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[Title]

[Q&A Session: Included] TOA CORPORATION posts record-high revenue and profits for the third consecutive first half; upgrades full-year outlook and plans higher annual dividend

FY2025 1H Financial Results Briefing Material

Takeshi Hayakawa (hereafter, “**Hayakawa**”): I am Takeshi Hayakawa, President and Representative Director. Prior to presenting our financial results for the first half of the fiscal year ending March 31, 2026 (FY2025 1H), I would like to report on and offer our sincere apologies for the recent accident that occurred at one of our construction sites.

On November 17 at roughly 11:50 a.m., an accident occurred at the condominium construction site where we were working. As a result of the accident, one worker was injured and later passed away. We offer our sincere condolences to the bereaved family and pray for the peaceful repose of the deceased.

We also deeply apologize for the significant inconvenience and concern caused to all concerned parties.

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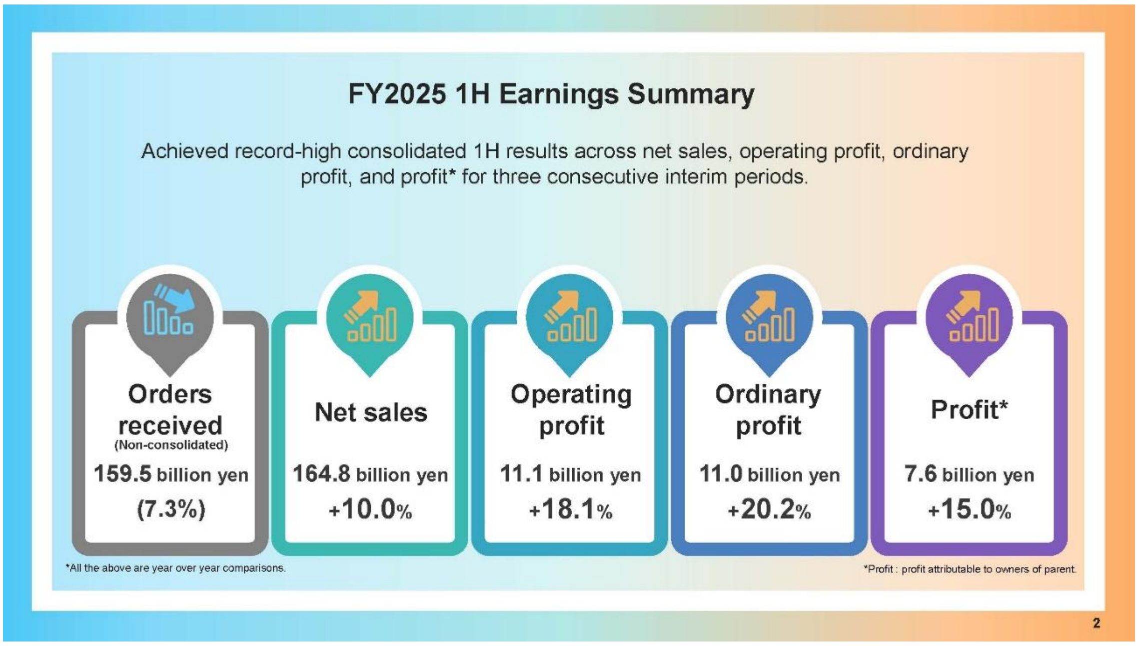
FY2025 1H Earnings Summary



Takeshi Nakao (hereinafter “**Nakao**”): I am Takeshi Nakao, Senior Executive Officer and Representative Director, Chief of Corporate Management General Headquarters. Let me begin with the earnings summary for FY2025 1H. In the 1H, we achieved record high net sales, operating profit, ordinary profit, and profit attributable to owners of parent for the third consecutive first half.

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FY2025 1H Financial Results

FY2025 1H Financial Results

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Net sales, operating profit, ordinary profit, and profit* all marked record highs for the 3 consecutive interim periods.

- ✓ Orders received (non-consolidated) : Decreased by 7.3% YoY as overseas results fell below the previous year. Domestic civil engineering and domestic building construction steadily progressed in both public and private sectors.
- ✓ Net sales (consolidated) : Increased by 10.0% YoY due to steady progress of large-scale projects in domestic civil engineering and overseas.
- ✓ Operating profit (consolidated) : Increased by 18.1% YoY driven by improved profitability of large-scale projects and higher sales in domestic civil engineering and domestic building construction.

(Unit: billions of yen)

	[Consolidated] FY2024 1H	[Consolidated] FY2025 1H				[Non-consolidated] FY2024 1H	[Non-consolidated] FY2025 1H			
	Actual	Actual	% of net sales	YoY change %	YoY difference	Actual	Actual	% of net sales	YoY change %	YoY difference
Orders received	-	-	-	-	-	172.0	**159.5**	-	(7.3%)	(12.5)
Net sales	149.8	**164.8**	**100.0%**	10.0%	15.0	143.9	**159.6**	**100.0%**	10.9%	15.7
Gross profit	15.9	**18.9**	**11.5%**	18.6%	2.9	14.5	**17.7**	**11.1%**	21.6%	3.1
SG&A	6.5	**7.7**	**4.7%**	19.3%	1.2	5.9	**7.1**	**4.5%**	20.6%	1.2
Operating profit	9.4	**11.1**	**6.8%**	18.1%	1.7	8.6	**10.5**	**6.6%**	22.2%	1.9
Non-operating income	0.2	**0.3**	**0.2%**	13.7%	0.0	0.2	**0.2**	**0.2%**	15.4%	0.0
Non-operating expenses	0.5	**0.4**	**0.3%**	(21.1%)	(0.1)	0.5	**0.4**	**0.3%**	(24.1%)	(0.1)
Ordinary profit	9.1	**11.0**	**6.7%**	20.2%	1.8	8.2	**10.3**	**6.5%**	25.1%	2.0
Extraordinary income	0.7	**0.1**	**0.1%**	(82.1%)	(0.5)	0.7	**0.1**	**0.1%**	(85.4%)	(0.6)
Extraordinary losses	0.0	**0.0**	**0.0%**	(39.1%)	(0.0)	0.0	**0.0**	**0.0%**	(39.8%)	(0.0)
Profit before income taxes	9.8	**11.1**	**6.7%**	13.1%	1.2	8.9	**10.4**	**6.5%**	16.7%	1.4
Profit*	6.6	**7.6**	**4.7%**	15.0%	0.9	6.1	**7.2**	**4.6%**	17.6%	1.0
Net assets	99.5	**107.6**	**-**	8.1%	8.0	82.7	**90.2**	**-**	9.1%	7.5

*Profit : profit attributable to owners of parent for consolidated P/L

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Here are the financial results for FY2025 1H. First, look at the top right of the table on the slide. Non-consolidated orders received decreased by 7.3% YoY to ¥159.5 billion. While Domestic Civil Engineering and Domestic Building Construction steadily progressed in both public and private sector orders, Overseas fell below the previous year's level.

Next, take a look at the left side of the table. Consolidated net sales increased by 10% YoY to ¥164.8 billion. This was due to steady progress of large-scale projects in both Domestic Civil Engineering and Overseas.

Consolidated operating profit increased by 18.1% YoY to ¥11.1 billion. This was primarily driven by improved profitability of large-scale projects and higher sales in Domestic Civil Engineering and Domestic Building Construction. Consolidated profit attributable to owners of parent increased by 15% YoY to ¥7.6 billion.

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[Non-consolidated] Breakdown of Orders Received by Business

[Non-consolidated] Breakdown of Orders Received by Business

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(Unit: billions of yen)

Orders received	FY2024 1H	FY2025 1H		
	Actual	Actual	YoY change %	YoY difference
Public	44.8	**37.3**	(16.7%)	(7.4)
Private	18.3	**38.9**	112.7%	20.6
Total (domestic civil engineering)	63.1	**76.3**	20.9%	13.1
Public	14.0	**6.5**	(53.5%)	(7.5)
Private	46.3	**62.6**	35.0%	16.2
Total (domestic building construction)	60.4	**69.1**	14.4%	8.7
Total (domestic)	123.5	**145.4**	17.7%	21.8
Civil engineering	43.4	**5.5**	(87.2%)	(37.9)
Building construction	0.3	**4.3**	-	3.9
Total (overseas)	43.8	**9.8**	(77.5%)	(33.9)
Total (civil engineering)	106.6	**81.8**	(23.2%)	(24.7)
Total (building construction)	60.7	**73.4**	20.9%	12.6
Total (construction business)	167.3	**155.3**	(7.2%)	(12.0)
Development business and others	4.6	**4.1**	(10.3%)	(0.4)
Total	172.0	**159.5**	(7.3%)	(12.5)

Orders received：159.5 billion yen (YoY-7.3%)

Domestic civil engineering :76.3 billion yen (YoY +20.9%)

- ✓ Following current Q1, private sector orders significantly exceeded the previous year, driven by contributions from carbon-neutral-related marine civil engineering projects.
- ✓ Public sector orders remained at a high level, but fell short of the previous year due to the design changes for large-scale projects in previous 1H.

Domestic building construction : 69.1 billion yen (YoY +14.4%)

- ✓ The private sector orders significantly exceeded the previous 1H, driven by orders for large-scale logistics facilities.
- ✓ For the public sector, operated in line with a strategy targeting future core markets, including Regional Defense Bureau.
- ✓ Expanded the business domain through securing orders for factories, offices, and research facilities.

Overseas: 9.8 billion yen（YoY -77.5%)

- ✓ Progressed on track as no large-scale project orders scheduled for the 1H.

Let me now further break down the orders received by business on a non-consolidated basis. Domestic Civil Engineering reached ¥76.3 billion, a 20.9% increase YoY. In particular, carbon-neutral-related marine civil engineering projects in the private sector made a significant contribution, resulting in performance well above the previous year’s level. Public sector orders also remained at a high level.

Domestic Building Construction increased 14.4% YoY to ¥69.1 billion, significantly exceeding the previous year's level driven by orders for large-scale logistics facilities. Also, we secured projects expected to see future demand growth, such as Regional Defense Bureau, factories, offices, and research facilities, advancing the expansion of the business domains.

Overseas decreased 77.5% YoY to ¥9.8 billion. As there were no large-scale projects scheduled for order intake in the first half, progress is in line with our plan.

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[Non-consolidated] Breakdown of Net Sales and Gross Profit by Business

[Non-consolidated] Breakdown of Net Sales and Gross Profit by Business

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(Unit: billions of yen)

Net sales	FY2024 1H		FY2025 1H			
	Actual	% of total	Actual	% of total	YoY change %	YoY difference
Domestic civil engineering	63.6	44.2%	**67.0**	**42.0%**	5.3%	3.3
Domestic building construction	51.7	36.0%	**48.8**	**30.6%**	(5.6%)	(2.8)
Total (domestic)	115.3	80.2%	**115.8**	**72.6%**	0.4%	0.4
Civil engineering	22.3	15.6%	**40.5**	**25.4%**	81.1%	18.1
Building construction	3.6	2.5%	**0.1**	**0.1%**	(95.1%)	(3.4)
Total (overseas)	25.9	18.1%	**40.7**	**25.5%**	56.6%	14.7
Total (civil engineering)	86.0	59.8%	**107.5**	**67.4%**	25.0%	21.5
Total (building construction)	55.3	38.5%	**49.0**	**30.7%**	(11.4%)	(6.3)
Total (construction business)	141.3	98.3%	**156.5**	**98.1%**	10.8%	15.2
Development business and others	2.1	1.5%	**2.7**	**1.7%**	26.7%	0.5
Real estate and others	0.3	0.2%	**0.2**	**0.2%**	(9.5%)	(0.0)
Total	143.9	100.0%	**159.6**	**100.0%**	10.9%	15.7

(Unit: billions of yen)

Gross profit	FY2024 1H		FY2025 1H			
	Actual	GP%	Actual	GP%	YoY change %	YoY difference
Domestic civil engineering	8.9	14.1%	**10.4**	**15.5%**	15.6%	1.4
Domestic building construction	3.9	7.6%	**5.3**	**11.0%**	36.9%	1.4
Total (domestic)	12.9	11.2%	**15.7**	**13.6%**	22.1%	2.8
Total (overseas)	1.2	4.9%	**3.9**	**9.7%**	210.1%	2.6
Cost variance, etc.	(0.2)	-	**(2.2)**	**-**	-	(2.0)
Total (construction business)	13.9	9.9%	**17.4**	**11.1%**	25.2%	3.5
Development business and others	0.5	23.5%	**0.1**	**5.4%**	(70.8%)	(0.3)
Real estate and others	0.1	31.5%	**0.0**	**33.4%**	(4.3%)	(0.0)
Total	14.5	10.1%	**17.7**	**11.1%**	21.6%	3.1

Net sales: 159.6 billion yen (YoY +10.9%)

Domestic civil engineering: 67.0 billion yen (YoY+ 5.3%)

- ✓ Increased due to steady progress in construction on hand, mainly in large-scale marine civil engineering.

Domestic building construction: 48.8 billion yen (YoY-5.6%)

- ✓ Decreased due to the construction of the large-scale logistics facility order received this term has not yet reached full-scale implementation while several large-scale projects were completed in current 1H.

Overseas: 40.7 billion yen (YoY+56.6%)

- ✓ Increased due to steady progress in large-scale projects in Southeast Asia and Africa.

Gross profit: 17.7 billion yen (YoY +21.6%)

Domestic civil engineering: 10.4 billion yen (YoY +15.6%)

- ✓ Increased driven by sales increase and improvement of profitability for multiple large-scale marine civil engineering projects.

Domestic building construction : 5.3 billion yen (YoY +36.9%)

- ✓ Increased due to higher proportion of projects with improved profitability as low-margin projects affected by rising cost gradually decreased.

Overseas: 3.9 billion yen (YoY+210.1%)

- ✓ Increased due to improved profitability of large-scale projects in their busiest period.

Cost variance, etc. : -2.2 billion yen

- ✓ Incurred due to the recognition of a provision for construction losses on overseas projects.

Let me now explain the non-consolidated breakdown of net sales and gross profit by business. First, net sales for Domestic Civil Engineering increased 5.3% YoY to ¥67.0 billion. The sales increase was due to steady progress in construction on hand, mainly in large-scale marine civil engineering.

Net sales in Domestic Building Construction decreased by 5.6% YoY to ¥48.8 billion. This is because the construction of the large scale logistics facility order received in this fiscal year has not yet reached full scale implementation, though several large scale projects were completed in current 1H.

In Overseas, net sales increased by 56.6% YoY to ¥40.7 billion, due to steady progress in large-scale projects in Southeast Asia and Africa. Overall net sales increased by 10.9% YoY to ¥159.6 billion.

Next, I will explain the gross profit shown in the lower right section of the slide. Domestic Civil Engineering recorded a gross profit of ¥10.4 billion, a 15.6% increase YoY. This profit growth resulted from sales increase and improvement of profitability for multiple large-scale marine civil engineering projects. Domestic Building Construction saw a 36.9% YoY increase to ¥5.3 billion. Profit increased as the number of low-margin projects affected by rising material and construction costs declined, and the proportion of projects with improved profitability at the time of order receipt increased.

In Overseas, gross profit increased by 210.1% YoY to ¥3.9 billion. Improved profitability of large-scale projects reaching their peak phase contributed to this increase. However, the cost variance was negative ¥2.2 billion, primarily due to the recognition of a provision for construction losses on two overseas projects. Consequently, consolidated segment profit for Overseas decreased YoY.

Overall gross profit increased by 21.6% YoY to ¥17.7 billion.

As a supplement, Domestic Building Construction is currently selectively receiving orders and transferring price increases to customers. Consequently, profitability at the time of order receipt is expected to improve from this fiscal year onward, creating conditions for achieving a gross profit margin of around 10%.

Regarding the losses recognized in the provision for construction losses on overseas projects, we will engage in discussions with the clients to recover the losses and work to improve profitability.

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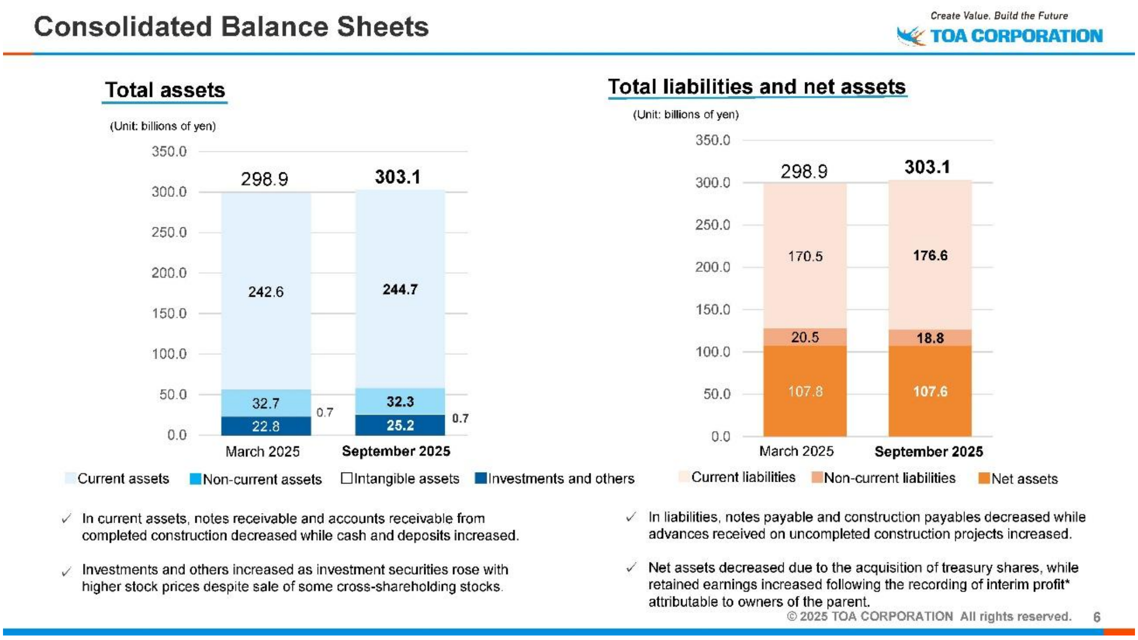
Consolidated Balance Sheets



This is the status of the consolidated balance sheets. Total assets increased to ¥303.1 billion. In current assets, notes receivable and accounts receivable from completed construction decreased thanks to progress in collecting payments for large-scale construction projects, while cash and deposits increased slightly and remains at an appropriate level. Investments and others increased as investment securities rose with higher stock prices despite sale of some investment securities.

In liabilities, notes payable and construction payables decreased while advances received on uncompleted construction projects increased. Net assets slightly decreased mainly due to the acquisition of treasury shares, while retained earnings increased following the recording of interim profit attributable to owners of parent.

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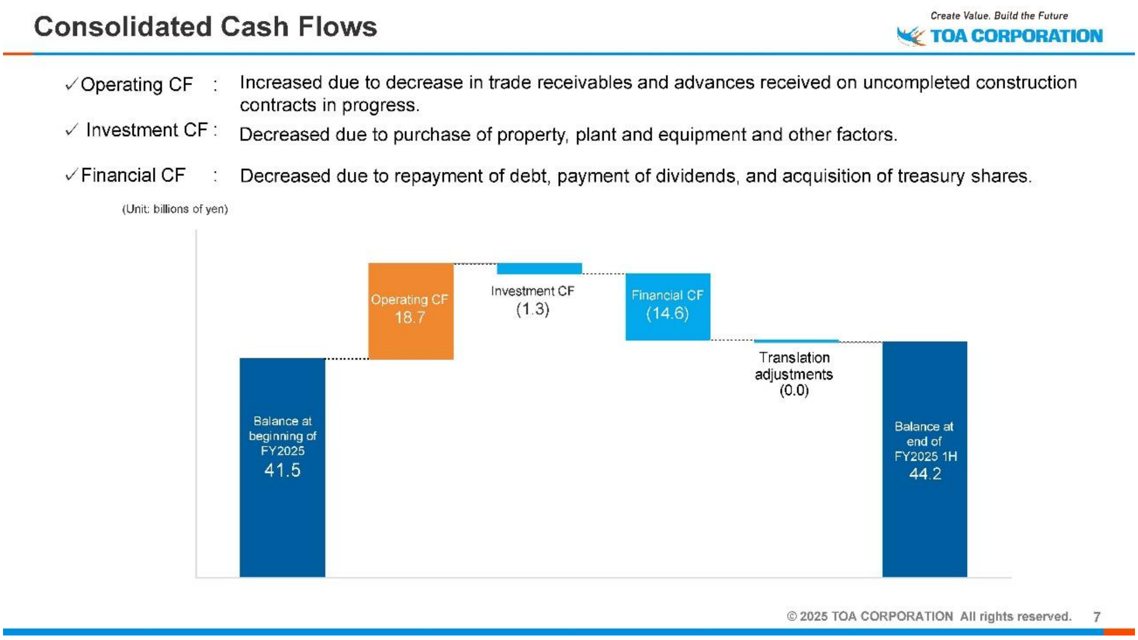
Consolidated Cash Flows



Let me now explain the consolidated cash flows. Operating CF increased by ¥18.7 billion chiefly due to a decrease in trade receivables and an increase in advances received on uncompleted construction contracts in progress. Meanwhile, investing CF decreased by ¥1.3 billion, primarily due to purchase of property, plant and equipment and other factors.

Financing CF decreased by ¥14.6 billion due to factors such as repayment of borrowings, dividend payments, and the purchase of treasury shares. As a result, the cash and cash equivalents balance at the end of FY2025 1H stands at ¥44.2 billion.

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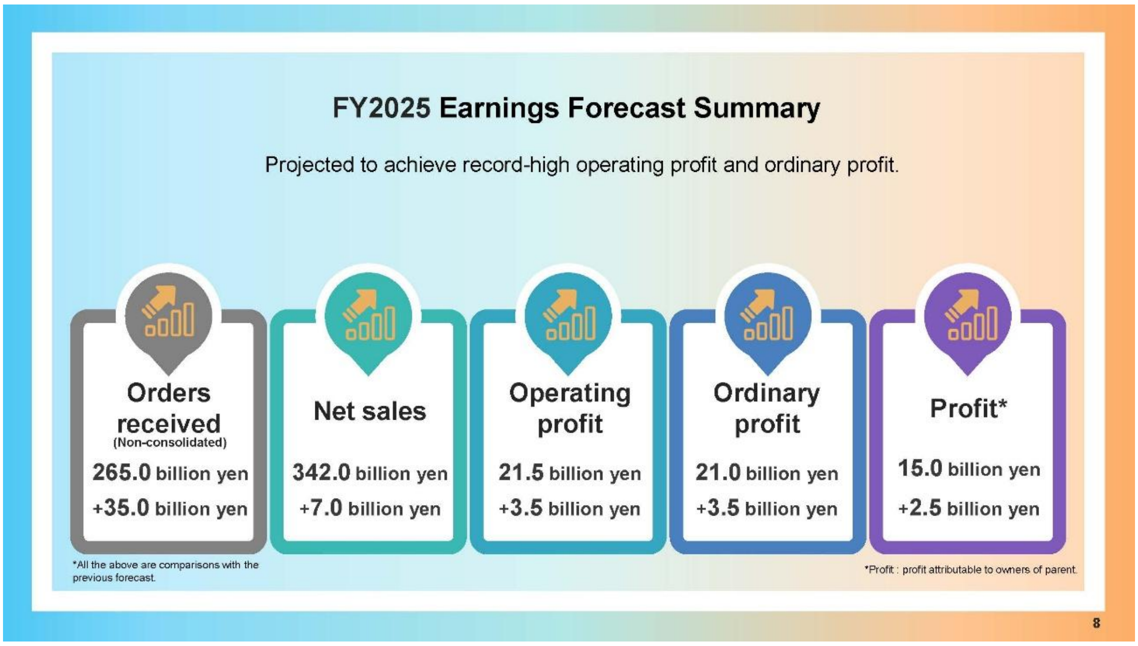
FY2025 Earnings Forecast Summary



This is a summary of full-year FY2025 earnings forecast. Net sales, operating profit, ordinary profit, and profit attributable to owners of parent are all expected to exceed those of the initial forecast. We project to achieve record-high operating profit and ordinary profit. Profit attributable to owners of parent is also expected to exceed the previous year's figure of ¥14.9 billion.

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FY2025 Forecast

FY2025 Forecast

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Upward revision for operating profit and ordinary profit

- ✓ Orders received (non-consolidated): Revised upward due to steady progress in both public and private sector orders for domestic civil engineering and domestic building construction.
- ✓ Net sales (consolidated): Revised upward for overseas due to steady progress in large-scale overseas marine civil engineering projects.
- ✓ Operating profit (consolidated): Revised upward due to improved profitability across all business segments.

(Unit: billions of yen)

	[Consolidated] FY2024	[Consolidated] FY2025				[Non-consolidated] FY2024	[Non-consolidated] FY2025			
	Actual	Forecast (announced in Nov. 2025)	% of net sales	Previous forecast (announced in May 2025)	Change from previous forecast	Actual	Forecast (announced in Nov. 2025)	% of net sales	Previous forecast (announced in May 2025)	Change from previous forecast
Orders received	-	-	-	-	-	353.7	**265.0**	-	230.0	35.0
Net sales	330.4	**342.0**	**100.0%**	335.0	7.0	317.8	**327.0**	**100.0%**	320.0	7.0
Gross profit	34.9	**37.9**	**11.1%**	34.0	3.9	31.8	**35.6**	**10.9%**	31.7	3.9
SG&A	14.3	**16.4**	**4.8%**	16.0	0.4	13.2	**15.2**	**4.6%**	14.8	0.4
Operating profit	20.6	**21.5**	**6.3%**	18.0	3.5	18.5	**20.4**	**6.2%**	16.9	3.5
Non-operating income	0.5	**0.5**	**0.1%**	0.5	0.0	0.4	**0.4**	**0.1%**	0.4	0.0
Non-operating expenses	1.0	**1.0**	**0.3%**	1.0	0.0	1.0	**1.0**	**0.3%**	1.0	0.0
Ordinary profit	20.0	**21.0**	**6.1%**	17.5	3.5	17.9	**19.8**	**6.1%**	16.3	3.5
Extraordinary income	1.1	**0.4**	**0.1%**	0.4	0.0	1.1	**0.4**	**0.1%**	0.4	0.0
Extraordinary losses	0.2	**0.3**	**0.1%**	0.1	0.2	0.2	**0.3**	**0.1%**	0.1	0.2
Profit before income taxes	20.9	**21.1**	**6.2%**	17.8	3.3	18.8	**19.9**	**6.1%**	16.6	3.3
Profit*	14.9	**15.0**	**4.4%**	12.5	2.5	13.5	**14.2**	**4.3%**	11.7	2.5

*Profit : profit attributable to owners of parent for consolidated P/L

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We will now explain the details of the full-year FY2025 forecast. Non-consolidated orders received will increase to ¥265.0 billion from the initial forecast of ¥230.0 billion. Consolidated net sales will increase to ¥342.0 billion from the initial forecast of ¥335.0 billion.

Consolidated operating profit will increase to ¥21.5 billion from the initial forecast of ¥18.0 billion. Consolidated profit attributable to owners of parent is projected to increase to ¥15.0 billion from the initial forecast of ¥12.5 billion.

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[Non-consolidated] Forecast of Orders Received by Business

[Non-consolidated] Forecast of Orders Received by Business

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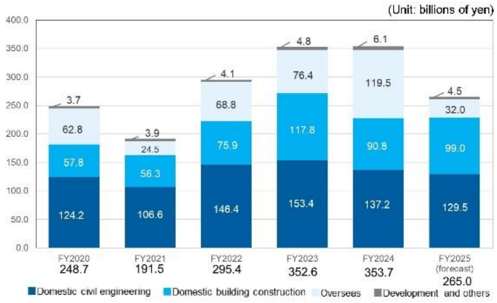
(Unit: billions of yen)

Orders received	FY2024	FY2025		
	Actual	Forecast (announced in Nov. 2025)	Previous forecast (announced in May 2025)	Change from previous forecast
Public	101.7	**85.5**	69.0	16.5
Private	35.4	**44.0**	38.0	6.0
Total (domestic civil engineering)	137.2	**129.5**	107.0	22.5
Public	16.9	**9.8**	7.0	2.8
Private	73.9	**89.2**	80.0	9.2
Total (domestic building construction)	90.8	**99.0**	87.0	12.0
Total (domestic)	228.0	**228.5**	194.0	34.5
Civil engineering	120.4	**27.6**	29.0	(1.4)
Building construction	(0.9)	**4.4**	3.0	1.4
Total (overseas)	119.5	**32.0**	32.0	0.0
Civil engineering	257.6	**157.1**	136.0	21.1
Building construction	89.9	**103.4**	90.0	13.4
Total (construction business)	347.6	**260.5**	226.0	34.5
Development business and others	6.1	**4.5**	4.0	0.5
Total	353.7	**265.0**	230.0	35.0

Orders received: 265.0 billion yen
(Change from previous forecast +35.0 billion yen)

- ✓ Domestic Civil Engineering:129.5 billion yen (Change from previous forecast +22.5 billion yen)
- ✓ Domestic Building Construction: 99.0 billion yen (Change from previous forecast +12.0 billion yen)
- ✓ Overseas: 32.0 billion yen (Change from previous forecast 0.0 billion yen)



Let me now explain the non-consolidated forecast of orders received by business. We have revised our forecast upward by ¥22.5 billion in Domestic Civil Engineering due to securing unexpected orders and design changes, primarily for government projects.

We have upwardly revised our forecast by ¥12.0 billion in Domestic Building Construction, as we expect to receive orders for multiple projects, including condominiums not planned at the beginning of the period. Our forecast for Overseas remains unchanged from the initial one.

Overall, orders received have been revised upward by ¥35.0 billion. Meanwhile, a decrease of approximately ¥88.0 billion is projected, compared to the actual result of ¥353.7 billion in the previous period.

This is because orders are planned considering factors such as construction capacity. While constructions on hand at the same period of the previous fiscal year was approximately ¥500.0 billion, that for this period, as of the end of September 2025, increased to ¥509.0 billion.

Furthermore, Overseas saw a significant decline in orders received. This was a consequence of large-scale projects scheduled for receiving orders in FY2025 1H recorded as orders received at the end of the previous year.

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[Non-consolidated] Forecast of Net Sales and Gross Profit by Business

[Non-consolidated] Forecast of Net Sales and Gross Profit by Business

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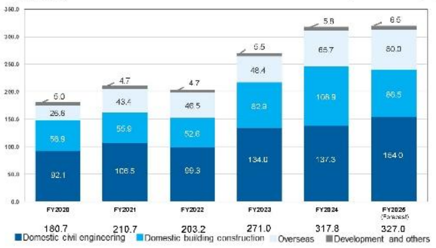
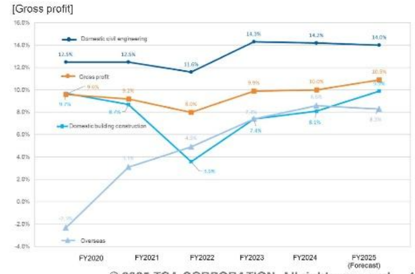
(Unit: billions of yen)

Net sales	FY2024 Actual	FY2024 % of total	FY2025 Forecast (announced in Nov. 2025)	FY2025 % of total	FY2025 Previous forecast (announced in May 2025)	FY2025 Change from previous forecast
Domestic civil engineering	137.3	43.2%	**154.0**	**40.7%**	154.0	0.0
Domestic building construction	108.9	34.3%	**86.5**	**26.5%**	86.5	0.0
Total (domestic)	246.2	77.5%	**240.5**	**73.5%**	240.5	0.0
Civil engineering	59.7	18.8%	**79.0**	**24.2%**	71.8	7.2
Building construction	5.9	1.9%	**1.0**	**0.3%**	1.2	(0.2)
Total (overseas)	65.7	20.7%	**80.0**	**24.5%**	73.0	7.0
Total (civil engineering)	197.0	62.0%	**233.0**	**71.2%**	225.8	7.2
Total (building construction)	114.8	36.1%	**87.6**	**26.8%**	87.7	(0.2)
Total (construction business)	311.9	98.1%	**320.5**	**98.0%**	313.5	7.0
Development business and others	5.2	1.7%	**5.6**	**1.7%**	5.5	0.0
Real estate and others	0.6	0.2%	**1.0**	**0.3%**	1.0	0.0
Total	317.8	100.0%	**327.0**	**100.0%**	320.0	7.0

(Unit: billions of yen)

Gross profit	FY2024 Actual	FY2024 GP%	FY2025 Forecast (announced in Nov. 2025)	FY2025 GP%	FY2025 Previous forecast (announced in May 2025)	FY2025 Change from previous forecast
Domestic civil engineering	19.4	14.2%	**21.6**	**14.0%**	20.2	1.4
Domestic building construction	8.7	8.1%	**8.6**	**9.9%**	6.8	1.8
Total (domestic)	28.2	11.5%	**30.2**	**12.6%**	27.0	3.2
Total (overseas)	5.6	8.6%	**6.6**	**8.3%**	4.6	2.0
Cost variance, etc.	(3.5)	-	**(2.7)**	**-**	(1.4)	(1.3)
Total (construction business)	30.3	9.7%	**34.1**	**10.6%**	30.2	3.9
Development business and others	1.2	23.9%	**1.2**	**21.8%**	1.2	0.0
Real estate and others	0.2	38.3%	**0.3**	**30.0%**	0.3	0.0
Total	31.8	10.0%	**35.6**	**10.9%**	31.7	3.9





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Let me now explain the forecast of non-consolidated net sales and gross profit by business. First, net sales forecasts for Domestic Civil Engineering and Domestic Building Construction are expected to remain unchanged, considering currently foreseeable factors.

Given the progress of earnings up to 1H, we have revised our Overseas earnings forecast upward by ¥7.0 billion. Overall net sales are projected at ¥327.0 billion, reflecting the ¥7.0 billion upward revision.

Next, gross profits for Domestic Civil Engineering, Domestic Building Construction, and Overseas were primarily driven by design changes for large-scale projects and profit margin improvements. The profit margin improvements significantly impacted Domestic Building Construction in particular. Overall gross profit is revised upward by ¥3.9 billion, now projected at ¥35.6 billion.

Net sales and gross profit forecast does not incorporate uncertain factors such as design changes for some large-scale projects. We aim to further improve profitability in 2H through securing design changes and other measures.

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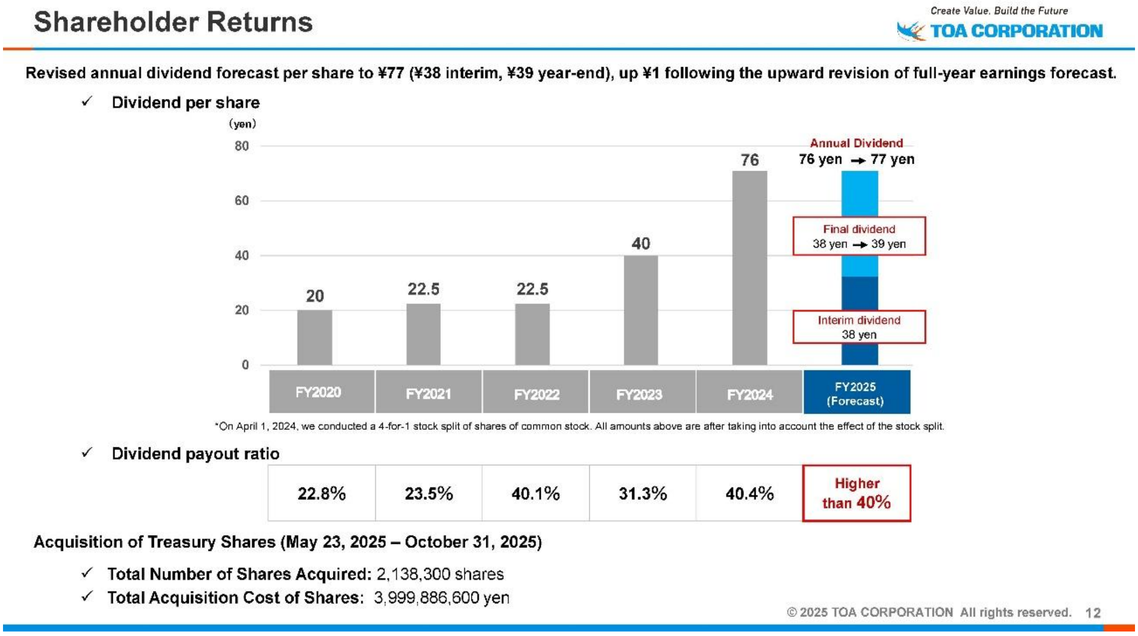
Shareholder Returns



I will now explain our shareholder return policy. Following the upward revision of the full-year earnings forecast, we revised the forecast of annual dividend per share to ¥77 (¥38 interim, ¥39 year-end). The dividend payout ratio will exceed the target level of 40 percent.

As for the acquisition of treasury shares disclosed in May, the total number of shares acquired was 2,138,300 shares, with a total acquisition cost of shares of approximately ¥4.0 billion. We completed the purchase on October 31.

That concludes my explanation.

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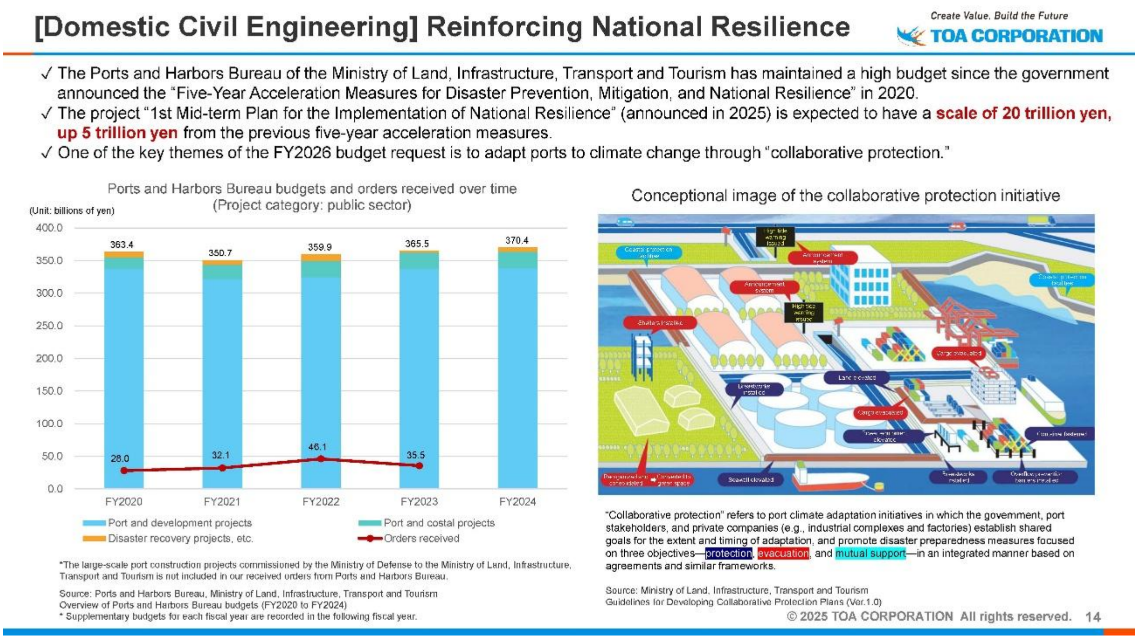
[Domestic Civil Engineering] Reinforcing National Resilience



Hayakawa: I will now discuss our business strategy for medium- to long-term growth.

First, I will explain reinforcing national resilience-related initiatives in Domestic Civil Engineering. The budget for the Ports and Harbours Bureau of the Ministry of Land, Infrastructure, Transport and Tourism has remained at a high level since the announcement of the "Five-Year Acceleration Measures for Disaster Prevention, Mitigation, and National Resilience" in 2020. The project "1st Mid-term Plan for the Implementation of National Resilience" is expected to have a scale of ¥20 trillion at present, up ¥5 trillion from the previous five year acceleration measures.

We show the transition status in the graph on the left side of the slide. The blue portion represents the amount including the supplementary budget, with the total exceeding ¥300 billion at a high level. The red broken line at the bottom of the graph indicates our actual orders received, which have remained at around 10% of the total. We can reasonably expect orders received in this field to remain fairly solid going forward.

The diagram on the right side of the slide illustrates the concept of "collaborative protection" measures. This policy was presented in the FY2026 budget request and focuses on climate change adaptation in ports.

The picture on the right outlines items that government agencies and private companies should address to adapt to climate change in port areas. The color of the speech bubbles indicates the category: dark blue represents “protection,” red represents “evacuation,” and light blue represents “mutual support” initiatives.

A particularly obvious example is elevating seawalls. We anticipate that elevating seawalls, as shown in the area where a ship is docked at the bottom of the diagram, will be part of our business to advance flood prevention measures.

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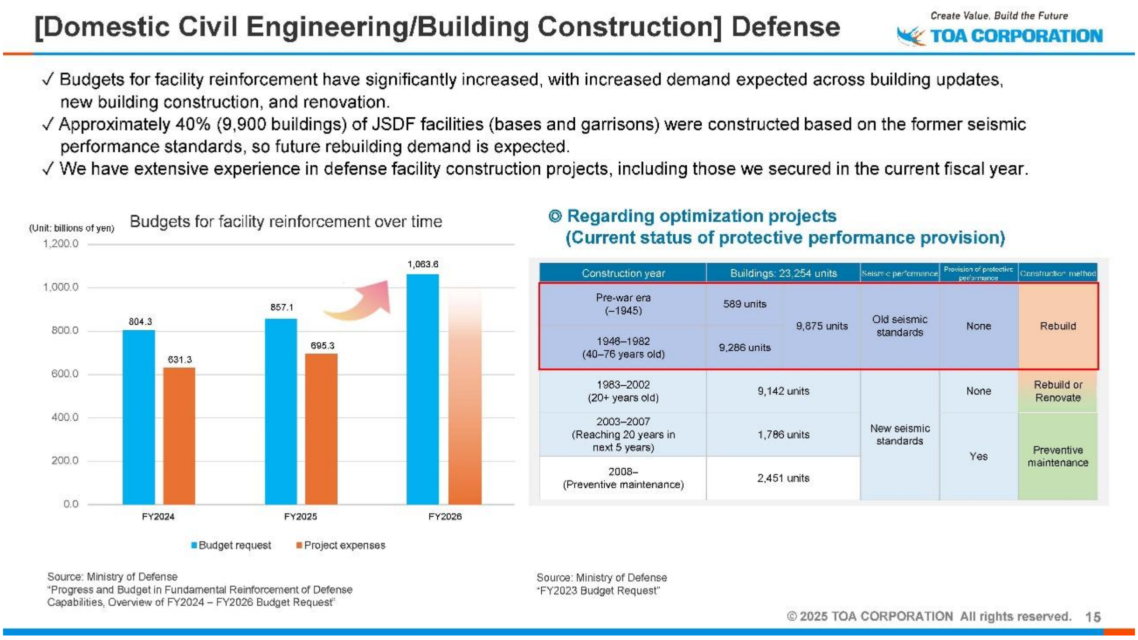
[Domestic Civil Engineering/Building Construction] Defense



I will explain defense-related business spanning both Domestic Civil Engineering and Domestic Building Construction. As shown in the graph on the left side of the slide, the budgets for facility reinforcement have significantly increased, with increased demand expected across building updates, new building construction, and renovation.

Approximately 40% of JSDF facilities (bases and garrisons) were constructed based on the former seismic performance standards. As a policy has been established to thoroughly rebuild these facilities going forward, we expect demand for reconstruction.

The table on the right side of the slide shows the current status of providing protective performance as optimization projects. We plan to primarily proceed with rebuilding to consolidate multiple buildings within a single garrison and enhance functionality.

Thanks to this background, we have extensive experience in defense facility construction projects, including those we secured in the current fiscal year. We remain committed to making steady, sustained progress in this area.

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[Domestic Building Construction] Warehouses

I will explain topics related to warehouses in Domestic Building Construction. In the previous fiscal year, logistics warehouses projects accounted for over 60% of sales in Domestic Building Construction, representing a very large proportion.

As shown in the slide photos, with a competitive edge in building construction for frozen/refrigerated warehouses in coastal areas, we built an industry leading construction track record of over 1 million tons (tonnage capacity) of frozen/refrigerated warehouses starting in coastal area. While providing specific statistical data is impossible, this is a near-top-tier construction works and our advantage.

Leveraging expertise cultivated in frozen/refrigerated warehouses, we have expanded into large-scale multi-tenant dry warehouses. This differs from the traditional model where a single tenant occupies the entire facility, instead accommodating multiple tenants.

We also apply know-how from large-scale multi-tenant warehouses to large-scale multi-tenant frozen/refrigerated warehouses.

Through these initiatives, we intend to fully leverage our strengths and steadily maintain sales in this warehouse and logistics sector.

The photograph on the right side of the slide shows large multi-tenant frozen/refrigerated warehouses that were completed more recently.

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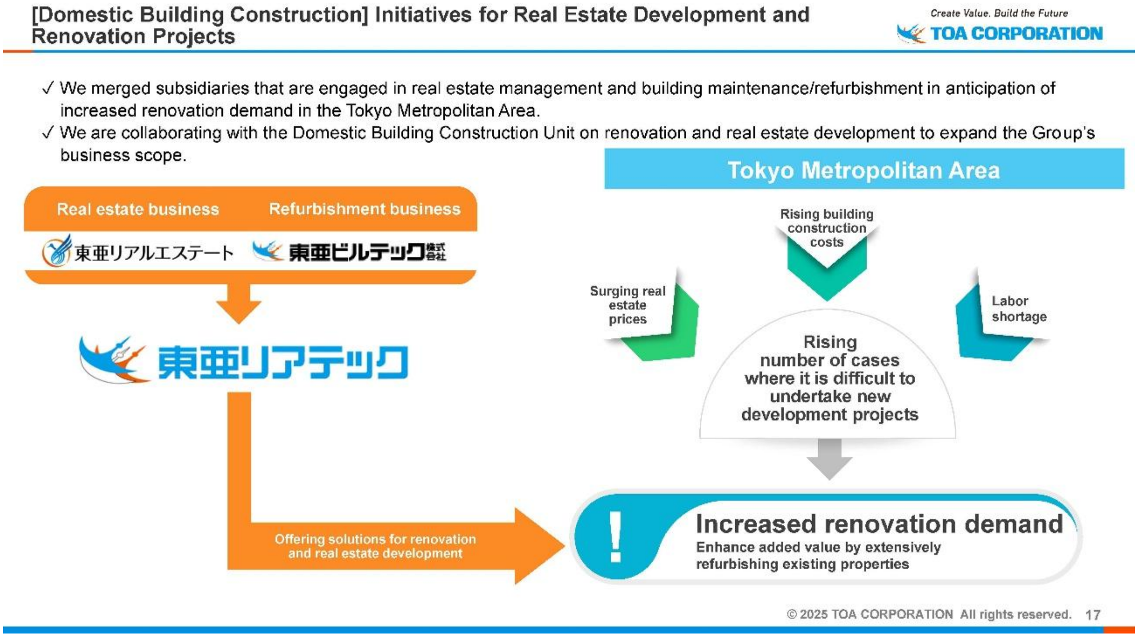
[Domestic Building Construction] Initiatives for Real Estate Development and Renovation Projects



I will explain the approach to real estate development and renovation projects in Domestic Building Construction. As shown in the diagram on the right side of the slide, challenges such as rising building construction costs, surging real estate prices, and labor shortages are becoming apparent in the Tokyo Metropolitan Area.

Consequently, we view the situation for new redevelopment projects as grim, given the time required and the uncertain outlook. We see demand for renovations increasing in the Tokyo Metropolitan Area going forward.

As indicated in the upper left of the slide, we have integrated two subsidiaries: Toa Real Estate Corp. and TOA BUILTEC CO., LTD. The former was the subsidiary responsible for real estate management, while the latter handled building maintenance and refurbishment. By integrating this new company with our core construction operations, we are now undertaking real estate development and renovation projects.

Despite labor shortages, we are developing sales channels one by one, with the goal of firmly establishing this area as an independent business division.

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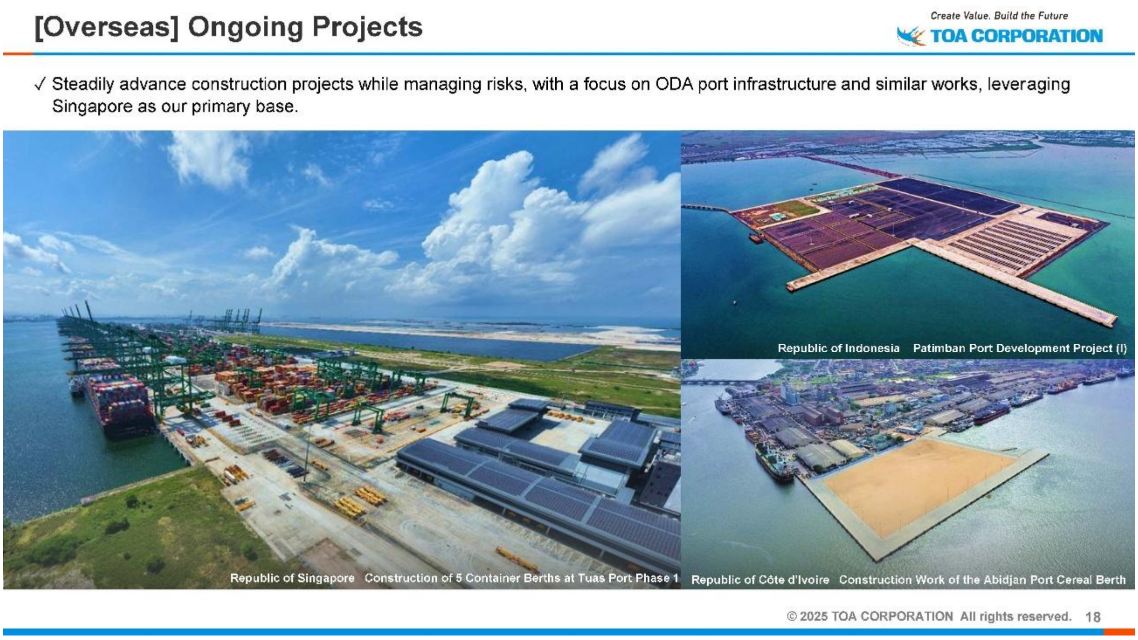
[Overseas] Ongoing Projects



I will now explain the ongoing projects in Overseas. The photo on the left side of the slide shows Tuas Port in Singapore, featuring large container berths unseen in Japan, with a wharf extension stretching four kilometers.

We started our overseas expansion in 1963, launching operations from Singapore. Since then, we have built a solid track record, winning the majority of contracts at Tuas Port.

As for other ODA projects, we are also firmly committed to port development in Indonesia and Côte d'Ivoire, as shown on the right side of the slide. We will continue to drive these works forward in a steady and disciplined way.

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[Overseas] Expanding the Scope of Our Business

I will explain the expansion of our overseas business domains. In Bangladesh, following the "Matarbari Port Development Project Phase 1 Package1: Civil Works for Port Construction" that we secured in the previous fiscal year, we were awarded the "Construction of Dhaka Fire Service and Civil Defense Headquarters Building" shown in the photo on the left in this term. This is a rendering of the completed building. We will be tackling the country's first seismic isolation structure.

Additionally, as shown in the photo on the right side of the slide, we established a local subsidiary, PT TOA TUNAS JAYA INDONESIA in Indonesia in March 2023. The photo in the upper right corner of the slide shows the incorporation signing ceremony for its establishment.

The Indonesian local subsidiary is currently operating as a subcontractor for port-related ODA projects where we are the prime contractor. Furthermore, we intend to proactively work on local government projects. We aim to expand our business operations while leveraging the expertise they have cultivated.

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Investment Strategy for Growth

Investment Strategy for Growth

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TOA CORPORATION

✓ During the period of the current Medium-term Management Plan, we aim to integrate our business and human resource strategies to realize our long-term vision. We will expand operating profit by enhancing both the quantity and quality of our talent pool, with a focus on investments that will accelerate our human capital management efforts.
✓ While our business expansion is below our targets, we are exploring M&A and other options to strengthen our construction capabilities.

Planned investment amount (3-year cumulative total)		FY2023 FY2024 results	FY2025 1H results	Cumulative investment amount and usage from FY2023 to FY2025 1H	
Technology development	Approx. 4 billion yen	2.7 billion yen	0.7 billion yen	3.4 billion yen	• Strengthening R&D • Technology acquisition to drive the growth strategy
Business scope expansion	Approx. 10 billion yen	0.6 billion yen	0.0 billion yen	0.6 billion yen	• Establishment of an Indonesian subsidiary • Launch of the renewable energy smart city concept
Talent development	Approx. 7 billion yen	3.7 billion yen	1.6 billion yen	5.4 billion yen	• Promotion of women's advancement • Strengthening of recruitment activities and raising wages • Enhancement of education/training programs
Capital investment	Approx. 9 billion yen	5.0 billion yen	1.4 billion yen	6.4 billion yen	• Capital investment in work vessel-related facilities (refurbishment, new construction) • Introduction of software • Acquisition of income-generating real estate • New office-related expenses
Total	Approx. 30 billion yen	12.1 billion yen	3.8 billion yen	15.9 billion yen	

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I will now explain the investment strategy for growth. Under the current Medium-term Management Plan, we aim to integrate our business and human resource strategies to realize our long-term vision. We will expand operating profit by enhancing both the quantity and quality of our talent pool, with a policy to focus on investments that will accelerate our human capital management efforts.

As shown in the table on the slide, we estimate total investments of around ¥30 billion, covering technology development, business scope expansion, talent development, and capital investment.

We have set a target of ¥10.0 billion for business domain expansion. While the cumulative investment amount from FY2023 to FY2025 1H may appear modest, we expect to improve and achieve it through M&A activities. It should be understood that investments in other areas are transitioning smoothly.

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Human Capital Management

Let me now explain human capital management in more detail. Currently, employees in their 20s account for 45% of our construction site personnel, reflecting the results of our emphasis on recruitment efforts.

In addition, with a high priority on talent development, we have launched a skill map that systematically outlines the competencies required for site managers (e.g., capabilities, knowledge, experience, and mindset). This enables us to promote younger employees at an accelerated pace.

For employees who are candidates for site manager positions, we clearly identify what they can and cannot do. Rather than requiring them to meet every skill criterion before assuming the role, we provide appropriate support to compensate for any areas where they may be lacking, enabling them to fulfill their responsibilities as site managers.

To promote women's advancement, we have also progressed a significant number of initiatives to convert general staff positions to regional career-track roles.

Recognizing senior employees as valuable workforce assets, we are advancing the introduction of career support training programs to empower them.

We also intend to focus our efforts on creating an inclusive environment in which employees with disabilities can thrive.

For your reference, statutory employment rate for people with disabilities is to be raised to

2.7% in FY2026.

While office workers inevitably make up the majority, pictured on the right is one of our site managers. Regrettably, he was issued a disability certificate due to illness; however, he utilizes digital transformation (“DX”) technology to leverage his experience and now helps train our employees from a rehabilitation center.

The small robot next to him in the photo is the avatar robot “OriHime” When the person themselves does not want to appear on camera, this robot acts as their substitute. Since it can express gestures and facial expressions, this robot enables individuals with disabilities to work in positions closer to the construction site. In this way, we will continue striving to create environments where people with disabilities can work more easily.

We are fostering a supportive work environment for all employees. The area in the center of the photo is the open seating area. Here, we offer spaces where the employees can work while changing their paces, and books recommended by executives are also available.

Actually, the area is the room next door to where this broadcast is being streamed online. When we move to our new office in the future, we plan to further enhance work flexibility by centering around a hot-desking system. We will continue to promote such initiatives aimed at improving employee happiness.

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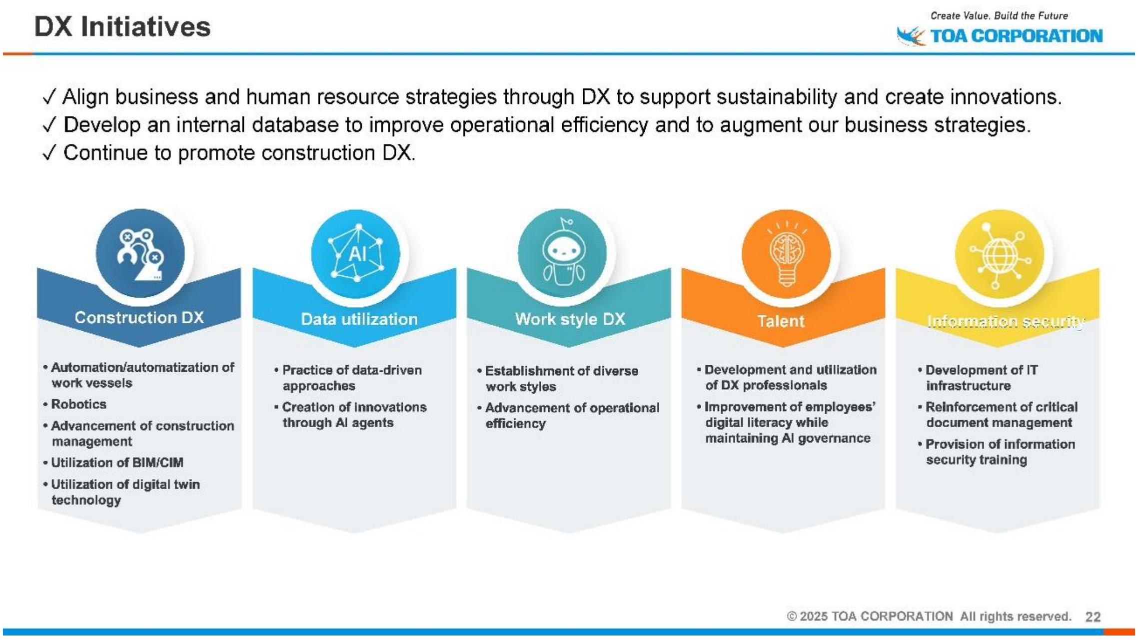
DX Initiatives



I will explain the digital transformation (DX) initiatives. Our DX policy is summarized in the first line of the slide: Align business and human resource strategies through DX to support sustainability and create innovations.

First, it is essential that we develop an internal database to improve operational efficiency. Furthermore, it is increasingly important to leverage this data to support our management strategies.

As a technology company specializing in construction, we aim to further advance construction DX.

The five categories are color-coded at the bottom of the slide. With “Construction DX,” “Data Utilization,” and “Work style DX,” we aim to achieve operational efficiency through higher productivity, contributing to work style reform.

We also recognize improving employee digital literacy as a major challenge because cultivating the talent needed to drive DX is important.

Furthermore, in terms of the recent issue on information security, we need to thoroughly update our systems and redouble our efforts to protect what must be protected.

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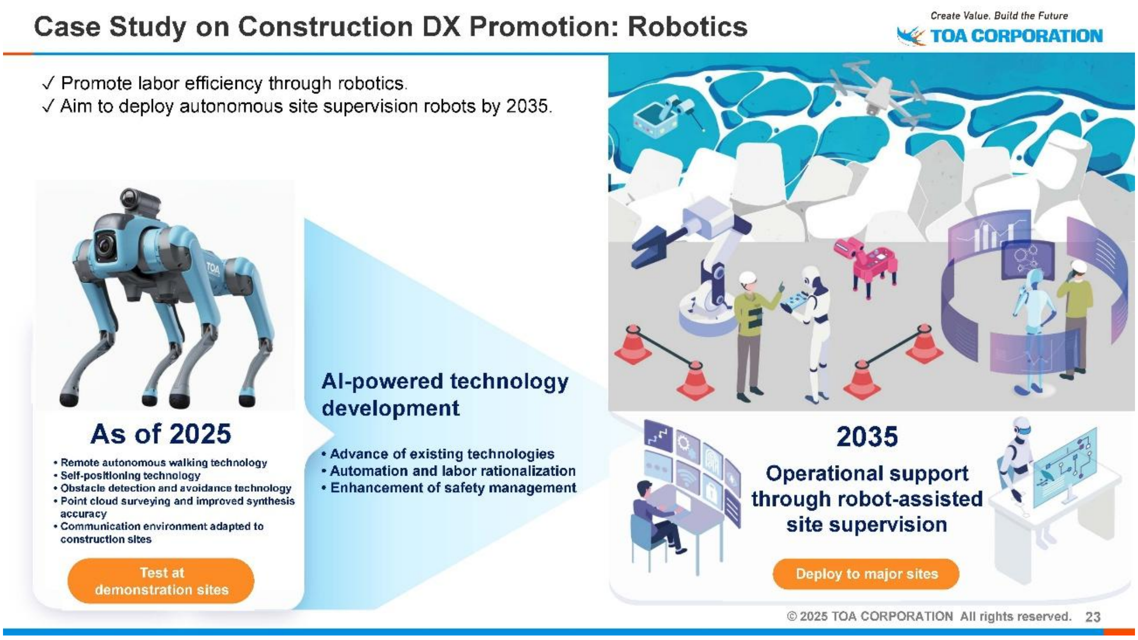
Case Study on Construction DX Promotion: Robotics



As a case study in construction DX promotion, I will discuss the theme of robotics. The photo on the far left shows an example of promoting labor efficiency through the robotics.

Aiming to realize site supervision by autonomous robot, we plan to introduce a quadrupedal robot soon. The robot is equipped with cameras, enabling safety monitoring. It also supports surveying using point cloud data.

Using equipment mounted on its back, it can perform camera and laser-based surveying. Therefore, it is expected to perform tasks in place of humans. We intend to verify its accuracy through demonstration experiments and proceed with deployment on-site.

Regarding AI-powered technology development listed to its right, we aim to achieve further sophistication by combining our existing construction-related technologies with AI technology.

We plan to accumulate such technologies by utilizing them in automation, labor rationalization, and safety management. Our goal in this process is to attain operational support through robot-assisted site supervision in 2035.

That concludes my explanation.

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Q&A Session: Margins for Domestic Civil Engineering and Domestic Building Construction in 2H

[Non-consolidated] Forecast of Net Sales and Gross Profit by Business

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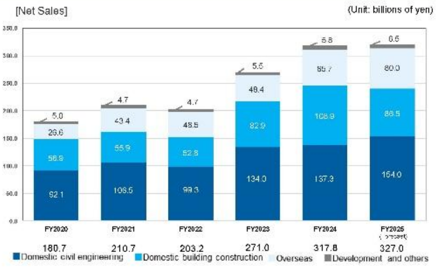
TOA CORPORATION

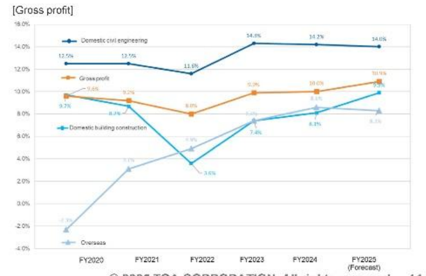
(Unit: billions of yen)

Net sales	FY2024 Actual	FY2024 % of total	FY2025 Forecast (announced in Nov. 2025)	FY2025 % of total	FY2025 Previous forecast (announced in May 2025)	FY2025 Change from previous forecast
Domestic civil engineering	137.3	43.2%	**154.0**	**40.7%**	154.0	0.0
Domestic building construction	108.9	34.3%	**86.5**	**26.5%**	86.5	0.0
Total (domestic)	246.2	77.5%	**240.5**	**73.5%**	240.5	0.0
Civil engineering	59.7	18.8%	**79.0**	**24.2%**	71.8	7.2
Building construction	5.9	1.9%	**1.0**	**0.3%**	1.2	(0.2)
Total (overseas)	65.7	20.7%	**80.0**	**24.5%**	73.0	7.0
Total (civil engineering)	197.0	62.0%	**233.0**	**71.2%**	225.8	7.2
Total (building construction)	114.8	36.1%	**87.5**	**26.8%**	87.7	(0.2)
Total (construction business)	311.9	98.1%	**320.5**	**98.0%**	313.5	7.0
Development business and others	5.2	1.7%	**5.5**	**1.7%**	5.5	0.0
Real estate and others	0.6	0.2%	**1.0**	**0.3%**	1.0	0.0
Total	317.8	100.0%	**327.0**	**100.0%**	320.0	7.0

(Unit: billions of yen)

Gross profit	FY2024 Actual	FY2024 GP%	FY2025 Forecast (announced in Nov. 2025)	FY2025 GP%	FY2025 Previous forecast (announced in May 2025)	FY2025 Change from previous forecast
Domestic civil engineering	19.4	14.2%	**21.6**	**14.0%**	20.2	1.4
Domestic building construction	8.7	8.1%	**8.6**	**9.9%**	6.8	1.8
Total (domestic)	28.2	11.5%	**30.2**	**12.6%**	27.0	3.2
Total (overseas)	5.6	8.6%	**6.6**	**8.3%**	4.6	2.0
Cost variance, etc.	(3.5)	-	**(2.7)**	**-**	(1.4)	(1.3)
Total (construction business)	30.3	9.7%	**34.1**	**10.6%**	30.2	3.9
Development business and others	1.2	23.9%	**1.2**	**21.8%**	1.2	0.0
Real estate and others	0.2	38.3%	**0.3**	**30.0%**	0.3	0.0
Total	31.8	10.0%	**35.6**	**10.9%**	31.7	3.9





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Questioner: I would appreciate it if you could share your views on the margins for Domestic Civil Engineering and Domestic Building Construction in 2H. In 1H, there appeared to be some one-off factors that boosted profits, such as securing design change approvals. While it may not be appropriate to suggest that these exceeded your company's underlying capabilities, they nonetheless seem to have contributed to higher margins on a temporary basis.

For that reason, I would like to hear your perspective: Do you estimate margins will decline in 2H due to the absence of these boosters, or is there still potential for upside in 2H?

Akira Kimura: I am Akira Kimura, Executive Officer, Deputy Head of Management Planning General Headquarters. Regarding the margin differences between 1H and 2H in Domestic Civil Engineering and Domestic Building Construction, in Domestic Civil Engineering in particular, only those design changes that can be incorporated at this stage have been reflected so far.

We plan to begin full-scale discussions with clients soon. By working as one team between the construction site and branch offices, we aim to further improve profitability. We expect to exceed the profit margin we have presented through these initiatives.

However, we would appreciate your understanding that this represents the extent of what we are able to forecast at this point in time.

Q&A Session: Description and sustainability of private renewable energy port projects

Questioner: Could you tell us about the specific nature and continuity of the private renewable-energy port projects secured in 1Q? Kindly brief us on the status of these private port construction projects.

Hayakawa: While details are withheld, one involves factory development for offshore wind power. Another is construction for hydrogen-related facilities, specifically in areas adjacent to waterfronts where our company excels.

Questioner: Will these continue into 2H and next fiscal year?

Hayakawa: As we have not yet commenced full-scale work, we anticipate these will transition into revenue in the coming period.

Q&A Session: Changes in the Competitive Environment following M&A at TOYO CONSTRUCTION CO., LTD. ("TOYO CONSTRUCTION")

Questioner: I have a question about M&A at TOYO CONSTRUCTION. Amidst the situation led by TAISEI CORPORATION("TAISEI"), I would appreciate your perspective on your competitive advantages, your relationship with major general contractors, and any potential changes in the competitive environment.

Hayakawa: I have heard that a formal decision is expected around the end of December. We form joint ventures (JVs) with major general contractors, with the general contractor acting as the sponsor and us serving as the subcontractor. We generate sales through JVs in a relatively well-balanced manner.

Certainly, TOYO CONSTRUCTION becoming part of TAISEI 's umbrella could mean the end of JVs with companies other than TAISEI. Therefore, instead of TOYO CONSTRUCTION, we might receive inquiries from other general contractors like "How about working with us?"

Q&A Session: A possibility of achieving the targeted gross profit margin in Domestic Building Construction

Questioner: I ask you about the profit margin for Domestic Building Construction. I recall you mentioned earlier that you expect a gross profit margin of around 10%.

Could you provide some indication of the timeframe for this? Can we anticipate this being achievable within one year, or perhaps two years?

Hayakawa: We are actively passing on the cost/price increase and selectively accepting orders. While it remains uncertain whether we can achieve this target within the current fiscal year, we anticipate reaching a level close to the target in the next fiscal year.

Q&A Session: Backlog of Carried-Over Projects in Domestic Building Construction and Domestic Civil Engineering

Questioner: Could you provide some indication of the level of the backlog of carried-over projects?

Domestic Building Construction stood at approximately ¥120.0 billion and Domestic Civil Engineering at approximately ¥200.0 billion in 2Q. As explained earlier, with many tailwinds such as national resilience initiatives, I also sensed a direction to raise the level or perspective of the backlog of carried-over projects somewhat.

I would appreciate your guidance on what level of perspective is currently feasible, including construction capacity.

Hayakawa: Projects from the Ministry of Land, Infrastructure, Transport and Tourism ("MLIT") are primarily single-year projects. Therefore, while there is potential for a broader range of orders, we anticipate that the volume of orders will remain at a similar level each year.

Occasionally, we may undertake long-term projects. However, even considering this, since construction management personnel and sales are proportional, we expect Domestic Civil Engineering to remain relatively stable without major fluctuations, gradually increasing over time.

Questioner: What about Domestic Building Construction?

Hayakawa: Domestic Building Construction faces intense competition in the private sector. As mentioned earlier, we occasionally win unexpected orders.

However, accepting too many orders beyond our capacity and staffing levels risks inadequate construction management. Therefore, we aim to manage and control orders received to avoid significant deviations from our stated targets.

We also want to focus on delivering superior quality to our clients while meeting deadlines. Demand still exists in the market, so we plan to gradually grow, increasing our workforce while ensuring it aligns with our capabilities.

Q&A Session: Future Stance on Offshore Wind Power

Questioner: I have a question on offshore wind power in Domestic Civil Engineering. Mitsubishi Corporation ("MC") had decided not to proceed with the development of offshore wind projects in the first round. Could you tell us how you have organized your future stance?

Hayakawa: MC's case involved something rather shocking. In response, the government seems to be making substantial efforts to revise the rules at this stage.

We have built the work platform vessel (SEP vessel) *Hakkaku* for offshore wind power and jointly own it with OBAYASHI CORPORATION. Its lifting capacity is 1,250 tons, making it smaller compared to the *BLUE WIND* owned by SHIMIZU CORPORATION.

Nonetheless, since the number of companies capable of handling offshore wind power in Japan is limited, opportunities will inevitably arise to deploy our vessel partially, working within a division of labor. Therefore, we are advancing our sales efforts and will continue to support this initiatives.

Additionally, we operate and perform necessary maintenance on existing, relatively smaller five-megawatt class offshore wind power. We particularly see potential for growth in the O&M (Operation & Maintenance) field and are continuing our efforts with a focus on this area.

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Q&A Session: Outlook for the frozen/refrigerated warehouse market

Questioner: My question concerns the warehouse-related segment introduced on page 16, specifically frozen/refrigerated warehouses. I have heard that demand for frozen warehouses is increasing.

How do you view the market, and what strengths do you have? Also, could you tell us about the outlook for this market, including whether we will see an increase in rebuilding older facilities?

Hayakawa: We certainly hear about replacement demand and interest in rebuilding, driven by changing fluorocarbon regulations and the fact that aging facilities are less energy-efficient.

However, one key point is whether suitable land is available. Finding well-conditioned land, often tied to surrounding road development and maintenance, or land becoming available through existing facility replacements, is always part of the package.

Thus, projects don't just come pouring in like water. Still, given our works, continuing our sales efforts will likely lead to inquiries with a high probability. We will continue advancing our sales activities.

Having few projects that are immediately foreseeable or guaranteed to occur in the distant future, we want to respond faithfully to the areas where expectations exist.

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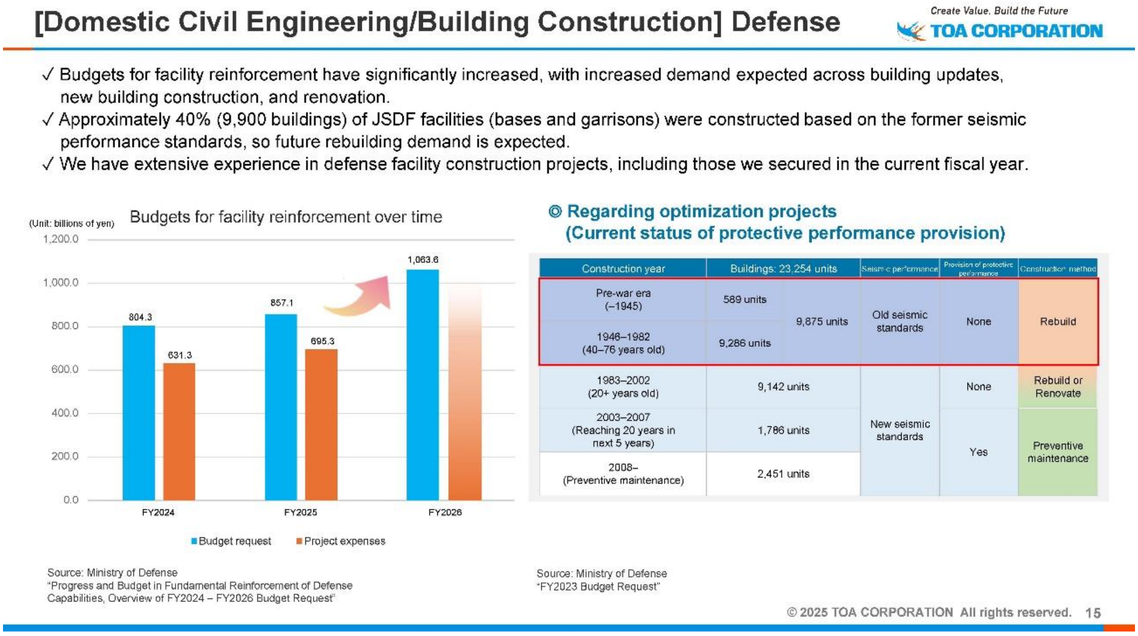
Q&A Session: Defense and Shipbuilding Initiatives and Outlook



Questioner: The government's future growth strategy includes defense and shipbuilding. Page 15 covers defense-related matters. As the government budget increases, which construction sectors do you anticipate will grow? Could you also share your initiatives in this regard?

Additionally, as information on shipbuilding-related projects is still limited, what are your thoughts on the potential for business opportunities for you in this field? I would appreciate your current perspective.

Hayakawa: As part of the defense-related optimization projects mentioned in the slides, we are advancing the reconstruction of garrisons. This involves rebuilding while utilizing and sharing the functions of existing facilities.

Although orders this fiscal year have decreased slightly, we anticipate a certain volume going forward and plan to continue our efforts. We estimate the project value to be between ¥40.0 billion and ¥50.0 billion and plan to address the project over a four- to five-year period. We attempted to secure some orders but were unsuccessful. Accordingly, we want to approach future opportunities with greater focus, considering factors like geographical advantages and supply chain relationships.

I understand that defense spending on equipment requires time for preparation, but I believe those related to civil engineering projects can be advanced earlier, starting from the design phase.

The government has also indicated a major push in shipbuilding. However, building a new shipyard entails numerous challenges. Various factors, such as dock design and securing land, are intricately intertwined, making immediate implementation difficult.

Given our past works in shipyard construction, we are considering this as a potential business opportunity. While we cannot specify a timeline at this point, we are prepared to thoroughly evaluate and pursue any opportunities that arise.

Q&A Session: Strategic direction for investments in business domain expansion and M&A

Investment Strategy for Growth

Create Value. Build the Future
TOA CORPORATION

✓ During the period of the current Medium-term Management Plan, we aim to integrate our business and human resource strategies to realize our long-term vision. We will expand operating profit by enhancing both the quantity and quality of our talent pool, with a focus on investments that will accelerate our human capital management efforts.
✓ While our business expansion is below our targets, we are exploring M&A and other options to strengthen our construction capabilities.

Planned investment amount (3-year cumulative total)		FY2023 FY2024 results	FY2025 1H results	Cumulative investment amount and usage from FY2023 to FY2025 1H	
Technology development	Approx. 4 billion yen	2.7 billion yen	0.7 billion yen	3.4 billion yen	• Strengthening R&D • Technology acquisition to drive the growth strategy
Business scope expansion	Approx. 10 billion yen	0.6 billion yen	0.0 billion yen	0.6 billion yen	• Establishment of an Indonesian subsidiary • Launch of the renewable energy smart city concept
Talent development	Approx. 7 billion yen	3.7 billion yen	1.6 billion yen	5.4 billion yen	• Promotion of women's advancement • Strengthening of recruitment activities and raising wages • Enhancement of education/training programs
Capital investment	Approx. 9 billion yen	5.0 billion yen	1.4 billion yen	6.4 billion yen	• Capital investment in work vessel-related facilities (refurbishment, new construction) • Introduction of software • Acquisition of income-generating real estate • New office-related expenses
Total	Approx. 30 billion yen	12.1 billion yen	3.8 billion yen	15.9 billion yen	

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Questioner: Earlier in your explanation of investments, you mentioned allocating approximately ¥10.0 billion toward the expansion of business domains. Could you elaborate on the specific areas of focus for these investments?

You also mentioned that M&A could significantly boost the investment amount. To the extent you can share, could you indicate which industries or sectors are currently targets for M&A?

Hayakawa: There is, to some extent, an element of luck involved in M&A. Therefore, in pursuing growth in our civil engineering and building construction sectors, we believe that securing the right talent is of critical importance.

From that perspective, if we find companies where synergies are expected, we would like to pursue discussions. There have been a few cases to date. We have had various discussions, but they have not yet led to successful deals. If opportunities arise in the future, we intend to respond to them thoroughly.

However, this won't happen immediately. We often take a step-by-step approach rather than rushing things. For example, we collaborate through a JV project while assessing the partner company's situation.

While the notes on the right-hand side mention the establishment of an Indonesian subsidiary, we are also considering establishing local subsidiaries in other Asian regions beyond Indonesia.

Furthermore, as some companies within our group own factories, we include investments in facility development utilizing renewable energy and factory renovations as part of this expansion of business domains.