

Year Ending March 31, 2024

# Supplementary Materials for Financial Results

*Create Value, Build the Future*

May 13, 2024

*Create Value, Build the Future*



# 1-1 Results for the fiscal year ended March 31, 2024

(Unit: Billion yen)	2023/3		2024/3				YoY change	
	Consolidated	Non-consolidated	Consolidated	YoY	Non-consolidated	YoY	Consolidated	Non-consolidated
New orders received	-	295.4	-		<b>352.6</b>	19.3 %		57.1
Net sales	213.5	203.2	<b>283.8</b>	32.9%	<b>271.0</b>	33.4 %	70.2	67.7
Gross profit	18.0	16.3	<b>30.4</b>	68.8 %	<b>26.8</b>	64.4 %	12.4	10.5
Margin	8.4%	8.0%	<b>10.7%</b>		<b>9.9%</b>		2.3	1.9
SG&A	11.4	10.5	<b>13.2</b>	15.1 %	<b>12.2</b>	16.2 %	1.7	1.7
Margin	5.4%	5.2%	<b>4.7%</b>		<b>4.5%</b>		(0.7)	(0.7)
Operating profit	6.5	5.7	<b>17.2</b>	162.9 %	<b>14.5</b>	152.4 %	10.6	8.7
Non-operating income	0.5	0.6	<b>0.8</b>	51.2 %	<b>0.8</b>	39.0 %	0.2	0.2
Non-operating expenses	0.5	0.5	<b>1.4</b>	186.5 %	<b>0.7</b>	40.5 %	0.9	0.2
Ordinary profit	6.6	5.8	<b>16.6</b>	151.4 %	<b>14.6</b>	150.6 %	10.0	8.8
Extraordinary income	0.5	0.5	<b>0.2</b>	(55.7)%	<b>0.2</b>	(54.6)%	(0.3)	(0.2)
Extraordinary losses	0.0	0.0	<b>0.5</b>	-	<b>0.3</b>	-	0.5	0.3
Profit before income taxes	7.1	6.3	<b>16.2</b>	128.6 %	<b>14.5</b>	129.5 %	9.1	8.2
Profit*	4.8	4.4	<b>10.5</b>	117.5 %	<b>9.9</b>	124.2 %	5.6	5.4

\* Consolidated is "Profit attributable to owners of parent"

Net assets	89.3	76.7	<b>96.7</b>	8.2 %	<b>80.4</b>	4.8 %	7.3	3.6
ROE	5.5%	5.8%	<b>11.4%</b>		<b>12.6%</b>		5.9	6.8%

□ **New orders received (non-consolidated): 352.6 billion yen (19.3% increase from the previous period)**

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

□ **Net sales (consolidated): 283.8 billion yen (33.4% increase from the previous period)**

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

□ **Gross profit (consolidated): 30.4 billion yen (68.8% increase from the previous period)**

Increase in sales, high profitable project and contribution to profit from design change.

□ **Operating income (consolidated): 17.2 billion yen (162.9% increase from the previous period)**

Due to increase of gross profit.

□ **Net income (consolidated): 10.5 billion yen (117.5% increase from the previous period)**

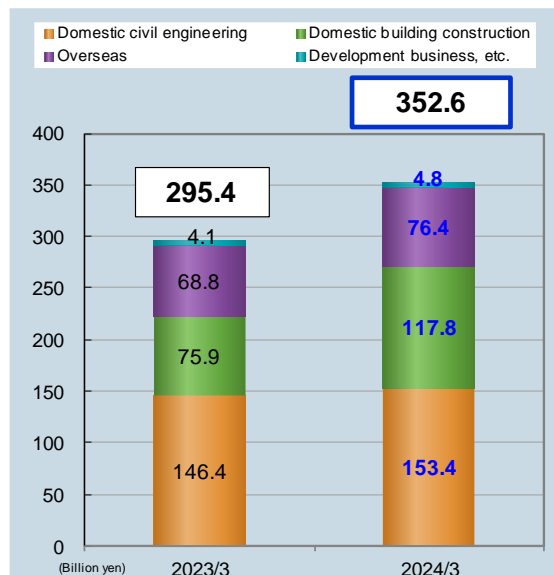
Due to rise in ordinary income.

□ **ROE (consolidated)**  
Up 5.9 points

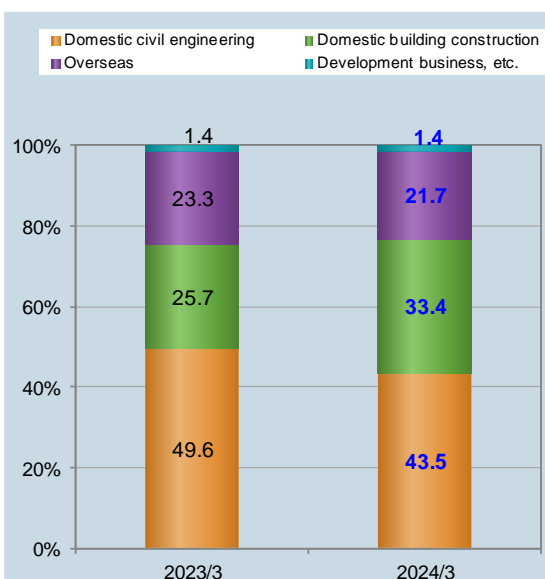
# 1-2 Orders received by business segment (non-consolidated)

New orders (Unit: Billion yen)		2023/3	2024/3	
		Results	Results	YoY
	Government	126.5	<b>128.7</b>	1.7 %
	Private	19.9	<b>24.7</b>	24.4 %
	<b>Total domestic civil engineering</b>	<b>146.4</b>	<b>153.4</b>	4.8 %
	Government	7.5	<b>12.3</b>	63.8 %
	Private	68.4	<b>105.5</b>	54.3 %
	<b>Total domestic building construction</b>	<b>75.9</b>	<b>117.8</b>	55.2 %
<b>Total domestic</b>		<b>222.4</b>	<b>271.3</b>	22.0 %
	Civil engineering	67.9	<b>69.3</b>	2.0 %
	Building construction	0.8	<b>7.1</b>	696.2 %
	<b>Total overseas</b>	<b>68.8</b>	<b>76.4</b>	11.0 %
	Civil engineering	214.4	<b>222.8</b>	3.9 %
	Building construction	76.8	<b>124.9</b>	62.7 %
	<b>Total construction business</b>	<b>291.3</b>	<b>347.8</b>	19.4 %
Development business, etc.		4.1	<b>4.8</b>	14.8 %
<b>Total</b>		<b>295.4</b>	<b>352.6</b>	19.3 %

Comparison of actual orders received (amount)



Comparison of actual orders received (share)



**Orders received (non-consolidated): 352.6 billion yen (19.3% increase from the previous period)**

□ **Domestic civil engineering: 153.4 billion yen (4.8% increase from the previous period)**

Favorable environment for orders received, including defense-related construction.  
Orders for private-sector construction increased from the previous period due to growth in orders.

□ **Domestic building construction: 117.8 billion yen (55.2% increase from the previous period)**

Increased in large-scale projects of logistics facilities, which we excel.  
In addition, we received housing and medical care orders.

□ **Overseas: 76.4 billion yen (11.0% increase from the previous period)**

Increased compared to previous period due to orders for large projects in Africa and Southeast Asia.

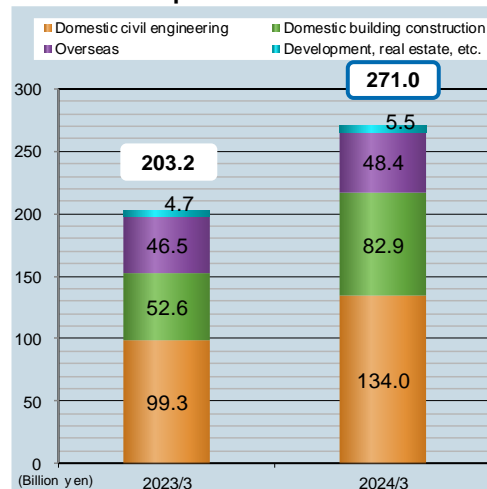
# 1-3 Net Sales and Income (Loss) by Business Segment (non-consolidated)

(Unit: Upper - billion yen / Lower - billion yen, - %, - points)

Upper row: Gross sales Lower row: Gain/loss on sales Rate of return		2023/3		2024/4		
		Results		Results	YoY change	
Domestic civil engineering		99.3		134.0	35.0%	
		11.5	11.6%	19.2	14.3%	2.7
Domestic building construction		52.6		82.9	57.5%	
		1.9	3.6%	6.1	7.4%	3.8
Total domestic		151.9		216.9	42.8%	
		13.4	8.8%	25.3	11.7%	2.9
Overseas	Civil engineering	45.9		47.2	2.7%	
	Building construction	0.5		1.2	120.9%	
	Total	46.5		48.4	4.1%	
Construction		2.2	4.9%	3.5	7.4%	2.5
	Civil engineering	145.2		181.2	24.8%	
	Building construction	53.2		84.1	58.2%	
Total		198.4		265.4	33.7%	
	(Cost variance, etc.)	(0.8)		(3.2)	-	
Development business, etc.		14.9	7.5%	25.6	9.7%	2.2
		3.5		4.6	32.4%	
Real estate, etc.		0.8	23.4%	0.8	17.3%	(2.0)% △ 6.1
		1.1		0.8	(25.4)%	
Total		203.2		271.0	33.4%	
		16.3	8.0%	26.8	9.9%	64.4% 1.9

\*The rightmost figure in the bottom row of the YoY comparison is the point of increase or decrease in profit margin.

Net sales comparison



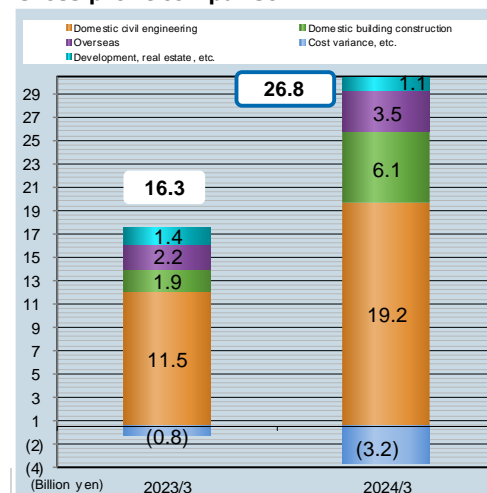
## Net sales (non-consolidated): 271.0 billion yen

- **Domestic civil engineering: 134.0 billion yen**  
Steady progress in construction, including large-scale projects
- **Domestic building construction: 82.9 billion yen**  
Steady progress in construction, including logistics facilities.
- **Overseas: 48.4 billion yen**  
Construction progressed and revenues increased.

## Net sales (unconsolidated): 26.8 billion yen

- **Domestic civil engineering: 19.2 billion yen**  
Significant increase due to higher sales, several highly profitable projects, and acquisition of design changes for carry-over construction, etc.
- **Domestic building construction : 6.1 billion yen**  
Significant increase in profit due to sales increase and improved profitability
- **Overseas : 3.5 billion yen**  
Although some projects have improved in profitability, Some unprofitable construction work also occurred.
- **Cost variance: -3.2 billion yen**  
Marginal loss increased due to higher labor costs and allowance for construction losses on unprofitable overseas construction projects.

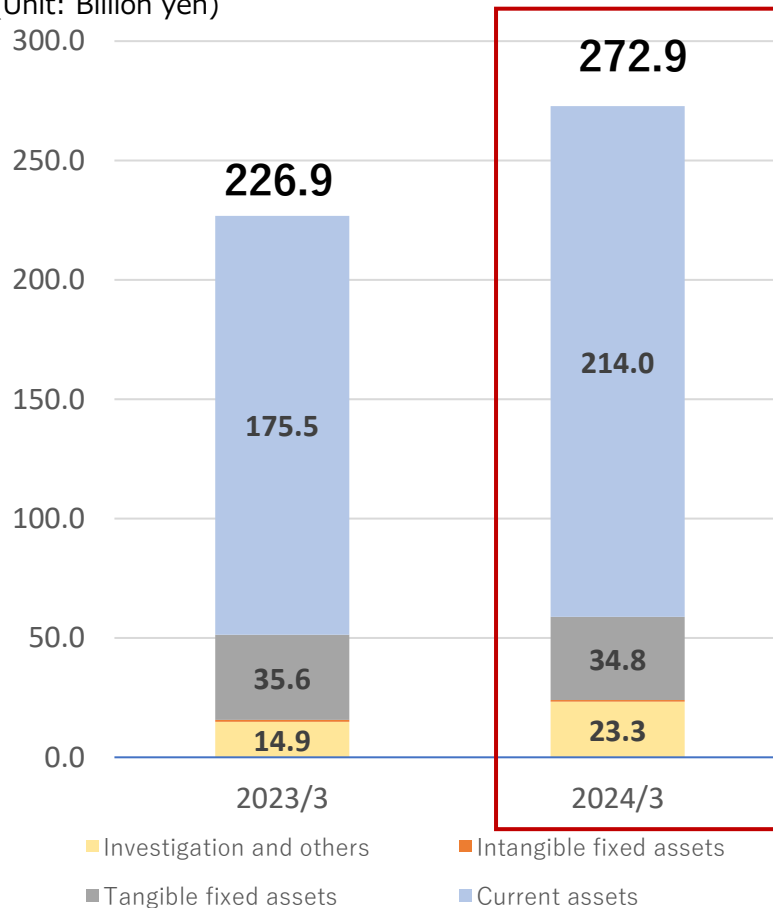
Gross profit comparison



# 1-4 Consolidated Balance Sheet

## Total assets

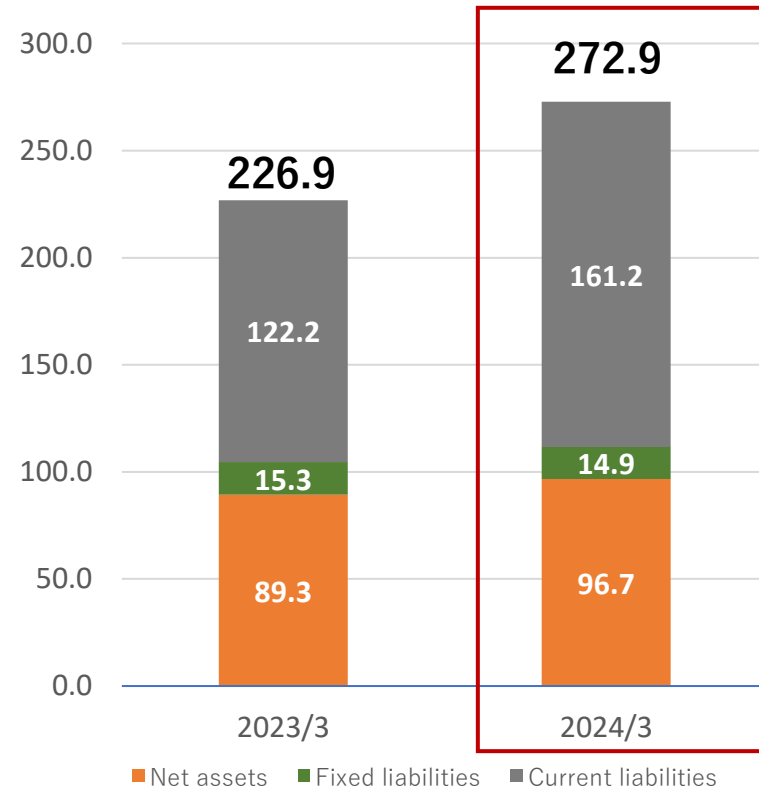
(Unit: Billion yen)



- Accounts receivable from completed construction contracts and Costs on construction contracts in progress increased due to increase in large construction projects. This results in increase of Current assets.
- Investment securities increased due to increase in market value of equity holdings. This results in increase of Investigations and others.

## Total liabilities and net assets

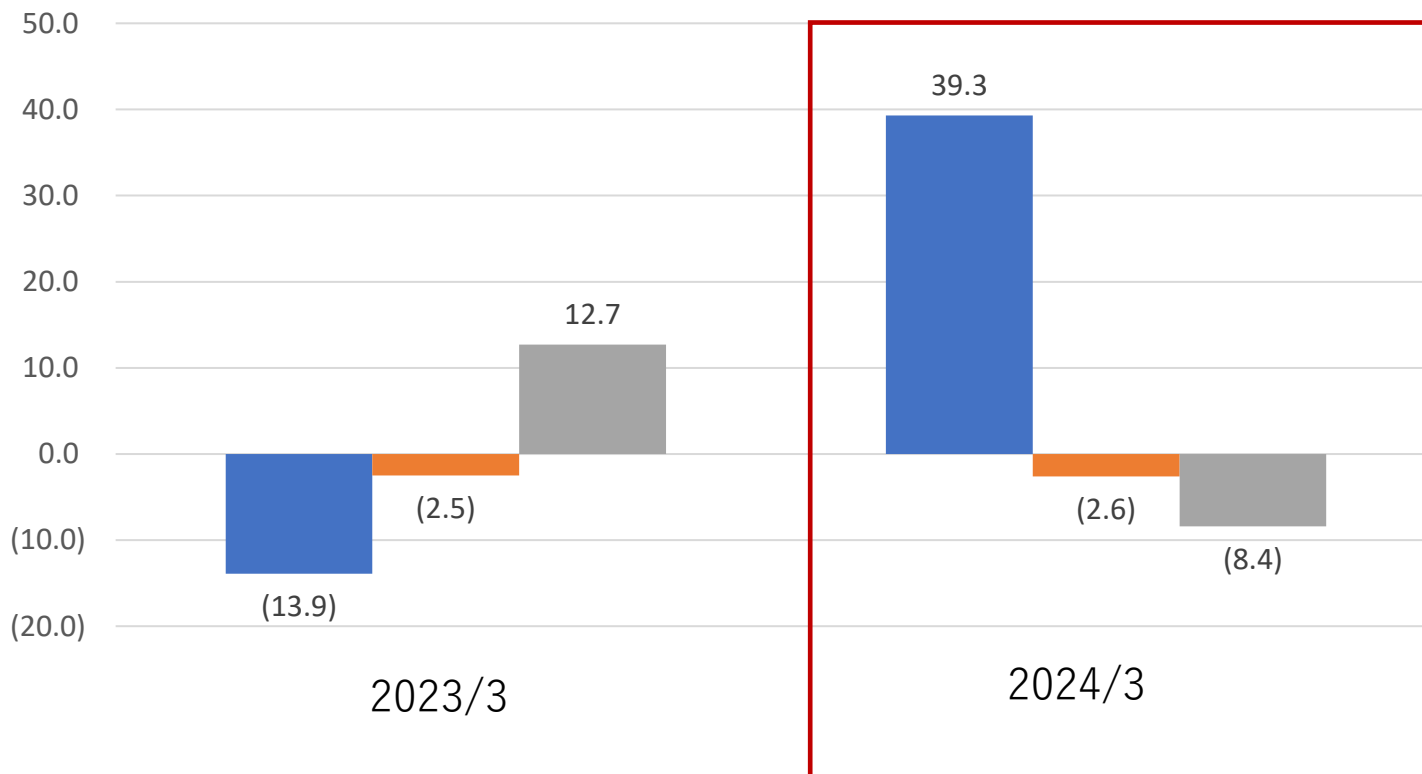
(Unit: Billion yen)



- Accounts payable for construction and Advanced received on construction contracts in progress increased due to increase in large construction projects. This results in increase of Current liabilities.
- Although there were repurchase of treasury stock and the payment of dividends, Net assets increased due to increase of Current net income.

# 1-5 Consolidated Cash Flows

(Unit : Billion yen) ■ Operating CF ■ Investment CF ■ Financial CF



**Operating CF significantly increased because Net income before Profit (loss) before income taxes significantly increased and improvement of working capital.**

# 2-1 Forecast for Fiscal Year Ending March 31, 2025

(Unit: Billion yen)	2024/3 Results		2025/3 Forecast				YoY Change	
	①		②				②－①	
	Consolidated	Non-consolidated	Consolidated	YoY	Non-consolidated	YoY	Consolidated	Non-consolidated
New orders received	-	352.6	-		<b>210.0</b>	(40.4)%		(142.6)
Net sales	283.8	271.0	<b>300.0</b>	5.7 %	<b>290.0</b>	7.0 %	16.1	18.9
Gross profit	30.4	26.8	<b>25.8</b>	(15.2)%	<b>23.6</b>	(12.0)%	(4.6)	(3.2)
Margin	10.7%	9.9%	<b>8.6%</b>		<b>8.1%</b>		(2.1)	(1.8)
SG&A	13.2	12.2	<b>13.8</b>	4.5 %	<b>12.7</b>	3.7 %	0.5	0.4
Margin	4.7%	4.5%	<b>4.6%</b>		<b>4.4%</b>		(0.1)	(0.1)
Operating profit	17.2	14.5	<b>12.0</b>	(30.4)%	<b>10.9</b>	(25.2)%	(5.2)	(3.6)
Non-operating income	0.8	0.8	<b>0.4</b>	(53.5)%	<b>0.4</b>	(52.2)%	(0.4)	(0.4)
Non-operating expenses	1.4	0.7	<b>0.6</b>	(58.9)%	<b>0.6</b>	(17.3)%	(0.8)	(0.1)
Ordinary profit	16.6	14.6	<b>11.8</b>	(29.0)%	<b>10.7</b>	(27.1)%	(4.8)	(3.9)
Extraordinary income	0.2	0.2	<b>0.2</b>	(16.7)%	<b>0.1</b>	(57.7)%	0.0	(0.1)
Extraordinary losses	0.5	0.3	<b>0.1</b>	(83.3)%	<b>0.0</b>	(100.0)%	(0.4)	(0.3)
Profit before income taxes	16.2	14.5	<b>11.9</b>	(26.9)%	<b>10.8</b>	(25.8)%	(4.3)	(3.7)
Profit*	10.5	9.9	<b>8.0</b>	(23.9)%	<b>7.4</b>	(25.4)%	(2.5)	(2.5)

\* Consolidated is "Profit attributable to owners of parent"

## Financial Results [Consolidated]

□ **Orders received: 210.0 billion yen [non-consolidated]**

Focusing on managing ongoing construction first. New orders will be selected based on the status of construction capacity and other situations.

□ **Net sales: 300.0 billion yen**

Expect an increase in net sales due to steady progress of abundant construction projects on hand, including large-scale projects.

□ **Gross profit: 25.8 billion yen**

Profit declined due to short of the profit margin of the previous period.

□ **Operating income : 12.0 billion yen**

Decrease due to lower gross profit and higher SG&A expenses.

□ **Net income: 8.0 billion yen**

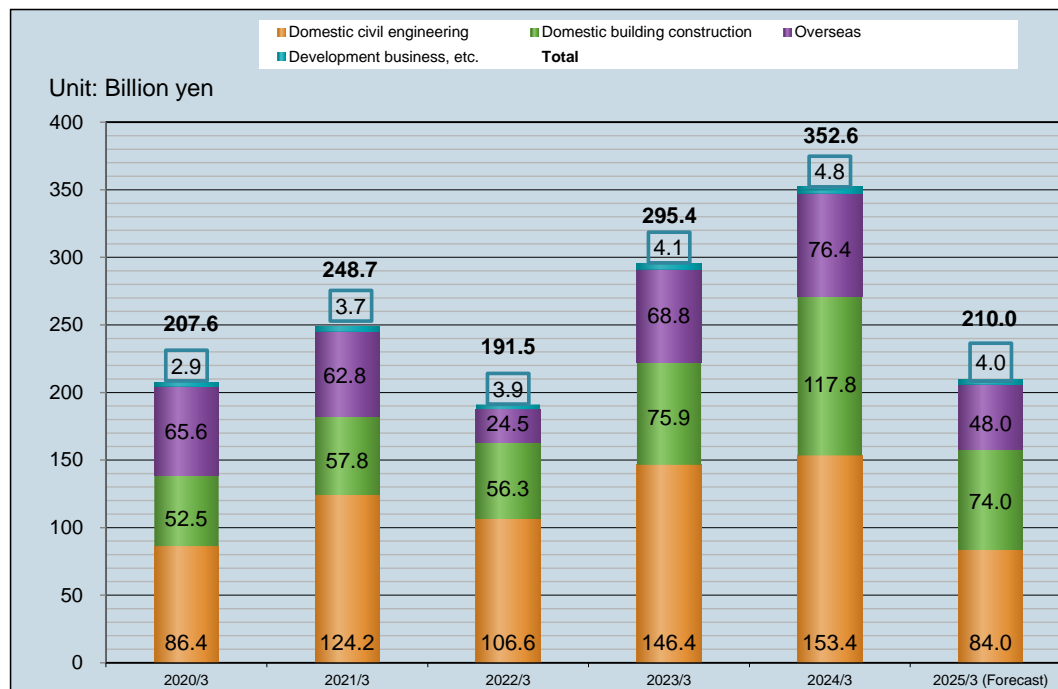
Decrease in operating income and ordinary income.

## 2-2 New Orders Forecast by Business Unit (non-consolidated)

New orders		2024/3	2025/3	
(Unit: Billion yen)		Results	Forecast	YoY
	Government	128.7	<b>54.5</b>	(57.7)%
	Private	24.7	<b>29.5</b>	19.1 %
	<b>Total domestic civil engineering</b>	<b>153.4</b>	<b>84.0</b>	(45.3)%
	Government	12.3	<b>18.5</b>	50.3 %
	Private	105.5	<b>55.5</b>	(47.4)%
	<b>Total domestic building construction</b>	<b>117.8</b>	<b>74.0</b>	(37.2)%
<b>Total domestic</b>		<b>271.3</b>	<b>158.0</b>	(41.8)%
	Civil engineering	69.3	<b>43.7</b>	(37.0)%
	Building construction	7.1	<b>4.3</b>	(39.6)%
	<b>Total overseas</b>	<b>76.4</b>	<b>48.0</b>	(37.2)%
	Civil engineering	222.8	<b>127.7</b>	(42.7)%
	Building construction	124.9	<b>78.3</b>	(37.4)%
	<b>Total construction</b>	<b>347.8</b>	<b>206.0</b>	(40.8)%
<b>Development business, etc.</b>		<b>4.8</b>	<b>4.0</b>	(16.7)%
<b>Total</b>		<b>352.6</b>	<b>210.0</b>	(40.4)%

Although order environment is favorable, focusing on efficiently managing abundance projects on hand.

- ▣ Domestic civil engineering: 84.0 billion yen (-45.3% YoY)
- ▣ Domestic building construction: 74.0 billion yen (-37.2% YoY)
- ▣ Overseas: 48.0 billion yen (-37.2% YoY)





## 2-3 Forecast of Net Sales and Income/Loss by Business Segment (Non-consolidated)

Upper : Net sales Lower : Grossprofit, Gros margin(Unit: Top - Billion yen/ Bottom - % , points)		2024/3 Results		2025/3 Forecast		
		①		②		YOY
Domestic civil engineering		134.0		124.5		(7.1)
		19.2	14.3%	13.2	10.6%	(31.3) (3.7)
Domestic building construction		82.9		102.0		23.0
		6.1	7.4%	6.9	6.8%	12.5 (0.6)
Total domestic		216.9		226.5		4.4
		25.3	11.7%	20.1	8.9%	(20.7) (2.8)
Overseas	Civil engineering	47.2		50.7		7.4
	Building construction	1.2		7.3		484.9
	Total	48.4		58.0		19.7
		3.5	7.4%	2.8	4.8%	(21.6) (2.6)
Construction business	Civil engineering	181.2		175.2		(3.4)
	Building construction	84.1		109.3		29.9
	Total	265.4		284.5		7.2
	(Cost variance, etc.)	(3.2)		(7.0)		-
Development business, etc.		25.6	9.7%	22.2	7.8%	(13.4) (1.9)
		5.5		5.5		(1.5)
Total		1.1	21.2%	1.4	25.5%	18.5 4.3
		271.0		290.0		7.0
		26.8	9.9%	23.6	8.1%	(12.0) (1.8)

\*The rightmost figure in the bottom row of YoY comparison is the point of increase or decrease in profit margin.

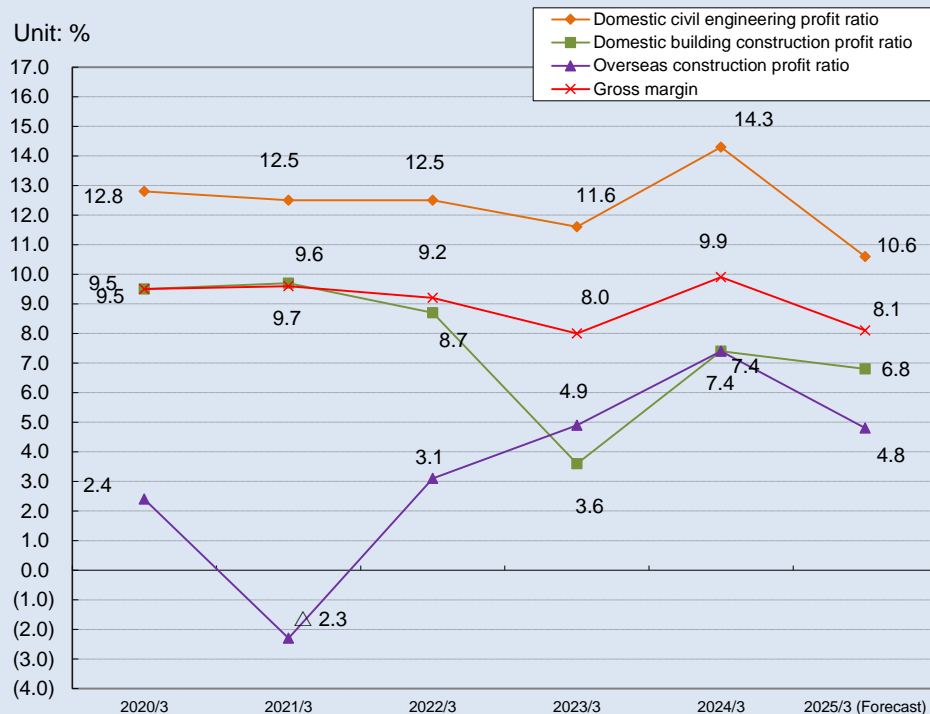
### Net sales: 290.0 billion yen (+7.0% YoY)

- **Domestic civil engineering:** Decrease due to time lag between order receipt and start of construction for some large projects.
- **Domestic building construction:** Keep a high level of sales due to the steady completion of on-hand construction work, including logistics facilities.
- **Overseas:** Increase due to effective management of construction on hand.

### Profit on sales: 23.6 billion yen (-12.0% YoY)

- **Domestic civil engineering:** Decrease compared to the previous fiscal year, when there were several highly profitable projects and design changes for projects carried over from the previous fiscal year.
- **Domestic building construction:** Increased due to increase of net sales.
- **Overseas:** Profit margin is expected the same level as the fiscal year ending March 31, 2023.

Unit: %



### 3-1 Orders received by business field for the past five years

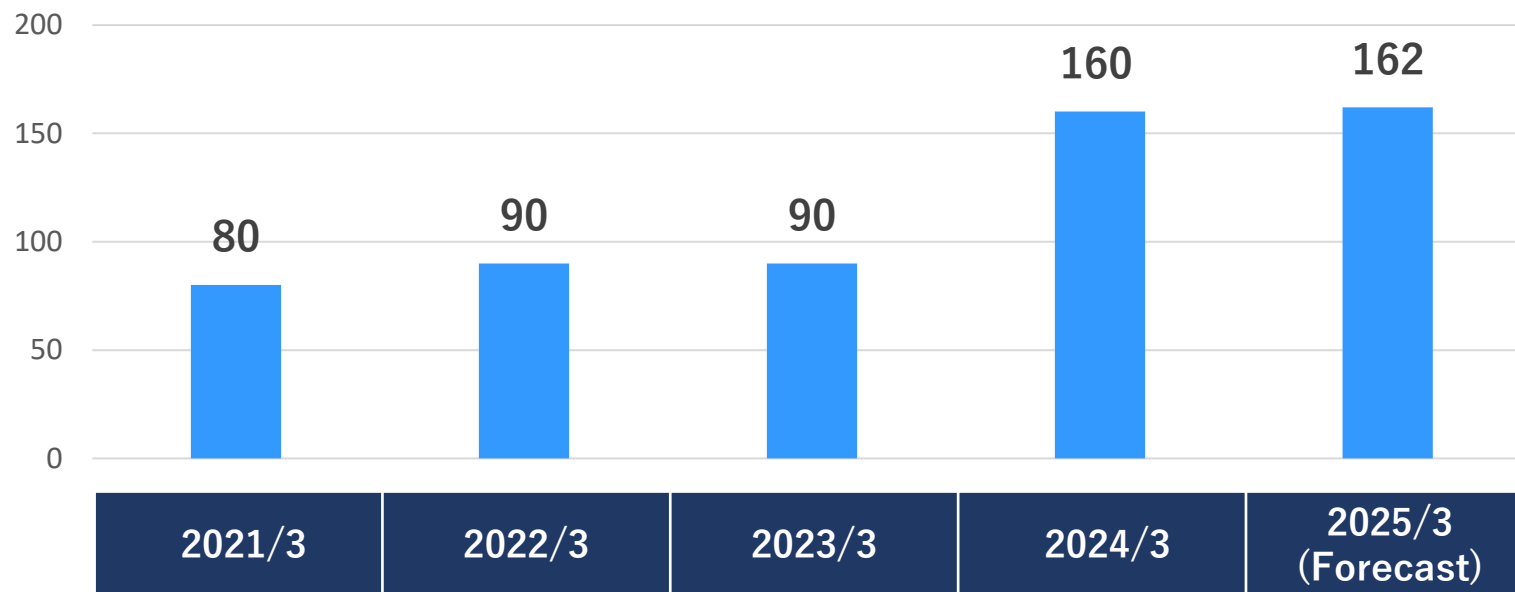
			FY2019	FY2020	FY2021	FY2022	FY2023
New Orders Received (Billion yen)	Domestic Civil Engineering						
	Construction type	Marine	69.3	70.1	58.0	122.4	97.4
		On-Land	17.0	54.0	48.5	24.0	56.0
	Government or Private	Government	64.2	91.3	79.7	126.5	128.7
		Private	22.1	32.8	26.8	19.9	24.7
	Total domestic civil engineering		86.4	124.2	106.6	146.4	153.4
	Domestic Building Construction						
	Use	Warehousing and distribution facilities	29.7	24.4	26.6	31.5	81.1
		Housing	9.1	22.4	10.7	22.7	14.8
		Other	13.6	10.9	18.9	21.6	21.8
	Government or Private	Government	4.5	4.0	11.4	7.5	12.3
		Private	47.9	53.8	44.8	68.4	105.5
	Total domestic building construction		52.5	57.8	56.3	75.9	117.8
	Overseas						
	Region	Southeast Asia	26.8	146	17.6	53.7	25.0
		South Asia	26.7	1.0	2.7	6.9	10.3
		Middle East	3.1	5.0	1.6	3.0	0
		Africa	8.8	47.5	2.5	7.8	41.0
		Other	0	0	0	0	0
	Total Overseas		65.6	62.8	24.5	68.8	76.4

# 4-1 Dividend Forecast

For the fiscal year ending March 31, 2024, 160 yen, which is more than 30% of the dividend payout ratio will be paid out.  
For the fiscal year ending March 31, 2025, 162 yen\*, which is more than 40% of the dividend payout ratio will be paid out.

## ■ Dividend per share

(Yen)



## ■ Dividend Payout Ratio

22.8%	23.5%	40.1%	31.3%	40.1%
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\*4-for-1 stock split of shares of common stock was conducted on April 1, 2024.

All of the above figures do not take into account the effect of the stock split.

**Considering the effect of the stock split, the dividend per share for the fiscal year ending March 31, 2025 will be 40.50 yen.**

## ■ Progress of measures to prevent recurrence of misconduct by employees of the Company's consolidated subsidiaries

Regarding to the fraudulent activities of our consolidated subsidiary, Shinko Construction Co, the recurrence prevention established in December 2023 are being implemented as planned.

(For more information, see pages 13 to 15)

We are also working on governance strengthening measures such as assigning appropriate personnel from the parent company to the administrative department of Shinko Construction.

We take the recommendations in the final report seriously, and we will further strengthen internal control and compliance systems. The executives and employees of our group work together on concrete measures to prevent recurrence.



Compliance training for employees of Shinko Construction by outside instructors



Briefing on this case to the Company's directors and branch managers



### ■ Strengthening of Group-wide compliance education

Since there are limitations to conduct compliance training only at subsidiaries with insufficient manpower, we will take a lead in providing supports for necessary training for group companies.

#### (1) Implement “accounting and taxation seminars” with group companies.

In the process of explaining this case, employees of Shinko Construction and executives of subsidiaries expressed their desires to acquire knowledge of accounting and taxation, so that they would not make mistakes without the proper knowledge.

Because it is difficult for a subsidiary to conduct compliance training on its own, **our management department take a lead to hold seminars to acquire the minimum knowledge about accounting and taxation** and standardize accounting and tax knowledge within the group.

#### (2) Participation of presidents and executives of affiliated companies in our ESG presentations.

With the rapidly changing demands of society, it is difficult for a subsidiary to independently update its knowledge of the latest compliance issues. We hold an ESG presentation meeting every year to share within the company how to respond to the changing times.

**In the future, presidents and executives of affiliated companies also will participate so that they can promote internal development on their own with the latest understanding.**

#### (3) Depending on the need, deploy e-learning within the group.

## (Reference Material) Implementation Status of Recurrence Prevention Measures for the Entire Group

<b>1. Message from top management and development of a compliance system including subsidiaries</b>	
(1) Message from the President	In December 2023, a message was sent to all officers and employees of the Group regarding the promotion of measures to prevent recurrence.
(2) Compliance training for management	In March 2024, the Chairman of the Internal Investigation Committee conducted compliance training for directors and executive officers, branch managers, and presidents of consolidated subsidiaries.
(3) Monitoring by the ESG Committee	In March 2024, the Corporate Planning Department began monitoring implementation status of Recurrence Prevention of Shinko Construction and monitoring will be continued. Report to ESG Committee in November 2024 and results to be shared with the Board of Directors.
<b>2. Publicize and promote understanding of this case</b>	
(1) Briefing for directors and branch managers	In January 2024, an overview of this incident and details of prevent recurrence were explained to directors, branch managers, and presidents of consolidated subsidiaries.
(2) Explanation to branch office managers	From February to March 2024, an overview of this incident and details of prevent recurrence were explained to branch office managers and site managers.
<b>3. Disseminate the Group's Code of Conduct</b>	
(1) Re-emphasize the Group's Code of Conduct	From February to March 2024, an e-learning course about "Toa Corporation Group Code of Conduct" was conducted for all officers and employees of the Company's group.
<b>4. Compliance education for subcontractors</b>	
(1) Compliance education for subcontractors	From April 2024 onward, summary of this case and measures to be taken to eliminate fraud will be explained and re-inform the reporting desk at a training session for cooperative association members from branches.
<b>5. Maintenance of effective internal audits, etc.</b>	
(1) Establish internal audit system	J-SOX maintenance and evaluation at Shinko Construction starting March 2024. Consideration of data-driven audits with focus on similar fraud.
<b>6. Strengthen governance structure of subsidiaries</b>	
(1) Strengthening the corporate governance structure	From April 2024 onward, the Company's Corporate Planning Department will be involved in the Board of Directors meetings of each subsidiary company to improve the effectiveness of the Board of Directors.

## (Reference data) Shinko Construction implementation status of prevent recurrence (1)

(1) Raise awareness and promote understanding of this case among officers and employees	
① Message from top management	<p>In December 2023, the president of Shinko Construction sent a message to all employees regarding the prevention of recurrence.</p> <p>In April 2024, company policy on prevention of recurrence including psychological safety was sent as President's message.</p> <p>In 2024, direct meetings between the president and branch managers will be held and the will of top management will be spread to all branch offices.</p>
② Promoting awareness and understanding of the case	<p>In January 2024, all executives and employees were briefed on this incident and the details of measures to prevent recurrence, and exchanged opinions with the president of Shinko Construction.</p> <p>February-March 2024, compliance training was conducted by outside instructors for all officers and employees.</p>
③ Reorganize the training system on construction cost management	<p>In December 2023, a notice on construction cost management and legitimate business associations was sent. From April 2024 onward, conduct training for construction cost managers, including proper construction costing methods is planned.</p>
(2) Dissemination of the TOA CORPORATION Industry Group Code of Conduct	
① Dissemination of the Group Code of Conduct	<p>From February to March 2024, an e-learning course about "Toa Corporation Group Code of Conduct" was conducted for all officers and employees of the Company's group.</p>
(3) Re-establish budget management and order flow/checking system	
① Preparation of budgets based on the original ordering agency's estimating system and Management of orders and training to subcontractors	<p>From January 2024 onward, implement the reorganized budget management and purchase order workflow.                      (Budget management and order acceptance inspection management based on the estimating system of the original ordering organization, review of the involvement criteria of the head office and branch offices when formulating budgets and estimates, company-wide sharing of construction information via cloud computing, etc.)</p>
② Create a confirmation system for estimating and budget review	
③ Mutual confirmation through sharing of construction information	

## (Reference data) Shinko Construction implementation status of prevent recurrence (2)

(4) Organizational structure and transfer rules to prevent misconduct	
① Clarification and differentiation of roles at each level	Established rules to consider a certain amount of transfer experience in appointing executives at the head office and branch offices. It began to put them into operation.
②Transfer rules to control long-term fixation of staff assignments	
③ Consideration of qualifications and other requirements for the appointment of executives	
(5) Compliance education for subcontractors	
① Compliance education for subcontractors	<p>In the training programs for senior management conducted by Shinko Construction from February 2024 onward, request that subcontractors be informed of any improper actions taken by Shinko Construction employees.</p> <p>If a request is made by an employee of Shinko Construction, the company asks the subcontractor to refuse the request or to report it to the "Consultation and Reporting Desk".</p> <p>In 2024, interviews will be conducted with subcontractors with high order value and frequency of orders to confirm compliance status.</p>
(6) Establishment of an effective reporting system	
① Establish an effective reporting system	In March 2024, in- house consultation service to consult with the company regardless of content was established and conduct public awareness activities.
(7) Effective implementation of internal audits	
① Conduct effective internal audits, etc.	Strengthening the internal audit to be in line with ours since our internal audit in February 2024.



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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.

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