

Fiscal year ending March 31, 2024 2nd quarter

Supplementary Materials for Financial Results

Create Value, Build the Future

November 10, 2023



1-1 Financial Results for 2024/3 2Q

(Unit: Billion yen)	2023/3 2Q		2024/3 2Q				YoY change	
	Consolidated	Non-consolidated	Consolidated	YoY	Non-consolidated	YoY	Consolidated	Non-consolidated
New orders received	-	136.4	-		171.5	25.7 %		35.1
Net sales	94.1	90.0	130.1	38.3%	124.9	38.8 %	36.0	34.9
Gross profit	6.0	5.2	13.5	122.2 %	11.6	124.0 %	7.4	6.4
Margin	6.5%	5.8%	10.4%		9.4%		3.9	3.6
SG&A	5.5	5.1	6.0	8.9 %	5.5	9.3 %	0.4	0.4
Margin	5.9%	5.7%	4.7%		4.5%		(1.2)	(1.2)
Operating profit	0.5	0.1	7.4	-	6.0	-	6.9	5.9
Non-operating income	0.5	0.5	0.7	44.4 %	0.7	30.7 %	0.2	0.1
Non-operating expenses	0.2	0.2	1.0	358.2 %	0.2	28.3 %	0.8	0.0
Ordinary profit	0.8	0.4	7.1	789.5 %	6.5	-	6.3	6.0
Extraordinary income	0.0	0.0	0.0	(64.7)%	0.0	(91.8)%	(0.0)	(0.0)
Extraordinary losses	0.0	0.0	0.0	197.2 %	0.0	(54.6)%	0.0	(0.0)
Profit before income taxes	0.8	0.4	7.1	780.5 %	6.5	-	6.3	6.0
Profit*	0.5	0.3	4.4	752.3 %	4.4	-	3.9	4.1

* Consolidated is "Profit attributable to owners of parent"

□ **Orders received (Non-consolidated): 171.5 billion yen (25.7% increase YoY)**

Driven by domestic building construction due to the acquisition of large projects in the logistics field, etc.

□ **Net sales (consolidated): 130.1 billion yen (38.3% increase YoY)**

Domestic civil engineering business and domestic building construction business recorded significant increases in sales.

□ **Gross profit (consolidated): 13.5 billion yen (122.2% increase YoY)**

Sales increase and high-margin projects contributed to the increase in sales.

□ **Operating income (consolidated): 7.4 billion yen (6.9 billion yen increase YoY)**

Increase due to higher gross profit

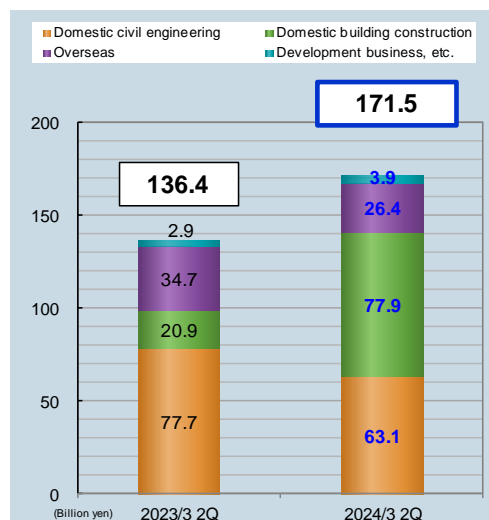
□ **Net income (consolidated): 4.4 billion yen (752.3% increase YoY)**

Increase due to rise in ordinary profit

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

New orders (Unit: Billion yen)	2023/3 Q		2024/3 Q	
	Results	Results	YoY	
Government	70.6	53.7	(23.9)%	
	Private	7.1	9.3	31.4 %
Total domestic civil engineering	77.7	63.1	(18.8)%	
Government	3.3	5.5	66.4 %	
	Private	17.6	72.3	310.7 %
Total domestic building construction	20.9	77.9	271.7 %	
Total domestic	98.7	141.1	42.9 %	
Civil engineering	34.5	22.5	(34.9)%	
	Building construction	0.1	3.9	-
Total overseas	34.7	26.4	(23.7)%	
Civil engineering	112.3	85.6	(23.8)%	
	Building construction	21.0	81.9	288.6 %
Total construction business	133.4	167.6	25.6 %	
Development business, etc.	2.9	3.9	32.9 %	
Total	136.4	171.5	25.7 %	

Comparison of actual orders received (amount)



New Orders received (Non-consolidated): 171.5 billion yen

□ **Domestic civil engineering : 63.1 billion yen**

Although orders decreased 18.8% YoY, the environment for orders was favorable, including large orders, and progress was steady.

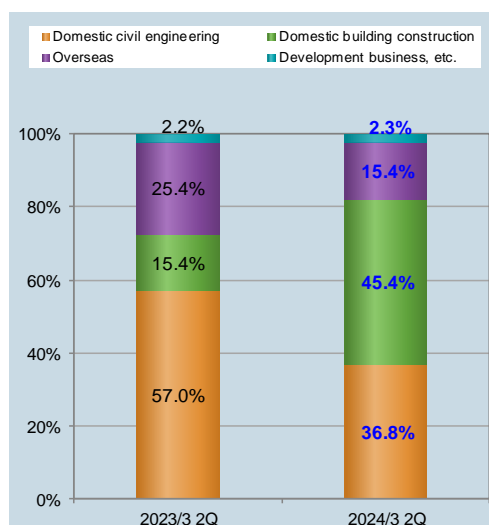
□ **Domestic building construction : 77.9 billion yen**

We won projects for logistics facilities, a field in which we excel. The number of logistics facilities has been increasing in size, and new orders increased significantly YoY. In addition, the company has also won projects for housing and other businesses. Make Advances in Existing Businesses.

□ **Overseas : 26.4 billion yen**

Although orders decreased 23.7% YoY, the environment for orders was favorable, including large orders, and progress was steady.

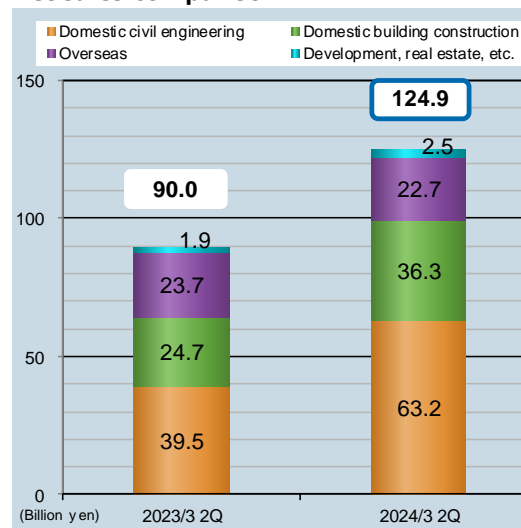
Comparison of actual orders received (share)



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

Net sales (Unit: Billion yen)		2023/3 2Q		2024/3 2Q	
		Results	Results	YoY	
Domestic civil engineering		39.5	63.2	59.6 %	
Domestic building construction		24.7	36.3	47.1 %	
Total domestic		64.3	99.5	54.8 %	
Overseas	Civil engineering	23.4	22.3	(4.6)%	
	Building construction	0.3	0.4	32.1 %	
	Total	23.7	22.7	(4.1)%	
Construction business	Civil engineering	63.0	85.5	35.8 %	
	Building construction	25.0	36.7	46.9 %	
	Total	88.0	122.3	38.9 %	
Development business, etc.		1.5	2.2	39.6 %	
Real estate, etc.		0.3	0.3	(2.5)%	
Total		90.0	124.9	38.8 %	

Net sales comparison

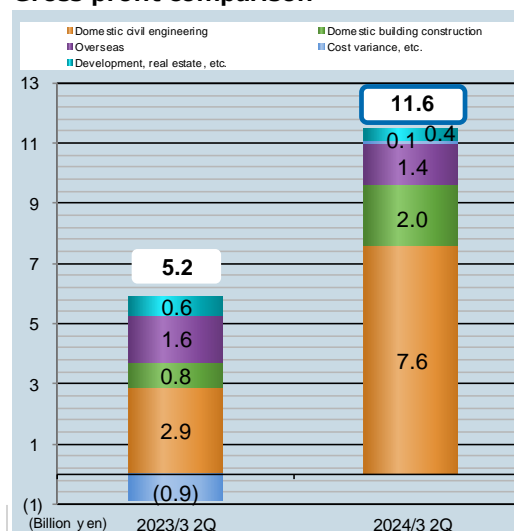


Net sales (Non-consolidated): 124.9 billion yen

- Domestic civil engineering : 63.2 billion yen**
 Steady progress in construction, including large-scale projects
- Domestic building construction : 36.3 billion yen**
 Steady progress in construction, including logistics facilities
- Overseas : 22.7 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 2Q		2024/3 2Q	
		Results	Results	YoY	
Domestic civil engineering		2.9	7.6	158.7 %	
		7.5%	12.1%	4.6	
Domestic building construction		0.8	2.0	127.6 %	
		3.6%	5.6%	2.0	
Total domestic		3.8	9.6	151.5 %	
		6.0%	9.7%	3.7	
Overseas		1.6	1.4	(15.7)%	
		7.0%	6.2%	(0.8)	
(Cost variance, etc.)		(0.9)	0.1	-	
Construction business		4.5	11.2	145.2 %	
		5.2%	9.2%	4.0	
Development business, etc.		0.4	0.3	(29.3)%	
		29.0%	14.7%	(14.3)	
Real estate, etc.		0.1	0.1	(23.0)%	
		48.0%	37.9%	(10.1)	
Total		5.2	11.6	124.0 %	
		5.8%	9.4%	3.6	

Gross profit comparison



Gross profit (Non-consolidated): 11.6 billion yen

- Domestic civil engineering : 7.6 billion yen**
 Increase due to higher sales and sales of high-margin projects, etc.
- Domestic building construction : 2.0 billion yen**
 Increase due to higher sales and improved profit margins
- Overseas : 1.4 billion yen**
 Decrease due to some unprofitable projects

1-4 Consolidated Balance Sheet

(Unit: Billion yen)	March 31, 2023	September 30, 2023	Increase/ decrease
Current assets	175.5	198.2	22.6
Tangible and intangible fixed assets	36.4	36.7	0.3
Investments and other assets	14.9	16.4	1.5
Total assets	226.9	251.5	24.5
Current liabilities	122.2	148.5	26.2
Fixed liabilities	15.3	13.1	(2.1)
Net assets	89.3	89.7	0.4
Total liabilities and net assets	226.9	251.5	24.5
Capital adequacy ratio	39.1(%)	35.3(%)	(3.8) points

【Major Factors of Increase/Decrease】

(Unit: Billion yen)

Current assets	22.6
Cash and deposits	8.5
Notes receivable, accounts receivable from completed construction contracts and other	3.5
Costs on construction contracts in progress	2.1
Current liabilities	26.2
Notes payable, accounts payable for construction contracts and other	12.3
Short-term borrowings	(5.2)
Commercial papers	9.0
Deposits received	7.8
Long-term liabilities	(2.1)
Long-term borrowings	(2.1)

1-5 Consolidated Cash Flows

(Unit: Billion yen)	2023/3 2Q	2024/3 2Q	Major breakdown	Increase/ decrease
CF from operating activities	8.4	14.4	<ul style="list-style-type: none"> • Profit before income taxes 7.1 • Depreciation 1.3 • Increase in trade receivables (3.5) • Increase in trade payables 13.9 	5.9
CF from investing activities	(1.3)	(2.3)	<ul style="list-style-type: none"> • Purchase of property, plant and equipment (2.0) 	(1.0)
CF from financing activities	(5.2)	(4.2)	<ul style="list-style-type: none"> • Increase in commercial papers 9.0 • Repayment of long-term and short-term borrowings (7.4) • Purchase of treasury shares (3.7) • Dividends paid (1.9) 	1.0

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

- New orders received were revised upward due to an increase in large logistics projects in the domestic building construction business and the depreciation of the yen in the overseas business.
- Net sales were revised upward due to steady growth in on-hand construction in the domestic building construction business.
- Profits were revised upward due to the significant contribution of several highly profitable projects in the first half of the year in the domestic civil engineering business. In addition, the second half of the fiscal year is also expected to see steady progress in construction projects on hand.

(Unit: Billion yen)	2023/3 Results		2024/3 Revised announcement				YoY Change		2024/3 announcement at the beginning of a term		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	-		280.0	(5.2)%				250.0		30.0
Net sales	213.5	203.2	260.0	21.7 %	250.0	23.0 %	46.4	46.7	253.0	243.0	7.0	7.0
Gross profit	18.0	16.3	25.0	38.7 %	22.3	36.7 %	6.9	5.9	22.4	20.6	2.6	1.7
Margin	8.4%	8.0%	9.6%		8.9%		1.2	0.9	8.9%	8.5%	0.7	0.4
SG&A	11.4	10.5	12.8	11.5 %	11.8	11.9 %	1.3	1.2	12.7	11.8	0.1	-
Margin	5.4%	5.2%	4.9%		4.7%		(0.5)	(0.5)	5.0%	4.9%	(0.1)	(0.2)
Operating profit	6.5	5.7	12.2	86.1 %	10.5	81.9 %	5.6	4.7	9.7	8.8	2.5	1.7
Non-operating income	0.5	0.6	0.9	58.2 %	0.9	49.5 %	0.3	0.2	0.4	0.4	0.5	0.5
Non-operating expenses	0.5	0.5	1.4	174.5 %	0.7	35.6 %	0.8	0.1	0.6	0.6	0.8	0.1
Ordinary profit	6.6	5.8	11.7	76.9 %	10.7	82.7 %	5.0	4.8	9.5	8.6	2.2	2.1
Extraordinary income	0.5	0.5	0.2	(63.1)%	0.2	(61.7)%	(0.3)	(0.3)	0.0	0.0	0.2	0.2
Extraordinary losses	0.0	0.0	0.1	175.9 %	0.1	211.2 %	0.0	0.0	0.0	0.0	0.1	0.1
Profit before income taxes	7.1	6.3	11.8	65.7 %	10.8	70.1 %	4.6	4.4	9.5	8.6	2.3	2.2
Profit*	4.8	4.4	7.4	53.1 %	7.2	62.7 %	2.5	2.7	6.6	6.0	0.8	1.2

* Consolidated is "Profit attributable to owners of parent"

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

■ Upwardly revised due to an increase in large logistics projects in the domestic building construction business and the depreciation of the yen in the overseas business.

New orders (Unit: Billion yen)	2023/3		2024/3 Revised announcement		2024/3 announcement at the beginning of a term Forecast③	Change from the forecast announced ②-③
	Results①	Forecast②	YoY			
Government	126.5	96.8	(23.5)%	82.0	14.8	
	Private	19.9	20.7	4.0 %	35.5	(14.8)
Total domestic civil engineering	146.4	117.5	(19.8)%	117.5	—	
Government	7.5	7.2	(4.2)%	4.0	3.2	
	Private	68.4	101.0	47.6 %	79.0	22.0
Total domestic building construction	75.9	108.2	42.5 %	83.0	25.2	
Total domestic	222.4	225.7	1.5 %	200.5	25.2	
Civil engineering	67.9	44.1	(35.1)%	42.6	1.5	
	Building construction	0.8	5.9	560.7 %	4.4	1.5
Total overseas	68.8	50.0	(27.4)%	47.0	3.0	
Civil engineering	214.4	161.6	(24.7)%	160.1	1.5	
	Building construction	76.8	114.1	48.5 %	87.4	26.7
Total construction	291.3	275.7	(5.4)%	247.5	28.2	
Development business, etc.	4.1	4.3	2.8 %	2.5	1.8	
Total	295.4	280.0	(5.2)%	250.0	30.0	

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

私たちの今が、社会の未来を創る



■ Net sales were revised upward due to steady growth in on-hand construction in the domestic building construction business.

■ Profits were revised upward due to the significant contribution of several highly profitable projects in the first half of the year in the domestic civil engineering business. In addition, the second half of the fiscal year is also expected to see steady progress in construction projects on hand.

Upper : Net sales Lower : Grossprofit, Gros margin(Unit: Top - Billion yen/ Bottom - % , points)		2023/3 Results		2024/3 Revised this time Announcement		announcement at the beginning of a term		Change from the announcement at the beginning of the period			
		①		②		YOY		③		② - ③	
Domestic civil engineering		99.3		124.5		25.3%		124.5		-	
		11.5	11.6%	15.0	12.1%	30.9%	0.5	12.5	10.1%	2.5	2.0
Domestic building construction		52.6		74.8		42.1%		69.5		5.3	
		1.9	3.6%	4.6	6.2%	144.2%	2.6	4.7	6.8%	(0.1)	(0.6)
Total domestic		151.9		199.3		31.1%		194.0		5.3	
		13.4	8.8%	19.7	9.9%	46.9%	1.1	17.2	8.9%	2.5	1.0
Overseas	Civil engineering	45.9		43.9		(4.5)%		43.8		0.1	
	Building construction	0.5		1.1		95.0%		1.2		(0.1)	
	Total	46.5		45.0		(3.3)%		45.0		-	
Construction busin	Civil engineering	2.2		2.0		4.5%		2.5		5.6%	
	Building construction	4.9%		(12.0)%		(0.4)		(0.5)		(1.1)	
	Total	145.2		168.4		15.9%		168.3		0.1	
Construction busin	Building construction	53.2		75.9		42.7%		70.7		5.2	
	Total	198.4		244.3		23.1%		239.0		5.3	
	(Cost variance, etc.)	(0.8)		(0.5)		-		(0.1)		(0.4)	
Development business, etc.		14.9		21.1		8.7%		19.5		8.2%	
		7.5%	42.1%	1.2	19.5	8.2%	1.6	0.5			
Total		4.7		5.7		20.3%		4.0		1.7	
		1.4	29.6%	1.1	19.3%	(21.6)%	(10.3)	1.0	25.4%	0.1	(6.1)
Total		203.2		250.0		23.0%		243.0		7.0	
		16.3	8.0%	22.3	8.9%	36.7%	0.9	20.6	8.5%	1.7	0.4

2-4 Revision of Dividend Forecast

In our medium-term management plan for fiscal years 2023 through 2025, we will use a dividend payout ratio of 30% as an index for shareholder returns.

In addition to the above targets, the Company's basic policy is to continue stable and substantial profit distribution.

In addition, as announced in the "Action Plan to Improve PBR" dated May 12, 2023,

Once the increase in per-share value and price-to-book ratio, the minimum dividend payout ratio will be changed from the current 30% to 40%, but only during the period of the current medium-term management plan, in order to further stabilize and increase shareholder returns.

Based on the above policy, and taking into consideration the earnings outlook and financial position for the current fiscal year, the dividend was revised upward to ¥110 per share, an increase of ¥10 from the previous forecast.

	Annual dividend	
	end of term	total amount
Previous Forecast (Announced on May 12, 2023)	100 yen	100 yen
Revised Forecast	110 yen	110 yen
Actual results for the previous period (Fiscal year ending March 31, 2023)	90 yen	90 yen

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TOA CORPORATION

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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.

