

Term Ending March 2025, 2nd Quarter (Midterm)

Financial Results Briefing Materials

November 20, 2024



Create Value, Build the Future





This document contains forward-looking statements regarding our plans, strategies and performance for the future. These statements are based on assumptions and beliefs in light of the information currently available to the Company. In addition, the statements are subject to external factors such as the economic environment, market trends, and exchange rates. Therefore, please refrain from relying solely on these business forecasts.

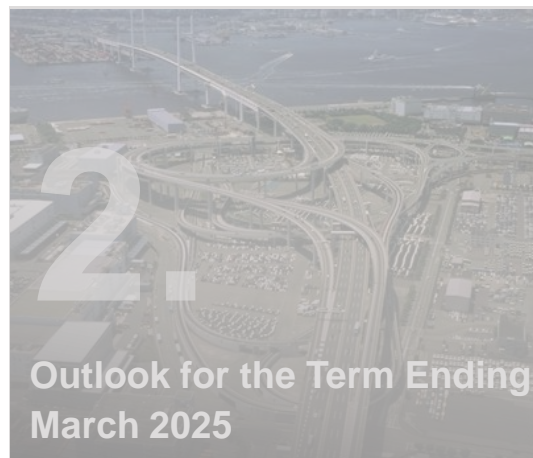
Please be aware that a number of important factors could cause actual results to differ materially from those discussed in the forward-looking statements.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Summary of Financial Results for the Term Ending March 2025, 2Q (Midterm)



- Digest of Financial Results
- Summary of Financial Results
- Balance Sheet
- Cash Flow
- Situation by Business Segment
- Major Completed Projects
- List of Major Orders Received



- **Orders received (Non-consolidated), net sales, gross profit, operating profit, ordinary profit, and profit all reached record highs for the first half of the fiscal year.**

**Orders received
(Non-consolidated)**

172.0 billion yen
+ 0.3%



Net Sales

149.8 billion yen
+ 15.1%



Gross profit

15.9 billion yen
+ 17.8%



Operating Profit

9.4 billion yen
+ 26.1%



Profit*

6.6 billion yen
+ 48.2%



*Profit attributable to owners of parent

Summary of Financial Results for the Term Ending March 2025,2Q(Midterm) (Consolidated)

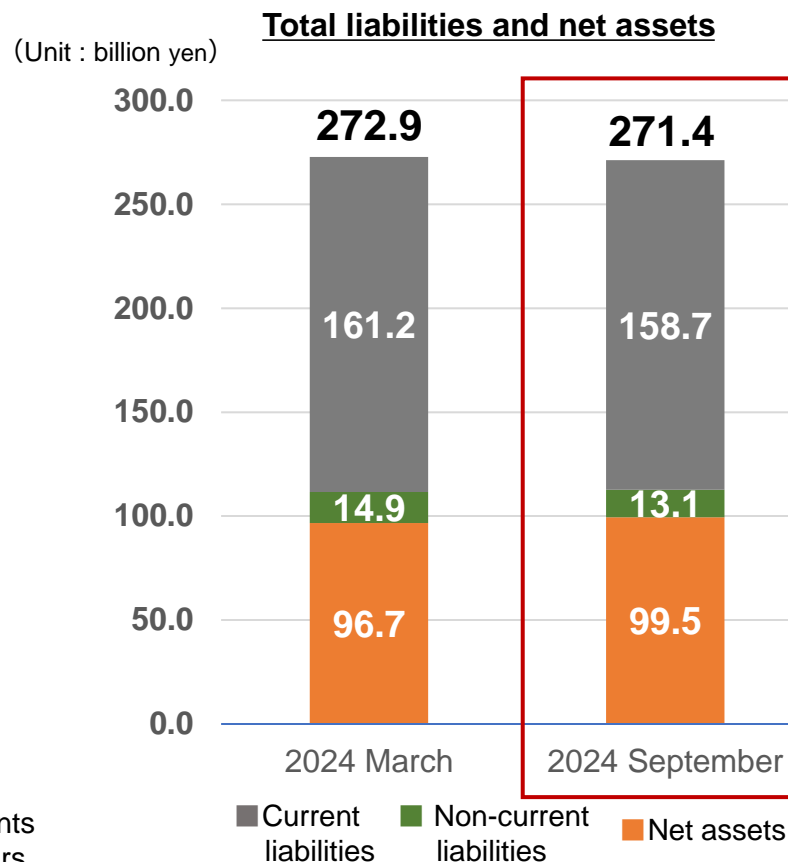
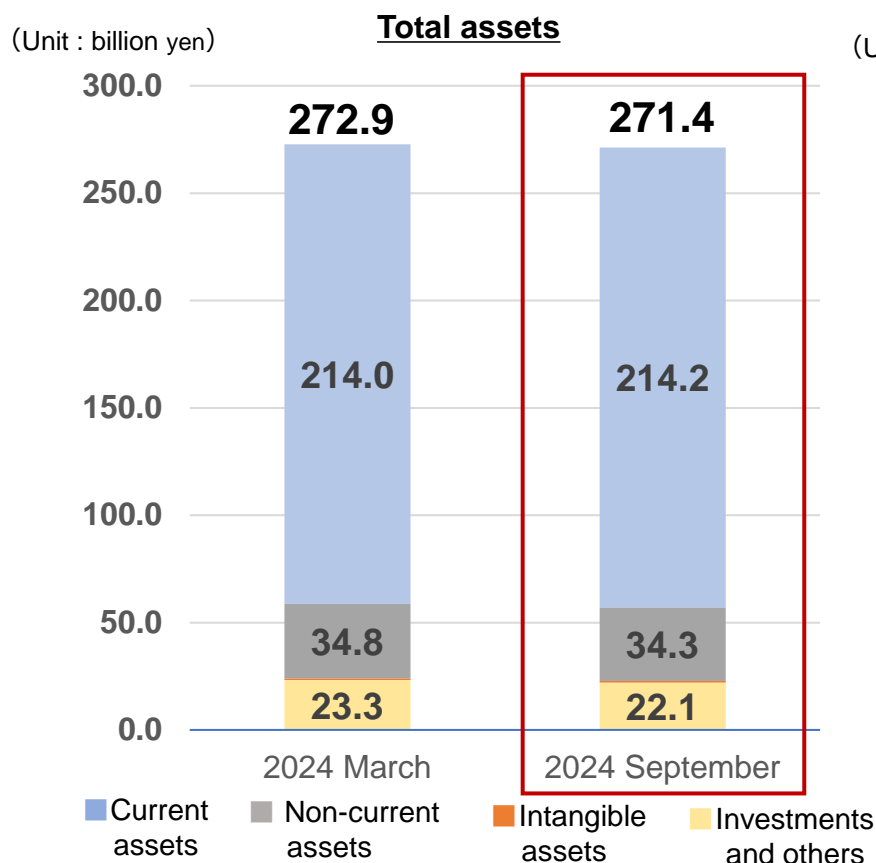
- **Orders received(Non-consolidated)** : Increased due to acquisition of several large-scale projects in Southeast Asia.
- **Net Sales** : Increased due to steadily progress of large-scale projects.
- **Gross profit** : Increased due to higher sales, improvement of profitability in large-scale projects, and steady progress in highly profitable projects.
- **Operating Profit** : Increase due to higher gross profit.
- **Profit*** : Increased due to rise in ordinary profit and gain on sale of policy stocks.

(Unit : Billion yen)	2024/March Midterm	2025/March Midterm	Increase/decrease amount	Increase/decrease rate(%)
Orders received (Non-consolidated)	171.5	172.0	0.5	0.3
Net Sales	130.1	149.8	19.6	15.1
Gross profit	13.5	15.9	2.4	17.8
SG&A	6.0	6.5	0.4	7.5
Operating Profit	7.4	9.4	1.9	26.1
Ordinary profit	7.1	9.1	1.9	27.8
Profit*	4.4	6.6	2.1	48.2

* Profit attributable to owners of parent

Balance Sheet (Consolidated)

- **Assets:** Cash deposits decreased, Notes receivable - Accounts receivable from completed construction increased.
- **Liabilities:** Notes payable, accounts payable for construction and borrowings decreased, advances received on uncompleted construction increased.
- **Capital adequacy ratio: 36.2%**
(Compared to the end of the previous period 1.2 points up)

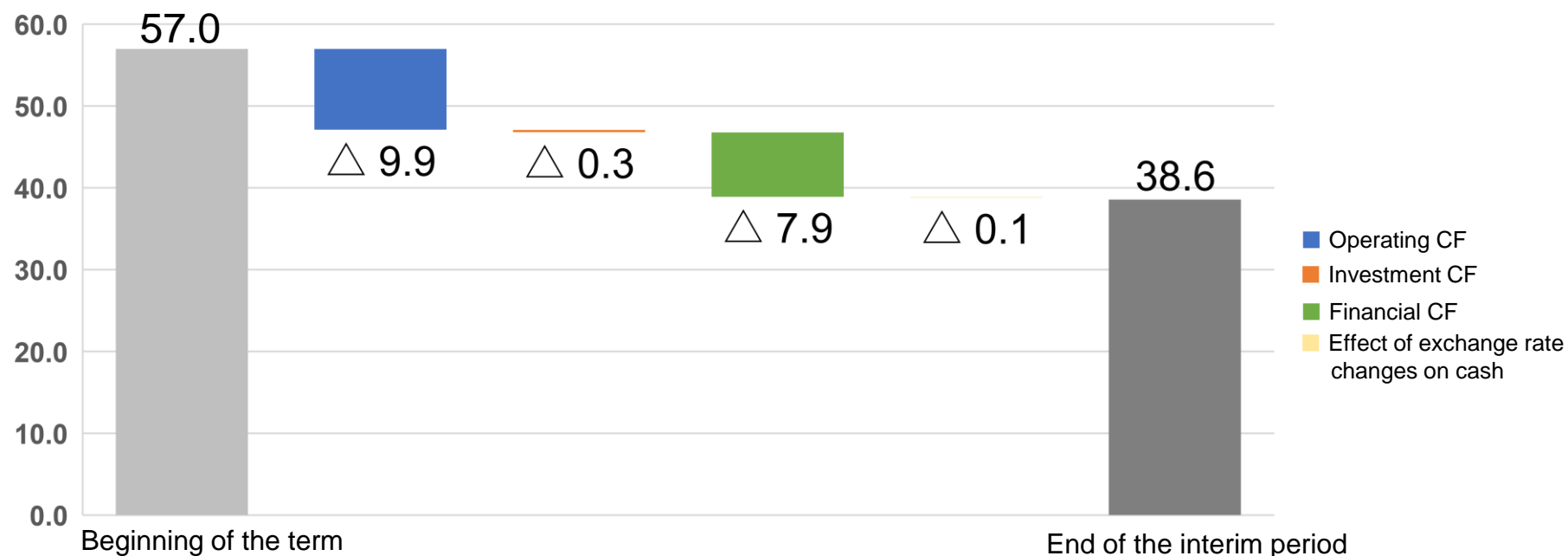


Cash Flow (Consolidated)

- **Operating CF** : Decreased due to increase in trade receivables, decrease in notes and accounts payables
- **Investment CF** : Despite the sale of investment securities, decreased due to the acquisition of fixed assets
- **Financial CF** : Decreased due to repayment of borrowings, dividend payment

(Unit : billion yen)

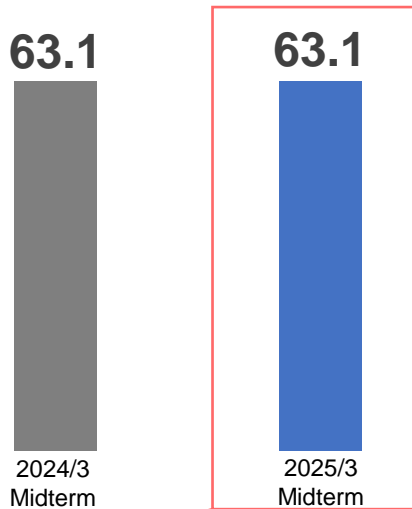
2025/March 2Q(Midterm)



Situation by Business Segment (1)

Domestic Civil Engineering: Orders received (Non-consolidated)

(Unit : billion yen)



YoY

- We won design change orders for large projects during the previous midterm.
- Orders for private projects increased during the current midterm.
- Net sales were consistent with the preceding period.

34.2

(April to June)

28.9

(July to September)

Comparison between the 1st quarter (April to June) and 2nd quarter (July to September)

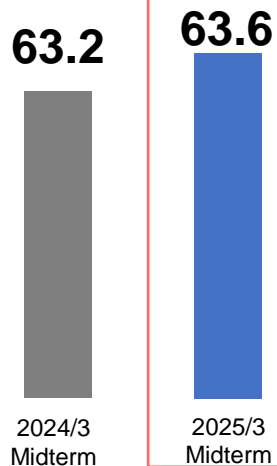
- We won orders for large private projects during the 1st quarter.
- We won orders for several on-land civil engineering projects during the 2nd quarter.
- Projects progressed faster than planned.

Situation by Business Segment (2)

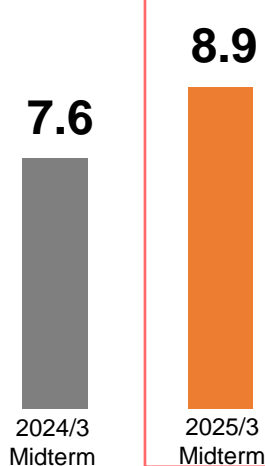
Domestic Civil Engineering: Net sales/Gross profit (Non-consolidated)

(Unit : billion yen)

Net Sales



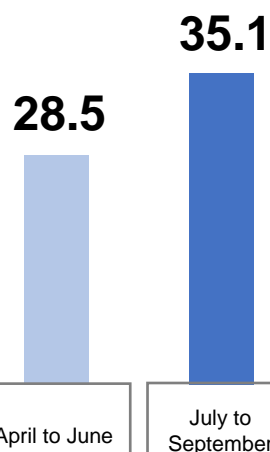
Gross profit



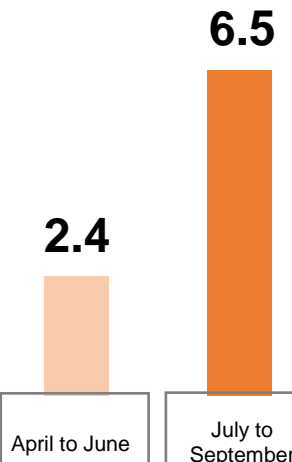
YoY

- Net sales were consistent with the previous period as abundant projects on hand continued to progress steadily as in the previous year.
- Gross profit increased YoY mainly because the profitability of several large projects brought forward from the previous year improved.

Net Sales



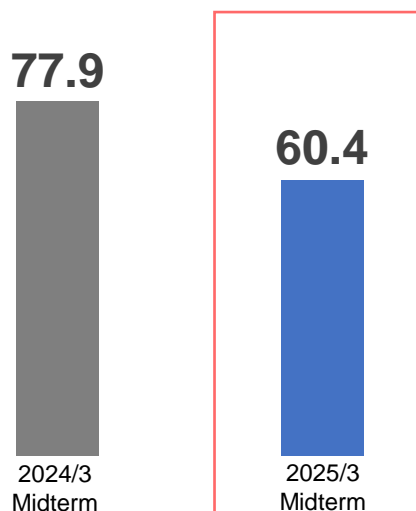
Gross profit



Comparison between the 1st quarter (April to June) and the 2nd quarter (July to September)

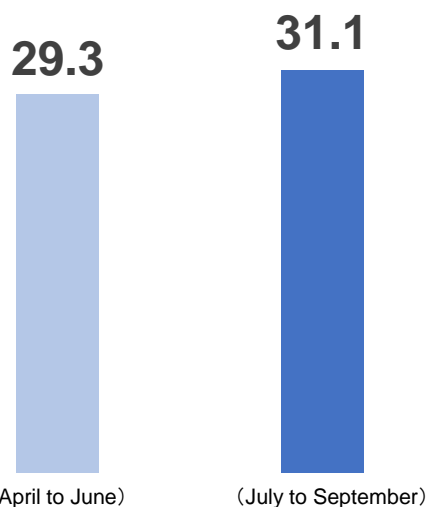
- Net sales increased as projects on hand progressed.
- We posted a gross profit of 6.5 billion yen, far exceeding that for the 1st quarter, because the profitability of several large projects improved during the 2nd quarter in addition to increased net sales.

(Unit : billion yen)



YoY

- We won orders for large projects in the field of logistics facilities during the previous midterm.
- Net sales decreased YoY as we prioritized making steady progress in abundant projects on hand during the current midterm.
- We steadily expanded the business domain, including hospitals and welfare facilities.



Comparison between the 1st quarter (April to June) and the 2nd quarter (July to September)

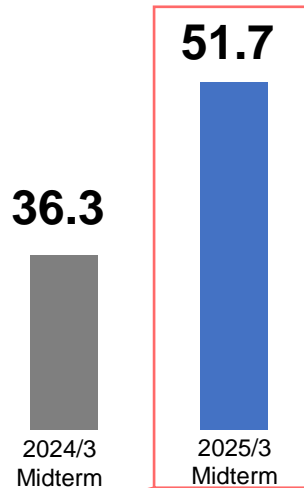
- During the 1st quarter, we won orders for not only logistics facilities but also hospitals, welfare facilities, etc.
- During the 2nd quarter, we won orders for facilities related to PFI (Private Finance Initiative) business, condominium buildings, etc. in addition to logistics and welfare facilities.

Situation by Business Segment (4)

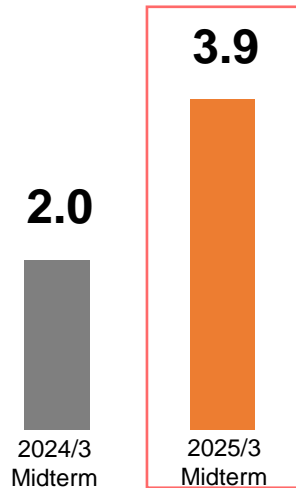
Domestic Building Construction: Net sales/Gross profit (Non-consolidated)

(Unit : billion yen)

Net Sales



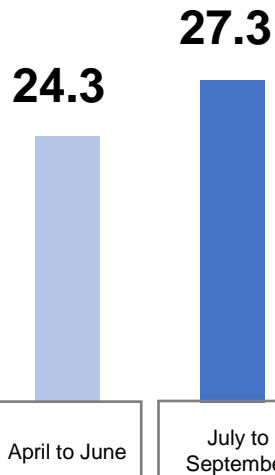
Gross profit



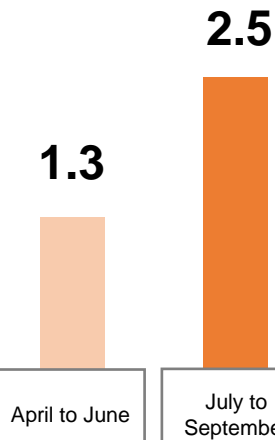
YoY

- Net sales increased substantially YoY as construction work progressed smoothly mainly in large projects in the field of logistics facilities.
- Gross profit increased significantly YoY mainly because of increased net sales and the steady progress in projects with a high profit ratio.

Net Sales



Gross profit



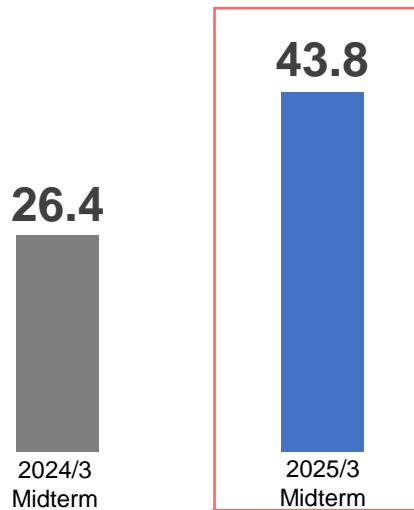
Comparison between the 1st quarter (April to June) and the 2nd quarter (July to September)

- Net sales increased as projects on hand progressed.
- We posted a gross profit of 2.5 billion yen, far exceeding that for the 1st quarter, because of increased net sales as well as major contributions by highly profitable projects, which made much progress and reached a peak during the 2nd quarter.

Situation by Business Segment (5)

Overseas: Orders received (Non-consolidated)

(Unit : billion yen)

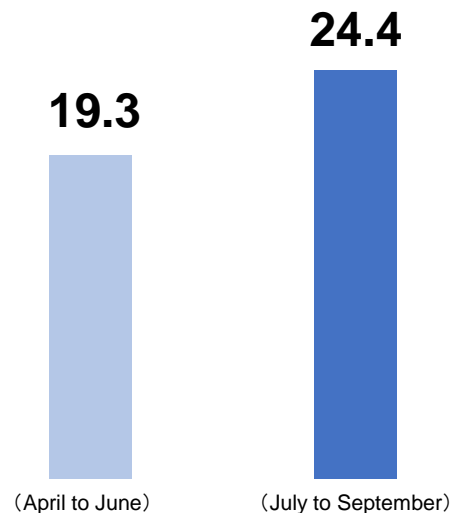


YoY

- We won orders for several large projects in Southeast Asia during the current midterm.

Republic of Singapore:

- Tekong district reclamation work (Part 4)
- Tuas Port container berth (5 berths) construction work Phase 1



Comparison between the 1st quarter (April to June) and the 2nd quarter (July to September)

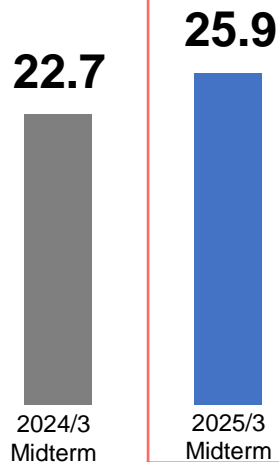
- We won orders for large projects during both periods: 1st quarter and 2nd quarter.
- Projects progressed much faster than planned.
- We have sufficient construction capabilities because there are many projects that take time before the start of construction.

Situation by Business Segment (6)

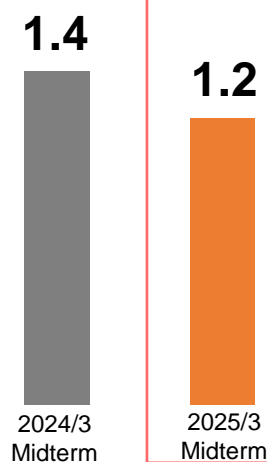
Overseas: Net sales/Gross profit (Non-consolidated)

(Unit : billion yen)

Net Sales



Gross profit

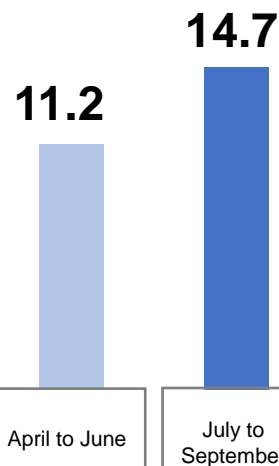


YoY

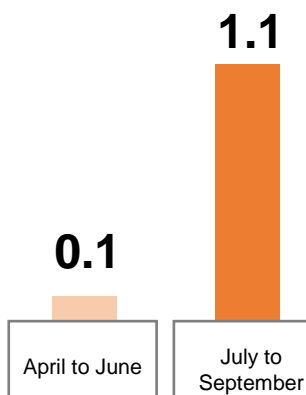
- Net sales increased YoY as projects, particularly large ones, progressed smoothly.
- Gross profit was largely in line with the plan though partly affected by unprofitable projects.

* For unprofitable projects, reserve for loss on construction defects was reported in the previous term.

Net Sales



Gross profit



Comparison between the 1st quarter (April to June) and the 2nd quarter (July to September)

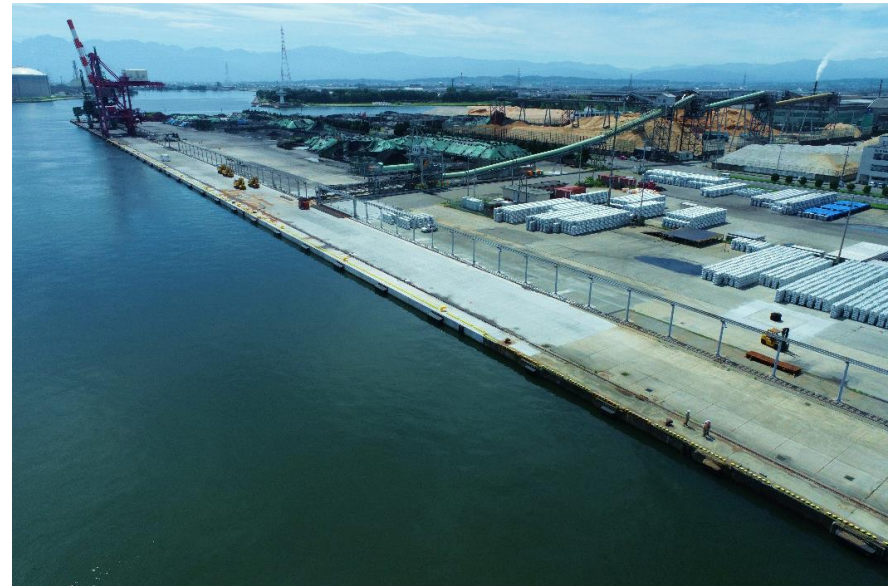
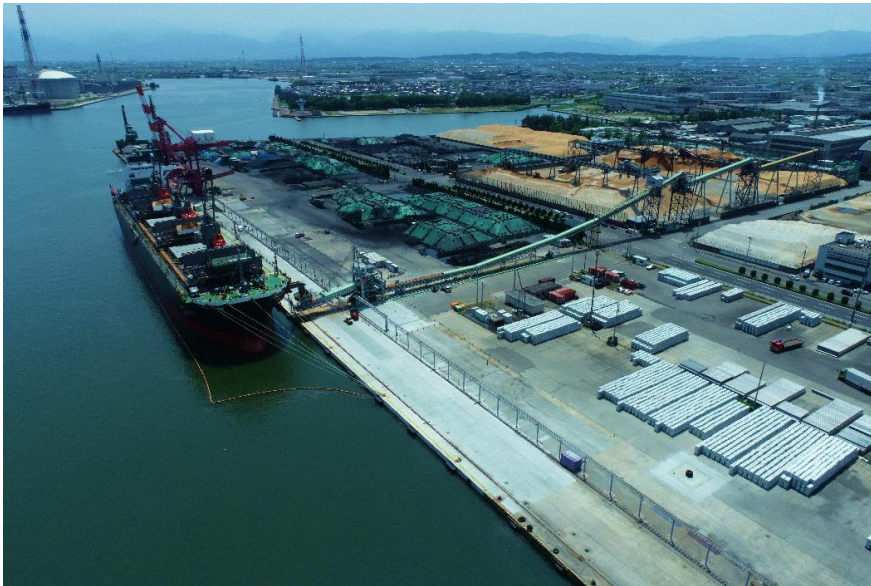
- Net sales increased as projects on hand progressed.
- During the 1st quarter, gross profit remained sluggish due to the rapid depreciation of the yen, but during the 2nd quarter, a gross profit of 1.1 billion yen was reported as the effects of foreign exchange fluctuations abated.

Construction (improvement) of a pier (Central No. 2; -14 m) at the Fushiki Toyama Port (Shinminato District) (Phase 2)

<Client: Hokuriku Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism>

At the Fushiki Toyama Port (Shinminato District) in Toyama Prefecture, the Fushiki Toyama Port (Shinminato District) Central Pier Restructuring and Development Project was implemented from 2019 to resolve inefficient cargo work at the central pier and respond to growth in the amount of cargo handled. We were involved in deepening and improving Central Pier No. 2.

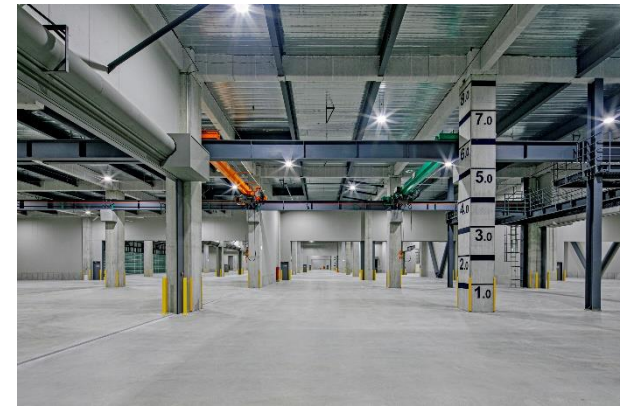
A 14-meter-deep continuous pier, the largest in the Hokuriku region, was completed, enabling two large bulk vessels to reach the pier simultaneously. By making logistics more efficient, the project contributes to enhancing the region's industrial competitiveness.



(Tentative Name) Construction work for the New UI Konan Logistics Center Plan Phase I

Located in Shiga Prefecture, this building consists of a large, state-of-the-art logistics facility, serving as an important base for supporting regional logistics infrastructure.

In addition, as exemplified by the installation of solar panels on the rooftop as an initiative to improve energy conservation performance, this logistics center promotes sustainable and efficient energy use. This secures approximately 50% of the electricity needed for the entire facility at low cost, thus contributing to a reduction in environmental impact.



List of Major Orders Received Until Midterm

Segments	Project name	Client name	Formation	Construction period (from the first to the last)	
Domestic Civil Engineering	Kobe Multiple Industrial Complex South District Development (Phase 1)	Kobe City, Hyogo Prefecture	JV	Jul. 2024	Mar. 2029
	Branch Line Construction near Nakano 4-Chome, Nakano Ward	Bureau of Sewerage, Tokyo Metropolitan Government	Single	Jul. 2024	May 2027
	FY2024 Offshore Soil Improvement, Including Yokohama Port Shinhonmoku District Partition Weir	Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism	JV	Jun. 2024	Oct. 2025
	Construction of Facilities Incidental to Kobe Port Routes (Sixth Construction Area)	Kinki Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism	JV	Apr. 2024	Mar. 2025
	FY2024 Basic Construction Work for Reclamation and Embankment at the Nagoya Port New Earth and Sand Disposal Station	Chubu Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism	JV	May 2024	Feb. 2025
Domestic Building Construction	Construction of the New Yokosuka (5) Hospital	South Kanto Defense Bureau, Ministry of Defense	Single	Mar. 2024	Mar. 2027
	Construction of a New Fee-based Nursing Home in Minamisenzoku 1-Chome, Ota Ward	Mitsubishi Estate Residence Co., Ltd.	Single	Apr. 2024	Dec. 2025
	Construction of the New CPD Ichinomiya	Ichinomiya Logistics Special Purpose Company	JV	Jul. 2023	Feb. 2026
	Design and Construction for the Ichikawa City Funeral Hall Development and Operation Project	Ichikawa City, Chiba Prefecture	JV	Sep. 2024	Aug. 2028
	(Tentative Name) Construction of Additional Buildings for Verdy Noda 2-Chome	Shinwa Home Co., Ltd.	Single	Apr. 2024	Sep. 2026
Overseas	Pulau Tekong Reclamation Project (Phase 4)	Singapore Housing & Development Board	Single	Jun, 2024	Oct. 2027



- Business Outlook (Consolidated)
- Forecast by Business Segments



- Orders received (Non-consolidated) : Upward revision in all business segments.
- Operating Profit : Upward revision due to the improvement of profitability on multiple large-scale projects, and expectation of steadily progress of projects in hand.
- Ordinary profit : Upward revision due to increase of operating profit.
- Profit : Upward revision due to the recording of gains on the sale of investment securities as extraordinary profit.

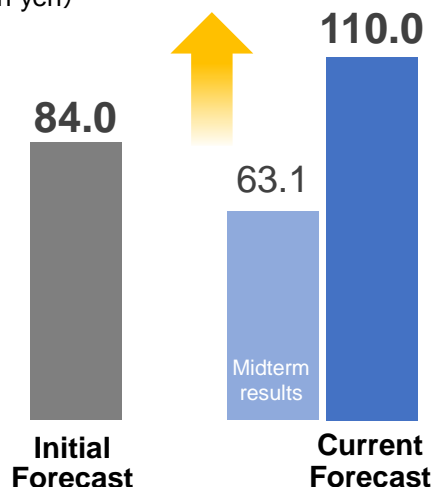
(Unit : billion yen)	Previous announced forecast	Forecast this time	Increase/decrease amount	Increase/decrease rate(%)
Orders received (Non-consolidated)	210.0	273.0	63.0	30.0%
Net Sales	300.0	300.0	—	—
Gross profit	25.8	28.4	2.6	10.1%
SG&A	13.8	13.8	—	—
Operating Profit	12.0	14.6	2.6	21.7%
Ordinary profit	11.8	14.4	2.6	22.0%
Profit*	8.0	10.7	2.7	33.8%

* Profit attributable to owners of parent

Business Outlook (1)

Domestic Civil Engineering (Non-consolidated)

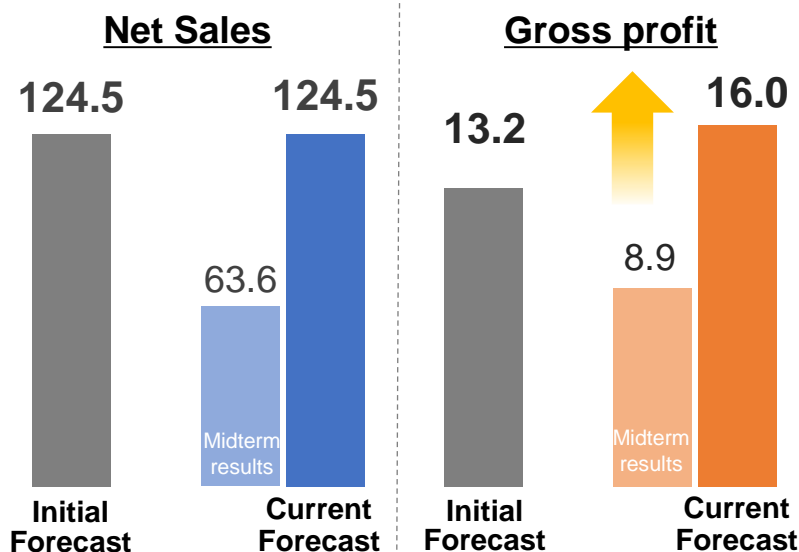
(Unit : billion yen)



Orders received

- Orders received are expected to increase by 26 billion yen compared to the initial forecast.

(Unit : billion yen)



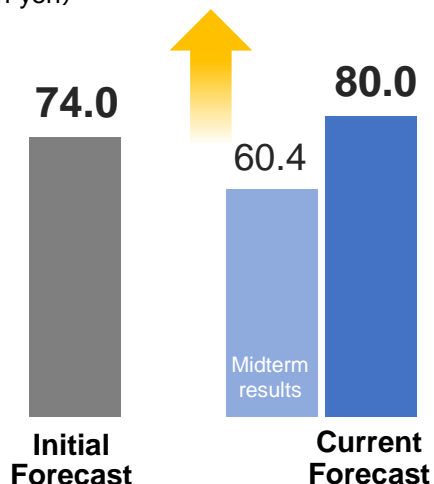
Net Sales · Gross profit

- Net sales are projected to steadily progress as initially forecast.
- The forecast of gross profit is revised upward because the profitability of several large projects has improved.

Business Outlook (2)

Domestic Building Construction (Non-consolidated)

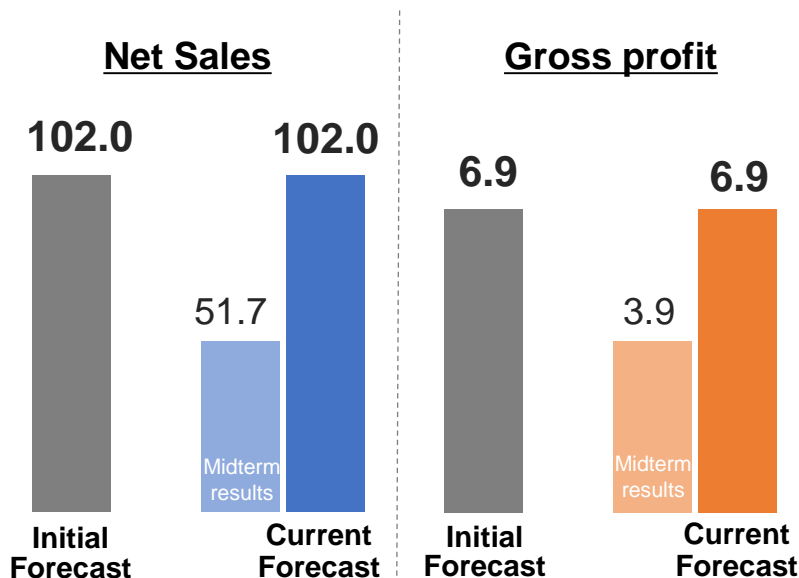
(Unit : billion yen)



Orders received

- Orders received are expected to increase by 6 billion yen compared to the initial forecast.

(Unit : billion yen)

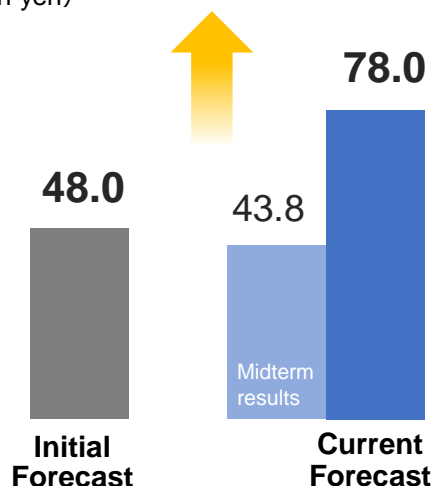


Net Sales · Gross profit

- Both net sales and gross profit are expected to progress as initially forecast.

Business Outlook (3) Overseas (Non-consolidated)

(Unit : billion yen)

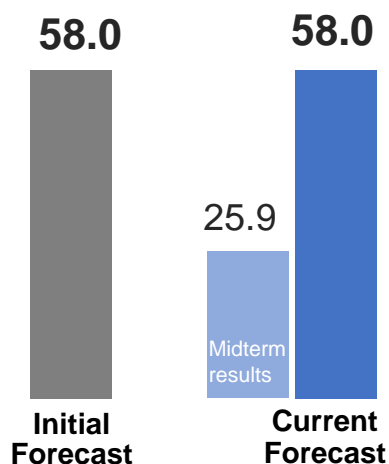


Orders received

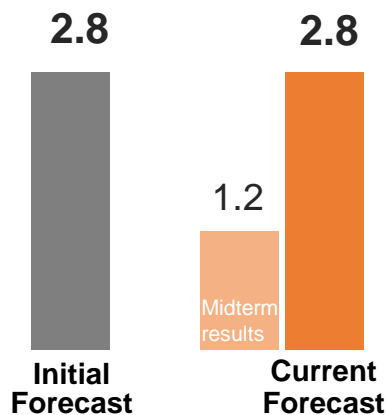
- Orders received are expected to increase by 30 billion yen compared to the initial forecast because we won orders for several large port projects in Southeast Asia.

(Unit : billion yen)

Net Sales

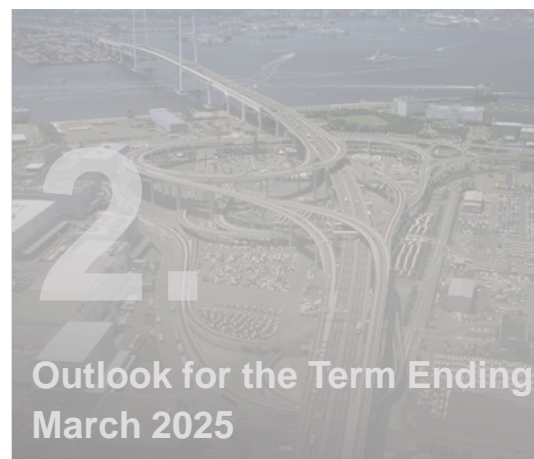


Gross profit



Net Sales · Gross profit

- This fiscal year's net sales and gross profit are expected to progress as initially planned because the large projects we received orders for the current term will contribute to net sales and gross profit from the next term onwards when construction work will progress in earnest.



- **Basic Policies of the Medium-term Management Plan (Repeated)**
- **Topics(1) Initiatives for Disasters**
- **Topics(2) Domestic Civil Engineering**
- **Topics(3) Domestic Building Construction**
- **Topics(4) Overseas**
- **Further Improve Shareholder Returns through Increased Dividends**
- **Progress of the Action Plan to Improve PBR**

Along with advancing the existing business, accelerate the expansion of business domains and further strengthen the management base to realize our long-term vision.
In addition, strengthen the management base to support business strategies.

Long-Term Vision



Build a prosperous society and connect all the people over the world for the better future.

Build Industrial Base

Realize a Sustainable Society

Nurture Diverse
Human Resources

Basic Policies

**Integrate business strategy and human resources strategy
to realize the Long-Term Vision**

Business strategy towards the Long-Term Vision

Make Advances in Existing Businesses

Maximize our organizational capabilities through improving of cross-divisional cooperation

- Establish sales headquarters in Domestic Civil Engineering and Domestic Building Construction to improve the sharing of sales information between the two business domains and expand the customer base
- Carry out cross-divisional R&D activities to enhance areas of strength

Accelerate Expansion of the Business Domains

Dare to try new business models, including new projects

- Expand the port facilities of the Ministry of Defense and the U.S. forces, contributing to greater national resilience
- Focus on the fields of “offices” and “medical welfare”
- Diversify types of construction overseas and establish overseas affiliated companies

Strengthen the Management Base

Build a cycle that sustainably improves corporate value through employees with high levels of well-being

- Create workplaces where employees can work with peace of mind and high motivation
- Promote diversity by establishing a Personnel Strategy Section
- Grant each operating division greater authority to recruit and develop human resources

Topic

Initiatives for reconstruction after the 2024 Noto Peninsula Earthquake

As a member of the Japan Dredging and Reclamation Engineering Association (a general incorporated association), in accordance with the disaster agreement with the Hokuriku Regional Development Bureau, we have carried out projects, including transporting relief supplies immediately after the disaster, emergency recovery of piers, and route clearing (dredging) for fishing boat pools.

When a natural disaster occurs, we take emergency measures as listed below in response to requests, orders, commissions, etc. from infrastructure administrators such as the Ministry of Land, Infrastructure, Transport and Tourism, as well as prefectural and other local governments.

1. Confirmation and understanding of the damage caused
2. Emergency recovery and measures to prevent secondary disasters
3. Full recovery

Emergency recovery work at Wajima Port



By courtesy of the Hokuriku Regional Development Bureau,
Ministry of Land, Infrastructure, Transport and Tourism

Future development

October 31 contract

The TOA/Ohmoto/Kabuki Construction joint venture won an order for the Nanao Port (Ota District) Pier (–10 m) (Ota No. 2; Bussen) (Disaster Recovery) Improvement Work, including One More Project, and construction work is scheduled to begin within this year.

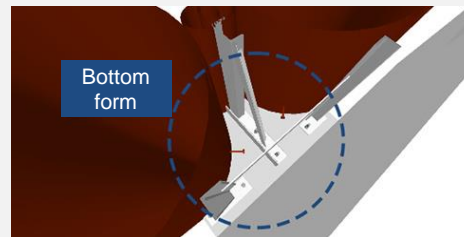
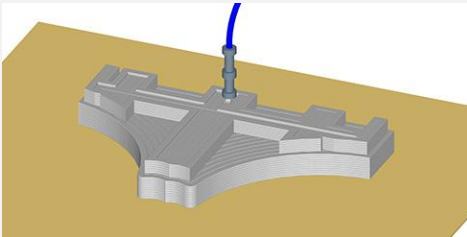
We work with various related organizations to contribute to reconstruction in the Noto region leveraging the knowledge and experience we have gained from the reconstruction work we did after the Great East Japan Earthquake and other disasters.

Topic

Successfully placing superstructure concrete employing the bottom forms produced using a 3D printer

Using the 3D printer made by Polyuse Inc., which is engaged in all processes from research and technology focusing on the construction industry to the provision of services, we produced bottom forms that fitted the shape of embankments and successfully placed superstructure concrete.

Bottom forms were produced using a 3D printer for construction purposes based on the 3D data on the shape of embankments, which were obtained from a 3D scanner, UAV, etc.



- Enables the easy, efficient production of bottom forms
- Significantly reduces the underwater work of divers



Future development

We plan to strive for efficient construction such as streamlining structures and rationalizing installation methods while applying this technology to a wider range of sites and expand the scope of application for things produced using a 3D printer.

Topic

Renewal of the “PPP/PFI (Public-Private Partnership/
Private Finance Initiative)” page of our website



Presenting on our website the results of PPP/PFI projects in which we were and are involved

Not only the projects that are currently in operation but also those in which construction work is under way and which were completed are all available for reference.



Future development

We will contribute to the sustainable development of regional economies by achieving both the provision of quality public services and the operation of projects at appropriate cost leveraging the abundant knowledge and experience we have gained through participation in PFI, which we have been engaged in for many years.

Topic

We won orders for two large projects in the Republic of Singapore (as announced in July and September).

We won orders for continued construction work in two places in Singapore: the Tekong district (reclamation) and the Tuas district (container berth construction).

Outline of construction work

Project name	Pulau Tekong Reclamation Project (Phase 4)
Client	Singapore Housing & Development Board
Construction period	40 months
Contract amount	About 12.6 billion yen (SGD109,000,000)

Project name	Tuas Port container berth construction work Phase 1 (5 berths)
Client	PSA Corporation Ltd.
Time of completion	Scheduled for the second half of 2026
* Price undisclosed	
Contractor	TOA CORPORATION

Location of project sites in Singapore

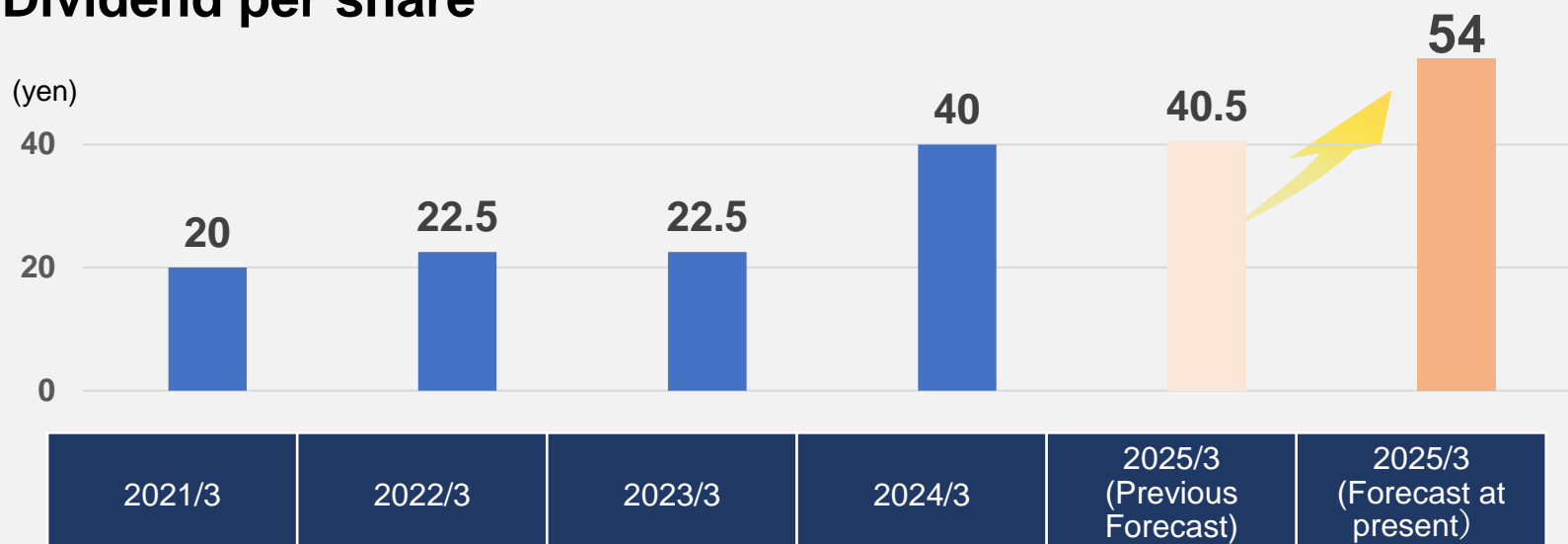


Future development

In October, we won an order for a large offshore civil engineering project in another district in the Republic of Singapore. We will contribute to the development of the country by performing construction work steadily to complete these projects and demonstrating the expertise and technological capabilities we have cultivated in the past.

After taking into account the performance forecast and financial status for the current fiscal year, **we raise dividend forecast by 13.5 yen from the previous forecast of 40.5 yen to 54 yen.**

■ Dividend per share



■ Dividend payout ratio

22.8%	23.5%	40.1%	31.3%	40.1%	More than 40%
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※ On April 1, 2024, we conducted a 4-for-1 stock split of shares of common stock.
The above amounts are after taking into account the effect of the stock split.

■ Aiming to improve PBR further by earning more profits and making shareholder returns more substantial

- ✓ **Improving profitability further** by making all-out efforts to ensure safety and quality management for abundant projects on hand and **as we did last year, performing construction work steadily without causing major problems or disasters**
- ✓ Improving shareholder returns further

Aiming for a total return ratio of around **70%**
 during the three years from FY2023 to FY2025

■ Measures announced in the Action Plan to Improve PBR

Measures	Implementation and results
Large-scale share buybacks	We acquired about 7 billion yen's worth of treasury stock, and the acquisition was completed in January of this year (The total number of shares acquired was 2,085,200).
Strengthening IR activities	The number of dialogues with shareholders, investors, etc. doubled from 37 during FY2022 to 74 during FY2023. A total of 36 dialogues were held during the first half of FY2024.
Payout ratio more than 30% →more than 40%	We plan to maintain the payout ratio for FY2024 at 40% or more.

■ Implementing measures that reflect the opinions obtained from meetings with investors

Measures	Implementation and results
Share split	On April 1, split its shares at a rate of 4 to 1.
Write-off of treasury stock	On April 2, about 1.7 billion yen's worth of treasury stock (500,000 shares before the split) was written off.

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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.

