

Fiscal year ending March 31, 2024 3rd quarter

Supplementary Materials for Financial Results

Create Value, Build the Future

February 9, 2024



1-1 Financial Results for 2024/3 3Q

Net sales, gross profit, operating income, ordinary income, and net income all reached record highs for the first nine months of the fiscal year.

(Unit: Billion yen)	2023/3 3Q		2024/3 3Q				YoY change	
	Consolidated	Non-consolidated	Consolidated	YoY	Non-consolidated	YoY	Consolidated	Non-consolidated
New orders received	-	177.0	-		267.7	51.2 %		90.6
Net sales	148.4	141.7	206.5	39.2%	197.9	39.6 %	58.1	56.2
Gross profit	11.1	9.8	22.8	105.9 %	20.2	106.6 %	11.7	10.4
Margin	7.5%	6.9%	11.1%		10.2%		3.6	3.3
SG&A	8.3	7.6	9.3	11.8 %	8.6	12.5 %	0.9	0.9
Margin	5.6%	5.4%	4.5%		4.4%		(1.1)	(1.0)
Operating profit	2.7	2.1	13.5	388.7 %	11.6	443.8 %	10.7	9.4
Non-operating income	0.5	0.5	0.5	2.3 %	0.5	(7.7)%	0.0	0.0
Non-operating expenses	0.3	0.3	1.2	258.6 %	0.5	48.2 %	0.9	0.1
Ordinary profit	2.9	2.3	12.8	334.9 %	11.6	395.7 %	9.8	9.2
Extraordinary income	0.1	0.1	0.1	42.1 %	0.1	40.0 %	0.0	0.0
Extraordinary losses	0.0	0.0	0.0	530.9 %	0.0	299.8 %	0.0	0.0
Profit before income taxes	3.0	2.4	13.0	322.3 %	11.7	377.0 %	9.9	9.3
Profit*	2.0	1.6	8.3	313.8 %	7.9	369.8 %	6.3	6.2

Orders received (Non-consolidated): **267.7 billion yen** (51.2% increase YoY)

Driven by domestic building construction due to the acquisition of large projects in the logistics field. Overseas also increased due to the acquisition of large projects in Africa and Southeast Asia.

Net sales (consolidated): **206.5 billion yen** (39.2% increase YoY)

Domestic civil engineering business and domestic building construction business increased significantly due to steady progress in construction projects on hand.

Gross profit (consolidated): **22.8 billion yen** (105.9% increase YoY)

Increase in sales and contribution from projects with high profit margins, improvement of profitability

Operating income (consolidated): **13.5 billion yen** (388.7% YoY)

Increase due to higher gross profit

Net income (consolidated): **8.3 billion yen** (313.8% increase YoY)

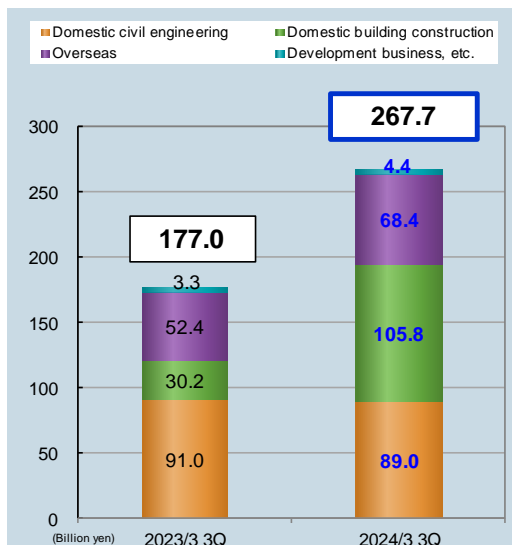
Increase due to rise in ordinary profit

* Consolidated is "Profit attributable to owners of parent"

1-2 New Orders Received by Business Unit (Non-consolidated)

New orders (Unit: Billion yen)	2023/3 3Q		2024/3 3Q	
	Results	Results	YoY	
Government	79.0	73.0	(7.6)%	
	Private	12.0	16.0	33.8 %
Total domestic civil engineering	91.0	89.0	(2.2)%	
Government	3.3	6.0	79.3 %	
	Private	26.8	99.7	271.9 %
Total domestic building construction	30.2	105.8	250.3 %	
Total domestic	121.2	194.9	60.7 %	
Civil engineering	52.4	61.8	17.9 %	
	Building construction	0.0	6.5	-
Total overseas	52.4	68.4	30.4 %	
Civil engineering	143.5	150.9	5.2 %	
	Building construction	30.2	112.4	272.0 %
Total construction business	173.7	263.3	51.6 %	
Development business, etc.	3.3	4.4	31.9 %	
Total	177.0	267.7	51.2 %	

Comparison of actual orders received (amount)



New Orders received (Non-consolidated): 267.7 billion yen

□ **Domestic civil engineering : 89.0 billion yen**

Favorable environment for orders received, including defense-related construction, generally same level as the same period of the previous year

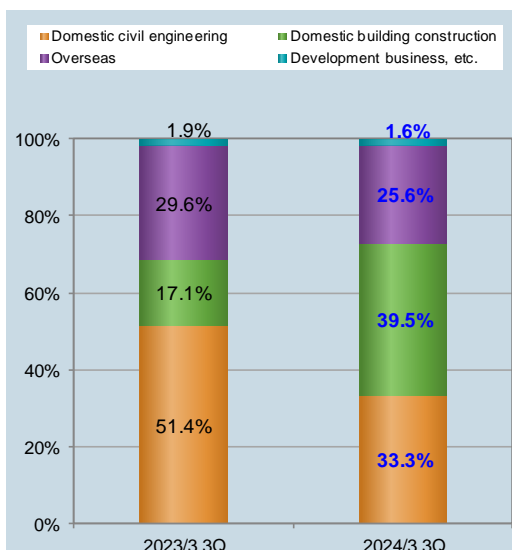
□ **Domestic building construction : 105.8 billion yen**

Large projects increased in logistics facilities, an area in which the Company excels. In addition, orders for housing, factories, and medical facilities increased 250.3% yoy.

□ **Overseas : 68.4 billion yen**

Received orders for large-scale projects in Africa and Southeast Asia, resulting in a 30.4% increase yoy.

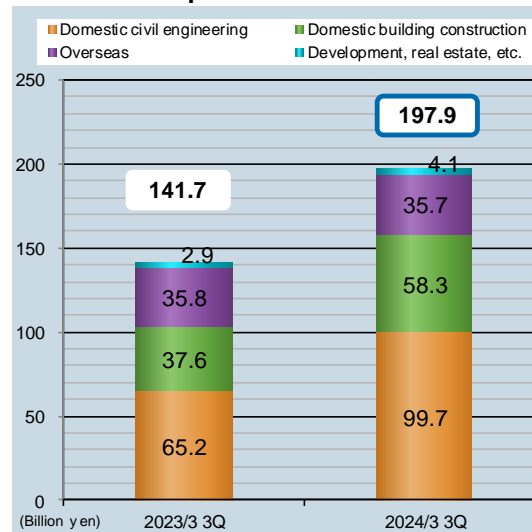
Comparison of actual orders received (share)



1-3 Net Sales and Profit by Business Unit (Non-consolidated)

Net sales (Unit: Billion yen)	2023/3 Q	2024/3 Q		
	Results	Results	YoY	
Domestic civil engineering	65.2	99.7	52.8 %	
Domestic building construction	37.6	58.3	55.0 %	
Total domestic	102.9	158.1	53.6 %	
Overseas	Civil engineering	35.4	35.2	(0.6)%
	Building construction	0.4	0.5	24.3 %
	Total	35.8	35.7	(0.3)%
Construction business	Civil engineering	100.7	134.9	34.0 %
	Building construction	38.0	58.9	54.7 %
	Total	138.8	193.8	39.7 %
Development business, etc.	2.2	3.3	47.4 %	
Real estate, etc.	0.6	0.7	(10.4)%	
Total	141.7	197.9	39.6 %	

Net sales comparison



Net sales (Non-consolidated): 197.9 billion yen

Domestic civil engineering : 99.7 billion yen

Steady progress in construction, including large-scale projects

Domestic building construction : 58.3 billion yen

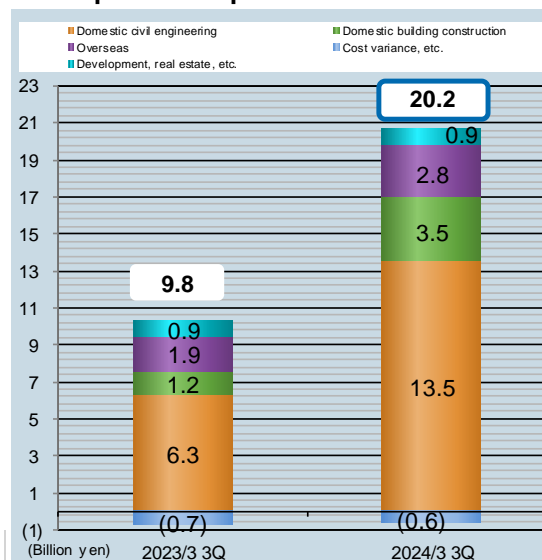
Steady progress in construction, including logistics facilities

Overseas : 35.7 billion yen

Generally unchanged from the same period of the previous year

Top row: Gross profit Bottom row: Gross margin (Unit: Top - Billion yen/ Bottom - % , points)	2023/3 Q	2024/3 Q	
	Results	Results	YoY
Domestic civil engineering	6.3	13.5	112.9 %
Domestic building construction	1.2	3.5	181.3 %
Total domestic	7.6	17.1	124.3 %
Overseas	1.9	2.8	45.5 %
	5.4%	7.9%	2.5
(Cost variance, etc.)	(0.7)	(0.6)	-
Construction business	8.8	19.3	118.1 %
	6.4%	10.0%	3.6
Development business, etc.	0.6	0.5	(10.3)%
	27.6%	16.8%	(10.8)
Real estate, etc.	0.3	0.3	15.4 %
	46.1%	48.2%	2.1
Total	9.8	20.2	106.6 %
	6.9%	10.2%	3.3

Gross profit comparison



Gross profit (Non-consolidated): 20.2 billion yen

Domestic civil engineering : 13.5 billion yen

Increase due to higher sales, sales of several highly profitable projects, etc.

Domestic building construction : 3.5 billion yen

Increase due to higher sales and improved profit margins

Overseas : 2.8 billion yen

Although some unprofitable construction work occurred, profitability improved toward the end of the construction period.

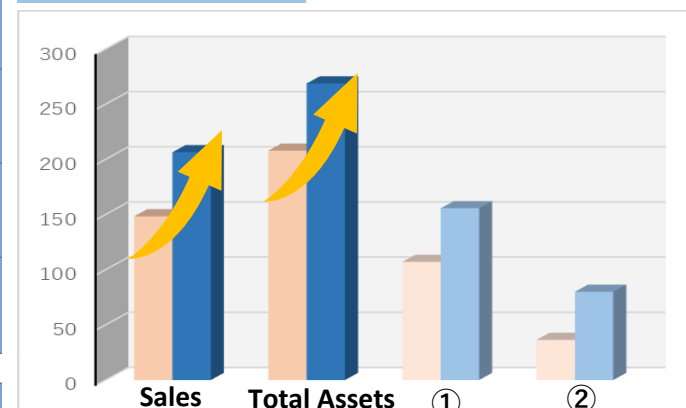
1-4 Consolidated Balance Sheet

Total assets surged to 268.8 billion yen, and the equity ratio declined 5.5 percentage points to 33.6% from the end of the previous fiscal year. Although the ratio has declined significantly, the temporary decrease due to growth.

(Unit: Billion yen)	Dec.31, 2022	Dec.31, 2023	Increase/decrease	Mar.31, 2023	Increase/decrease
Current assets	157.5	216.0	58.5	175.5	40.5
Tangible and intangible fixed assets	36.2	36.4	0.2	36.4	(0.0)
Investments and other assets	14.1	16.3	2.1	14.9	1.3
Total assets	207.9	268.8	60.9	226.9	41.8
Current liabilities	108.6	165.3	56.6	122.2	43.0
Fixed liabilities	13.0	12.0	(1.0)	15.3	(3.2)
Net assets	86.1	91.4	5.2	89.3	2.1
Total liabilities and net assets	207.9	268.8	60.9	226.9	41.8
Capital adequacy ratio	41.1%	33.6%	△ 7.5	39.1%	△ 5.5

【Major Factors】

(Unit: Billion yen)	2022, Dec.	2023, Dec.	Increase/decrease amount	percentage
Net sales	148.4	206.5	58.1	39.2%
Notes receivable, accounts receivable from completed construction contracts and Advances paid	100.2	143.7	43.4	43.4%
Notes payable, accounts payable for construction contracts and other Advances received on construction contracts in progress	27.8	59.5	31.6	113.8%
	8.6	20.5	11.8	136.7%
Total assets	207.9	268.8	60.9	29.3%



① Total of Notes receivable accounts receivable from completed construction contracts and other and Advances paid

② Total of Notes payable accounts payable for construction contracts and other and Advances received on construction contracts in progress

2-1 Forecast for Fiscal Year Ending March 31, 2024

- Upward revision of sales and profit increase
- Orders received (non-consolidated) were also revised upward to one of the highest levels ever, exceeding 300 billion yen.
- **Operating income and ordinary income are expected to reach record highs**

(Unit: Billion yen)	2023/3 Results		2024/3 Revised announcement				YoY Change		2024/3 revised announcement in November 2023		Change from the forecast announced	
	①		②				②-①		③		②-③	
	Consolidated	Non-consolidated	Consolidated	YoY	Non-consolidated	YoY	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
New orders received	-	295.4	-		320.0	8.3 %		24.5		280.0		40.0
Net sales	213.5	203.2	270.0	26.4 %	260.0	27.9 %	56.4	56.7	260.0	250.0	10.0	10.0
Gross profit	18.0	16.3	28.7	59.2 %	25.5	56.3 %	10.6	9.1	25.0	22.3	3.7	3.2
Margin	8.4%	8.0%	10.6%		9.8%		2.2	1.8	9.6%	8.9%	1.0	0.9
SG&A	11.4	10.5	12.8	11.5 %	11.8	11.9 %	1.3	1.2	12.8	11.8	-	-
Margin	5.4%	5.2%	4.7%		4.5%		(0.6)	(0.7)	4.9%	4.7%	(0.2)	(0.2)
Operating profit	6.5	5.7	15.9	142.6 %	13.7	137.3 %	9.3	7.9	12.2	10.5	3.7	3.2
Non-operating income	0.5	0.6	0.6	14.2 %	0.6	(0.3)%	0.0	(0.0)	0.9	0.9	(0.3)	(0.3)
Non-operating expenses	0.5	0.5	1.4	184.3 %	0.7	35.6 %	0.9	0.1	1.4	0.7	-	-
Ordinary profit	6.6	5.8	15.1	128.3 %	13.6	132.2 %	8.4	7.7	11.7	10.7	3.4	2.9
Extraordinary income	0.5	0.5	0.2	(63.1)%	0.2	(61.7)%	(0.3)	(0.3)	0.2	0.2	-	-
Extraordinary losses	0.0	0.0	0.1	175.9 %	0.1	211.2 %	0.0	0.0	0.1	0.1	-	-
Profit before income taxes	7.1	6.3	15.2	113.5 %	13.7	115.8 %	8.0	7.3	11.8	10.8	3.4	2.9
Profit*	4.8	4.4	9.6	98.6 %	9.2	107.9 %	4.7	4.7	7.4	7.2	2.2	2.0

* Consolidated is "Profit attributable to owners of parent"

2-2 Forecast of Orders by Business Segment (Non-consolidated)

- Orders received were revised upward due to the winning of a large project in the domestic civil engineering business and a large port project in Africa in the overseas business.
- Domestic building construction orders are expected to exceed 100 billion yen, a record high.

New orders (Unit: Billion yen)	2023/3		2024/3 Revised announcement		2024/3 revised announcement in November 2023 Forecast③	Change from the forecast announced ②-③
	Results①	Forecast②	YoY			
Government	126.5	107.0	(15.5)%		96.8	10.2
Private	19.9	25.0	25.6 %		20.7	4.3
Total domestic civil engineering	146.4	132.0	(9.9)%		117.5	14.5
Government	7.5	10.3	37.1 %		7.2	3.1
Private	68.4	104.7	53.0 %		101.0	3.7
Total domestic building construction	75.9	115.0	51.4 %		108.2	6.8
Total domestic	222.4	247.0	11.0 %		225.7	21.3
Civil engineering	67.9	61.9	(9.0)%		44.1	17.8
Building construction	0.8	6.6	639.1 %		5.9	0.7
Total overseas	68.8	68.5	(0.6)%		50.0	18.5
Civil engineering	214.4	193.9	(9.6)%		161.6	32.3
Building construction	76.8	121.6	58.3 %		114.1	7.5
Total construction	291.3	315.5	8.3 %		275.7	39.8
Development business, etc.	4.1	4.5	7.6 %		4.3	0.2
Total	295.4	320.0	8.3 %		280.0	40.0

2-3 Forecast of Net Sales and Profit by Business Unit(Non-consolidated)

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- Profits were revised upward due to higher profits in the domestic civil engineering business as a result of higher sales and a recovery in profits following the acquisition of design changes, as well as an improvement in the profit margin on large-scale construction projects in the overseas business.

Upper : Net sales Lower : Grossprofit, Gros margin(Unit: Top - Billion yen/ Bottom - % , points)		2023/3 Results		2024/3 Revised this time Announcement			2024/3 revised announcement in November 2023		Change from the announcement at the beginning of the period	
		①		②		YOY	③		②-③	
Domestic civil engineering		99.3		130.0		30.9%	124.5		5.5	
		11.5	11.6%	17.3	13.4%	50.8%	15.0	12.1%	2.3	1.3
Domestic building construction		52.6		80.0		52.0%	74.8		5.2	
		1.9	3.6%	5.1	6.5%	172.5%	4.6	6.2%	0.5	0.3
Total domestic		151.9		210.0		38.2%	199.3		10.7	
		13.4	8.8%	22.5	10.7%	68.0%	19.7	9.9%	2.8	0.8
Overseas	Civil engineering	45.9		43.8		(4.7)%	43.9		(0.1)	
	Building construction	0.5		1.2		112.8%	1.1		0.1	
	Total	46.5		45.0		(3.3)%	45.0		-	
Construction busin		2.2	4.9%	3.1	6.9%	36.1 %	2.0	4.5%	1.1	2.4
	Civil engineering	145.2		173.8		19.6%	168.4		5.4	
	Building construction	53.2		81.2		52.6%	75.9		5.3	
	Total	198.4		255.0		28.5%	244.3		10.7	
	(Cost variance, etc.)	(0.8)		(1.4)		-	(0.5)		(0.9)	
Development business, etc.		14.9	7.5%	24.2	9.5%	62.5%	21.1	8.7%	3.1	0.8
		4.7		5.0		5.5%	5.7		△ 0.7	
		1.4	29.6%	1.2	25.2%	(10.2)%	1.1	19.3%	0.1	5.9
Total		203.2		260.0		27.9%	250.0		10.0	
		16.3	8.0%	25.5	9.8%	56.3%	22.3	8.9%	3.2	0.9

2-4 Revision of Dividend Forecast

The year-end dividend forecast for the fiscal year ending March 31, 2024 has been revised to 150 yen per share, up 40 yen from the previous forecast of 110 yen per share, taking into consideration the earnings outlook and financial position for the current fiscal year.

	Annual dividend	
	end of term	total amount
Previous Forecast (Announced on November 10, 2023)	110 yen	110 yen
Revised Forecast	150 yen	150 yen
Actual results for the previous period (Fiscal year ending March 31, 2023)	90 yen	90 yen

In the dialogue with investors and shareholders in FY2023, our company's performance and approach to shareholder return have generally been favorably received. While we have received several proposals to further enhance our corporate value, **the Board of Directors has decided to implement the following two measures as a result of its review. We will review the measures from time to time while engaging in constructive discussions with investors and shareholders, and will continuously work to improve its corporate value.**

Proposals from Investors and Shareholders 1

The share price, which was in the 1,000-yen range, has risen to the 3,800-yen range, and it now takes nearly 400,000 yen to acquire one unit of shares. Shouldn't the company consider a **stock split** if it is targeting individual investors as well?

Proposals from Investors and Shareholders 2

While I commend the company for raising EPS by acquiring treasury stock, it should be even more effective by **cancelling treasury stock**.

Discussed
by board
members

Effective April 1, 2024, the following

A four-for-one stock split will be executed. Implemented a stock split.

Effective April 2, 2024, the following

Treasury Stock Cancellation of 500,000 shares

**Shinjuku Park-Tower 36F
3-7-1,Nishi-Shinjuku,Shinjuku-Ku,
Tokyo 163-1031,Japan**

TOA CORPORATION

<https://www.toa-const.co.jp/ir/inquiry/>

This document contains projections based on current assumptions and forecasts regarding the future.

Please be advised that future results may differ from the planned figures in this document due to changes in the business environment and other factors.

