>	<b>2,982</b> [4.3%]	<b>3,460</b> [5.2%]	<b>5,000</b> [3.3%]	<b>15,100</b> [4.3%]

## 2. Consolidated

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

Items	Results for the three months ended June 30, 2021	Results for the three months ended June 30, 2022	Fiscal year ending March 31, 2023	
			Forecasts for the six months ending September 30, 2022 (announced in May 2022)	Full year forecasts (announced in May 2022)
<b>Gross sales</b>	<b>73,728</b>	<b>72,444</b>	<b>162,000</b>	<b>377,000</b>
Selling, general and administrative expenses	4,989	5,714	10,300	20,600
<b>Operating profit</b>	<b>4,966</b> [6.7%]	<b>1,908</b> [2.6%]	<b>8,200</b> [5.1%]	<b>24,000</b> [6.4%]
<b>Ordinary profit</b>	<b>4,542</b> [6.2%]	<b>2,274</b> [3.1%]	<b>7,600</b> [4.7%]	<b>23,100</b> [6.1%]
<b>Profit attributable to owners of parent</b>	<b>2,995</b> [4.1%]	<b>3,245</b> [4.5%]	<b>4,700</b> [2.9%]	<b>15,600</b> [4.1%]

### (2) Non-consolidated orders received, net sales, and backlog

(Orders received for the construction business)

(Unit: Million yen, %)

Category		For the three months ended June 30, 2021		For the three months ended June 30, 2022		Increase/decrease		Results for the fiscal year ended March 31, 2022	
		Amount	%	Amount	%	Amount	% change	Amount	%
Domestic civil engineering	Government sector	11,888	[77.1]	10,460	[66.9]	(1,427)	(12.0)	80,672	[65.9]
	Private sector	3,538	[22.9]	5,180	[33.1]	1,641	46.4	41,760	[34.1]
	Total	15,426	30.9	15,640	23.0	214	1.4	122,432	39.5
Domestic building construction	Government sector	8,208	[24.8]	3,117	[9.7]	(5,091)	(62.0)	29,467	[16.9]
	Private sector	24,850	[75.2]	29,145	[90.3]	4,294	17.3	145,009	[83.1]
	Total	33,059	66.2	32,262	47.4	(796)	(2.4)	174,476	56.3
Domestic	Government sector	20,096	[41.4]	13,578	[28.3]	(6,518)	(32.4)	110,139	[37.1]
	Private sector	28,388	[58.6]	34,325	[71.7]	5,936	20.9	186,770	[62.9]
	Total	48,485	97.1	47,903	70.3	(582)	(1.2)	296,909	95.8
Overseas	Civil engineering	53	[3.7]	127	[0.6]	74	137.5	160	[1.2]
	Building construction	1,412	[96.3]	20,092	[99.4]	18,679	1,322.6	12,773	[98.8]
	Total	1,466	2.9	20,220	29.7	18,754	1,279.0	12,933	4.2
Sum total	Civil engineering	15,480	[31.0]	15,768	[23.1]	288	1.9	122,593	[39.6]
	Building construction	34,471	[69.0]	52,354	[76.9]	17,883	51.9	187,250	[60.4]
	Total	49,952	100.0	68,123	100.0	18,171	36.4	309,843	100.0

(Net sales for the construction business)

(Unit: Million yen, %)

Category		For the three months ended June 30, 2021		For the three months ended June 30, 2022		Increase/decrease		Results for the fiscal year ended March 31, 2022	
		Amount	%	Amount	%	Amount	% change	Amount	%
Domestic civil engineering	Government sector	18,807	[66.7]	16,547	[63.1]	(2,260)	(12.0)	76,435	[61.3]
	Private sector	9,399	[33.3]	9,665	[36.9]	265	2.8	48,200	[38.7]
	Total	28,207	41.0	26,212	40.3	(1,995)	(7.1)	124,636	40.1
Domestic building construction	Government sector	5,560	[14.6]	5,450	[15.7]	(109)	(2.0)	26,661	[15.6]
	Private sector	32,495	[85.4]	29,210	[84.3]	(3,284)	(10.1)	144,758	[84.4]
	Total	38,055	55.4	34,661	53.3	(3,393)	(8.9)	171,420	55.2
Domestic	Government sector	24,367	[36.8]	21,998	[36.1]	(2,369)	(9.7)	103,097	[34.8]
	Private sector	41,895	[63.2]	38,876	[63.9]	(3,019)	(7.2)	192,959	[65.2]
	Total	66,263	96.4	60,874	93.6	(5,388)	(8.1)	296,057	95.3
Overseas	Civil engineering	1,490	[60.1]	1,586	[38.3]	96	6.5	7,627	[51.8]
	Building construction	988	[39.9]	2,556	[61.7]	1,568	158.6	7,106	[48.2]
	Total	2,478	3.6	4,143	6.4	1,664	67.1	14,733	4.7
Sum total	Civil engineering	29,698	[43.2]	27,799	[42.8]	(1,898)	(6.4)	132,264	[42.6]
	Building construction	39,043	[56.8]	37,218	[57.2]	(1,825)	(4.7)	178,526	[57.4]
	Total	68,741	100.0	65,017	100.0	(3,724)	(5.4)	310,790	100.0

(Backlog for the construction business)

(Unit: Million yen, %)

Category		For the three months ended June 30, 2021		For the three months ended June 30, 2022		Increase/decrease		Results for the fiscal year ended March 31, 2022	
		Amount	%	Amount	%	Amount	% change	Amount	%
Domestic civil engineering	Government sector	132,857	[44.4]	137,926	[46.1]	5,069	3.8	144,013	[46.5]
	Private sector	166,045	[55.6]	160,981	[53.9]	(5,063)	(3.0)	165,466	[53.5]
	Total	298,902	59.7	298,908	57.2	5	0.0	309,480	59.7
Domestic building construction	Government sector	47,121	[26.2]	44,944	[24.3]	(2,177)	(4.6)	47,277	[25.2]
	Private sector	132,395	[73.8]	140,225	[75.7]	7,830	5.9	140,291	[74.8]
	Total	179,517	35.9	185,170	35.4	5,653	3.1	187,569	36.2
Domestic	Government sector	179,978	[37.6]	182,871	[37.8]	2,892	1.6	191,291	[38.5]
	Private sector	298,441	[62.4]	301,207	[62.2]	2,766	0.9	305,758	[61.5]
	Total	478,420	95.6	484,078	92.6	5,658	1.2	497,049	95.8
Overseas	Civil engineering	16,480	[75.0]	9,462	[24.4]	(7,018)	(42.6)	10,664	[49.3]
	Building construction	5,489	[25.0]	29,293	[75.6]	23,804	433.7	10,969	[50.7]
	Total	21,969	4.4	38,755	7.4	16,785	76.4	21,633	4.2
Sum total	Civil engineering	315,383	[63.0]	308,371	[59.0]	(7,012)	(2.2)	320,144	[61.7]
	Building construction	185,006	[37.0]	214,463	[41.0]	29,457	15.9	198,538	[38.3]
	Total	500,389	100.0	522,834	100.0	22,444	4.5	518,683	100.0

(Net sales for other businesses)

(Unit: Million yen, %)

Category	For the three months ended June 30, 2021	For the three months ended June 30, 2022	Increase/decrease		Results for the fiscal year ended March 31, 2022
	Amount	Amount	Amount	% change	Amount
Other businesses	1,270	1,061	(209)	(16.5)	5,077