

Presentation Meeting on the Mid-Term Business Plan

- I . Results Of FY 2022 and General Overview of the Previous Business Plan**
- II . Earning Forecast for FY 2023**
- III . Outline of the Mid-term Business Plan**
- IV . Reference Materials**

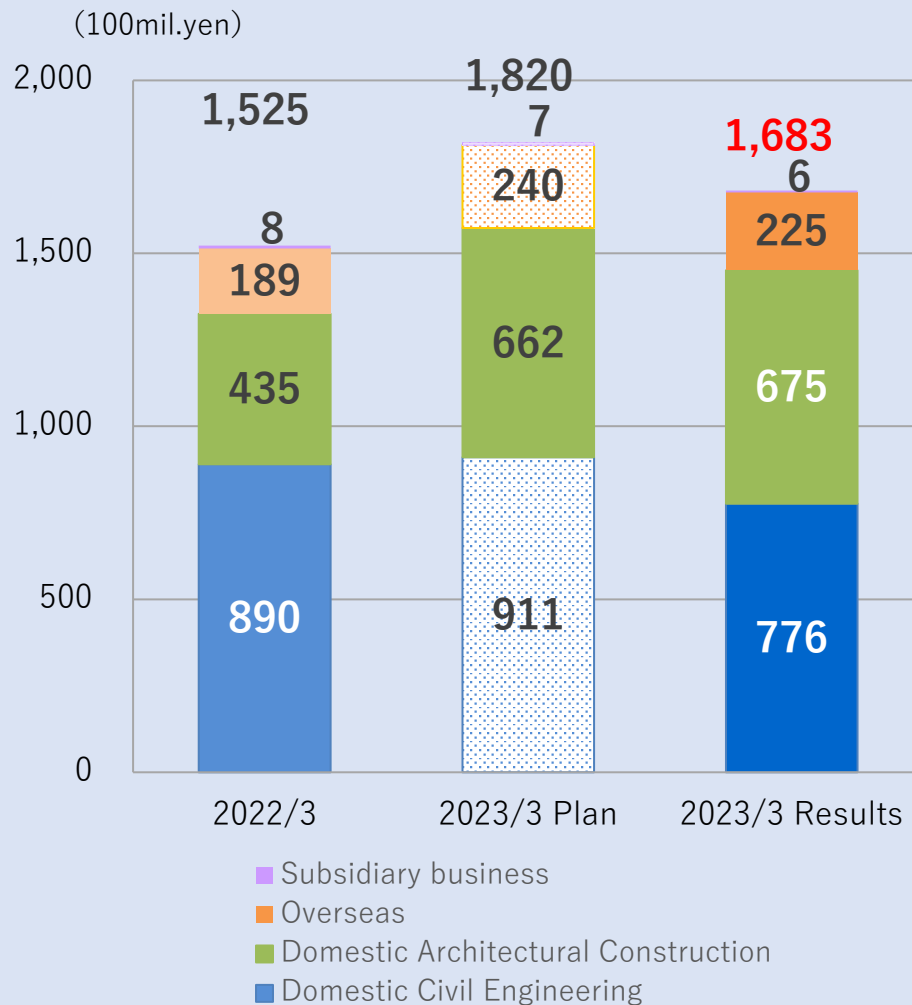
I . Results Of 2022 and General Overview of the Previous Business Plan

Points of FY 2022 Results

Rising Income and Falling Profits vs. the Previous Term

- Sales increased due to **drastic expansion of domestic architecture business** (P5)
- Gross profit was **19.5 bil. yen, increased by 0.5 bil. yen vs. the previous term**, even with the repair allowance in overseas (P6)
- Operating income was **8.9 bil. yen**, decreased by 0.6 bil. yen, due to the increased SG&A (personnel exp., R&D costs, communication & transportation costs, etc.) (P7)
- Individual order receipt **slightly increased**, by receiving large works in domestic civil engineering, compensating the decrease in overseas (P9)
- Individual balance carried was ample both in domestic civil engineering and architecture: **increased by approx. 19.0 bil. yen vs. the previous term** (P10)
- Dividend was **25 yen**, increased by 5 yen vs. the previous term (Dividend ratio: 41.5%)

Consolidated Net Sales



※ Amount less than 100 mil. Yen is discarded

Domestic Civil Engineering

- ◆ Decreased by 11.4 bil. yen vs. the previous term due to the decrease in carried-forward and the slackened growth of order receipt in the first half; underperforming the plan by 13.5 bil. yen

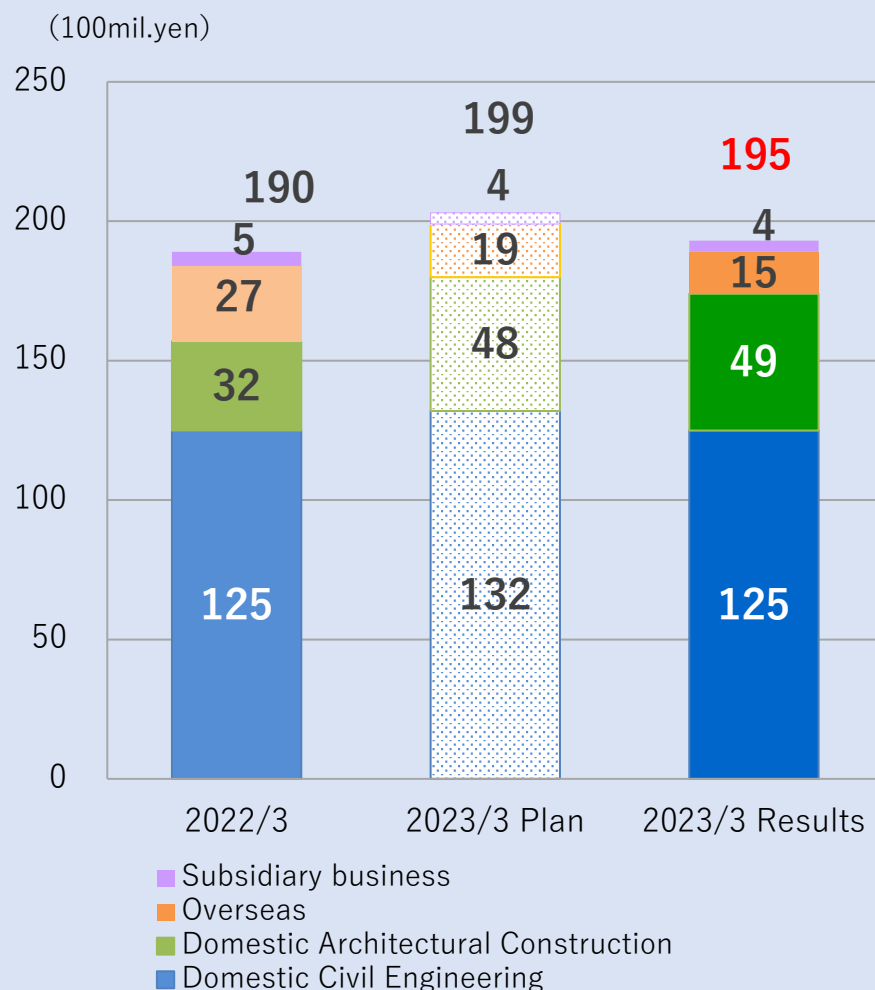
Domestic Architectural Construction

- ◆ Increased by 24 bil. yen vs. the previous term due to the increase in carried-forward and the good progress on the ongoing works; plan accomplished

Overseas

- ◆ Increased by 3.5 bil. yen vs. the previous term due to the progress in carried-forward works and the earning of design change works; underperforming the plan by 1.5 bil. yen

Consolidated of Gross Profit



※ Amount less than 100 mil. Yen is discarded

Domestic Civil Engineering

- ◆ Achieved 12.5 bil. yen, around the same level of the previous term, compensating the sales decrease by the improvement in profit margin; underperforming the plan by 0.7 bil. yen

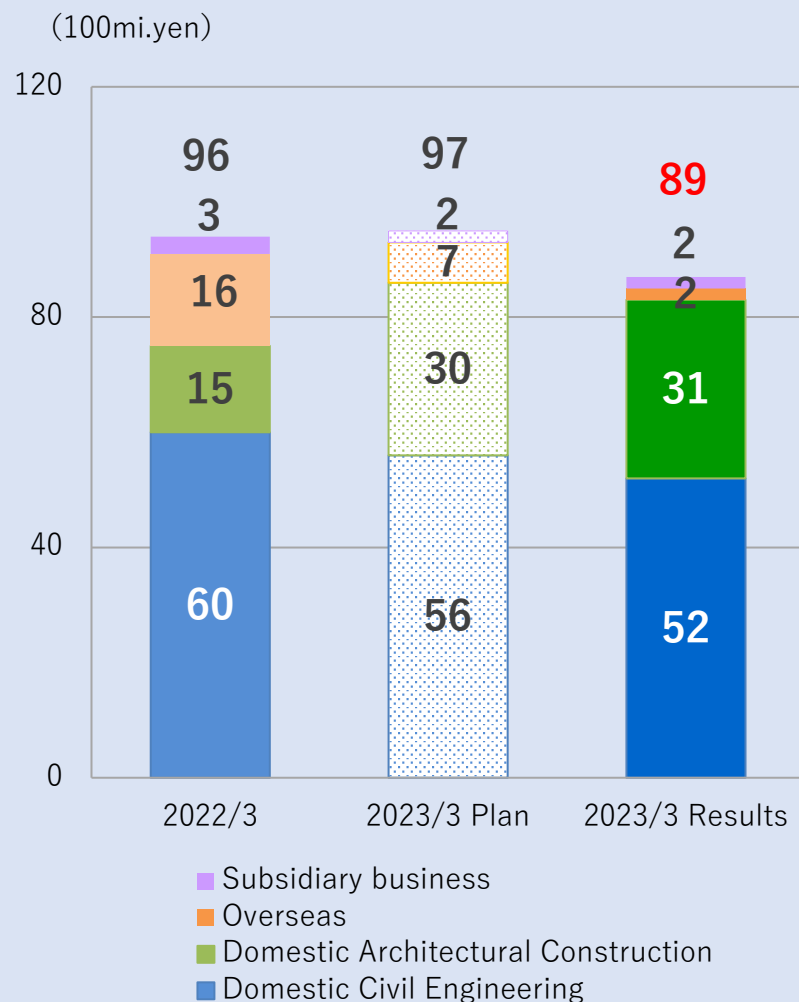
Domestic Architectural Construction

- ◆ Increased by 1.7 bil. yen vs. the previous term due to the large increase in completed works while slight decrease in profit margin; plan accomplished

Overseas

- ◆ Decreased by 1.2 bil. yen vs. the previous term due to the repair costs for the work completed in the past fiscal year; underperforming the plan by 0.4 bil. yen

Consolidated of Operating profit



※ Amount less than 100 mil. Yen is discarded

Domestic Civil Engineering

- ◆ Decreased by 0.8 bil. yen vs. the previous term due to the increase in SG&A and the downturn of some subsidiaries; underperforming the plan by 0.4 bil. yen

Domestic Architectural Construction

- ◆ Increased by 1.6 bil. yen vs. the previous term due to the large increase in completed works; plan accomplished

Overseas

- ◆ Decreased by 1.4 bil. yen vs. the previous term due to recording the defect repair costs for the completed works in the past fiscal year; underperforming the plan by 0.5 bil. yen

※ **Maintaining high profitability, with domestic businesses exceeding the planned profitability, while decreased profit in overseas business due to the defect repair costs (approx. 1.1 bil yen)**

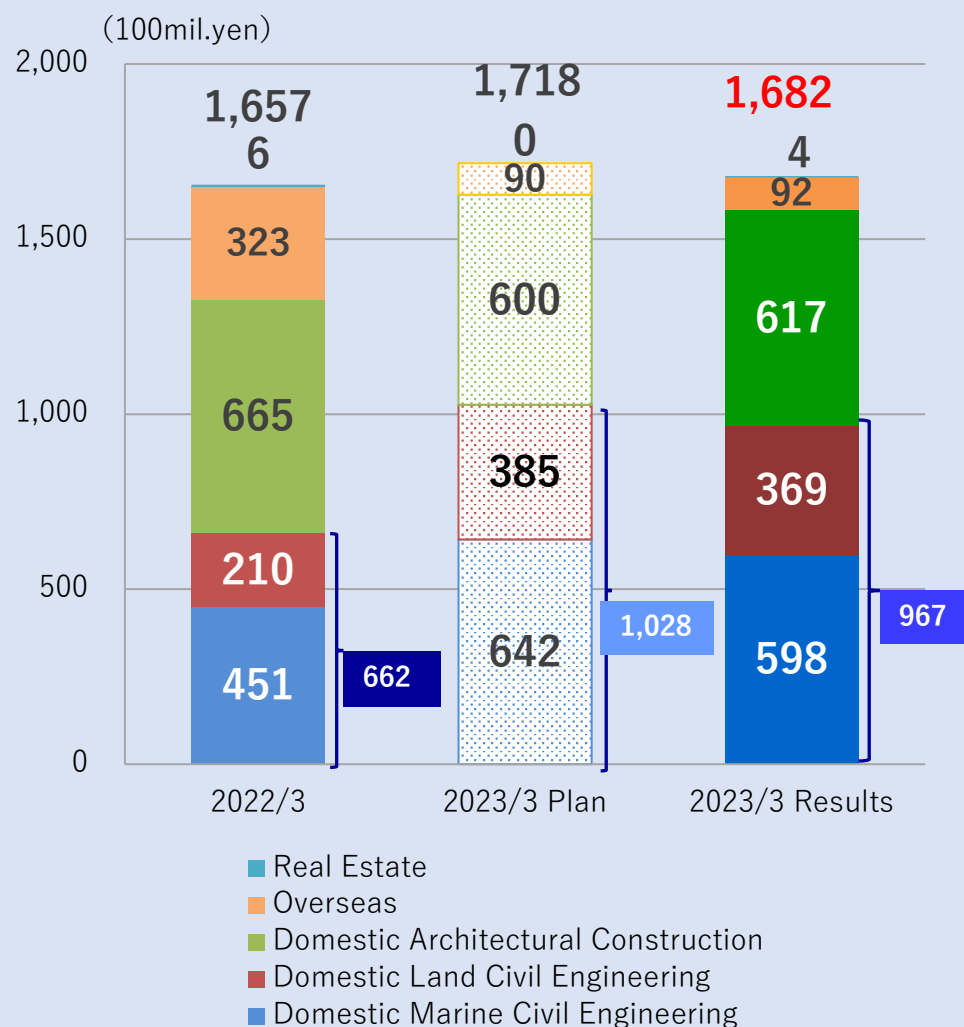
I . Digest of Financial Result ⑤ / Consolidated P/L & B/S

(100mil.yen)	2021/3	2022/3	2023/3			
			2022 Plan	Results	Profit rate	Increase (Decrease)
Net sales	1,729	1,525	1,820	1,683	—	158
Net sales of completed construction contracts	1,721	1,516	1,813	1,676	—	160
Domestic civil engineering	1,085	890	911	776	—	△ 114
Domestic architectural construction	485	435	662	675	—	239
Overseas construction	151	189	240	225	—	35
Subsidiary business	8	8	7	6	—	△ 2
Gross profit	232	190	203	195	11.6%	4
Gross profit on completed construction contracts	227	185	199	190	11.4%	5
Domestic civil engineering	178	125	132	125	16.2%	0
Domestic architectural construction	46	32	48	49	7.4%	17
Overseas construction	2	27	19	15	6.7%	△ 12
Subsidiary business	4	5	4	4	68.2%	0
Operating profit	142	96	97	89	5.3%	△ 6
Domestic civil engineering	115	60	56	52	6.7%	△ 8
Domestic architectural construction	29	15	30	31	4.7%	15
Overseas construction	△ 5	16	7	2	1.3%	△ 13
Subsidiary business	2	3	2	2	43.3%	0
Ordinary Profit	141	91	96	85	5.1%	△ 5
Current net profit attributable to shareholders of parent	91	58	65	56	3.4%	△ 2
R O E	15.3%	8.9%	9.1%	8.1%	—	△ 0.8%

(100mil.yen)	2021/3	2022/3	2023/3	
			Results	Increase (Decrease)
Current assets	1,090	965	1,150	184
Cash and deposits	167	305	391	85
Notes receivable, accounts receivable from completed construction contracts, etc.	701	515	631	116
Costs on uncompleted construction contracts	27	24	21	△ 3
Non-current assets	399	389	387	△ 2
Property, plant and equipment	323	315	310	△ 4
Investment and other assets	70	65	67	1
Total assets	1,489	1,355	1,537	181
Current liabilities	715	547	702	154
Notes payable, accounts payable for construction contracts, etc.	322	297	337	39
Short-term borrowings	78	28	29	0
Advances received on uncompleted construction contracts	131	86	125	39
Non-Current liabilities	115	109	94	△ 14
Long-term borrowings	27	27	17	△ 9
Total liabilities	830	656	797	140
Net assets	658	698	739	40
Share capital	140	140	140	0
Retained earnings	414	449	487	37
Total liabilities and net assets	1,489	1,355	1,537	181

※ Amount less than 100 mil. Yen is discarded

Order Receipt Status (by business segment)



※ Amount less than 100 mil. Yen is discarded

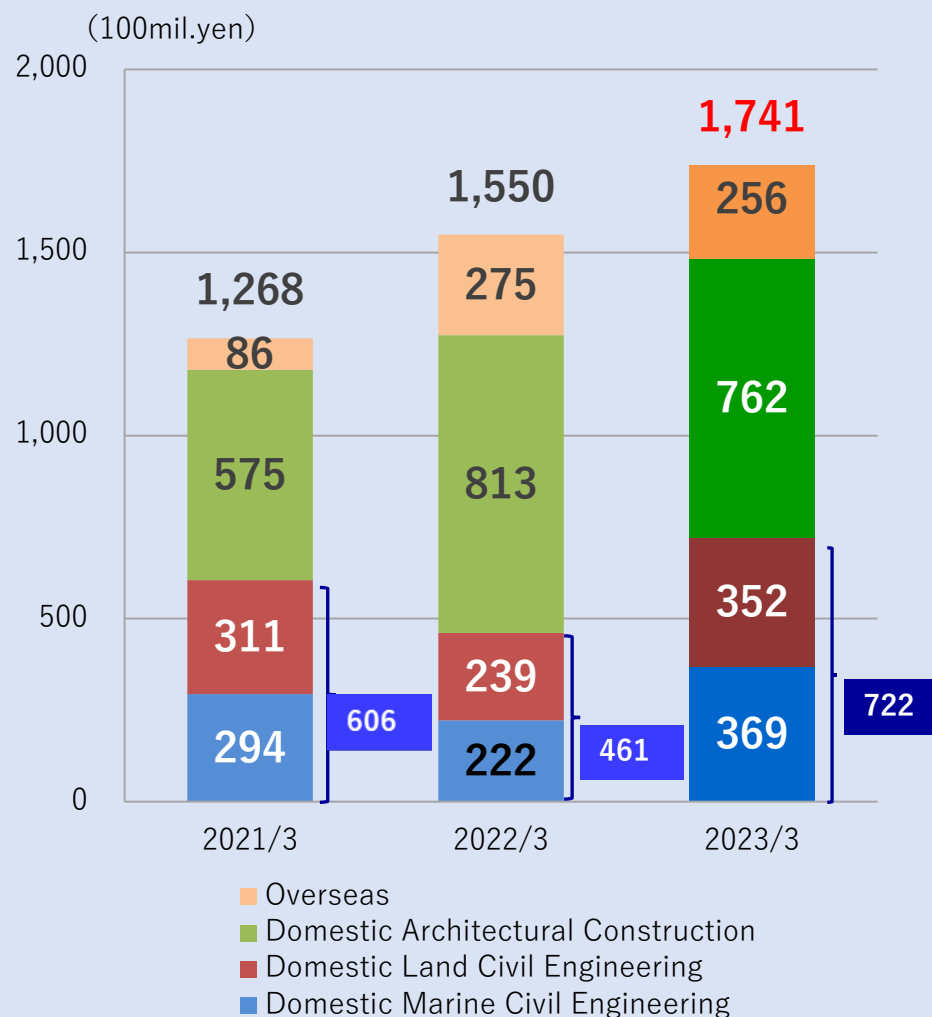
Market Environment

- ◆ Domestic civil engineering remains strong mainly in the public sector such as the 5-year Measures for Accelerating National Resilience
- ◆ In domestic architecture, customers have strong appetite for investment, mainly in production and logistics facilities. Since some needs for offices and accommodations are shown, certain amount of business will be secured although in a severe competition

Result For FY 2022

- ◆ Domestic civil engineering: largely increased by the contribution of large works; however, underperformed the plan
- ◆ Domestic architectural construction: increased order receipts mainly in the production facilities and logistics warehouses: plan accomplished
- ◆ Overseas: plan accomplished by receiving one new order and earning design change works for ongoing works, despite of reactionary fall to large-size order receipt in the previous term

Status of Balance Carried (Individual)



- ◆ Domestic civil engineering: recovered by receiving large work orders
- ◆ Domestic architectural construction: maintaining ample level despite of the decrease due to progress of ongoing works
- ◆ Overseas: slightly decreasing due to the completion of works, etc.
- ◆ Increased by 19.1 bil. yen vs. the previous term due to the recovery of balance carried in domestic civil engineering

※ Amount less than 100 mil. Yen is discarded

I . Digest of Financial Result ⑧ / Non-consolidated P/L & B/S

(100mil.yen)	2021/3	2022/3	2023/3			
			2022 Plan	Results	Profit rate	Increase (Decrease)
Net sales	1,547	1,365	1,625	1,499	—	133
Net sales of completed construction contracts	1,543	1,359	1,621	1,494	—	135
Domestic civil engineering	977	796	840	707	—	△ 88
Domestic architectural construction	474	427	650	668	—	240
Overseas construction	90	135	131	119	—	△ 15
Subsidiary business	4	6	4	4	—	△ 2
Gross profit	205	164	175	167	11.2%	2
Gross profit on completed construction contracts	203	161	173	165	11.0%	3
Domestic civil engineering	161	107	119	112	15.9%	4
Domestic architectural construction	45	32	46	49	7.4%	16
Overseas construction	-3	21	8	3	3.1%	△ 17
Subsidiary business	2	2	1	2	49.1%	0
Operating profit	129	84	85	78	5.2%	△ 6
Domestic civil engineering	106	50	51	46	6.6%	△ 3
Domestic architectural construction	29	16	30	32	4.8%	15
Overseas construction	-7	15	2	△ 2	△ 2.2	△ 17
Subsidiary business	2	2	1	2	47.0%	0
Ordinary Profit	128	82	85	73	4.9%	△ 8
Current net profit attributable to shareholders of parent	84	54	60	48	3.2%	△ 5
R O E	14.9%	8.8%	9.0%	7.7%	—	△ 1.1%

(100mil.yen)	2021/3	2022/3	2023/3	
			Results	Increase (Decrease)
Current assets	1,012	868	1,033	164
Cash and deposits	124	242	332	90
Notes receivable, accounts receivable from completed construction contracts, etc.	676	490	588	98
Costs on uncompleted construction contracts	26	23	19	△ 4
Non-current assets	369	362	362	0
Property, plant and equipment	286	281	282	1
Investment and other assets	77	71	70	△ 1
Total assets	1,382	1,231	1,396	165
Current liabilities	680	500	646	145
Notes payable, accounts payable for construction contracts, etc.	300	272	297	25
Short-term borrowings	77	25	22	△ 3
Advances received on uncompleted construction contracts	127	75	119	43
Non-Current liabilities	98	95	85	△ 10
Long-term borrowings	26	27	17	△ 9
Total liabilities	778	596	731	135
Net assets	603	635	665	29
Share capital	140	140	140	0
Retained earnings	371	402	432	29
Total liabilities and net assets	1,382	1,231	1,396	165

※ Amount less than 100 mil. Yen is discarded

I. General Overview of the Previous Business Plan

2014~2016

2017~2019

2020~2022

Operating income

Operating income

21.5 bil. yen
(over 3 years, consolidated)

Goal accomplished

Operating income ratio

4.7%
(consolidated)

Operating income

27.9 bil. yen
(over 3 years, consolidated)

Goal accomplished

Operating income ratio

5.5%
(consolidated)

Operating income

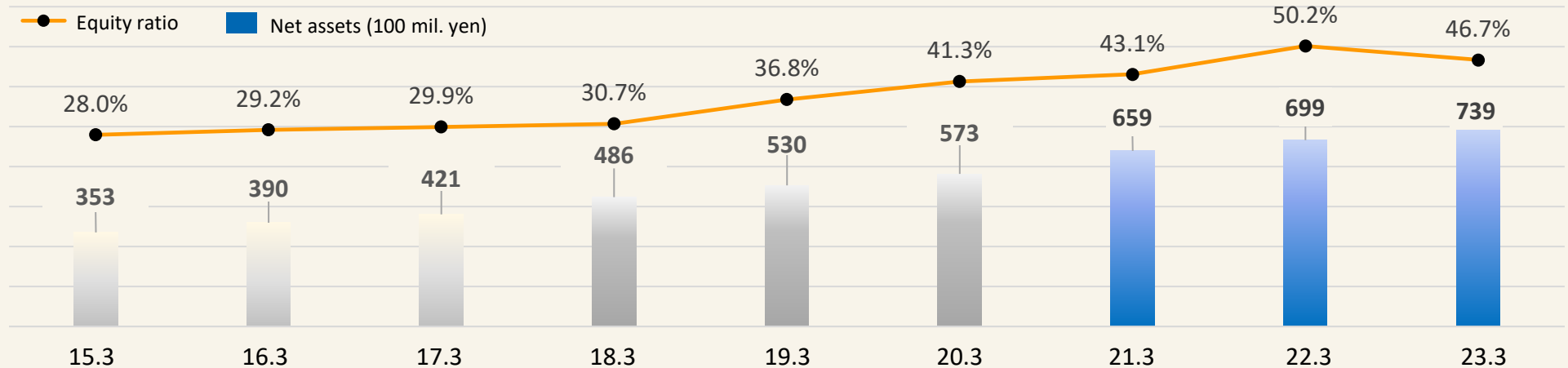
32.8 bil. yen
(over 3 years, consolidated)

Goal accomplished

Operating income ratio

6.7%
(consolidated, cumulative over 3 years)

Net assets



※ Amount less than 100 mil. yen is discarded; rounding profit margin to one decimal place

Refer to P2 of the Mid-Term Business Plan

Accomplishment of the mid-term plan for three consecutive times

II. Overview of the Mid-Term Business Plan 2023 - 2027

"From Defense to Offense: A Company that Takes on Challenges "

-Three major management shifts-

Shift from "Defense to Offense"

We have been striving to improve our financial soundness, but going forward, we will actively invest in growth areas by making good use of our accumulated assets and external capital in a balanced way.

Shift to "High-Revenue Model"

While continuing to focus on strengthening the profitability of existing businesses, we will shift to a business structure with higher revenue-generating capacity through full-scale entry into the offshore wind power business and expansion of the ReReC® business.

*ReReC®: Our registered trademark collectively referring to Renewal, Renovation, and Conversion.

Shift to "Capital Efficiency Management"

While continuing to focus on "(profit) earning power," we will shift to a management style that emphasizes capital efficiency in light of active investment in the above growth areas and recent trends in corporate governance.

II. Numerical Management Goals

Company-Wide Performance (FY 2022)

Company-Wide Goals (FY 2023)

Company-Wide Goals (FY 2027)

Sales	168.3 bil. Yen	192.5 bil. Yen	235.0 bil. Yen or more
Operating income	8.9 bil. Yen	10.1 bil. Yen	15.0 bil. Yen or more
Annual net profit	5.6 bil. Yen	6.0 bil. Yen	9.0 bil. Yen or more
ROE	8.1 %	8.1 %	12.0 % or more
D/E ratio	0.06	Around 0.1	Around 0.4
Shareholder returns	25 Yen per share	63 Yen per share	More than double the dividend ratio during the period of the new mid-term business plan*/ minimum 50 Yen *Based on 20~30% of the announced policy of the current mid-term business plan; details to be separately disclosed.

Refer to P6 of the Mid-Term Business Plan

II. P/L Plan

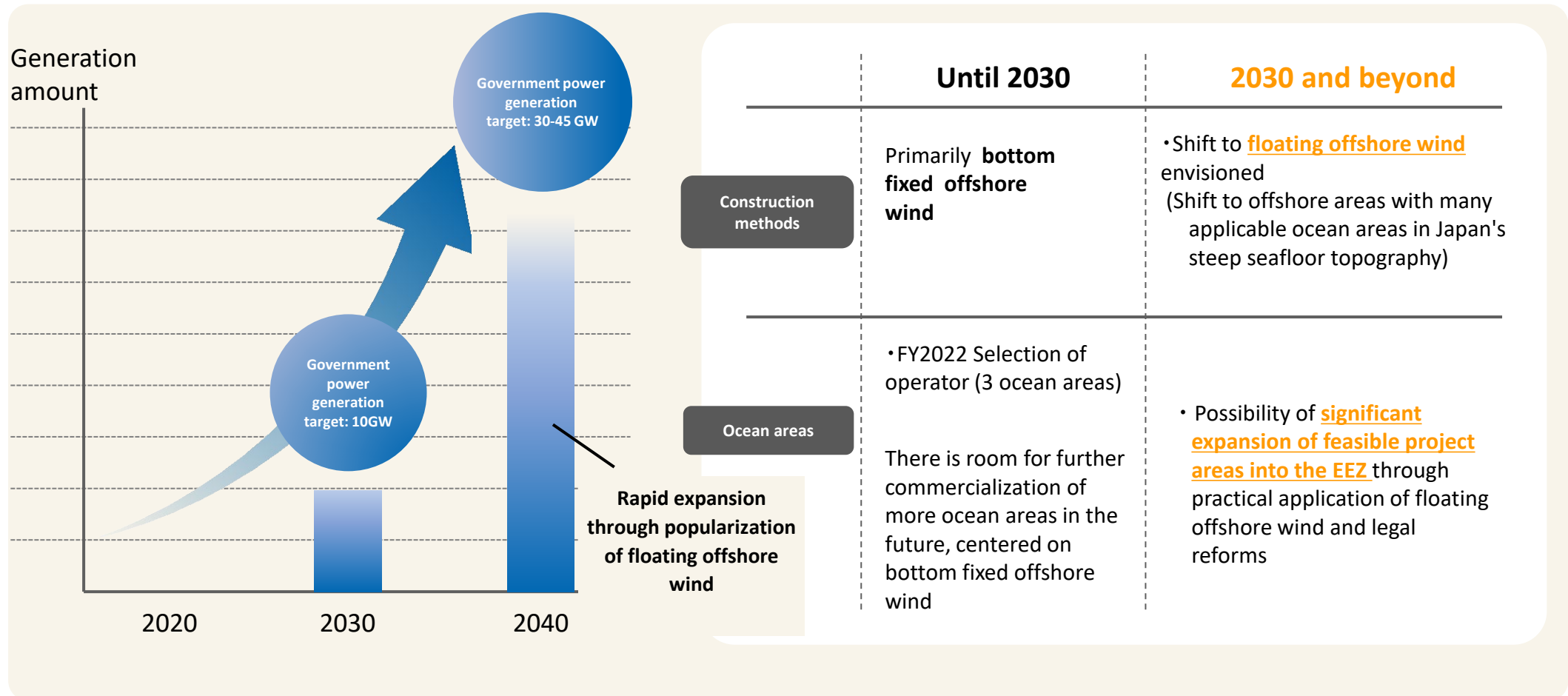
Parent-only	(Performance for the year ending March 2023)					Forecast for the year ending March 2024					Forecast for the year ending March 2025	Forecast for the year ending March 2026	Forecast for the year ending March 2027	Forecast for the year ending March 2028	5-year total
Segment	Dom. civil eng.	Dom. Const.	Overseas const.	Other	Total	Dom. civil eng.	Dom. Const.	Overseas const.	Other	Total	Total	Total	Total	Total	Total
Orders	967	617	92	—	1,677	938	620	324	—	1,882	1,791	1,857	2,006	2,106	9,645
Sales	707	668	119	4	1,499	949	610	121	4	1,685	1,753	1,848	1,981	2,045	9,314
Gross profit (Gross profit margin %)	112 (15.9)	49 (7.4)	3 (3.1)	2 (47.2)	167 (11.2)	138 (14.6)	45 (7.5)	6 (5.5)	1 (35.6)	192 (11.4)	217 (12.4)	228 (12.4)	228 (11.5)	239 (11.7)	1,106 (11.9)
Operating income (Operating profit margin %)	46 (6.6)	32 (4.8)	△2 (△2.2)	2 (47.0)	78 (5.2)	55 (5.8)	28 (4.7)	1 (1.0)	1 (33.3)	86 (5.1)	118 (6.8)	125 (6.8)	103 (5.2)	127 (6.2)	561 (6.0)
Ordinary income	—	—	—	—	73	—	—	—	—	84	118	125	99	126	554
Pretax profit	—	—	—	—	73	—	—	—	—	84	118	125	99	126	554
Net profit	—	—	—	—	43	—	—	—	—	56	79	83	67	84	372

Consolidated	(Performance for the year ending March 2023)					Forecast for the year ending March 2024					Forecast for the year ending March 2025	Forecast for the year ending March 2026	Forecast for the year ending March 2027	Forecast for the year ending March 2028	5-year total
Segment	Dom. civil eng.	Dom. Const.	Overseas const.	Other	Total	Dom. civil eng.	Dom. Const.	Overseas const.	Other	Total	Total	Total	Total	Total	Total
Sales	776	675	225	6	1,683	1,019	620	278	7	1,925	2,004	2,110	2,271	2,377	10,689
Operating income (Operating profit Margin %)	52 (6.7)	31 (4.7)	2 (1.3)	2 (43.3)	89 (5.3)	58 (5.7)	28 (4.6)	11 (4.1)	2 (38.2)	101 (5.2)	133 (6.7)	143 (6.8)	124 (5.5)	153 (6.5)	656 (6.1)
Ordinary income	—	—	—	—	85	—	—	—	—	96	131	141	118	149	637
Net profit attributable to parent	—	—	—	—	56	—	—	—	—	60	85	91	75	95	408

*Figures are rounded down to the nearest unit and percentages are rounded to the nearest unit

II. Offshore Wind Power Business (1/4): Awareness of Market Environment

The offshore wind power generation market in Japan is expected to expand significantly in the 2030s and beyond in order to achieve carbon neutrality by 2050.



- Source: "Offshore Wind Industry Vision (Phase 1)", a public-private consortium for enhancing the competitiveness of the offshore wind industry.

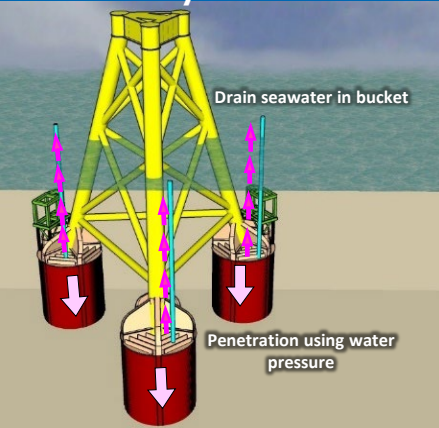
II. Offshore Wind Power Business (2/4): Technological Development Trends

Differentiating ourselves by strengthening our competitiveness and profitability by spearheading technological development for both bottom fixed and floating offshore wind.

Development of bottom fixed foundation technology

- **Aiming to establish low-cost technology for bottom fixed foundation construction**
- **Become a top runner in bottom fixed foundation construction** through technical development such as suction bucket foundation
- FY2021: Mono bucket experiment in actual sea area
⇒ Suction bucket technology workability established
- FY2022: Multi bucket experiment in actual sea area
- FY2026: Aiming for commercialization

Multi-bucket penetration system



Features of suction bucket foundation

- ◆ Construction method suitable for Japanese ground **contributes to expansion of suitable sites for offshore wind power**
- ◆ **Low cost** with no need for large facilities
- ◆ **Environmentally friendly** in terms of noise, vibration, and being removable
- ◆ Multi-bucket foundation technology, one of the suction bucket foundation methods, **is cost-effective and superior to larger wind turbines.**

*Construction methods other than suction bucket foundation: Monopile, jacket, and gravity based structure

Development of floating foundation technology

- **Aiming to establish TLP floater mooring foundation technology**
- **Develop TLP floater mooring technology**, the introduction of which is expected to expand, in order to **obtain an advantage in the volume of business** for floating mooring foundation construction
- FY2021: Selected for Green Innovation Fund Project
- FY2022: Design of mooring foundations and implementation of laboratory experiments
Conducted seabed geotechnical investigation in Ishikari Bay, Hokkaido
- Early FY2030: Aiming for commercialization

TLP float image



Courtesy of MODEC Inc.

Features of TLP floater mooring foundation

- ◆ **Occupies a smaller area of ocean** than other floating structures **and has less impact on the environment, including fisheries**
- ◆ Less turbulence from the floating structure is expected to **reduce the risk of wind turbine failure, contributing to lower life cycle costs (LCC).**

*Together with MODEC, Inc., Furukawa Electric Co., Ltd., and JERA Co., Inc., we are engaged in the "Project to Develop Cost-Reducing Technology for TLP Floating Offshore Wind Turbines" under the Green Innovation Fund (NEDO project).

*Methods other than TLP floater mooring foundation: Semi-submersible type, spar type

III. Offshore Wind Power Business (3/4): Entry Approach/Positioning

Planning to enter the market in various positions by taking advantage of our strengths in marine engineering (abundant knowledge, superior technology, and working vessels)

Offshore Wind Power Business Field

○ : Market entry under consideration

● : Our entry area (planned)

Bottom fixed offshore wind

Foundation / ancillary

- SEP vessel, etc.
- AUGUST EXPLORER (owned)
- * Suction technology (under development)

Wind turbine assembly

- SEP vessel

Undersea cable

- Cable-laying vessel (to be built)
- AUGUST EXPLORER (owned)

O&M

Floating offshore wind

Floating structure fabrication

Moorings

- AHTS vessel
- AUGUST EXPLORER (owned)
- Cable-laying vessel (to be built)
- * TLP technology (under development)

Wind turbine assembly

- onshore crane

Undersea cable

- Cable-laying vessel (to be built)
- AUGUST EXPLORER (owned)

O&M

Also considering entering offshore wind power-related business

- Strengths include superior technology that differentiates us from other companies and ownership of working vessels
- Diverse positions available for entry

Refer to P11 of the Mid-Term Business Plan

Image of completed cable-laying vessel



Image of collaboration with Mitsui O.S.K. Lines



Toyo Construction

Extensive knowledge of offshore construction
Technical development of offshore wind power

Mitsui O.S.K. Lines

Extensive experience in building, owning and operating vessels

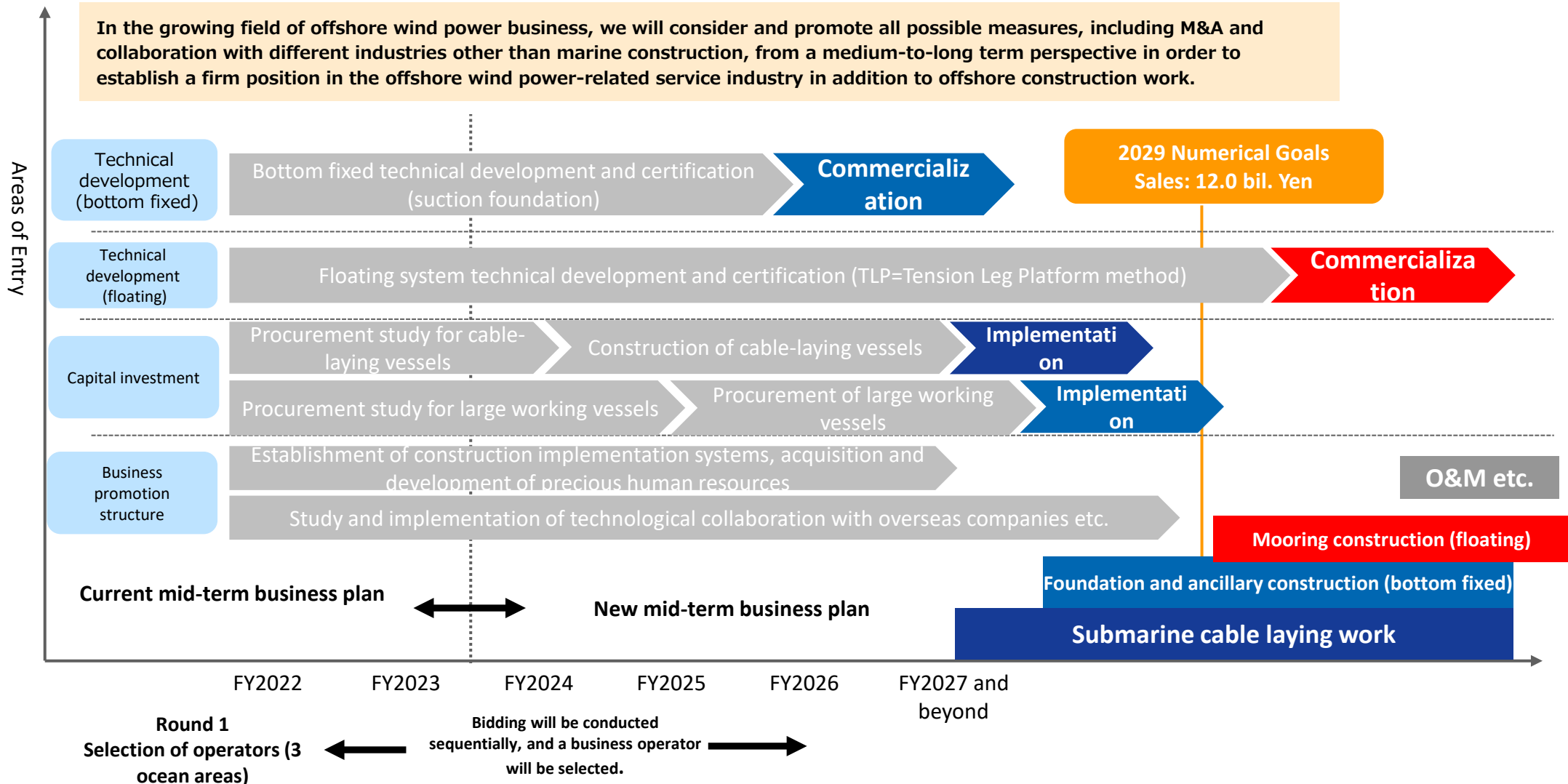


II. Offshore Wind Power Business (4/4): Roadmap / Numerical Goals

Gain a top-class share in the offshore construction field of the offshore wind power business* and make it a pillar of Toyo Construction's earnings

*Cable laying construction, foundation and ancillary construction (bottom fixed offshore wind), mooring construction (floating offshore wind), O&M, etc.

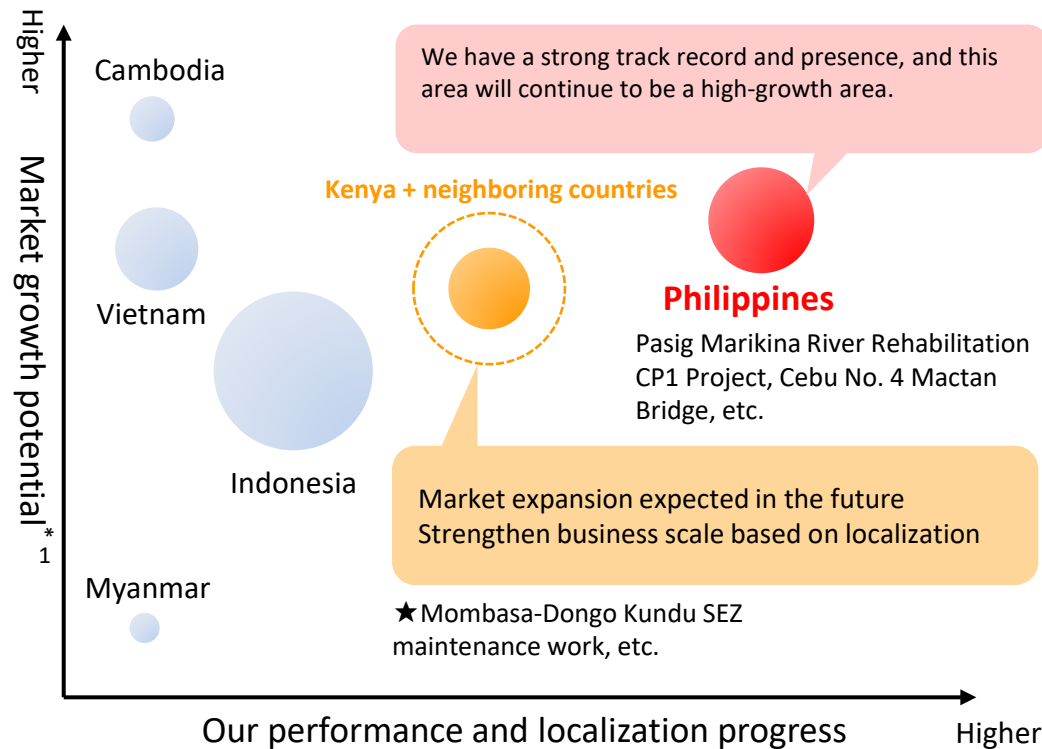
In the growing field of offshore wind power business, we will consider and promote all possible measures, including M&A and collaboration with different industries other than marine construction, from a medium-to-long term perspective in order to establish a firm position in the offshore wind power-related service industry in addition to offshore construction work.



II. Overseas Construction Business (1/2)

Positioning of our overseas bases

(Size of sphere: Size of construction market in each country, as of 2022)



Overseas development of high-quality infrastructure systems through public-private partnerships
Acceleration of "Free and Open Indo-Pacific (FOIP)" - Policy of active involvement in infrastructure development, including ports in Asia and Africa

- *1: Construction market growth forecast from 2022 to 2030, source: Fitch Connect

Our Strengths

1 Extensive experience in ODA projects on port sector

- High-quality project management backed by experience and know-how
- Developing local precious human resources through construction and contributing broadly to local communities



Cagayan de Oro, Philippines
Container wharf construction



Mombasa, Kenya
Container terminal construction

2 High presence in the Philippines/private construction area

- Have promoted localization for about 50 years; No. 1 in market share among Japanese companies*
- Strengthen local precious human resource development in collaboration with domestic businesses

*Comparison of local subsidiary sales share of other Japanese construction companies (based on our research)



Logistics warehouse construction



Training of local employees in Japan

II. Overseas Construction Business(2/2)

Vision and Strategic Framework

Develop localization, commit to building local revenue bases outside of ODA, clarify the strategic positioning of each country, and invest resources

Philippines

Strengthen localization and stabilize infrastructure

- Strengthen foundation of local consolidated subsidiary CCT
- Shift from focus on Japanese construction clients to non-Japanese and civil engineering clients

Localization: Business operations with local roots, led by local precious human resources

Kenya + neighboring countries

Strengthen infrastructure and promote localization

- Strengthen foundation for establishment of local corporations
- Steadily acquiring and securing revenue from ODA projects

Indonesia / Indochina*

Search for opportunities

- Review of initiatives for local private projects and ODA projects

Expand Philippines business model

- ✓ Consideration and implementation of resource enhancement through hiring precious local precious human resources and M&A

- ✓ Build local networks (strengthen alliances)

- ✓ Enhancement of information gathering and sales capabilities

- Build a network of excellent subcontractors and material suppliers in each country of operation
- Create a local staff-centered structure and framework by utilizing local precious human resources and enhancing related processes

*Cambodia, Vietnam, and Myanmar

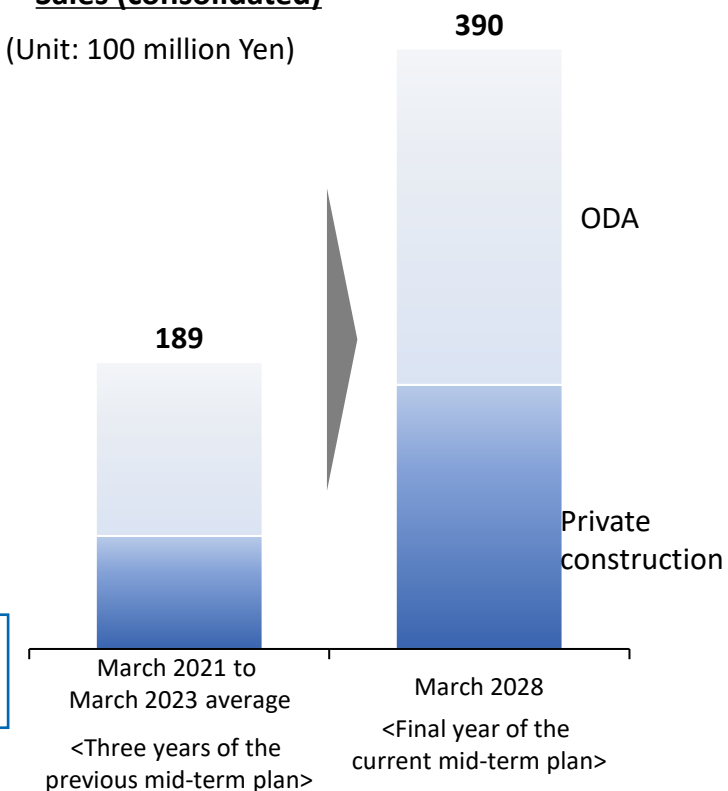
Numerical Goals

Operating income (consolidated)

0.5 bil. Yen

Sales (consolidated)

(Unit: 100 million Yen)

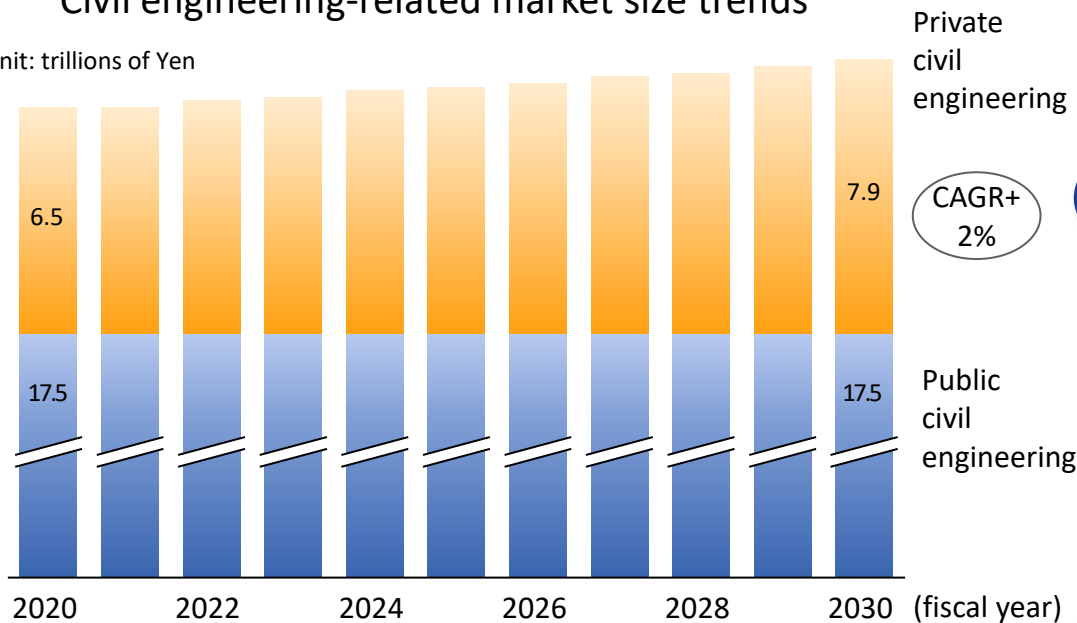


II. Domestic Civil Engineering Business (1/3) TOYO CONSTRUCTION

Environment Surrounding Domestic Civil Engineering Business

Civil engineering-related market size trends

Unit: trillions of Yen



Source: "Outlook for Construction Investment (January 2023)"
and "No. 73 Construction Economy Report (March 2021)",
Research Institute of Construction and Economy

- **Room for continued growth in private civil engineering** with investment needs for development, maintenance, and renewal centered on the electric, manufacturing, and transportation sectors
- Larger projects, ECI (Early Contractor Involvement) method, standardization of design-build projects (private sector)
- Increased defense-related construction due to the government's "National Defense Strategy"

Our Strengths

1

Solid revenue base as a Top 3 marine construction company

- Presence as one of the major players, **mainly in the government maritime sector**
- Supported by our expertise in the marine field and our **ability to develop reliable construction methods**
- Good relationships with stakeholders built through construction

2

Technology contributing to the superiority in the marine sector

- **Marine construction top-class** high technology and construction management capabilities



Offshore soil improvement work



Quay wall construction

3

Ownership of research facilities and special working vessels

- **Japan's leading** technical development capabilities, research facilities, and special working vessels



Technical Research Institute (wave basin)



Self-propelling multi-purpose vessel

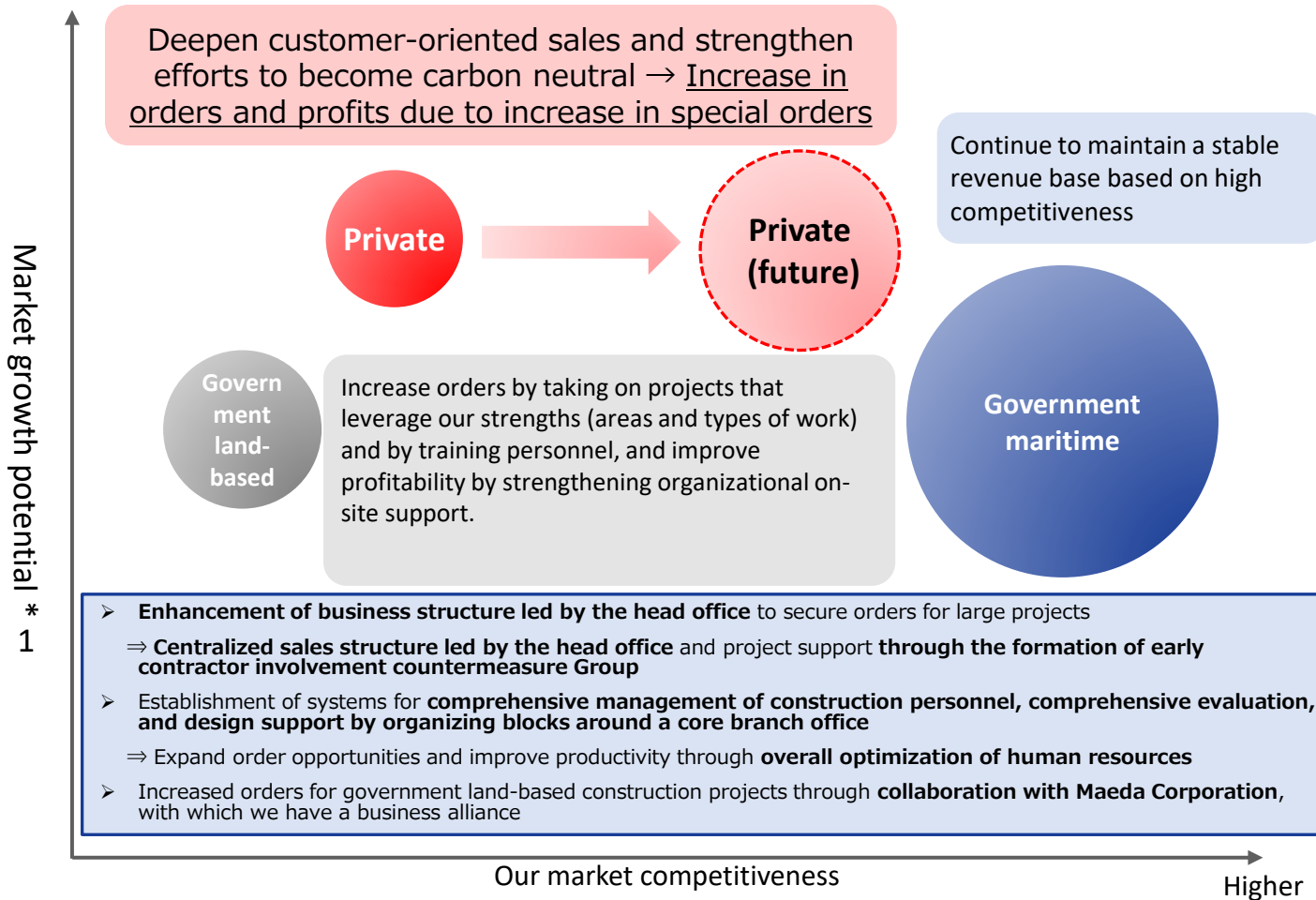
Refer to P16 of the Mid-Term Business Plan

II. Domestic Civil Engineering Business (2/3) TOYO CONSTRUCTION

Strategic Framework and Goals

Maintain portfolio strategy / further expansion of private civil engineering

(Size of sphere: Image of order and profit amounts)



Source: "Outlook for Construction Investment (January 2023)" and "No. 73 Construction Economy Report (March 2021)", Research Institute of Construction and Economy

Numerical Goals

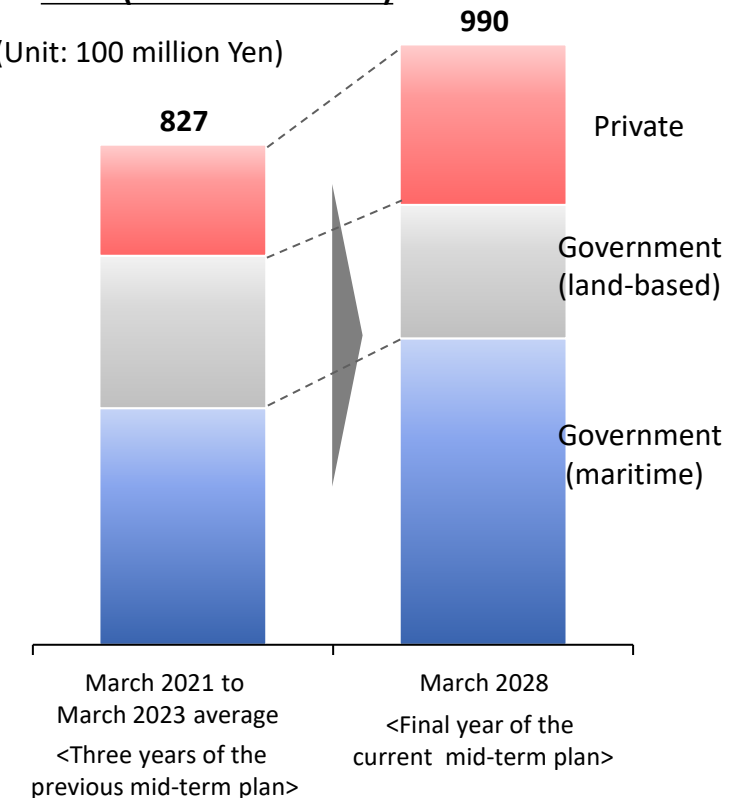
Operating Income (non-consolidated)

6.8 bil. Yen

7.5 bil. Yen

Sales (non-consolidated)

(Unit: 100 million Yen)

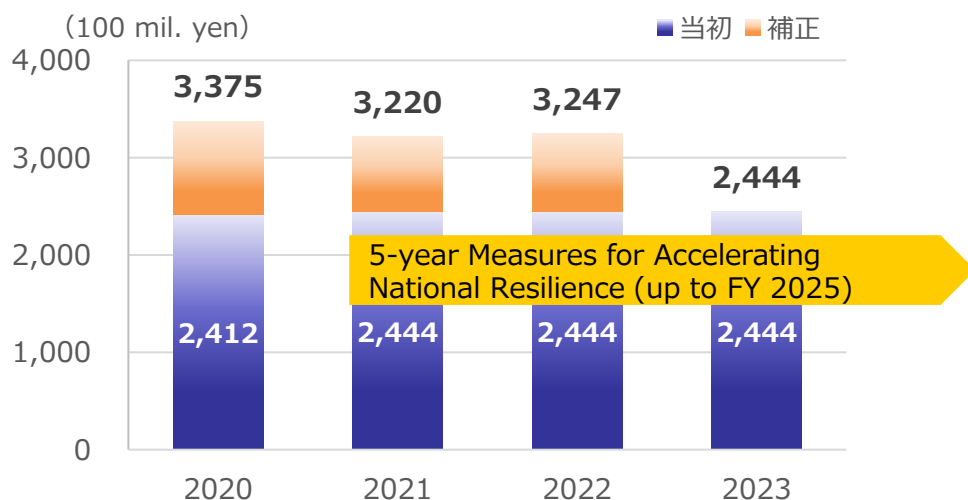


Refer to P17 of the Mid-Term Business Plan

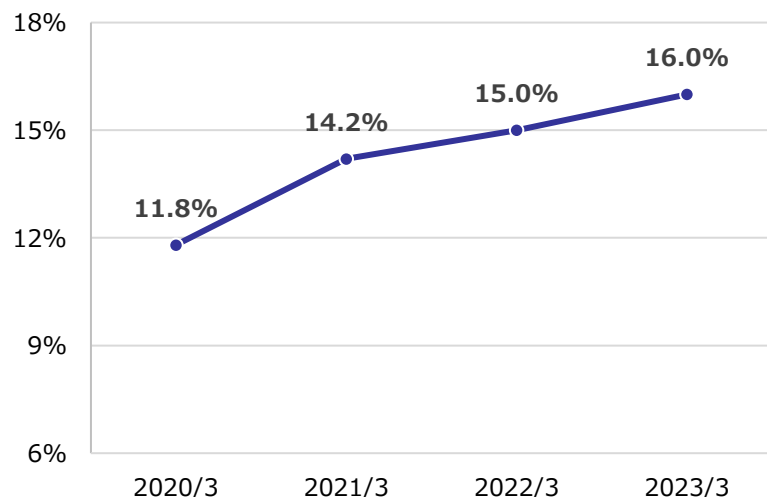
II. Domestic Civil Engineering Business (3 / 3) TOYO CONSTRUCTION

MLIT's Budget for Ports and Harbours

- (Initial) budget for Port Improvement Program of Ports and Harbours Bureau of MLIT remains at the same level.

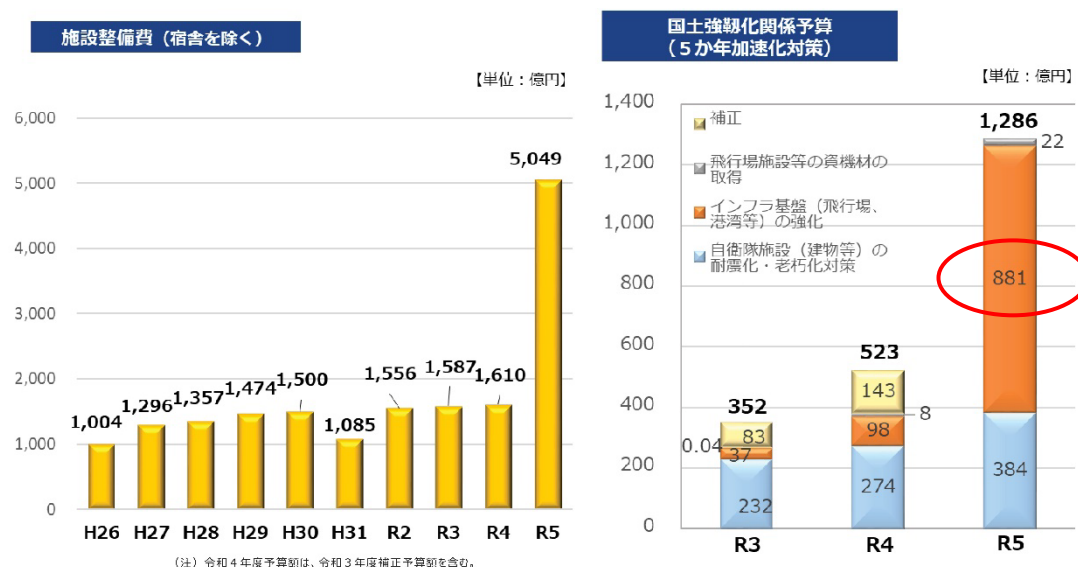


Trend in Profit Margin of Completed Domestic Marine Civil Engineering Works



Budget for Strengthening Facilities of Self-Defense Forces

- Based on the "National Defense Strategy", the budget for strengthening facilities will be increased to 4 trillion yen for FY 2023-2027 from 1 trillion yen for FY 2019-2023.
- Infrastructure development budget for ports and harbours in FY 2023 will be 88.1 bil. yen.



※ Reprinted from the "first-year" budget for fundamental reinforcement of Japan's defense capability, Ministry of Defense, March 2023

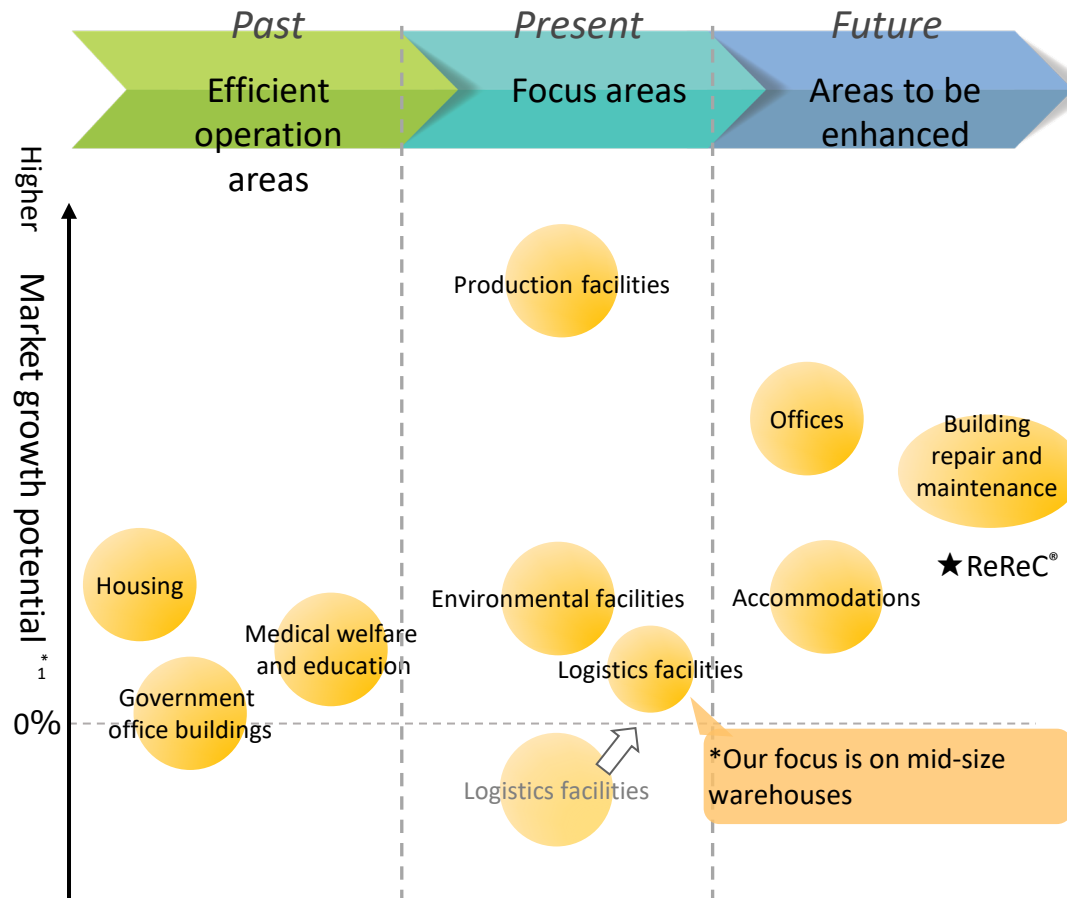
- Business environment is favorable: the budget trend for port improvement program by MLIT is expected to be stable up to FY 2025, and some works for port and harbor facilities based on the National Defense Strategy are expected.
- Profit margin for marine civil engineering is increasing because of the revision of standard method of measurement in accordance with the three revised relevant acts (Shin Ninaite 3 Acts), etc.



Marine civil engineering is the primary source of revenue during the term of the mid-term plan.

II. Domestic Construction Business (1/2)

Positioning of our focus areas



*1: Expected growth from March 2022 to March 2028

Source: "No. 73 Construction Economy Report (March 2021)", Research Institute of Construction and Economy

Our Strengths

1 Build a stable portfolio by establishing focus areas

- **Diversification** to avoid volatility and stabilize earnings
- Divide portfolio into stages based on future potential **and incrementally strengthen competitiveness in each area**

2 Cultivating trust and special orders in focus areas

[Specialty Areas] Freezing and refrigerated warehouses, food factories



Refrigerated warehouse construction



Food factory construction

3 Respond to changing market needs (stock market shift)

- **Launch and develop a new solution (ReReC®)** to prepare for declining investment in new construction and to **respond to stock market shift**.

*ReReC®: Our registered trademark collectively referring to **R**enewal, **R**enovation, and **C**onversion.

II. Domestic Architectural Business (2/2)

Vision and Strategic Framework

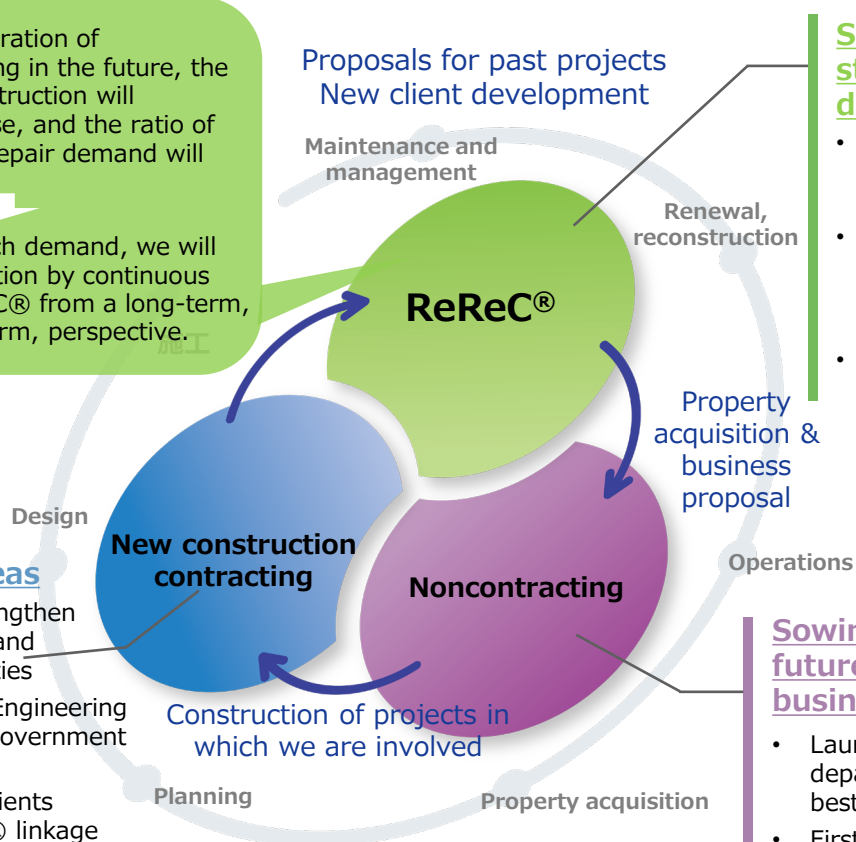
New construction contracting and new areas of "ReReC®" and "non-contracting" are interrelated, strengthening the business model

- Due to the acceleration of demographic aging in the future, the ratio of new construction will gradually decrease, and the ratio of improvement & repair demand will increase.

In order to meet such demand, we will establish a firm position by continuous strengthening ReReC® from a long-term, instead of a short-term, perspective.

Cultivation on focused areas

- Continue to strengthen mainly logistics and production facilities
- Work with Civil Engineering to obtain large government building projects
- Develop office clients through ReReC® linkage



Stage up initiatives, strengthen new development

- Develop business for large-scale repairs and renovations of offices and factories
- Strengthen mid-size office business by strengthening cooperation with Toyo Eco Support
- To this end, strengthen ZEB* proposals and promote M&A

Sowing the seeds for future growth and core business

- Launch a dedicated department and establish best practices
- First, target ReReC® derivative projects (we will acquire properties and promote renewal and reconstruction)

*ZEB : Net Zero Energy Building

Refer to P19 of the Mid-Term Business Plan

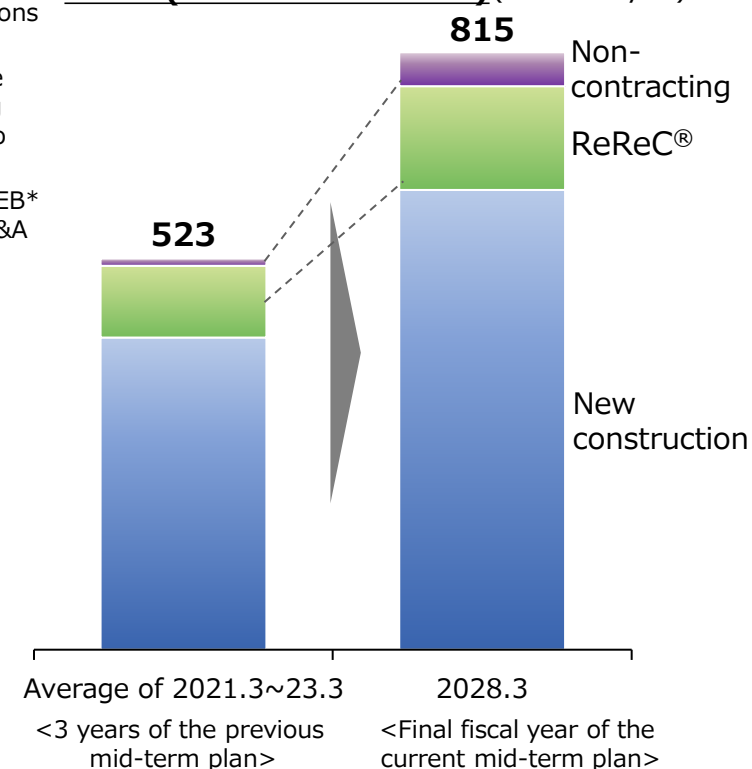
Numerical Goals

Operating Income (non-consolidated)

2.6 bil. yen → **5.5 bil. yen**

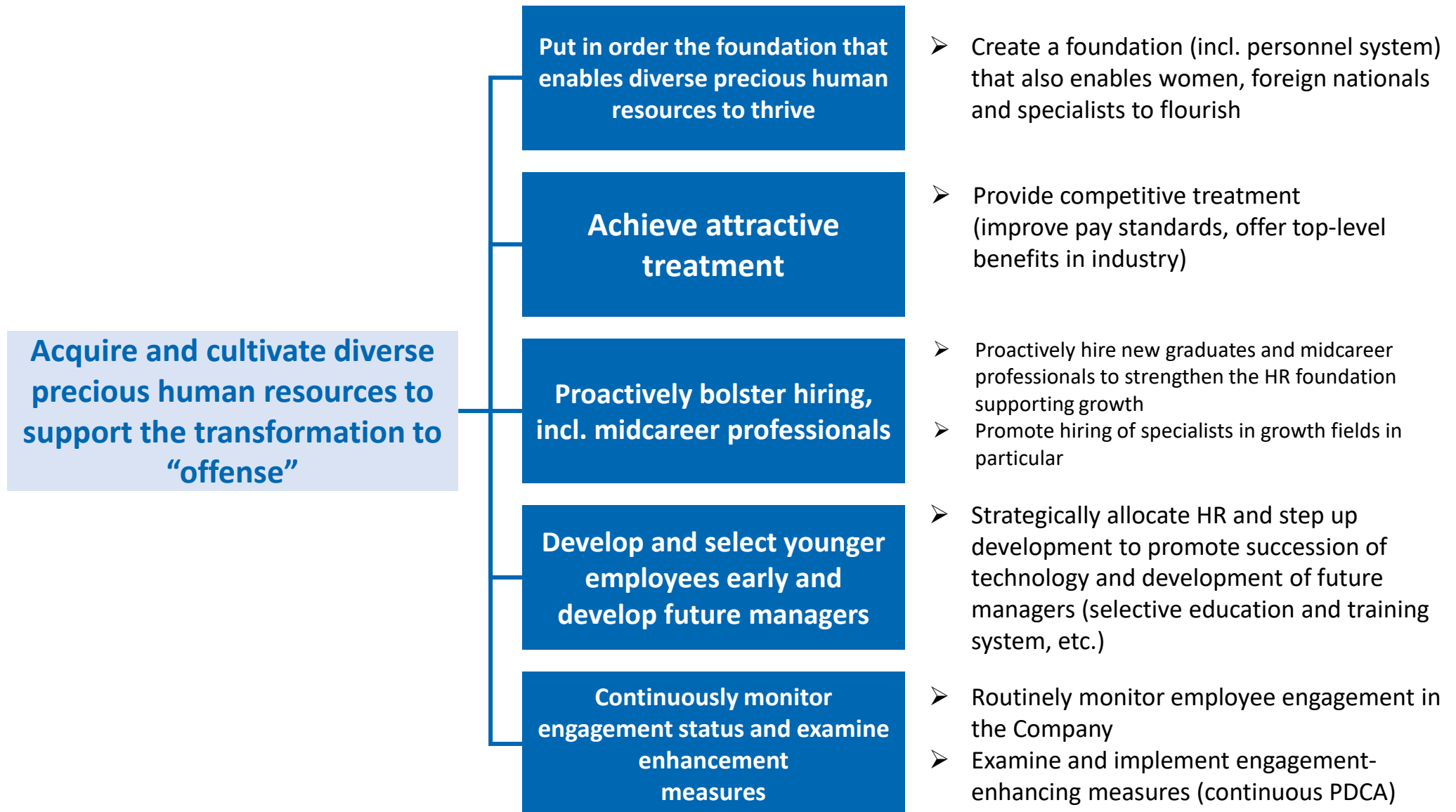
Expanding high profit margin ReReC® business

Sales (non-consolidated) (100 mil. yen)



*Rounding the average value of three years of the previous mid-term plan

II. Precious Human Resource Strategy



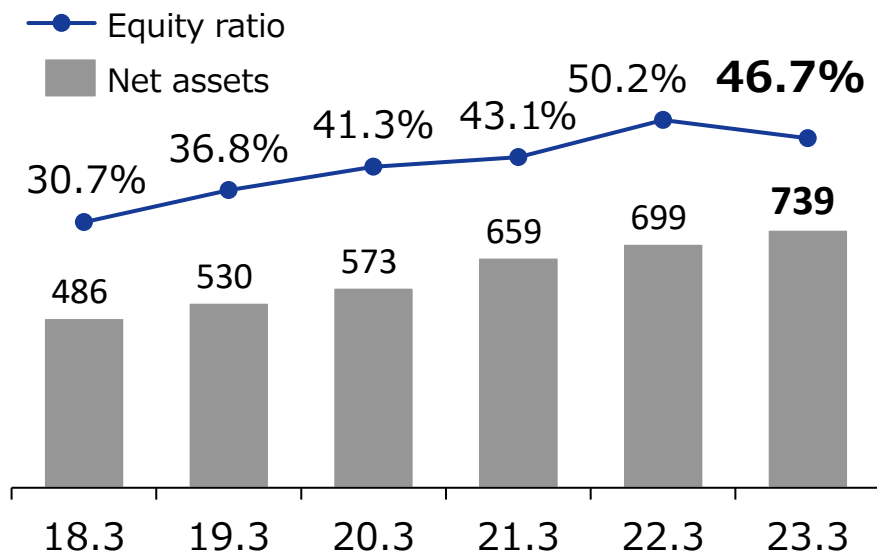
II. Capital Policy

Past Capital Plan

Built up net assets and bolstered financial health

- Focused on building net assets to shore up financial foundation to be able to engage in growth fields
- As a result, equity ratio reached 46.7% and net assets increased to 73.9 bil. yen

Equity Ratio and Net Assets

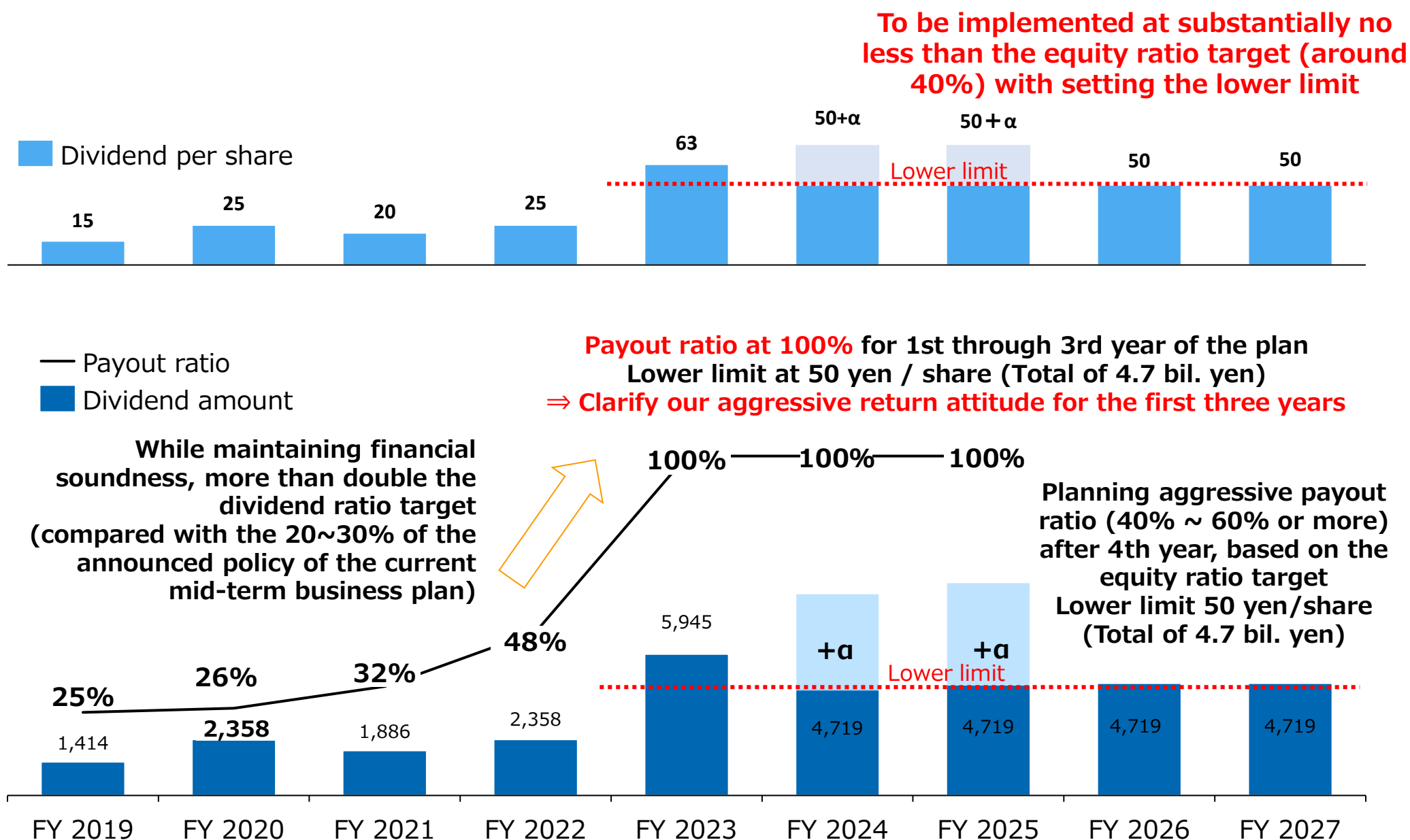


Capital Policy under the Mid-Term Business Plan

Proactively make growth-oriented investments and returns to shareholders

- To proactively make growth-oriented investment, inject funds, incl. **external loans at appropriate levels** (even with an eye toward using loans in the amount comparable to competitors)
- **Paid dividends significantly higher than in the past**
- **Dividend ratio of 100% during the first through third year of the mid-term business plan**/ minimum 50 yen
- From the 4th year, **continue to proactively pay dividends** while maintaining the equity ratio at around 40% / minimum 50 yen

II. Shareholder Return Policy



Ⅲ. Reference data

Ⅲ. Major Completed Works for the Year (Civil Engineering)



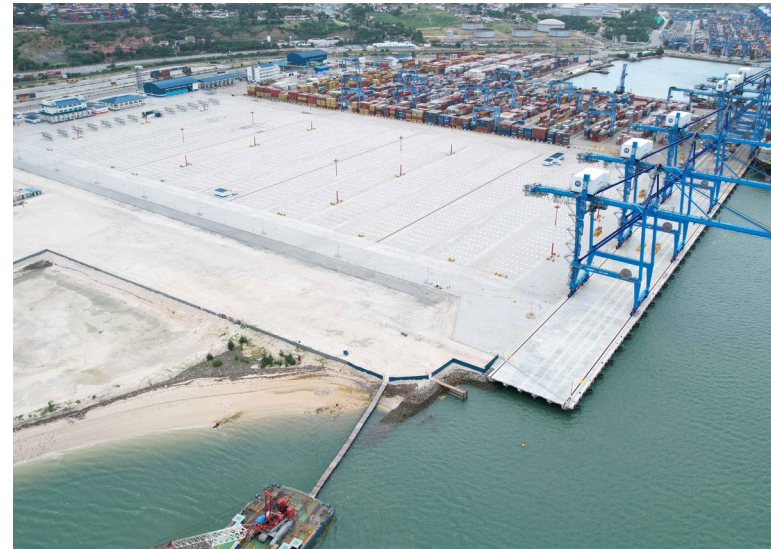
Disaster-relief for sluice gate, etc. in Kaigan-chayamae area of Ofunato Port (23 Sai - No. 166) (Iwate pref.)



Embankment (breakwater) construction work on east side of Shin-Honmoku region of Yokohama Port (Kanagawa pref.)



Revetment & remedial work (No.4) for Kaigan-ji & Takuma of Yosansen Line (Kagawa pref.)



Development construction of container terminal of Mombasa Port (2nd term) (Republic of Kenya)

Ⅲ. Major Completed Works for the Year (Architecture)



(Working title) New construction of Fukushima high pressure gas distribution center of Koatsu Gas Kogyo Co., Ltd. (Fukushima pref.)



(Working title) New construction work for Tokyo Information Design Professional University (Tokyo Metropolis)



Logistic facility development PJ in Hashima City of Gifu pref. (Gifu pref.)



Construction work of #2 factory building of Oita Factory of Muratec Mechatronics Co., Ltd. (Oita pref.)

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