

Six Months Ended for FY 2021 Financial Results Briefing

26 Nov 2020

 TOYO CONSTRUCTION CO., LTD.

1

Index

- I . Financial highlights of 2nd quarter of FY 2021
- II . Earning forecast for FY 2021
- III . Future business deployment and commitment
- IV . Reference materials

2

I Six Months Ended for FY 2021 Summary of Financial Results

3

1. Statement of Income · Balance Sheet(Consolidated)

※Amounts less than 100 million yen are rounded down	Fiscal year ended	Fiscal year ended	Fiscal year ended March 31, 2020		
	March 31, 2019 2Q	March 31, 2020 2Q		% of Net Sales	Increase (Decrease)
Net sales	756	863	758	—	△ 105
Net sales of completed construction contracts	751	860	755	—	△ 104
Domestic civil engineering	446	463	446	—	△ 17
Domestic architectural construction	240	282	239	—	△ 42
Overseas construction	64	114	68	—	△ 45
side line business	4	3	3	—	0
Gross profit	77	93	83	11.0%	△ 9
Gross profit on completed construction contracts	74	91	81	10.7%	△ 10
Domestic civil engineering	48	58	55	12.5%	△ 2
Domestic architectural construction	22	27	26	10.9%	△ 1
Overseas construction	3	5	△ 0	△ 1.3%	△ 6
side line business	2	2	2	64.3%	0
Operating Profit	32	48	40	5.3%	△ 8
Domestic civil engineering	17	26	25	5.8%	△ 1
Domestic architectural construction	14	19	17	7.4%	△ 1
Overseas construction	△ 0	1	△ 4	△ 6.6%	△ 5
side line business	1	1	1	37.7%	0
Ordinary profit	34	47	37	5.2%	△ 9
Current net profit attributable to shareholders of parent	21	30	23	3.3%	△ 6

※Amounts less than 100 million yen are rounded down	Fiscal year ended	Fiscal year ended	Fiscal year ended March 31, 2021	
	March 31, 2019 2Q	March 31, 2020 2Q		Increase (Decrease)
Current assets	995	944	916	△ 27
Cash and deposits	321	263	145	△ 118
Notes receivable, accounts receivable from completed construction contracts, etc.	538	499	551	52
Costs on uncompleted construction contracts	45	50	84	33
Non-current assets	409	410	403	△ 7
Property, plant and equipment	337	339	334	△ 5
Total assets	1,404	1,355	1,320	△ 34
Current liabilities	747	657	617	△ 39
Notes payable, accounts payable for construction	419	335	319	△ 15
Short-term borrowings	88	82	50	△ 31
Advances received on uncompleted construction	104	88	111	23
Non-current liabilities	127	124	118	△ 6
Long-term borrowings	35	29	25	△ 4
Total liabilities	874	781	736	△ 45
Net assets	529	573	584	11
Share capital	140	140	140	0
Retained earnings	293	340	349	9
Total liabilities and net assets	1,404	1,355	1,320	△ 34

※ Unit : 100 Million of Yen

4

2. Statement of Income · Balance Sheet(Non-Consolidated)

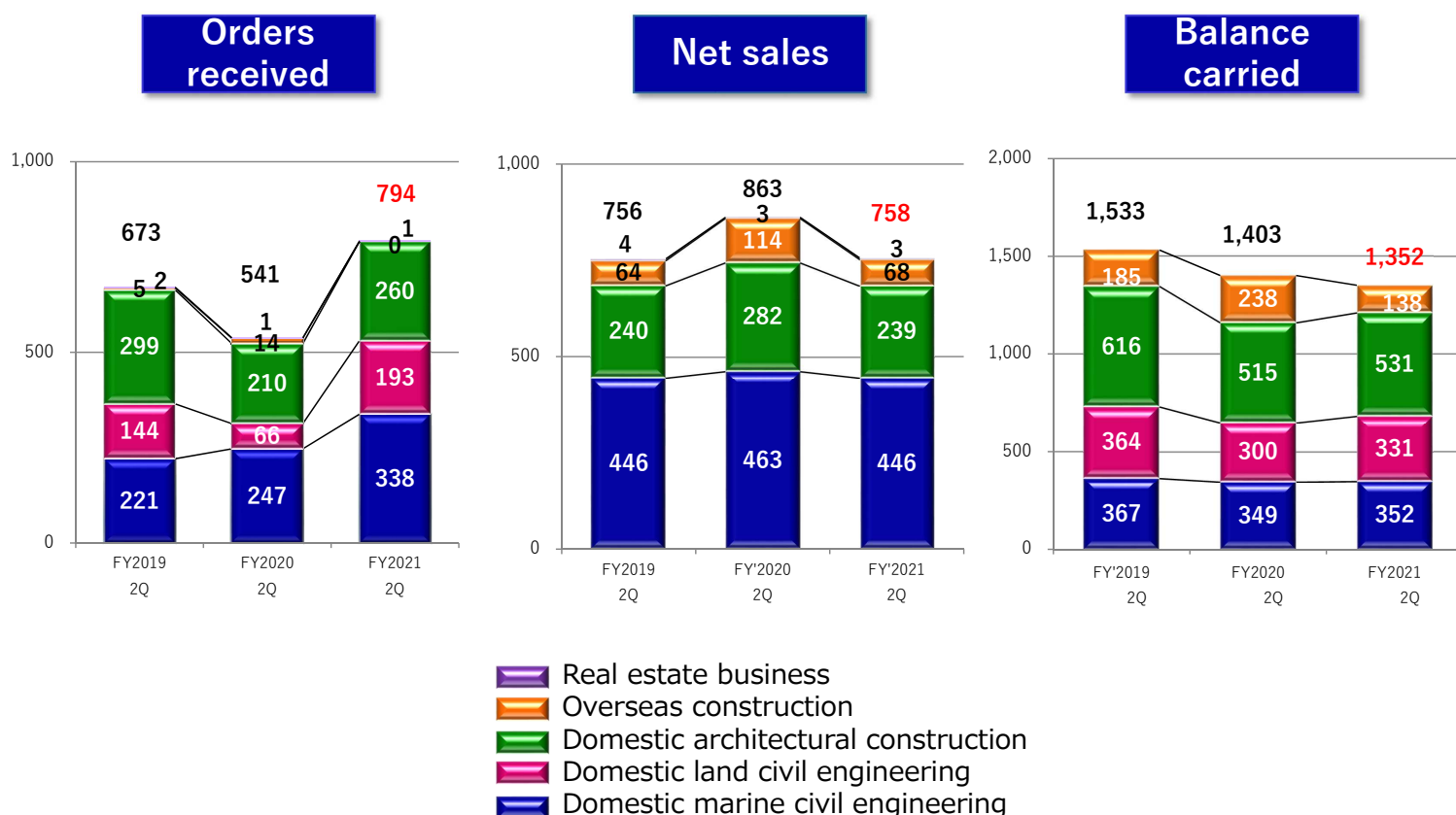
	Fiscal year ended March 31, 2019 2Q	Fiscal year ended March 31, 2020 2Q	Fiscal year ended March 31, 2021 2Q		
				% of Net Sales	Increase (Decrease)
Net sales	694	774	675	—	△ 98
Net sales of completed construction contracts	692	772	673	—	△ 98
Domestic civil engineering	419	425	406	—	△ 18
Domestic architectural construction	228	277	234	—	△ 42
Overseas construction	44	69	32	—	△ 37
real estate business	2	1	1	—	△ 0
Gross profit	65	78	68	10.1%	△ 10
Gross profit on completed construction contracts	64	77	67	10.0%	△ 10
Domestic civil engineering	42	49	45	11.2%	△ 4
Domestic architectural construction	21	26	25	11.0%	△ 1
Overseas construction	0	0	△ 3	△ 11.9%	△ 4
real estate business	0	0	0	47.7%	0
Operating profit	28	41	32	4.8%	△ 8
Domestic civil engineering	14	22	19	4.7%	△ 3
Domestic architectural construction	13	19	17	7.6%	△ 1
Overseas construction	△ 1	△ 1	△ 5	△ 17.3%	△ 4
real estate business	0	0	0	45.6%	0
Ordinary profit	29	40	30	4.5%	△ 10
Current net profit	19	27	19	3.0%	△ 7

	Fiscal year ended March 31, 2019 2Q	Fiscal year ended March 31, 2020 2Q	Fiscal year ended March 31, 2021	
				Increase (Decrease)
Current assets	914	845	814	△ 31
Cash and deposits	283	213	104	△ 108
Notes receivable, accounts receivable from completed construction contracts, etc.	505	465	513	49
Costs on uncompleted construction contracts	40	45	69	24
Non-current assets	378	380	374	△ 5
Property, plant and equipment	296	301	297	△ 4
Total assets	1,292	1,225	1,189	△ 36
Current liabilities	700	592	554	△ 37
Notes payable, accounts payable for construction contracts and other	384	302	281	△ 21
Short-term borrowings	86	79	47	△ 31
Advances received on uncompleted construction	101	67	99	32
Non-current liability	103	100	96	△ 3
Long-term borrowings	31	27	23	△ 3
Total liabilities	803	693	651	△ 41
Net assets	489	532	537	5
Share capital	140	140	140	0
Retained earnings	259	304	310	5
Total liabilities and net assets	1,292	1,225	1,189	△ 36

※ Unit : 100 Million of Yen

5

3. Orders received, Net sales, and contracts(Individual)



※ Unit : 100 Million of Yen

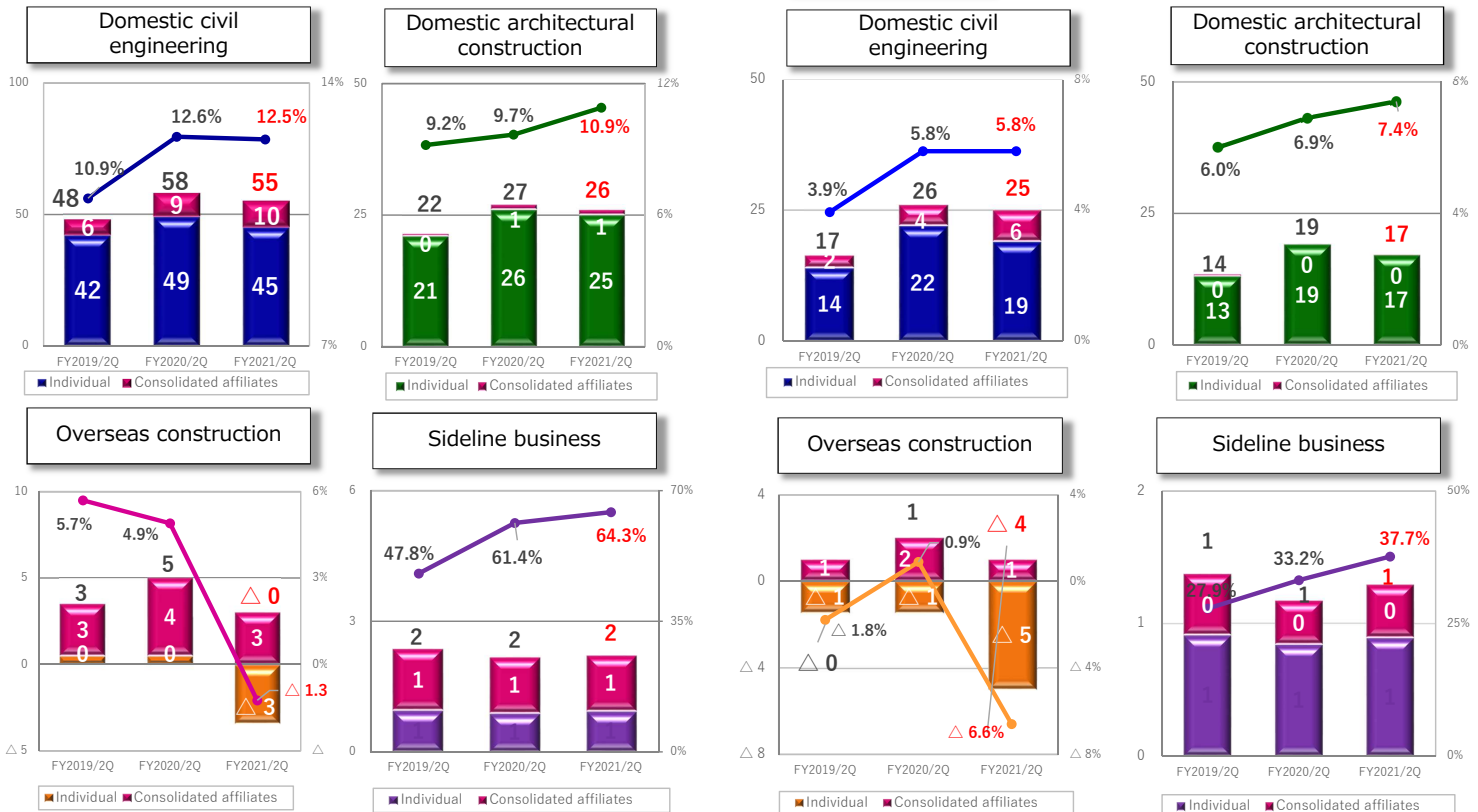
※Amounts less than 100 million yen are rounded down

6

4. Gross profit , Operating profit (Consolidated)

Gross profit

Operating profit



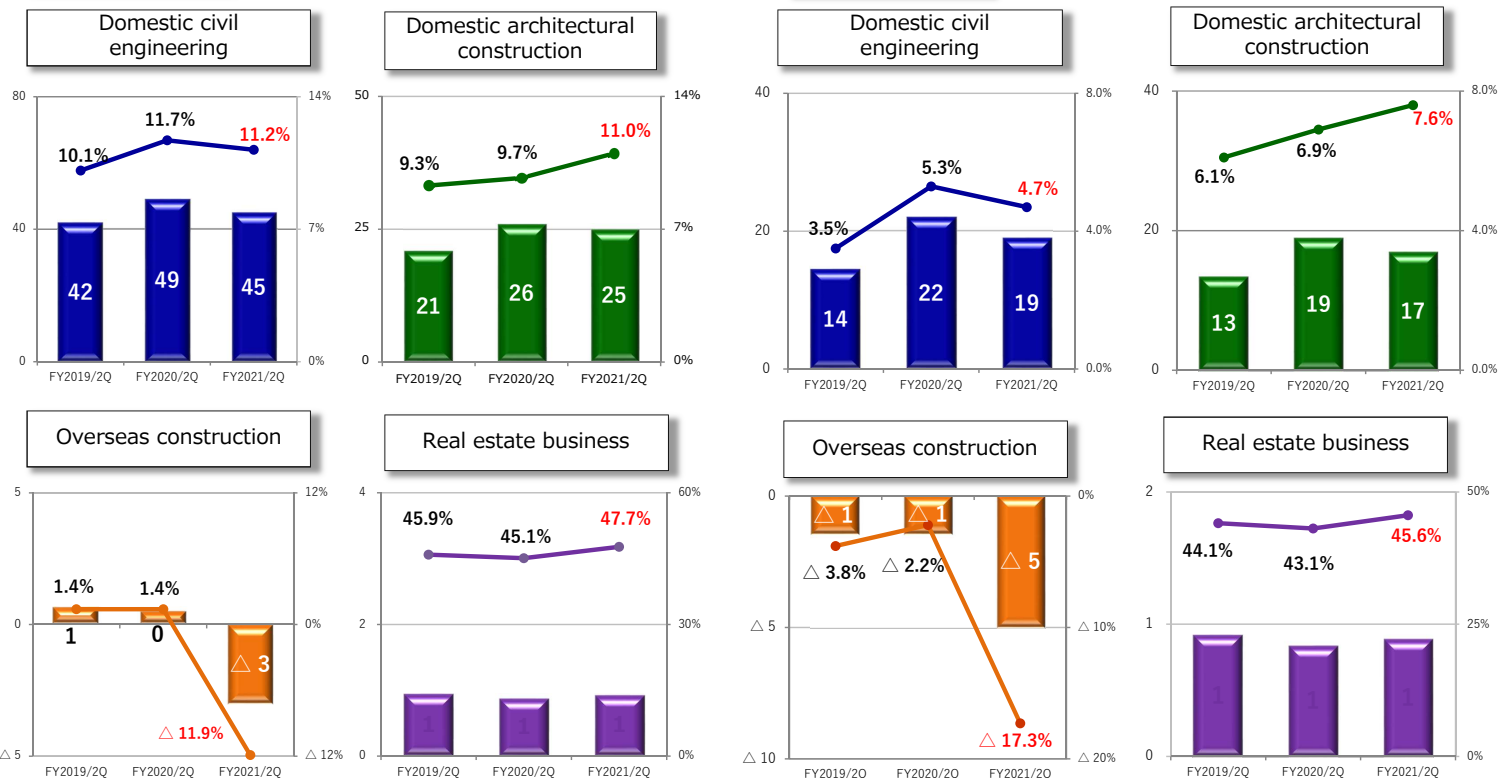
※ Unit : 100 Million of Yen

※Amounts less than 100 million yen are rounded down

5. Gross profit , Operating profit (Non-Consolidated)

Gross profit

Operating profit



※ Unit : 100 Million of Yen

※Amounts less than 100 million yen are rounded down

6. Factors of Change in Operating profit

FY2021 2Q
Operating profit

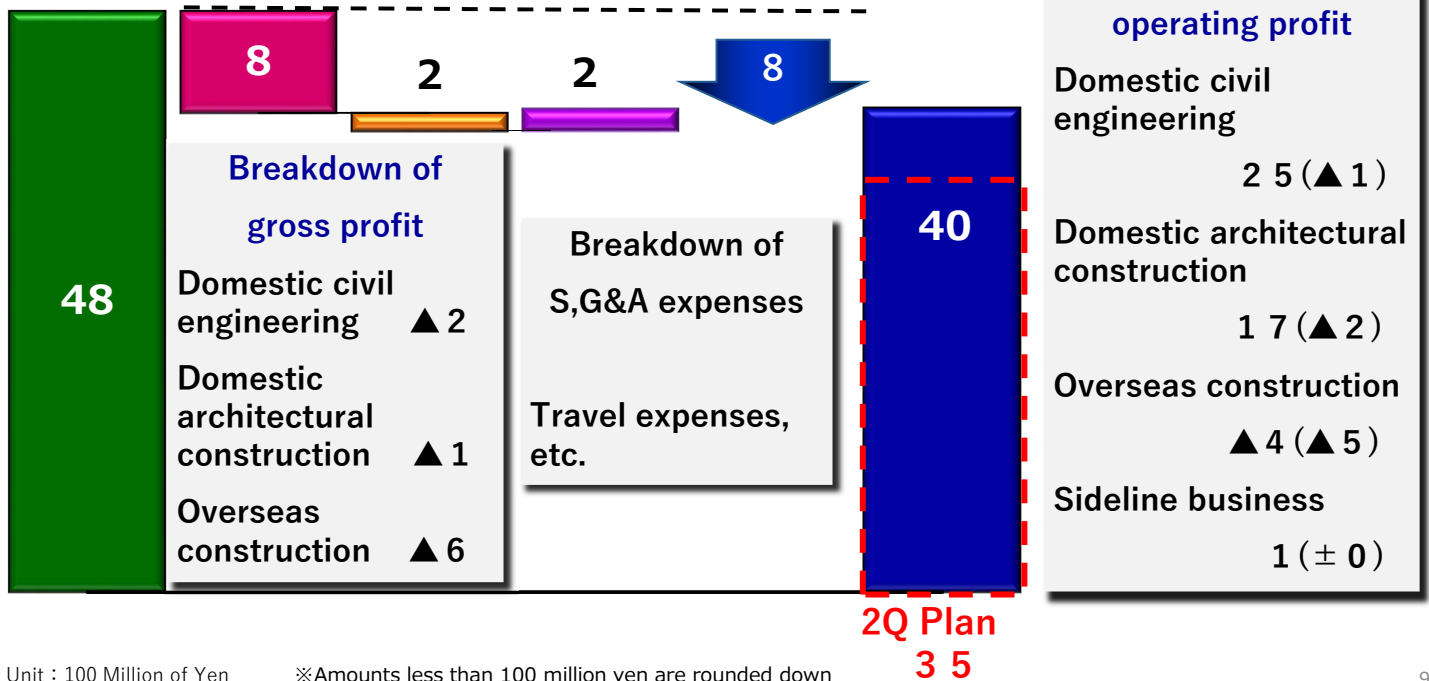
Decrease
in net
sales

Decreased
profit
margin

Decrease
in SG&A

FY2021 2Q
Operating profit

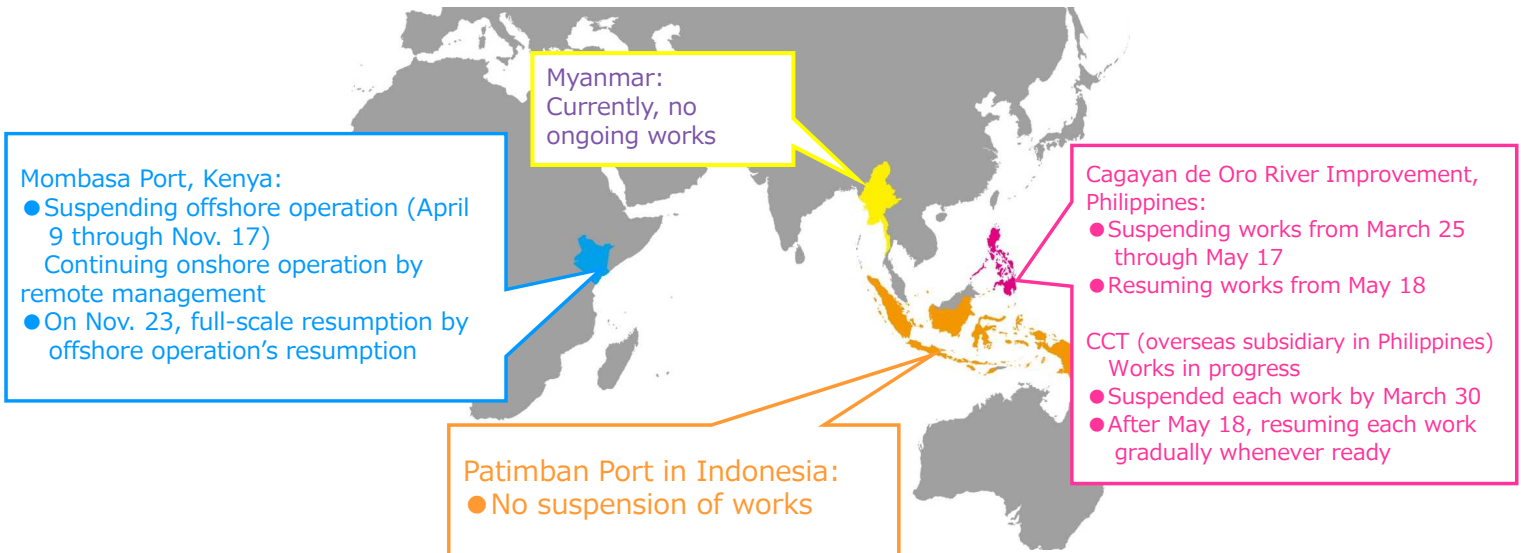
While down by 0.8
bil. yen on YoY,
exceeding 2Q Plan



II Earning forecast for FY 2021

1. Impact of the COVID-19

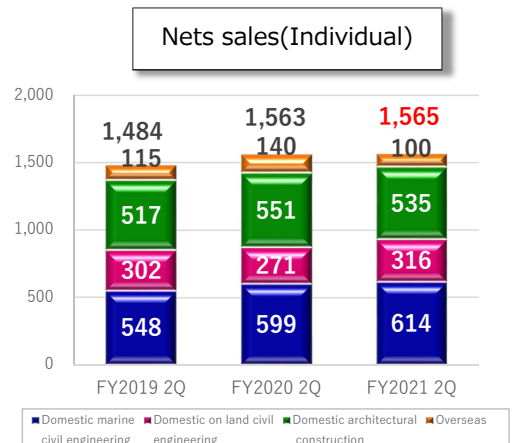
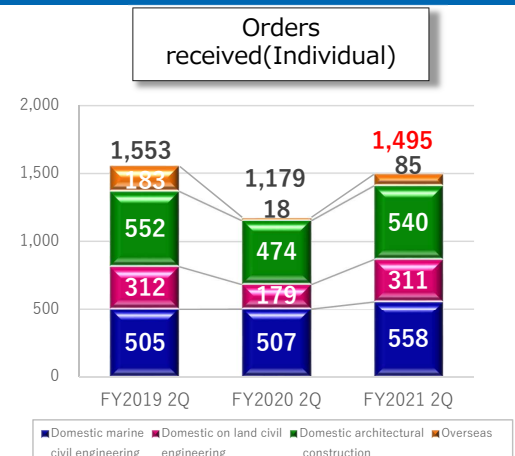
- No impact on ongoing domestic works
- For overseas business, some works suspended but now resumed
- For overseas business, expecting tough negotiation for extra costs caused by suspension of works
- Expecting domestic business to cover those costs



11

2. Earning forecast for FY 2021

	Consolidated				Individual			
	Fiscal year ended March 31, 2020 results	Fiscal year ended March 31, 2021 Plan	Fiscal year ended March, 31, 2021 forecast	Last year increase or decrease	Fiscal year ended March 31, 2020 results	Fiscal year ended March 31, 2021 Plan	Fiscal year ended March 31, 2021 forecast	Last year increase or decrease
Net sales	1,748	1,750	1,750	2	1,566	1,570	1,570	4
Net sales of completed construction contracts	1,741	1,742	1,742	1	1,563	1,565	1,565	2
Domestic civil engineering	941	984	1,032	91	871	900	930	59
Domestic architectural construction	563	547	547	△ 16	551	535	535	△ 16
Overseas construction	237	211	163	△ 74	140	130	100	△ 40
real estate business	6	8	8	2	3	5	5	2
Gross profit	181	173	163	△ 18	155	145	141	△ 14
Gross profit on completed construction contracts	176	169	159	△ 17	154	143	139	△ 15
Domestic civil engineering	104	108	109	5	93	94	95	2
Domestic architectural construction	56	44	45	△ 11	55	42	45	△ 10
Overseas construction	15	17	5	△ 10	5	7	△ 1	△ 6
real estate business	4	4	4	0	1	2	2	1
Selling, general and administrative expenses	88	92	82	△ 6	73	77	73	0
Operating profit	92	81	81	△ 11	82	68	68	△ 14
Domestic civil engineering	43	44	51	8	39	38	42	3
Domestic architectural construction	41	28	30	△ 11	40	27	29	△ 11
Overseas construction	6	7	△ 2	△ 8	0	2	△ 5	△ 5
real estate business	2	2	2	0	1	1	2	0
Operating profit ratio	5.3%	4.6%	4.6%	△ 0.7%	5.3%	4.3%	4.3%	△ 1.0%
Ordinary Profit	91	77	77	△ 14	84	66	66	△ 18
Current net profit attributable to shareholders of parent	57	50	50	△ 7	56	45	45	△ 11
ROE	10.7%	8.7%	8.7%	△ 2.0%	11.1%	8.2%	8.2%	△ 2.9%



※ Unit : 100 Million of Yen

※ Amounts less than 100 million yen are rounded down

12



Future business deployment and commitment

1. Domestic Civil Engineering Initiative ①

Basic Strategy

- ◆ Strengthening commitment to private / recyclable energy business
- ◆ Pursuing profits of public offshore construction
- ◆ Strengthening private business by enhancement of technical division
- ◆ Increasing order receipt of public works at land
- ◆ Advanced technical development being conscious of the market megatrend

Goals in 10 years

Securing stable profits at high dimension with the resilient portfolio & technologies as a core business
Strategically shifting business volume & profit source onto overseas

Order received
83 bil. yen

Operating profit
4.5 bil. yen

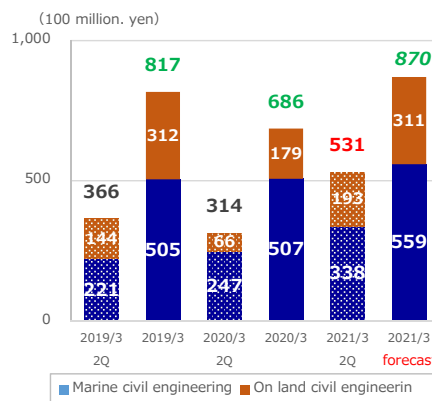
Plan & forecast of orders received (Non-consolidated)

Unit : 100 Million of Yen	Plan	FY2020 Forecast
Marine civil engineering	559	558
On land civil engineerin	311	311
Total	870	870

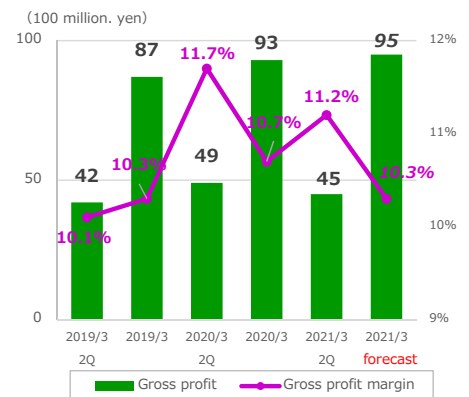
Plan & forecast of gross profit on completion (Non-consolidated)

Unit : 100 Million of Yen	Plan	FY2020 Forecast
Net sales	900	930
Gross profit	94	95
Gross profit margin	10.4%	10.3%

Trend in orders received



Trend in gross profit (amount & margin) on completion



1. Domestic Civil Engineering Initiative ②

Raising the level of private orders by enhancement of technical division

Strengthening organizational capacity and providing technical solution at early stage

- ◆ Enhancement of design staff capabilities
- ◆ Strengthening ability to make proposals
- ◆ Strengthening organizational capacity in Kinki region

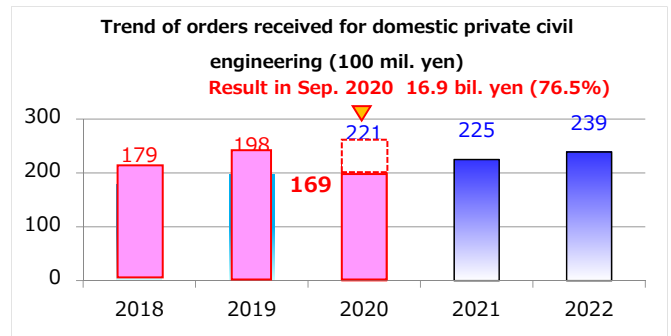
Results of the efforts

- ◆ Increased orders received during first half
- ◆ Receipt of large orders in Kinki region (Kansai Airports, etc.)



Expected focus areas of business

- ◆ Metropolitan area (electric power, heavy industries)
- ◆ Kinki region (EXPO, landfill site off the coast of Kobe)



Kansai Airports Installing wave-dissipating concrete block Construction status during night-time



1. Domestic Civil Engineering Initiative ③

Enhancement of commitment to private / recyclable energy business



Related technological development (1) [Low-cost construction technology development for offshore wind power generation (verification of construction technology)]

Traditional construction method ①

Embedded length 30m required

Mono pile foundation

Limited right spots in Japan

Traditional construction method ②

Gravity foundation

High cost

Subject of study

Embedded length Approx. 10m

Suction bucket foundation

Low cost

1/10 scale test specimen

Scheduled for experiment in local marine area in 2021 summer

Underwater penetration status

[Features]

- ① Environmentally friendly
- ② Low cost
- ③ Short construction period

Bottom-mounted offshore wind power generation facility

Expanding installable marine area in Japan

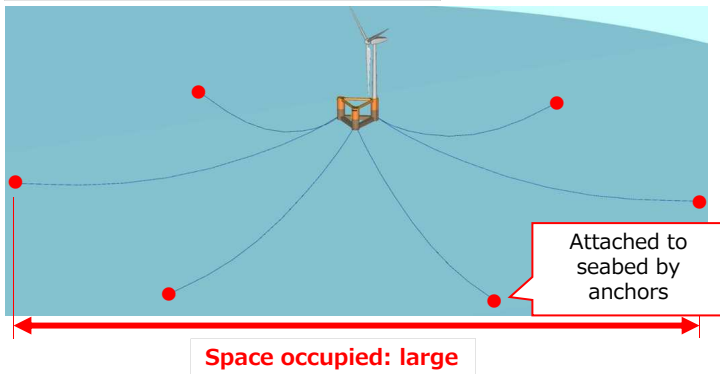
Providing drastically shortening construction period and cost-cutting

1. Domestic Civil Engineering Initiative ③

Enhancement of commitment to private / recyclable energy business

Related technological development (2) [Research & study of technological development for lowering construction cost of floating offshore wind power generation]

Traditional construction method

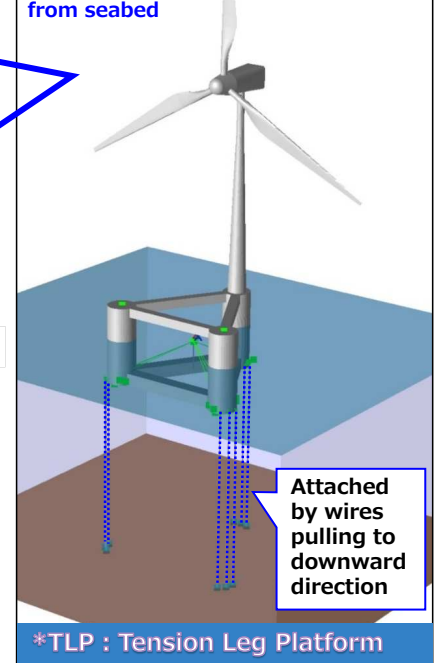


TLP method



Tension Leg Platform (TLP)

※Attached by tension of wires from seabed



Normal anchor mooring method

- Increased costs due to plural huge anchors
- Large impact on fishery

TLP method

- Decreased costs by short anchors
- Small impact on fishery

Solving problems by research & study for lowering costs

Dealing with possible offshore expansion

*Image courtesy: MODEC, Inc.

17

1. Domestic Civil Engineering Initiative ④

Pursuing profits from public offshore works

Improvement in profitability

- ◆ Utilizing vessels owned by the Company
- ◆ Automation & streamlining of work vessels (Utilizing ICT, CIM)

Expected focus areas of business

- ◆ Kanto region: Yokohama Shin-Honmoku Pier
- ◆ Nagoya region: Reclamation of public waters off the coast of Chubu Int'l Airport
- ◆ Kinki region: Osaka coastal road – westward extension project from Kobe
- ◆ Kyushu region: Sediment disposal facility off the coast of Shinmoji (2nd term)

Utilizing vessels owned by the Company

◆ AUGUST EXPLORER

(Installation work of fish reef in oceanic region)

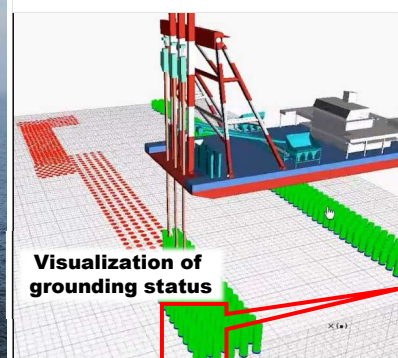


◆ DCM vessel No.6

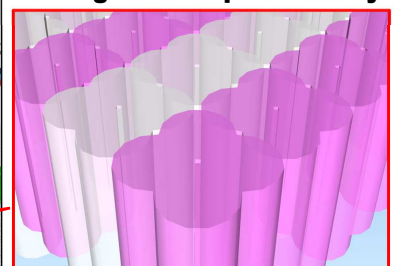
(Soil improvement work for Shin-Honmoku – 18m quay)



Automation of confirmation of grounding, visualization of construction status with CIM Model



CIM image of underground improved body



18

1. Domestic Civil Engineering Initiative ⑤

Increasing order receipt of public works at land

◆ Large-sized land creation, substructure, and seismic retrofitting

Name of work: Substructure work of San-en road No.1 bridge
Owner: Chubu Regional Development Bureau



Confirmation of bar arrangement utilizing CIM

Practical application of remote presence inspection

Relaying camera images to remote location

Developing ICT technologies introduced in sites

◆ National Resilience measures, disaster relief works, etc.

Name of work: Disaster relief work of Nakagawa river
Owner: Kanto Regional Development Bureau

Works utilizing ICT

ICT earthwork

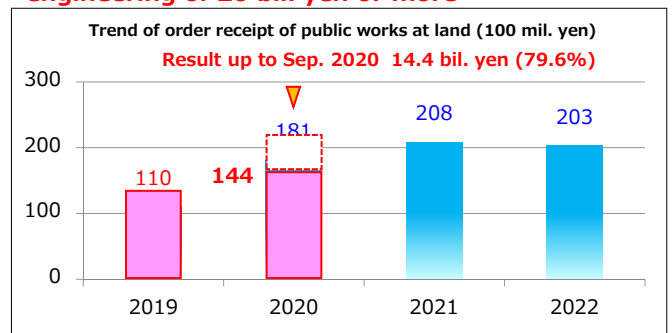
Operator to control machine watching the monitor

Displaying gradient

▽ 0.14 ▽ 0.07

≤ 51.3% ± 0.000m

Aiming at securing orders received for land civil engineering of 20 bil. yen or more



19

1. Domestic Civil Engineering Initiative ⑥

Entry into promising markets with market-conscious technology development

◆ Japan's first installation work of flap-gate-type sluice gate installed at sea bottom

Megatrend

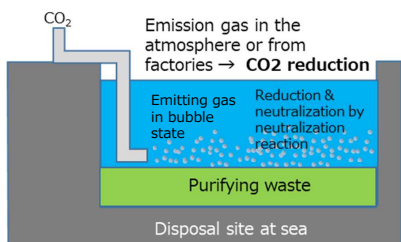
- Disaster-prevention / disaster-mitigation / National Resilience
- CIM**
- i-construction/Automation/AI
- Recyclable energy
- Waste disposal site at sea

Guidance system for installation of port structure (Box-navi VR)

CIM image (steel pipe pile foundation)



◆ Waste disposal site at sea
Development of CO2 immobilization technology (Technology for early stabilization of disposal site at sea) ※Adopted by NEDO



Accelerating the Company's unique technological development with a combination of CIM model and ICT technology

Promoting construction of disposal site at sea + developing environmental technology

Increasing share in the area of disaster-prevention and disaster-mitigation for possible intensified damage by natural disaster

2. Domestic Architectural Construction Initiative ①

Basic Strategy

- ◆ Strengthening response capabilities to cope with environmental variation
- ◆ Cultivating diversified source of earning
- ◆ Strengthening organizational sales capabilities
- ◆ Thorough promotion of BIM
- ◆ Developing and maintaining strong competitiveness

Goals in 10 years

Positioning as the "10 year for revolution of architecture business" to ensure diversified earnings structure, and keeping consistent and sustainable expansion

"competitive contract" ⇒ "de-competitive contract" ⇒ "creating-business type contract" ⇒ "non-contract"

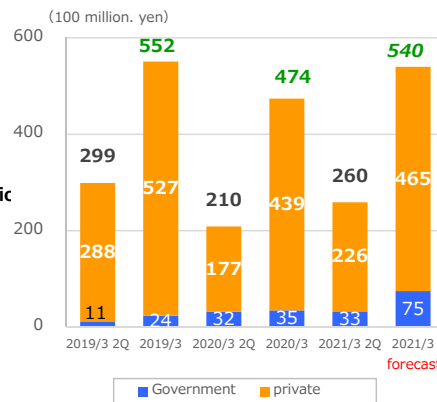
Order received
85 bil. yen

Operating profit
5 bil. yen

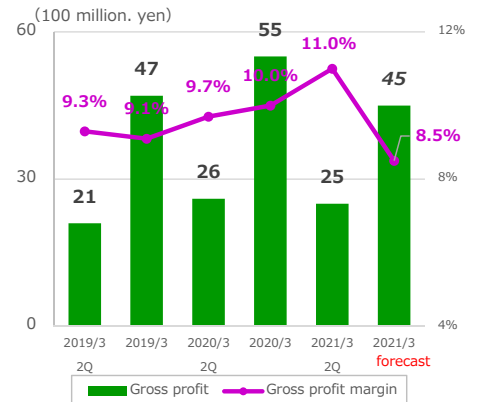
Plan & forecast of orders received

Unit : 100 Million of Yen	Plan	FY2020 Forecast
Government	75	75
private	465	465
Total	540	540

Trend in orders received



Trend in gross profit (amount & margin) on completion



Plan & forecast of gross profit on completic

Unit : 100 Million of Yen	Plan	FY2020 Forecast
Net sales	535	535
Gross profit	42	45
Gross profit margin	7.9%	8.5%

21

2. Domestic Architectural Construction Initiative ②

Strengthening response capabilities to cope with environmental variation

Focused 8 areas + ReReC®

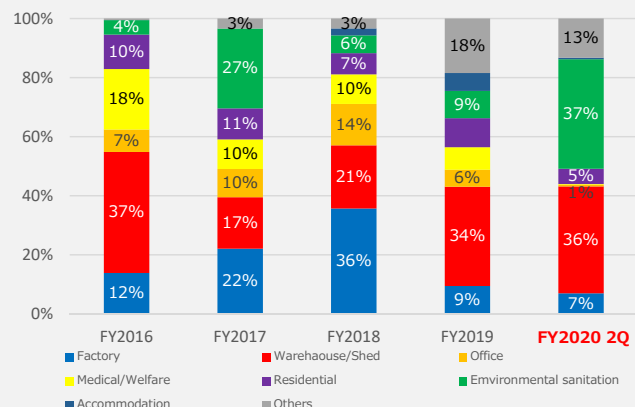


Flexibly dealing with changes of market environment, and aiming at well-balanced receipt of orders in each area including ReReC

※ReReC...Renewal / Renovation / Conversion

- Some reconsideration of facility investment itself also found
- Gradually returning to scheduled orders since the latter half of first half
- Even under severe environment for receiving orders, successfully receiving orders mainly from the areas of logistic facility and environmental facility

Share of private orders received by area



22

2. Domestic Architectural Construction Initiative ③

Cultivation of diversified source of earning

Holding multiple areas of specialty by approaching to Focused 8 areas + **stock market**
 Securing stable sources for business income unaffected by market fluctuation

Increase of consultation for large-sized ReReC orders



BEFORE

Improvement work for a certain government building

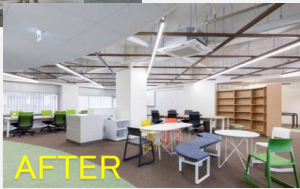


AFTER



BEFORE

Improvement work for a certain store



AFTER

Increase of business information & consultation

Evolving upward into solution-oriented sales

Accumulation of construction achievements

Consolidation of business information for ReReC



BEFORE

Improvement work for a certain office



AFTER



AFTER



BEFORE

Value increasing work for a certain hotel

2. Domestic Architectural Construction Initiative ④

Major orders & ongoing works in focused areas

Cold storage warehouse

Name of work: (Working title) New construction of Yokorei Island City Logistics Center
 Owner: Yokohama Reito Co., Ltd. **In progress**
 Construction period: Aug 2019 – Jan 2021
 Outline of construction: RC structure 4F + Steel structure 2F
 Total floor space: 27,206㎡

Conceptional drawing



Logistic facility

Design & Construction

Name of work: (Working title) New building construction of KINBUTSU REX Niigata branch
 Owner: KINBUTSU REX Co., Ltd. **In progress**
 Construction period: Sep 2020 – Aug 2021
 Outline of construction: Steel structure 2F
 Total floor space: 13,840㎡

Conceptional drawing



2. Domestic Architectural Construction Initiative ⑤

Major orders & ongoing works in focused areas

Residential

Name of work: (Working title) New building construction for Sendagi 1-chome Project
 Owner: Nomura Real Estate Development Co., Ltd. **In progress**
 Construction period: Aug 2019 – Feb 2021
 Outline of construction: RC structure, 4-story with 1 basement floor
 Total floor space: 6,159㎡

Conceptual drawing



Medical/Welfare

Name of work: New building construction of assisted living residence of Jiseikai at Higashi-komatsugawa
 Owner: (Medical Care Corporation) Jiseikai **In progress**
 Construction period: Apr 2020 – Apr 2021
 Outline of construction: Steel structure 6F
 Total floor space: 3,540㎡

Conceptual drawing



2. Domestic Architectural Construction Initiative ⑥

Major orders & ongoing works in focused areas

Environmental facility

BIM

Name of work: Construction work of Toso waste disposal facility for wide area
 Owner: Nippon Steel Engineering Co., Ltd. **In progress**
 Construction period: Jul 2018 – Mar 2021 Total floor space: 14,108㎡
 Outline of construction: Steel structure 6F, partially SRC structure 4F + partially RC structure

Conceptual drawing



Complex facility

BIM

Design & Construction

Name of work: (Working title) New facility construction for commercial complex of Senko at Shiomi
 Owner: SENKO Group Holdings Co., Ltd. **In progress**
 Construction period: Mar 2020 – Feb 2021
 Outline of construction: RC structure 5F Total floor space: 1,746㎡

Conceptual drawing



2. Domestic Architectural Construction Initiative ⑦

Major completed works in focused areas

Commercial facility

BIM

Design & Construction

Name of work: (Working title) New showroom construction of SMILELAND head office at Ageo

Owner: SMILELAND

Construction period: Mar 2020 – Oct 2020

Outline of construction: Steel structure 1F Total floor space: 1,235m²

Completed

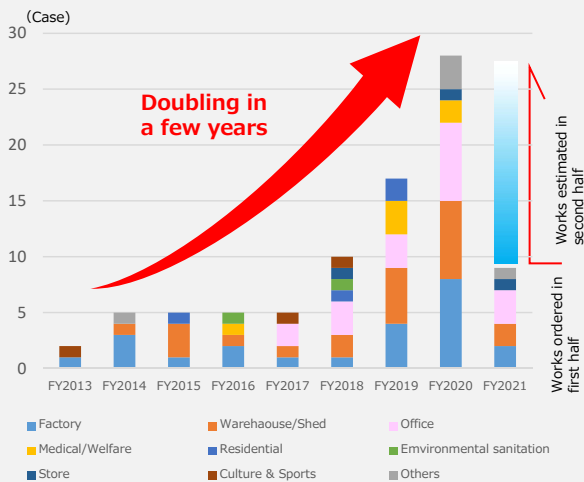


27

2. Domestic Architectural Construction Initiative ⑧

Productivity improvement by BIM

Domestic BIM-managed works by building use



Setting BIM-management as a standard for design and construction works
Currently, trying to utilize BIM at estimate stage and aiming at productivity improvement

By Ministry of Land, Infrastructure, Transport and Tourism (MLIT)
Selected as "FY 2020 Integrated project for verification of benefit by introducing BIM"!

(Working title) Reconstruction project of FRIEND BUILDING

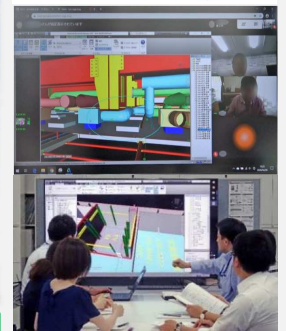


BIM

Design & Construction

ZEB ※

BIM-DPX®
BIM-Digital Process Transformation



Full utilization of BIM-DPX in design & construction work
Attempting to prevail digital process by BIM and strengthen development & standardization of elemental technology

※BIM-DPX : BIM-Digital Process Transformation (newly defined by the Company))

※ZEB...Net Zero Energy Building

28

3. Overseas Construction Initiative ①

Basic Strategy

- ◆ Risk control by thorough prior examination of matters
- ◆ Development of precious local human resources, reinforcement of cooperation with subcontractors
- ◆ Strengthening cost competitiveness by productivity enhancement

Goals in 10 years

Becoming one primary source of revenue, and creating brand power as a company growing with sustainable development of global community

Order received
40 bil. yen

Operating profit
2 bil. yen

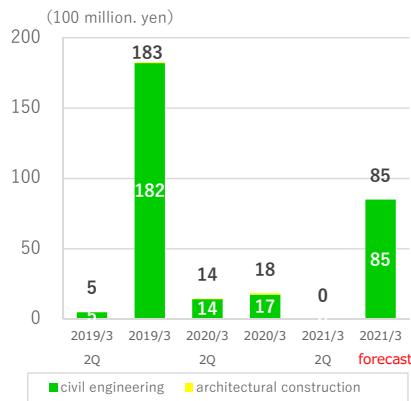
Plan & forecast of orders received (Non-consolidated)

Unit : 100 Million of Yen	Plan	FY2020 Forecast
civil engineering	140	85

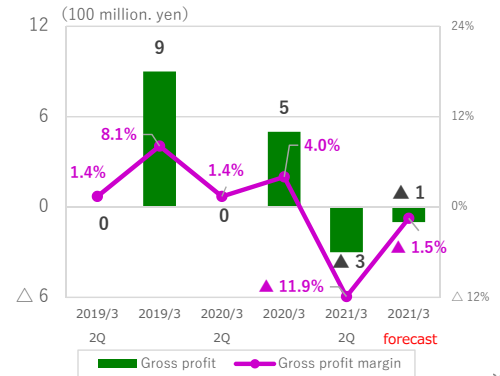
Plan & forecast of gross profit on completion (Non-consolidated)

Unit : 100 Million of Yen	Plan	FY2020 Forecast
Net sales	130	100
Gross profit	7	▲ 1
Gross profit margin	5.4%	▲ 1.5%

Trend in orders received



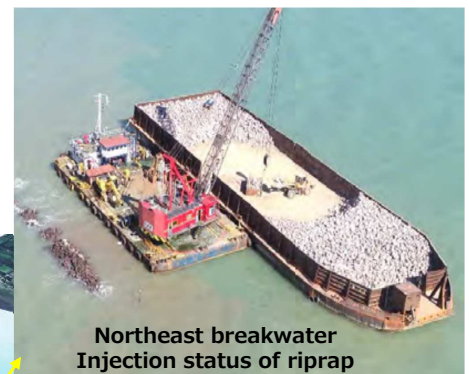
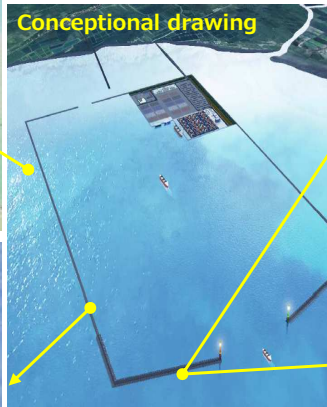
Trend in gross profit (amount & margin) on completion



3. Overseas Construction Initiative ②

Status of works in progress / Patimban Port Development Project in Indonesia, package 2 of 1st term

Owner: Directorate General of Sea Transportation, Ministry of Transportation, Republic of Indonesia
 Construction period: Mar 2019 – Jul 2021 (est.)
 Contract date: November 30, 2018
 Outline of construction: circumferential revetment 6,930m, breakwater 1,930m Dredging(-10m) 1.15 mil.m



3. Overseas Construction Initiative ③

Status of works in progress / Development construction of container terminal of Mombasa Port in Kenya (2nd term)

Owner: Kenya Ports Authority, Republic of Kenya
 Construction period: Sep 2018 – Oct 2021
 Contract date: March 12, 2018
 Outline of construction: quaywall(-15m) 250m
 Reclamation 2.6 mil.m² (including revetment, embankment surcharge)
 Container yard 20ha, building work (16 buildings)



Health Clinic Construction status of roof skeleton



As of March 2020



Container yard Construction status of roadbed (paving work)



As of October 2020



Protection measures against infection by COVID-19
 Wearing mask, keeping social distance

Container yard Panoramic view of paving work

3. Overseas Construction Initiative ④

Status of works in progress / Cagayan de Oro River Improvement in Philippines

Owner: Department of Public Works and Highways (DPWH), Republic of the Philippines
 Construction period: May 2019 – Apr 2022
 Contract date: March 7, 2019
 Outline of construction: river revetment 2,304m
 embankment banking work 0.19 mil.m²
 static compaction work 0.336 mil.m²



Protection measures against infection by COVID-19
 Wearing mask, keeping social distance

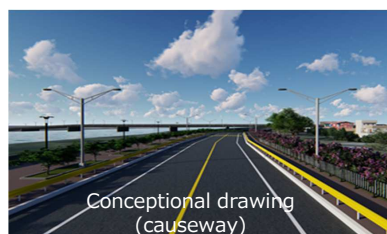
Construction status (static compaction work)



Panoramic view of work



Construction status (roadbed work, subgrade work, retaining wall work)



Conceptual drawing (causeway)

3. Overseas Construction Initiative ⑤

Focused works / Philippines, Myanmar

Metro Manila Interchange Construction Project, Philippines

- ◆ Owner: Department of Public Works and Highways (DPWH), Republic of the Philippines
- ◆ Construction period: 26 months
- ◆ Date of tender: June 18, 2019 (currently, under evaluation)
- ◆ Outline of construction: elevated road approx. 1,699m underground road approx. 428m, approach road approx. 746m



Conceptional drawing (Whole North Mindanao section)



Conceptional drawing (Whole C5 section)

Pasig-Marikina River Channel Improvement Project (Phase IV), Philippines / (STEP)

- ◆ Total scale exceeding 30 bil. yen (project exceeding 10 bil. yen x 3 packages)
- ◆ To be tendered in FY 2020



Phase IV Planned construction site



Phase III Completed (constructed by the Company)

Cebu - New Mactan Bridge Construction Project, Philippines / (STEP candidate)

- ◆ Provision of yen loan in FY 2020 (Total amount: approx. 120 bil. yen)
- ◆ Construction of the 4th Mactan Bridge linking Cebu and Mactan island and the elevated coastal road connecting to the Bridge



Conceptional drawing Elevated coastal road



Conceptional drawing 4th Mactan Bridge

Greater Yangon Water Supply Improvement Project, Myanmar (Phase 2) (1st term)

- ◆ Construction of Kokkowa Water Treatment Plant
 - ◆ To be tendered in FY 2020
- Scale of approx. 10 bil. yen



Image of water treatment plant



Yangon, Myanmar

3. Overseas Construction Initiative ⑥

Focused works / Kenya

Development plans around Mombasa

Mombasa Special Economic Zone (SEZ) Port & road development project (STEP)

- ◆ Amount of yen loan: 37.1 bil. yen
- ◆ PKG1: Port (applying jacket construction method)
- ◆ PKG2: Access road
- ◆ PKG3: power transmission line, substation



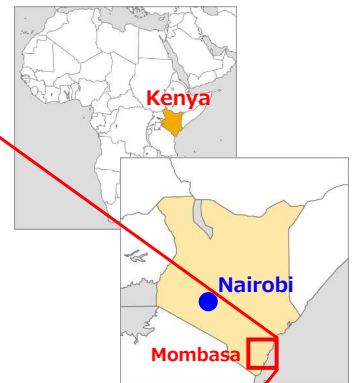
Construction status of jacket construction method (Company's achievement in Myanmar)

Mombasa Special Economic Zone (SEZ) Industrial Park Development Project (Grant aid)

- ◆ Amount of grand aid: 6 bil. yen
- ◆ Development of SEZ

Mombasa Port Development Project Phase 3 (candidate for next yen loan)

- ◆ Container terminal work: scale of approx. 18 bil. yen



Mombasa Gate Bridge Construction Project (STEP)

- ◆ Amount of yen loan: 47.8 bil. yen
- ◆ Cable stayed bridge, elevated road, etc.



Mombasa Gate Bridge conceptional drawing (cable stayed bridge)

3. Overseas Construction Initiative ⑦

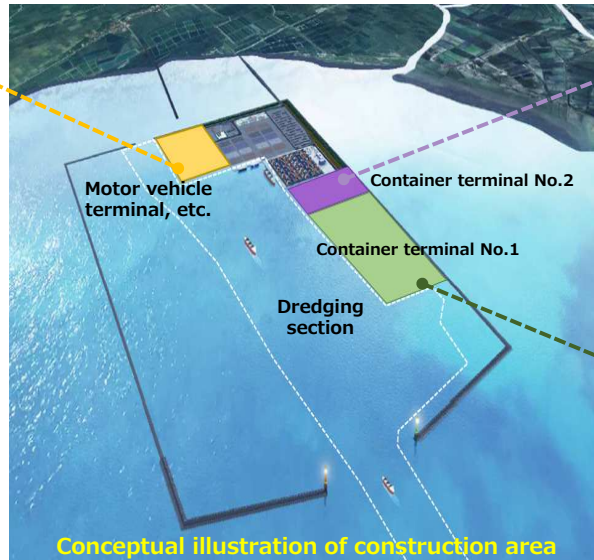
Focused works / Indonesia

Patimban Port Development Project, phase 1-2 (package 5-7)

- ◆ Total amount of approx. 100 bil. yen
- ◆ To be tendered in first half of FY 2021

Package 5

1. Motor vehicle terminal
 - Ext. of berth L=390m Water depth -12.5m
2. Ro-Ro terminal
 - Ext. of berth L=170m Water depth -7m
3. Service port quaywall
 - Ext. of berth L=390m Water depth -12.5m
4. Dredging of anchorage Approx. 1.63 mil.m
5. Building work of administration office, etc.



Package 6

1. Container terminal No.2
 - Ext. of berth L=420m Water depth -14m
2. Dredging of anchorage Approx. 6.32 mil.m
3. Channel dredging Approx. 4.57 mil.m

Package 7

1. Container terminal No.1
 - Total ext. of berth L=1,320m
 - Water depth -12.5m ~ -14m
2. Dredging of anchorage Approx. 5.90 mil.m

35

3. Overseas Construction Initiative ⑧

CCT (overseas subsidiary in Philippines)

Company profile

- ◆ Foundation 1976
- ◆ Employees Japanese staff: 9, Local staff: 310
- ◆ License category : AAA (Triple A)

① Private architectural business

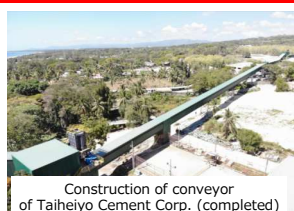
- ◆ 274 construction results, 141 customers
- ◆ Maintaining continuous relation with existing customers and strengthening sales to new Japanese customers
 - Major Japanese customers: Ajinomoto Co., Inc., Yamaha Motor Co., Ltd., Honda Motor Co., Ltd., Suzuki Motor Corporation, Isuzu Motors Limited, Hitachi Metals, Ltd., Toshiba Corporation, Terumo Corporation, Murata Manufacturing Co., Ltd., Brother Industries, Ltd., Bandai Namco Entertainment Inc., HOYA Corporation, Nidec Corporation, Ichinomiya Electronics Phils., Corp., Citizen Machinery Co., Ltd., Sanyo Denki Co., Ltd., GomunoInaki Co., Ltd., etc.
- ◆ Aiming at business development and expansion of sales to new non-Japanese customers
 - Major non-Japanese customers: Texas Instruments Inc., New Zealand Creamery, Inc., Metro Drug Inc., Procter & Gamble Phils., Inc., Lindberg Subic Inc., etc.

Major architectural construction results



② Private civil engineering business

- ◆ Private civil engineering (marine, land) will be focused as a primary source of revenue.
- ◆ Meeting customer needs, including maintenance
- ◆ Expansion of Japanese & non-Japanese customer base



③ Development of human resources and localization

- ◆ Upskilling of local staff & accelerating of localization
- ◆ Continuing one-year training program in Japan (Accumulated total of 17 Filipino have received training in Japan.)



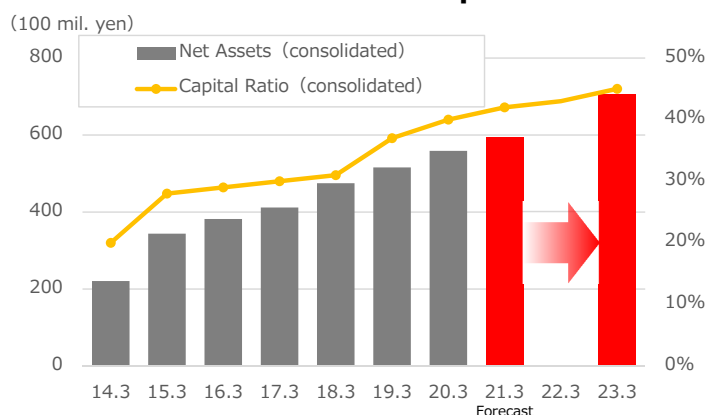
36

4. Capital Policy

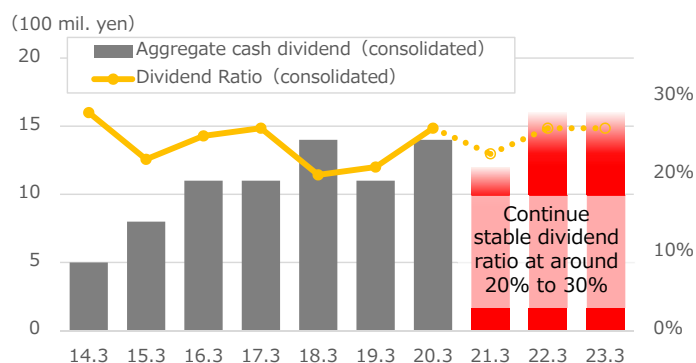
Capital Policy and Shareholder Return Policy

- ◆ For investment in emerging areas such as “further development of overseas business” and “participation in offshore wind power generation construction market”, we will continue to strengthen our financial basis, aiming at consolidated net assets of 70 bil. yen and capital ratio of 45%.
- ◆ Positioning our returning profit to shareholders as the highest priority issue, we will provide long-term and stable dividend while accumulating internal reserves for further overseas business development, facility investment and technology development and the like in the future.
- ◆ Continue stable dividend ratio at around 20% to 30%

Trend in net assets and capital ratio



Trend in cash dividend and dividend ratio



IV Reference materials

39

1. Major group companies Business performance

※ Unit : 10 Million of Yen

※Amounts less than 10 million of yen are rounded down	TOMAC CORPORATION			TACHIBANA CORPORATION			Kusakabe Maritime Engineering Co.,Ltd.			CCT CONSTRUCTORS CORPORATION *		
	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020
	2Q	2Q	2Q	2Q	2Q	2Q	2Q	2Q	2Q	2Q	2Q	2Q
Net sales	27.1	30.6	30.8		27.7	23.2	9.4	11.0	11.6	19.5	44.1	36.0
Gross profit	3.7	4.1	3.4	1.6	2.1	3.9	0.5	1.7	1.9	2.0	4.4	3.0
Selling, general and administrative expenses	1.4	1.4	1.4	1.5	1.6	1.3	0.7	0.7	0.7	1.8	1.9	1.9
Operating profit	2.2	2.7	1.9	0.0	0.4	2.5	△ 0.2	0.9	1.1	0.2	2.5	1.1
Ordinary profit	2.2	2.6	2.1	0.1	0.5	2.5	△ 0.1	0.9	1.1	1.2	2.4	0.9
Profit	1.5	1.7	1.3	△ 0.0	0.2	1.7	△ 0.2	0.7	1.0	1.2	1.6	0.6

* Fiscal year ended December 31

2. Main Completed Construction Contract for this term (Civil engineering)



Ishikari Bay New Port Fabrication of caisson, etc.
(Hokkaido pref.)



Job #: FY 2016 Prefectural bond 311 seismic disaster No. 5020-004
Disaster relief work of Osawa river (No.4) (Miyagi pref.)



Fabrication & construction of sunken tunnel element
(No.4, No.5 and No.6) for Port of Tokyo Bay Port Road
Nanboku Line (Tokyo Metropolis)



Disaster relief work for breakwater (south) of
Wakayama-Shimotsu Port north port area (1st section)
(Wakayama pref.)

41

3. Main Completed Construction Contract for this term (Architectural construction)



New building of Togoshi-ginza branch for
Sawayaka Shinkin Bank (Tokyo Metropolis)



New warehouse of Konoike Transport Co., Ltd.
in Aisai City (Aichi pref.)



New construction for LogiSquare Kobe-West
(Hyogo pref.)



(Working title) New construction of
Nagasaki Sorting Spot for Yokohama Reito Co., Ltd.
(Nagasaki pref.)

42



This material contains description relating to future events such as forecast, target, plan or strategy of the Company (including consolidated subsidiary).

These descriptions regarding future events are based on judgment or assumption on the basis of information currently available to the Company and will not provide any commitment or warranty for the Company's results or development in the future.

In using this material, please be reminded that results might be different from the forecast.