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Results Briefing for the Six Months Ended September 30, 2024

November 20, 2024

TODA CORPORATION

This material contains forward-looking statements regarding TODA CORPORATION and the Group's business plans, strategies, and earnings forecasts.

These statements are TODA CORPORATION's forecasts based on currently available information and may involve potential risks and uncertainties.

The actual results or developments may differ from the forward-looking statements due to changes in various factors.

1. Results Briefing

General Manager of Corporate Administration Group
Toshihiro Yamazaki

2. Progress of the Management Plan

President and Representative Director
Seisuke Otani

- Translation available at a later date.

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1. Results Briefing

General Manager of
Corporate Administration Group
Toshihiro Yamazaki

Interim Period of FY2024 Financial Highlights (Consolidated)

Consolidated net sales

¥241.2 bil (+4.7% YoY)

Net sales increased by 4.7% YoY to ¥241.2 bil, primarily driven by higher sales in sales in the Architectural Construction and the Civil Engineering businesses.

Operating income

¥5.9 bil (+87.7% YoY)

Operating income increased by 87.7% YoY to ¥5.9 bil, mainly due to the improvement in the profitability of construction projects in the Architectural Construction and the Civil Engineering businesses.

Orders received (non-consolidated)

¥233.7 bil (+52.1% YoY)

Orders increased by 52.1% to ¥233.7 bil, mainly due to higher orders from the private-sector in the domestic Architectural Construction and the public-sector in the domestic Civil Engineering.

(Billions of yen)	FY2023 Interim	FY2024 Interim	Change (YoY)	FY2024 (Forecasts)
Consolidated net sales	230.3	241.2	4.7%	600.0
Gross profit	23.6 (10.3%)	29.3 (12.2%)	24.3%	79.0
Operating income	3.1 (1.4%)	5.9 (2.5%)	87.7%	30.0
Ordinary income	8.2	7.8	-4.9%	35.5
Net income attributable to owners of parent	5.2	7.1	37.7%	27.0
Orders received (non-consolidated)	153.7	233.7	52.1%	500.0

[Consolidated] Results by Segment

(Billions of yen)

FY2024 Interim	Architectural Construction	Civil Engineering	Domestic Investment and Development	Domestic Group Companies	Overseas Group Companies	Environment and Energy	Elimination	Total
Net sales	178.0	59.6	3.0	24.4	21.6	0.4	-46.0	241.2
Operating income(loss) (Profit margin)	6.5 (3.7)	3.3 (5.6)	-1.8 (-)	1.3 (5.7)	0.3 (1.7)	-0.5 (-)	-3.2	5.9 (2.5)



FY2023 Interim	Architectural Construction	Civil Engineering	Domestic Investment and Development	Domestic Group Companies	Overseas Group Companies	Environment and Energy	Elimination	Total
Net sales	139.7	54.3	4.7	22.7	23.1	0.6	-15.1	230.3
Operating income(loss) (Profit margin)	-0.5 (-)	2.4 (4.5)	0.6 (14.2)	0.7 (3.2)	0.7 (3.1)	-0.1 (-)	-0.6	3.1 (1.4)

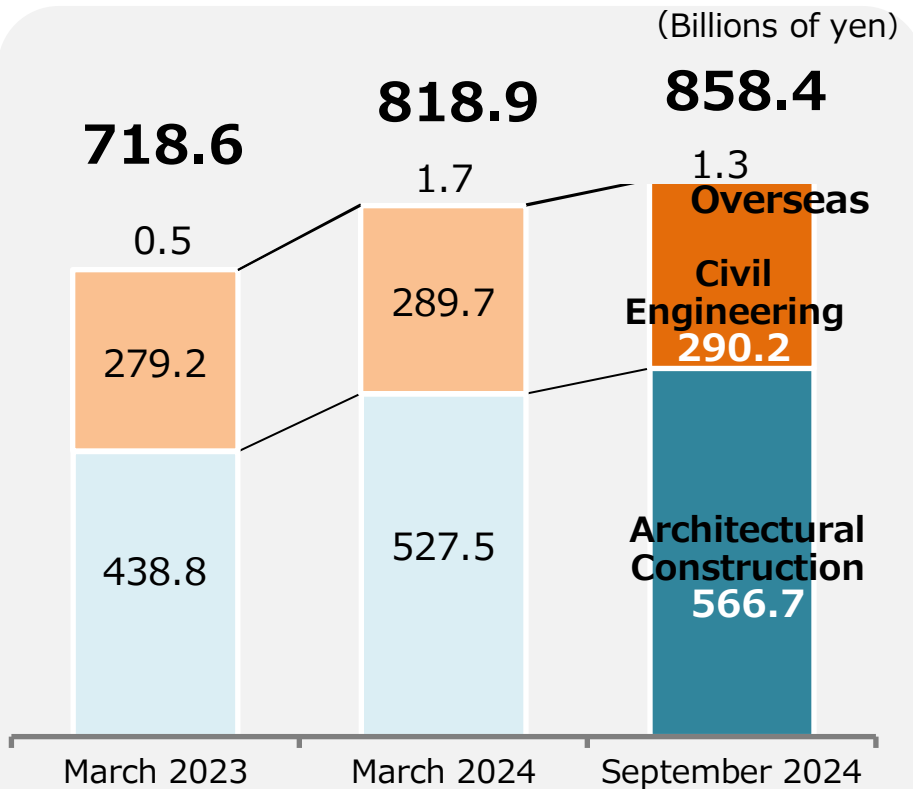
Major Orders Received

	Ordering Parties	Name of Work
Architectural Construction	SHOWA University	Showa University Saginuma Campus Development Work
	Yakult Chiba Plant Co., Ltd.	New Chiba Factory Construction Work
	Makino Milling Co., Ltd.	Makino Milling Co., Ltd. Fuji Yoshida Factory 4th Phase Construction Work
	Kyoto City	(Comprehensive Evaluation) Kyoto City Central Wholesale Market First Market Development Work for New Fruit and Vegetable Building (tentative name)
	Kyoto Tachibana Educational Institute	Kyoto Tachibana University New Classroom Building (tentative name) Development Work
Civil Engineering	Ministry of Land, Infrastructure, Transport and Tourism, Kanto Regional Development Bureau	R6 Kasumigaura Water Pipeline Second Pumping Station New Construction
	East Japan Expressway Co., Ltd.	Kinki Expressway Seismic Reinforcement Work for Nagayoshi Viaduct and Two Others
	Mitakoyamacho West District Urban Redevelopment Association	Mitakoyama Bridge Replacement Work Associated with Mitakoyamacho West District Type 1 Urban Redevelopment Project
	Toyoakemagome Southern Area Land Readjustment Association	Toyoakemagome Southern Area Land Readjustment Project Reiwa 6 Leveling Work

Major Carryover Works

	Ordering Parties	Name of Work
Architectural Construction	Toranomon 1-chome East District Urban Redevelopment Association	Construction of New Facility Building for Toranomon 1-chome East District Urban Redevelopment Project
	MITSUBISHI ESTATE CO., LTD.	Dogenzaka 2-chome South District Project New Construction and Others
	St. Marianna University School of Medicine	St. Marianna University School of Medicine Sugao Campus Renewal Plan
	Izumo Murata Manufacturing Co., Ltd.	New Production Building Construction at Izumo Murata Manufacturing Co., Ltd.
	Fukui Murata Manufacturing Co., Ltd.	Ceramic Capacitor R&D Center and Annex New Construction Work
Civil Engineering	Ministry of Land, Infrastructure, Transport and Tourism, Kanto Regional Development Bureau	Yokohama Shonan Road Tunnel Work
	West Nippon Expressway Company Ltd.	Shin-Meishin Expressway Ujitawara Tunnel East Work
	Central Nippon Expressway Company Ltd.	Tokyo Outer Ring Road Main Line Tunnel (North Bound) Tomei North Work
	Tokyo Metropolitan Government	Johoku Chuo Park Detention Pond (Phase 1) Work2

[Non-consolidated] Carryover Works



- The amount carried over increased compared to the previous fiscal year.
- In the domestic Architectural Construction business, public-sector construction declined, while private-sector construction increased, resulting in an increase of ¥39.2 bil compared to the previous fiscal year.
- In the domestic Civil Engineering business, private-sector construction declined, while public-sector construction increased, resulting in an increase of ¥0.5 bil compared to the previous fiscal year.

1 -1. Details of Financial Results

[Consolidated] Overview of TODA Group

Domestic Investment & Development

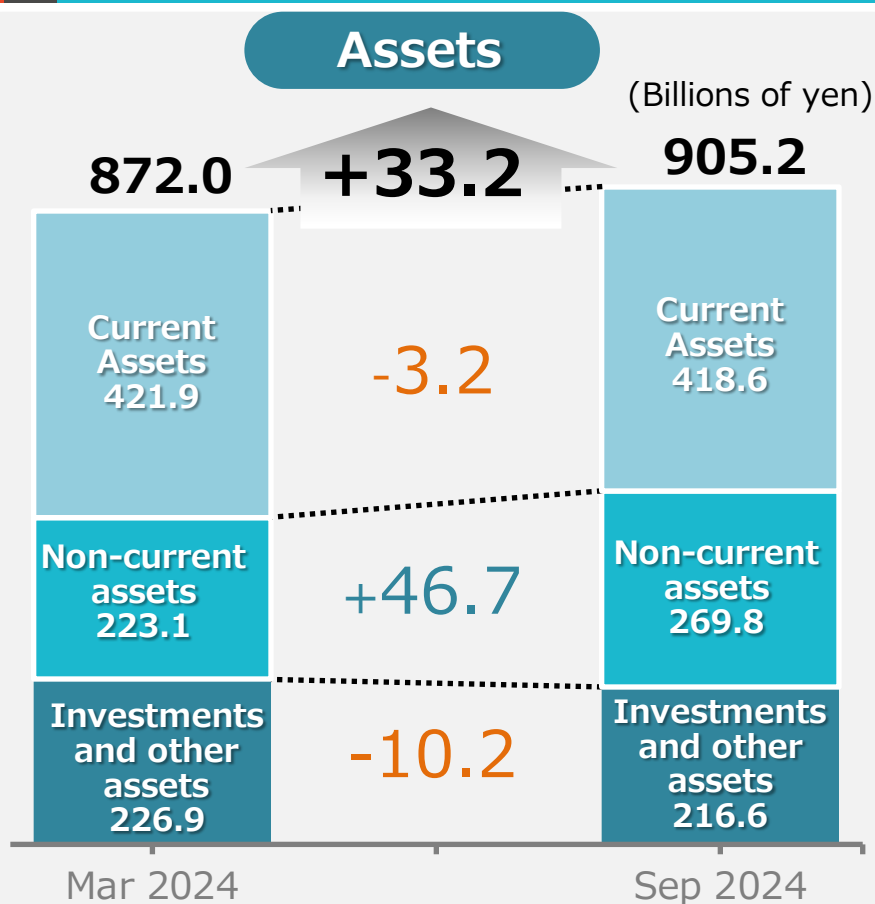
Domestic Subsidiaries

Overseas Subsidiaries

Environment and Energy

Business	Domestic Subsidiaries	Overseas Subsidiaries	43 companies
Construction	<p>APEC Engineering Co., Ltd.</p> <p>Toda Road Co., Ltd.</p> <p>Sato Kogyo Co., Ltd.</p> <p>Showa Construction Co., Ltd.</p> <p>and 3 other companies</p>	<p>PT Tatamulia Nusantara Indah</p> <p>Thai Toda Corporation Ltd.</p> <p>Toda Vietnam Co., Ltd.</p> <p>and 11 other companies</p>	21 companies
Real estate	<p>Toda Bldg. Partners Co., Ltd.</p> <p>Toda Corporation Real Estate Asset Management Co., Ltd</p>	<p>Toda America, Inc.</p> <p>PT Toda Group Indonesia</p> <p>and 2 other companies</p>	6 companies
Others	<p>Toda Finance Co., Ltd.</p> <p>TGC General Service Co., Ltd.</p> <p>Towa Kanko Kaihatsu Co., Ltd.</p> <p>Toda Noubou Inc.</p> <p>Goto Floating Wind Power LLC</p> <p>Offshore Windfarm Construction Co., Ltd.</p> <p>and 3 other companies</p>	<p>TODA Investimento do Brasil Ltda.</p> <p>TODA Energia do Brasil Ltda.</p> <p>TODA Energia 2 Ltda.</p> <p>Toda Asia Pacific Pte. Ltd.</p> <p>and 3 other companies</p>	16 companies

[Consolidated] Balance Sheets



■ Key variable factors

Current Assets -3.2

Cash and deposits	-32.7
Accounts receivable	+12.2
Other inventories	+11.6

Non-current assets +46.7

Buildings and structures	+71.6
Machinery, vehicles, tools, furniture and fixtures	+0.9
Land	+3.4
Construction in progress	+30.3

Investments and other assets -10.2

Investment securities	-9.7
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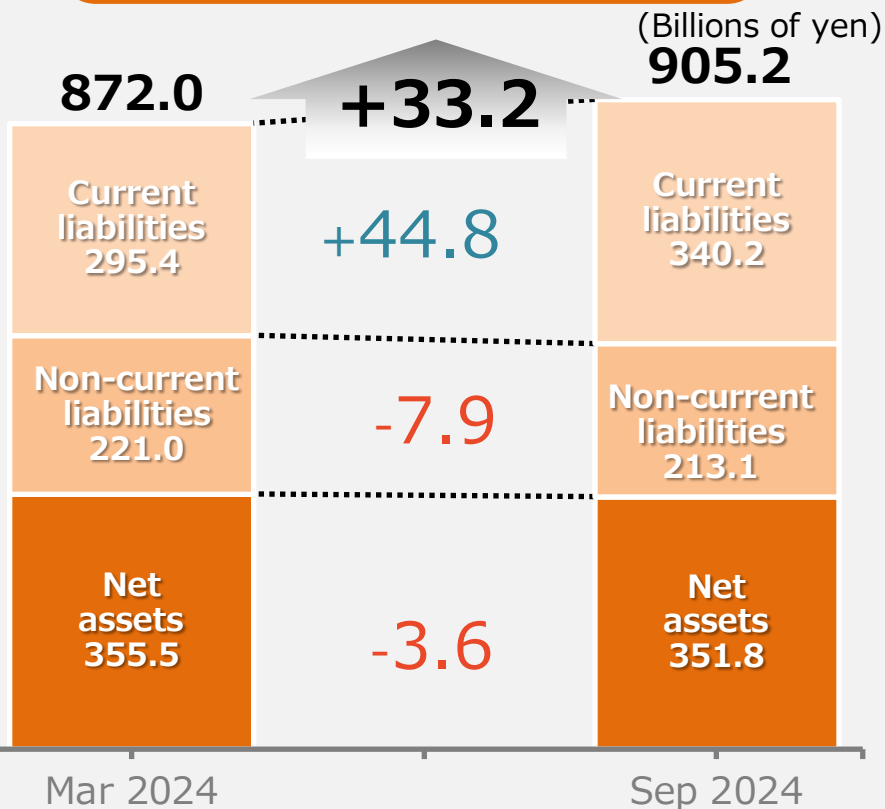
■ Current ratio

(March 2024 → September 2024)

142.8% → 123.0%

[Consolidated] Balance Sheets

Liabilities and Net Assets



■ Key variable factors

Current liabilities	+44.8
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Notes and account payable-trade	-10.0
Commercial paper	+40.0
Current portion of bonds payable	+10.1
Advances received on uncompleted construction contracts	+12.4

Non-current liabilities	-7.9
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Long-term loans payable	+5.0
Bonds payable	-10.1

Net assets	-3.6
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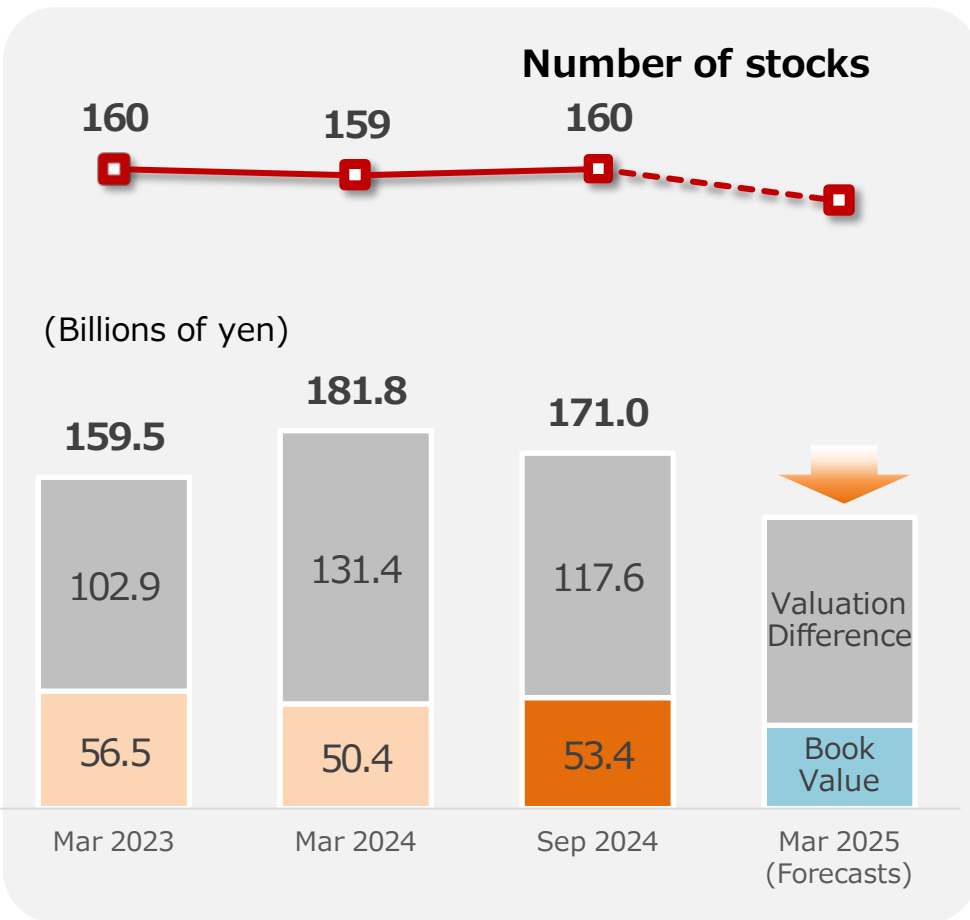
Valuation difference on available-for-sale securities	-9.5
F/X translation adjustment	+3.5

■ Equity ratio

(March 2024 → September 2024)

40.0% → 37.6%

[Non-consolidated] Cross-Shareholdings

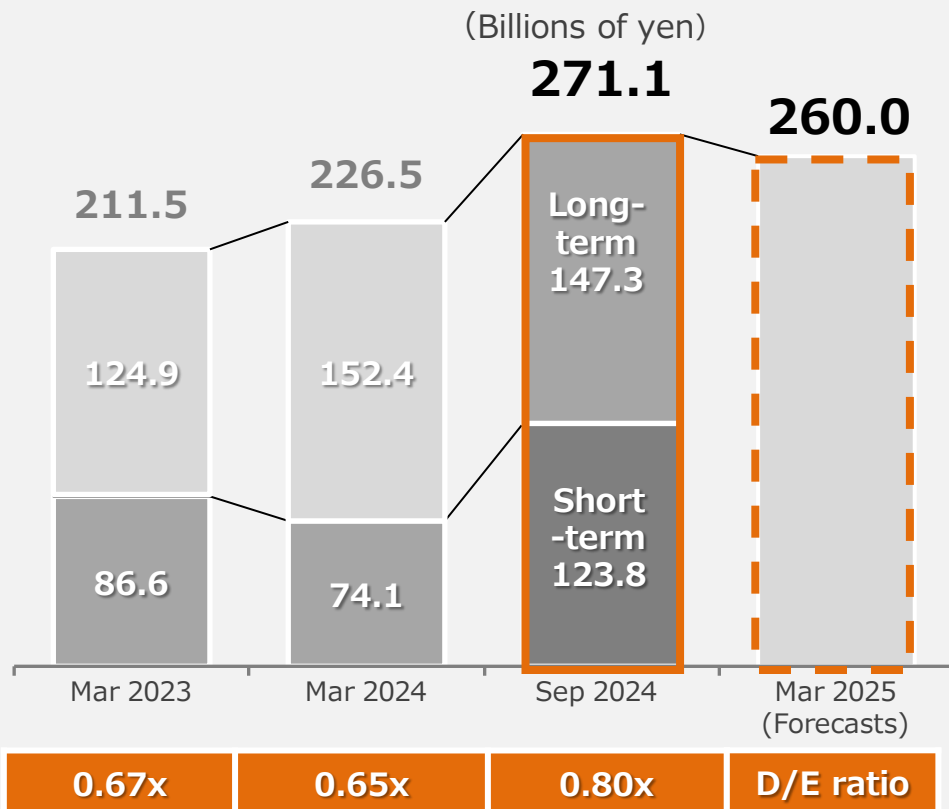


- The balance of cross-shareholdings is being reduced to secure funds for investments in growth.
- At least ¥30 bil worth of cross-shareholdings to be sold over three years (FY2022 – FY2024)
* Market value basis

Sales of cross-shareholdings stocks

	Number of stocks sold	Sales value
Mar 2023	10 stocks	¥11.5 bil
Mar 2024	14 stocks	¥16.6 bil
Sep 2024	9 stocks	¥5.6 bil

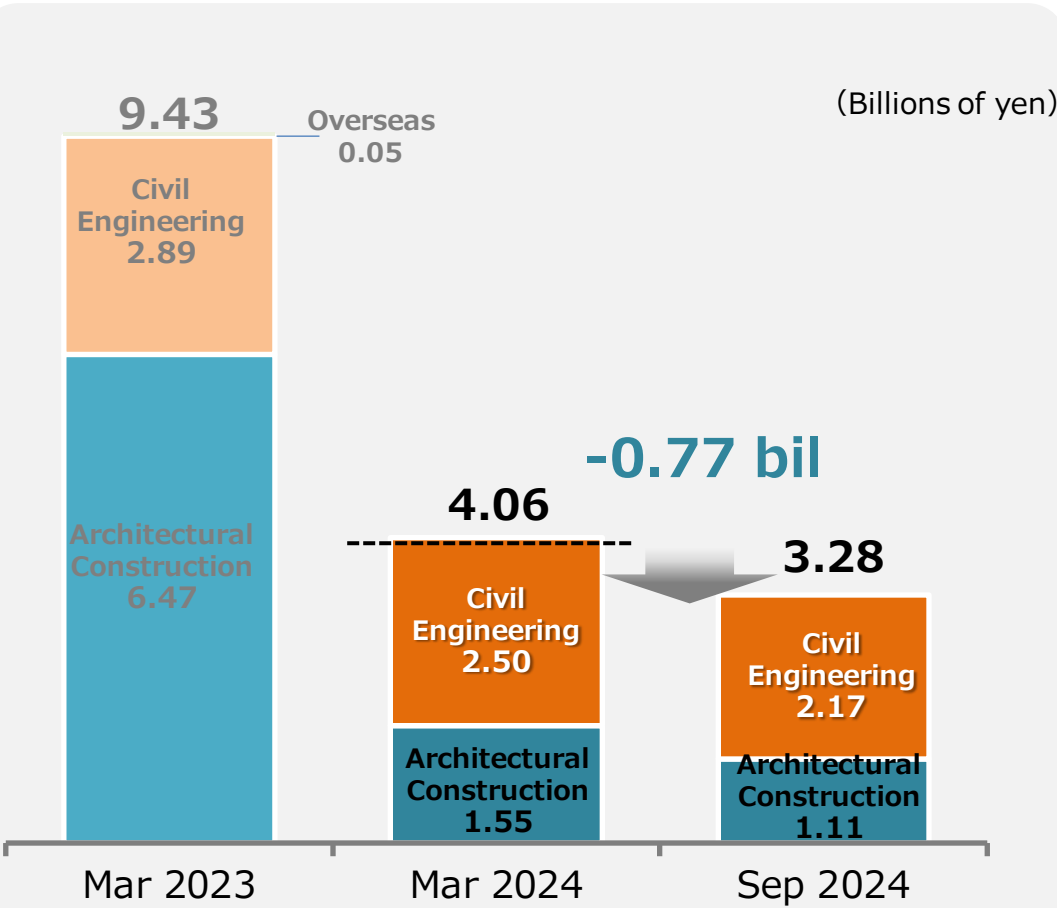
[Consolidated] Interest-Bearing Liabilities



* D/E ratio = Interest-bearing liabilities / Shareholders' Equity

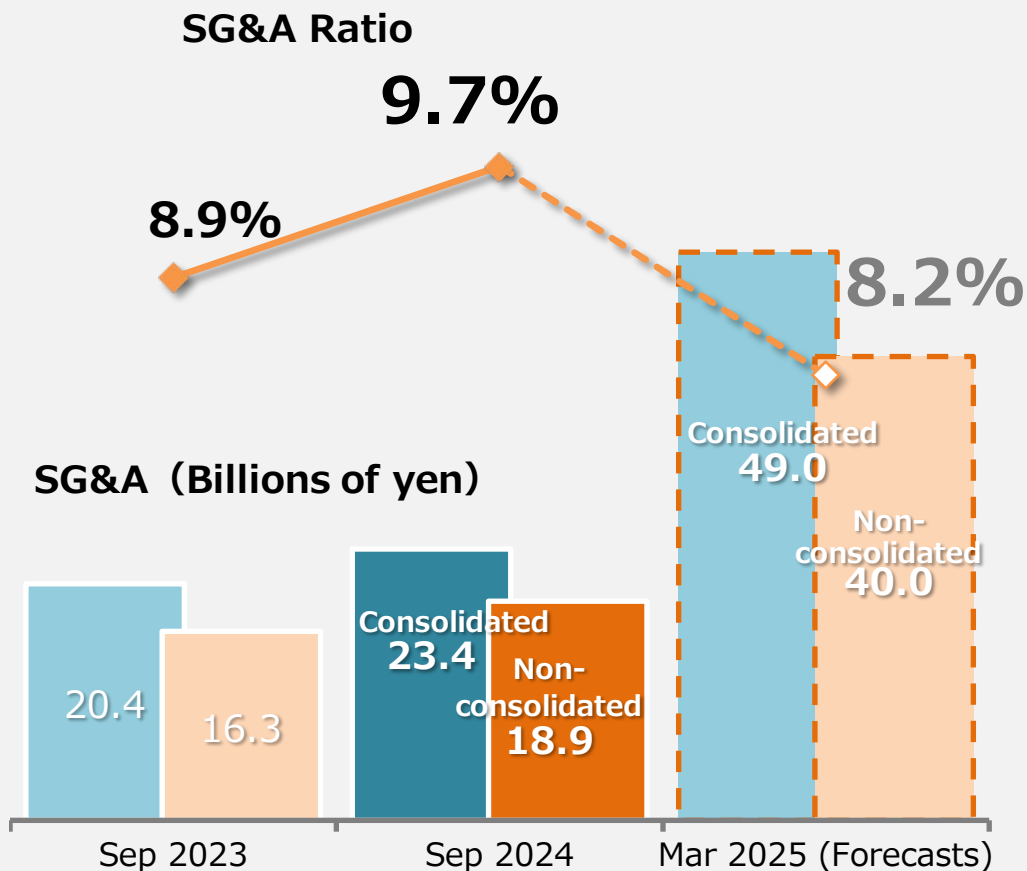
- During the interim period of the fiscal year ending March 31, 2025, interest-bearing liabilities increased by ¥44.6 bil due to ¥40.0 bil increase in CP and ¥5.0 bil increase in long-term loans payable despite ¥0.4 bil decrease in short-term loans payable.
- Interest-bearing liabilities at the end of the fiscal year ending March 31, 2025, are expected to increase by ¥33.5 bil from the fiscal year ending March 31, 2024, while maintaining the D/E ratio below 0.8x to ensure financial soundness.

[Consolidated] Provision for Loss on Construction Contracts



- Provision for loss on construction contracts
- ¥0.77 bil (YoY)
- Key variable factors: Provision for loss on construction contracts decreased in both the domestic Architectural Construction and domestic Civil Engineering businesses. This improvement is attributable to the progress of construction projects and improved profit margins.

[Consolidated] SG & A



- During the interim period of the fiscal year ending March 31, 2025, on a non-consolidated basis, the SG&A expenses increased by ¥2.5 bil YoY, mainly due to increases in personnel and digitalization costs. In addition to these factors, on a consolidated basis, the expenses increased by ¥2.9 bil due to the establishment of an overseas subsidiary, Toda Asia Pacific Pte. Ltd.
- In the fiscal year ending March 31, 2025, both non-consolidated and consolidated SG&A expenses are projected to rise compared to the previous fiscal year. This increase is attributed to ongoing investments in human capital and digitalization.

[Consolidated] Cashflows

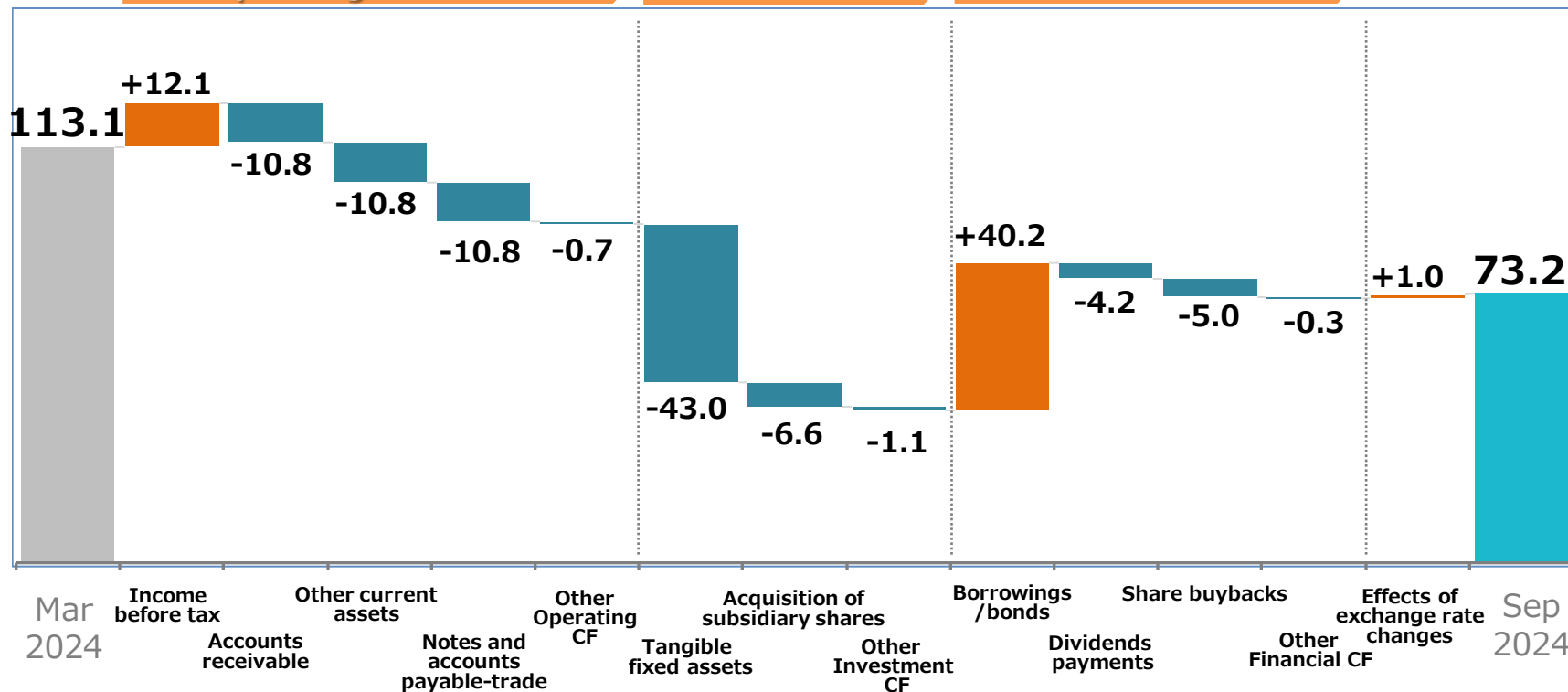
Net increase (decrease) in cash and cash equivalents (Mar 2024 to Sep 2024) -39.8

Operating CF -21.0

Inv CF -50.7

Financial CF +30.7

(Billions of yen)



1 - 2. Earnings Forecasts

[Consolidated] FY2024 Earnings Forecasts

(Billions of yen)

	FY2023	FY2024		
		Forecasts	Change (YoY)	
Consolidated net sales	522.4	600.0	+14.8%	+77.5
Operating income	17.9	30.0	+67.5%	+12.0
Ordinary income	25.4	35.5	+39.3%	+10.0
Net income attributable to owners of parent	16.1	27.0	+67.7%	+10.8
Orders received (non-consolidated)	500.7	500.0	-0.2%	-0.7

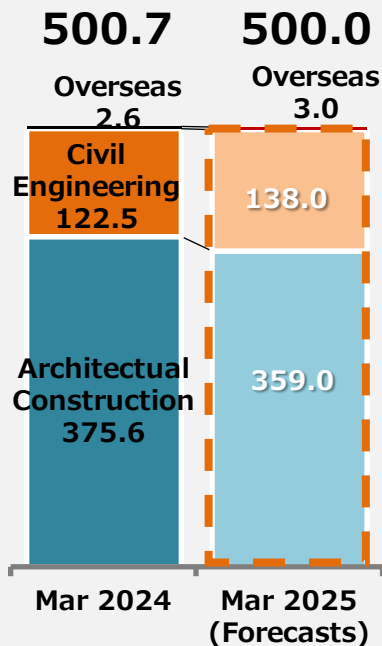
[Non-consolidated] FY2024 Earnings Forecasts

	Amount (¥bil)	Profit margin (%)
Net sales	475.0	
Gross profit	55.5	11.7
Profit from construction business	50.0	11.5
[Domestic architectural construction]	29.8	9.8
[Domestic civil engineering]	19.9	15.4
[Overseas]	0.1	8.6
Profit from investment and development business and others	5.5	13.8
Selling, general and administrative expenses	40.0	
Operating income	15.5	3.3
Ordinary income	18.6	3.9
Income taxes	7.5	
Net income	17.6	3.7

[Non-consolidated] Earnings Forecasts for Construction Business

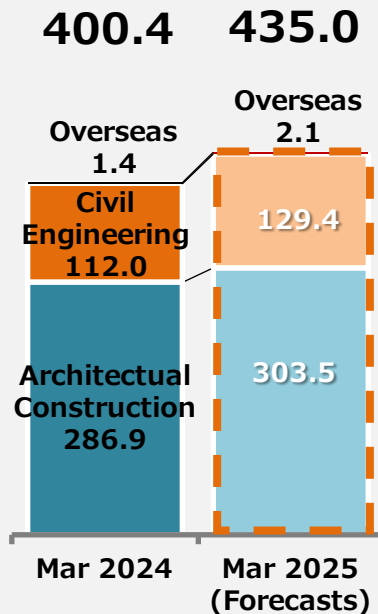
Orders Received for Construction

(Billions of yen)

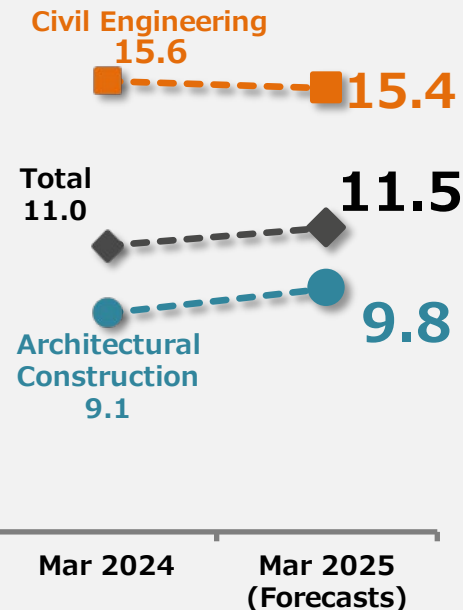


Net Sales of Completed Construction Contracts

(Billions of yen)



Gross Profit Margin on Completed Construction Contracts (%)

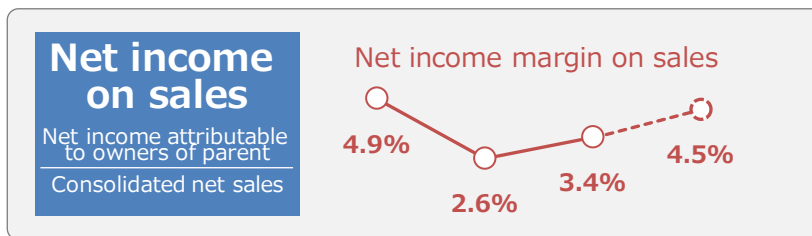
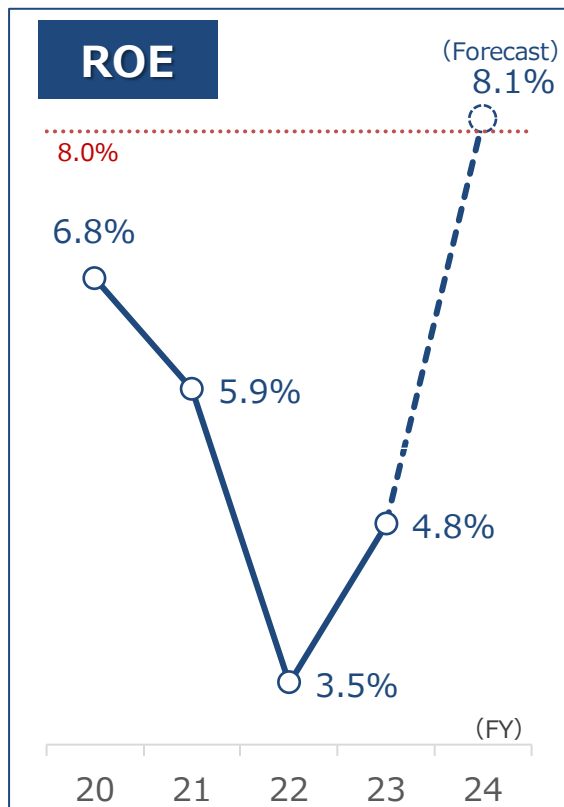




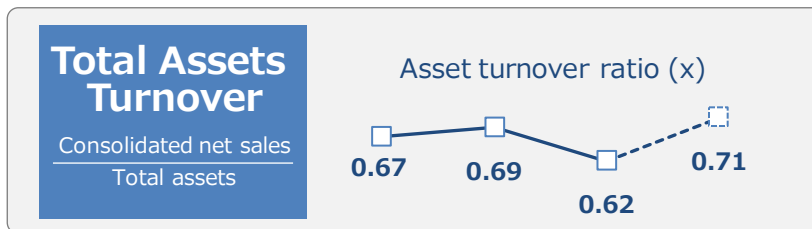
Enhancing Corporate Value

Progress in Cost of Capital Management

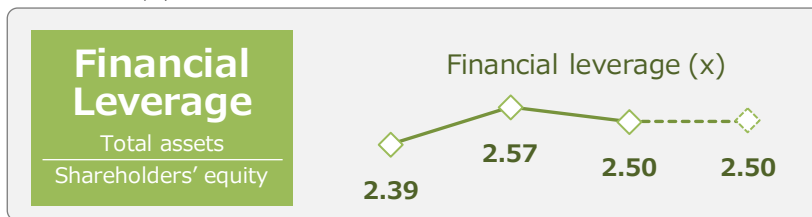
Pursuing growth and profitability is the challenge to improving ROE



Pursuit of Growth and earning power



Improvement of capital efficiency



Optimal capital structure

* FY2024 forecast for shareholders' equity is based on the average of the beginning and end of FY2023.

*Total assets for FY2024 forecast are based on the figures at the end of FY2023.

Measures for Improvement"

Improving capital efficiency through the utilization of private placement funds and the sales of cross-shareholdings

Key points for improvement		Policies and Measures	Medium-Term Plan Targets and Forecasts
Improvement of ROE	Pursuing growth and earning power	<ul style="list-style-type: none"> ➤ Growth strategy and strategic investments to enhance corporate value ➤ Improvement of capital efficiency through reallocation of real estate assets etc (use of private placement funds etc) 	Sales of assets Targets: ¥67 bil/ 3 years Forecasts: ¥88 bil/ 3 years
	Improvement of capital efficiency	<ul style="list-style-type: none"> ➤ Sales of cross-shareholdings ➤ Promotion of business portfolio management and business management using ROIC by segment 	Sales of cross-share holdings Targets: ¥30 bil/ 3 years Forecasts: ¥44 bil/ 3 years
	Optimal capital structure	<ul style="list-style-type: none"> ➤ Maintain investment grade rating based on financial discipline 	D/E Ratio Targets: 0.8x or less Forecasts: 0.8x or less
Improvement of PER	Stable and continuous shareholder returns	<ul style="list-style-type: none"> ➤ Implementation of stable shareholder returns ➤ Timely and appropriate share buybacks conducted flexibly 	DOE Targets: 2.5% or more Forecasts: 2.5%
	Dialogue with stakeholders (IR activities)	<ul style="list-style-type: none"> ➤ Proactive dialogue with investors (60+ meetings per year) ➤ Initiatives focused on stakeholder satisfaction 	Total Return Ratio Targets: 40% or more Forecasts: 51% <small>* Share buybacks of up to ¥5.0 billion in FY2023 and FY2024.</small>

Improvement of PBR

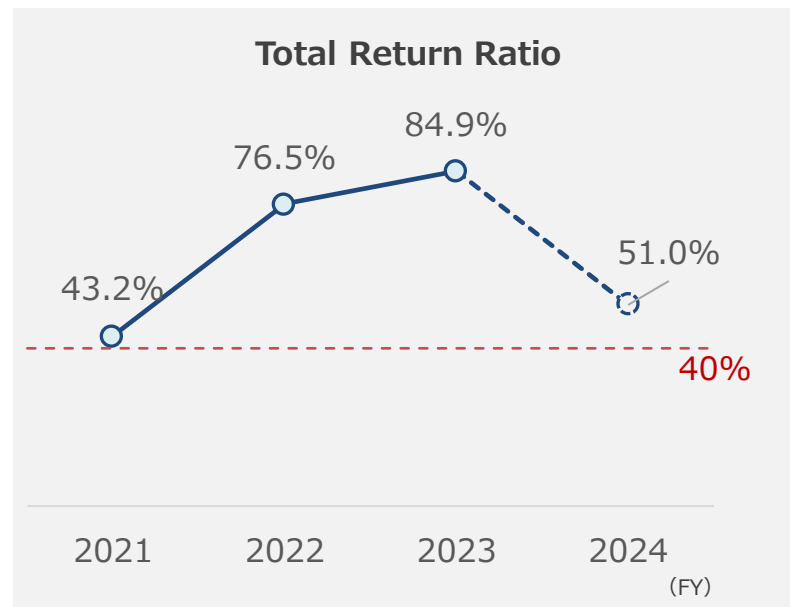
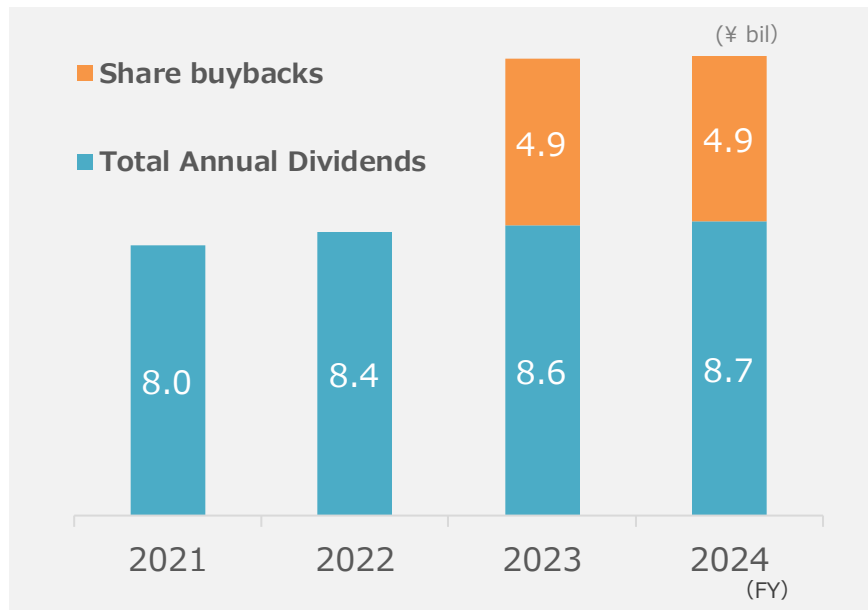
Shareholder Returns

Share buybacks of up to ¥5.0 bil in FY2023 and FY2024

Dividend Policy

- DOE (Dividend Payout Ratio on Net Assets): 2.5% or more

- Total Return Ratio: 40% or more



* Shares acquired through the purchase of odd-lot shares are not included; the dividend forecast for FY2024 is as of November 20, 2024.

DOE	2.6%	2.7%	2.6%	(2.5%)
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**TODA
CORPORATION**