

Toyo Construction Group

# **Mid-Term Business Plan**

## **Supplementary Material**

(2023-2027)





# Contents



## I. Company-Wide Plan

- I - 1. Orders Received (Company-Wide/Non-consolidated)
- I - 2. Orders Received Bridge (March 2023 vs March 2028)
- I - 3. Sales Trends (Consolidated)
- I - 4. Gross Profit (Consolidated)
- I - 5. Gross Profit Bridge (March 2023 vs. March 2028)
- I - 6. Operating Income Trends (Consolidated)
- I - 7. Operating Income Bridge (March 2023 vs. March 2028)
- I - 8. Investment Policy

## II. Trends by Main Business: Domestic Civil Engineering

- II - 1. Orders Received Trends (Domestic Civil Engineering / Non-consolidated)
- II - 2. Orders Received Bridge (March 2023 vs March 2028)
- II - 3. Sales Trends (Domestic Civil Engineering/Non-consolidated)
- II - 4. Gross Profit (Domestic Civil Engineering/Non-consolidated)
- II - 5. Gross Profit Bridge (March 2023 vs. March 2028)
- II - 6. Operating Income Trends (Domestic Civil Engineering/Non-consolidated)

## III. Trends by Main Business: Domestic Construction

- III - 1. Orders Received Trends (Domestic Construction/Non-consolidated)
- III - 2. Orders Received Bridge (March 2023 vs March 2028)
- III - 3. Sales Trends (Domestic Construction/Non-consolidated)
- III - 4. Gross Profit (Domestic Construction/Non-consolidated)
- III - 5. Gross Profit Bridge (March 2023 vs. March 2028)
- III - 6. Operating Income Trends (Domestic Construction/Non-consolidated)

## IV. Trends by Main Business: Overseas Construction

- IV - 1. Orders Received Trends (Overseas Construction/Consolidated)
- IV - 2. Sales Trends (Overseas Construction/Consolidated)
- IV - 3. Gross Profit (Overseas Construction/Consolidated)
- IV - 4. Gross Profit Bridge (March 2023 vs. March 2028)
- IV - 5. Operating Income Trends (Overseas Construction/Consolidated)

## V. Trends by Main Business: Offshore Wind Power Business

- V - 1. Sales Trends (Offshore Wind Power/Non-consolidated)

## VI. Precious Human Resource Strategy

- VI - 1. Trends in Number of Employees and Labor Costs



# Summary



## Assessing the external environment

## Our Policy<sup>\*1</sup>

### Domestic Civil Engineering

- Public civil engineering is expected to remain basically flat, assuming the continuation of the national resilience policy. However, defense-related construction is expected to increase in light of the government's National Defense Strategy.
- Private-sector civil engineering is projected to grow with investment needs for development, maintenance, and renewal centered on the electrical, manufacturing, and transportation sectors.

- Government maritime sector: Aim to increase orders by increasing market share for directly administrated ports, while maintaining a stable revenue base based on the Company's high competitiveness.
- Government land-based constructions: Aim to increase orders received by taking advantage of the Company's track record (areas and construction types) and joint efforts with Maeda Corporation.
- Private sector: Aim to increase special orders and profits by strengthening efforts to become carbon neutral and deepening customer-oriented sales.

### Domestic Construction

- The slump in capital investment due to Covid-19 is expected to subside, and capital investment, including carbon-neutral investment, is expected to increase.
- The production, environment and medium-scale logistics facilities, which are the target market for our core areas, and construction repair and maintenance market, which are the target market for ReReC, are expected to sustain moderate growth in the future.

- New construction: Continue to strengthen logistics and production facilities and focus on developing office clients in conjunction with ReReC measures, with the aim of increasing orders for new construction overall.
- ReReC: Aim to increase orders centered on large-scale repair and renovation of offices and factories by enhancing our ability to propose carbon-neutral solutions, among other measures.
- Non-contracting: Aim to establish a track record for ReReC-derivative projects (e.g., property acquisition → renewal/reconstruction, etc.) by launching a dedicated department to seed future growth.

### Overseas Construction<sup>\*2</sup>

- With construction markets in Asia and Africa projected to see a certain growth and the Japanese government's promotion of "a Free and Open Indo-Pacific (FOIP)", opportunities for involvement in infrastructure development, such as ports, are expected to increase.
- The Philippines construction market is growing at an average annual rate of more than 10% against a backdrop of economic development and is expected to grow at a high rate as CCT, the No. 1 Japanese local company in the Philippines, progresses with its localization.

- Aim to increase sales and profits in the Philippines and Kenya by securing opportunities to win planned ODA projects by 2027 and strengthening the foundation of private construction sector in the Philippines.
- Philippines: Focus on increasing orders for non-Japanese construction and civil engineering projects away from the previous focus on Japanese construction clients by further strengthening the foundation of private construction (local consolidated subsidiary CCT).
- Kenya: Aim to promote localization by acquiring and securing revenue from ODA projects, and by strengthening the foundation for the establishment of local corporations.

### Offshore Wind Power

- Full-scale offshore wind power construction is expected to start in 2027 toward the government's power generation target of 10GW for 2030.
- Although bottom fixed offshore wind will be predominant until 2030, floating offshore wind is expected to become more widespread after 2030 in order to expand the sites suitable for offshore wind power.

- Plan to launch the largest self-propelled cable-laying vessel in Japan and put it into operation from Fiscal Year ending March 31, 2028
- Aim to win orders for large-scale construction projects and increase earnings from Fiscal Year ending March 31, 2029 by combining our extensive knowledge of offshore civil engineering work and technological development in offshore wind power with extensive experience in building, owning, and operating vessels of Mitsui O.S.K. Lines.

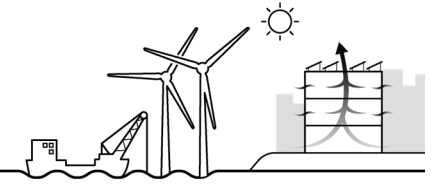
<sup>\*1</sup>: There is also the real estate business and affiliate businesses, but the real estate business is a stable business projected to be in line with past performance, while affiliate companies are projected to grow through collaboration with the head office business. <sup>\*2</sup>: Only overseas construction is consolidated (non-consolidated + local subsidiary CCT).



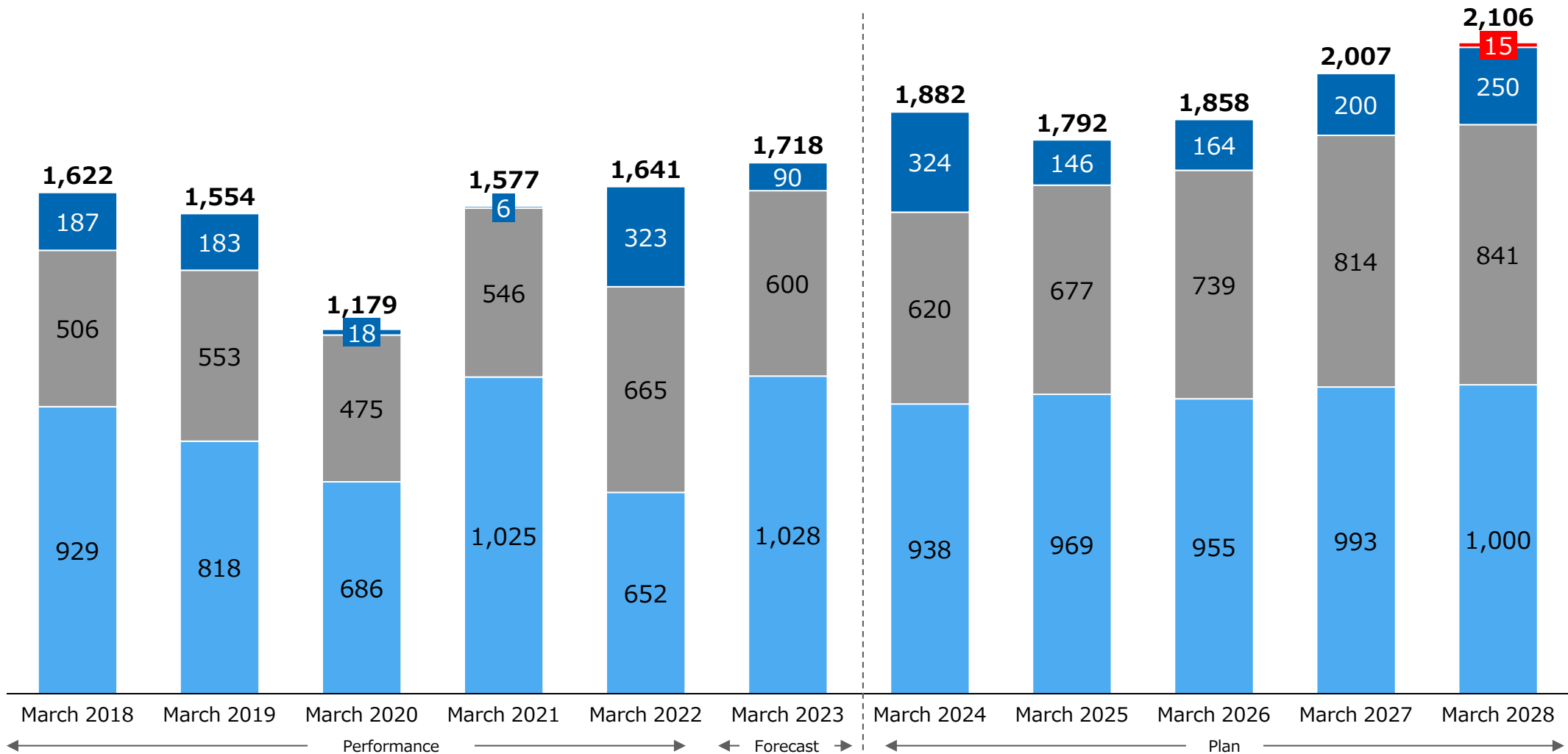
# Company-Wide Plan



# Orders Received (Company-Wide/ Non-consolidated)



■ Domestic Civil Engineering (Non-consolidated) 
 ■ Overseas Construction (Non-consolidated) 
 ■ Domestic Construction (Non-consolidated) 
 ■ Offshore Wind Power (Non-consolidated)

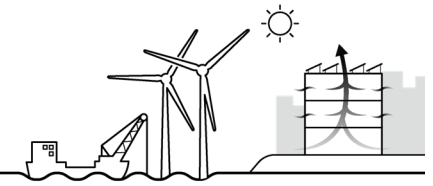


\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.



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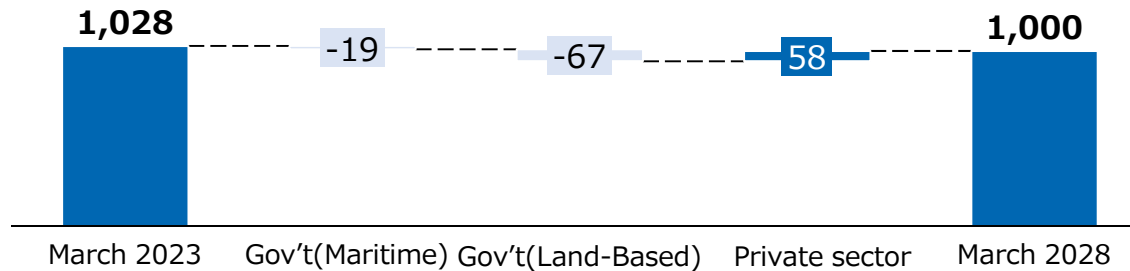
# Orders Received Bridge (March 2023 vs March 2028)



Orders Received (Non-consolidated) (100 million yen)

Main Causes of Increase/Decrease

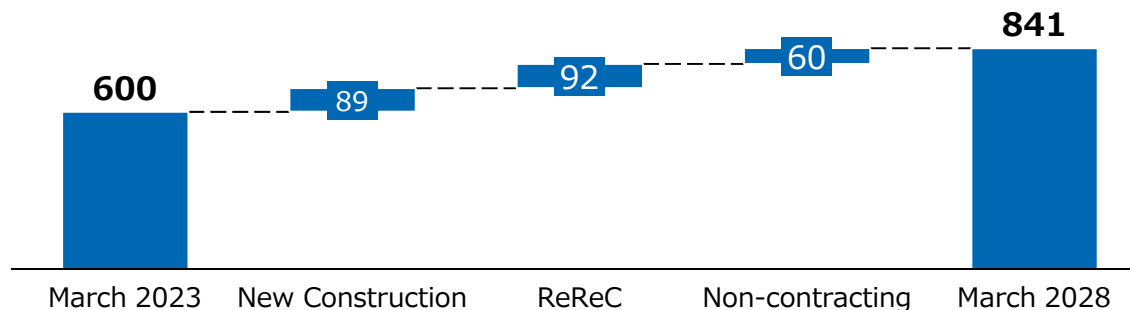
Domestic Civil Engineering



Overall, no change is projected

- For Fiscal Year ending March 31, 2023, the amount of orders received is projected to reach 100 billion yen with orders for Government large projects (Land-Based)
- Aiming to win more orders in the private sector, orders received of 100 billion yen (as with Fiscal Year ending March 31, 2023) is forecast

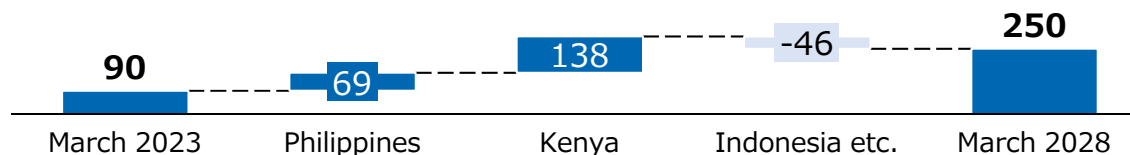
Domestic Construction



With stronger ReReC measures, an increase in orders, including the new construction area, is planned; for non-contracting, the aim is to win business by Fiscal Year ending March 31, 2028

- Strengthening of sales through ReReC measures will promote cultivation of new construction projects; this is expected to increase orders in new construction and ReReC sector
- As the next-generation's growth driver, promote the new non-contracting business to build a wider range of income-earning avenues

Overseas Construction

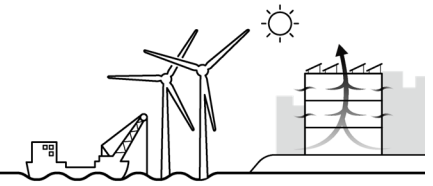


Build up individual projects with greater chance of winning orders to drive growth

- For ODA, build up projects with greater chance of winning orders such as projects in Kenya (Mombasa) and the Philippines (Pasig-Marikina, etc.), and orders are expected to increase toward Fiscal Year ending March 31, 2028

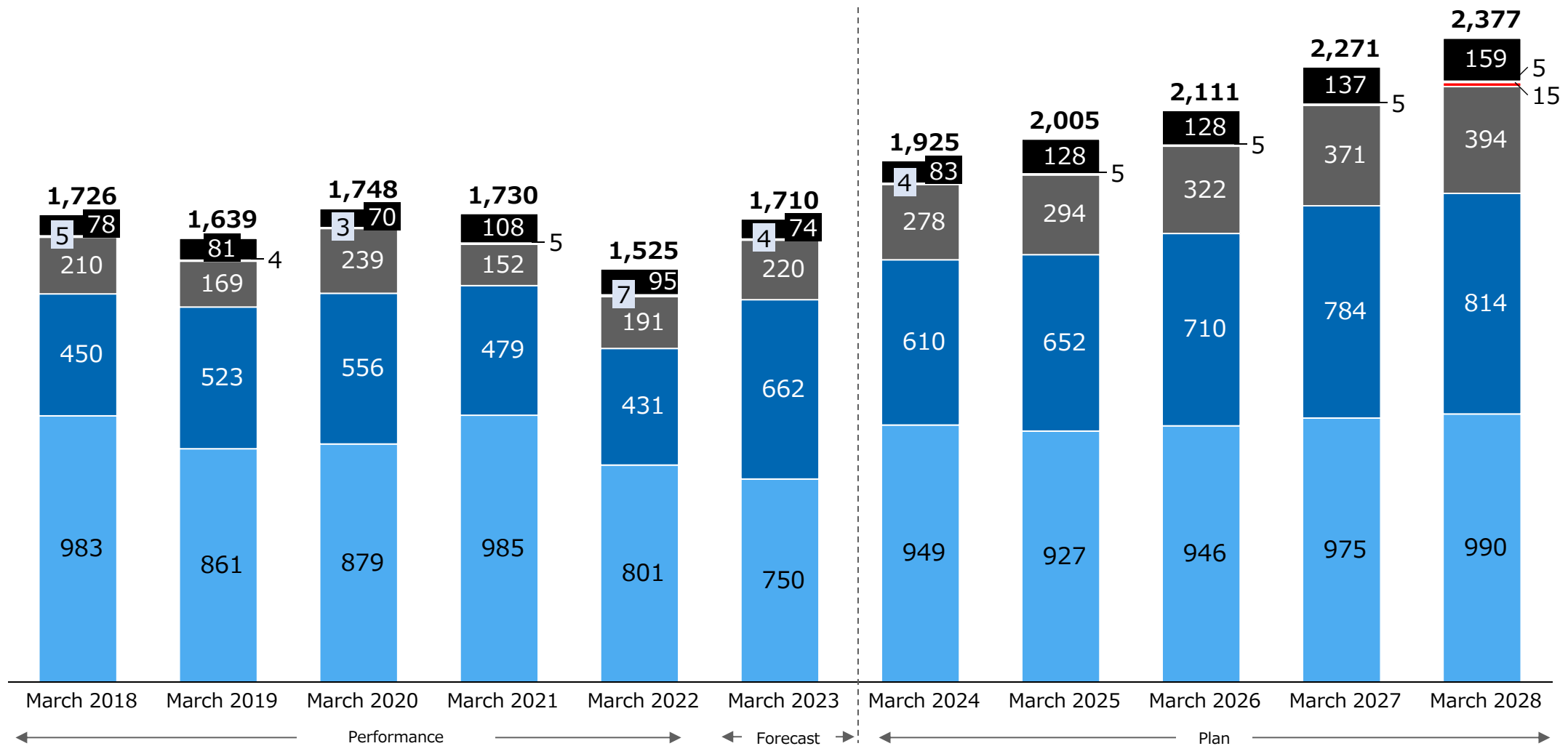
I -3

# Sales Trends (Consolidated)



- Domestic Civil Engineering (Non-consolidated)
- Domestic Construction (Non-consolidated)
- Overseas Construction (Consolidated)
- Offshore Wind Power (Non-consolidated)
- Other (Non-consolidated)
- Affiliate Companies (Civil Engineering, Construction, Other)

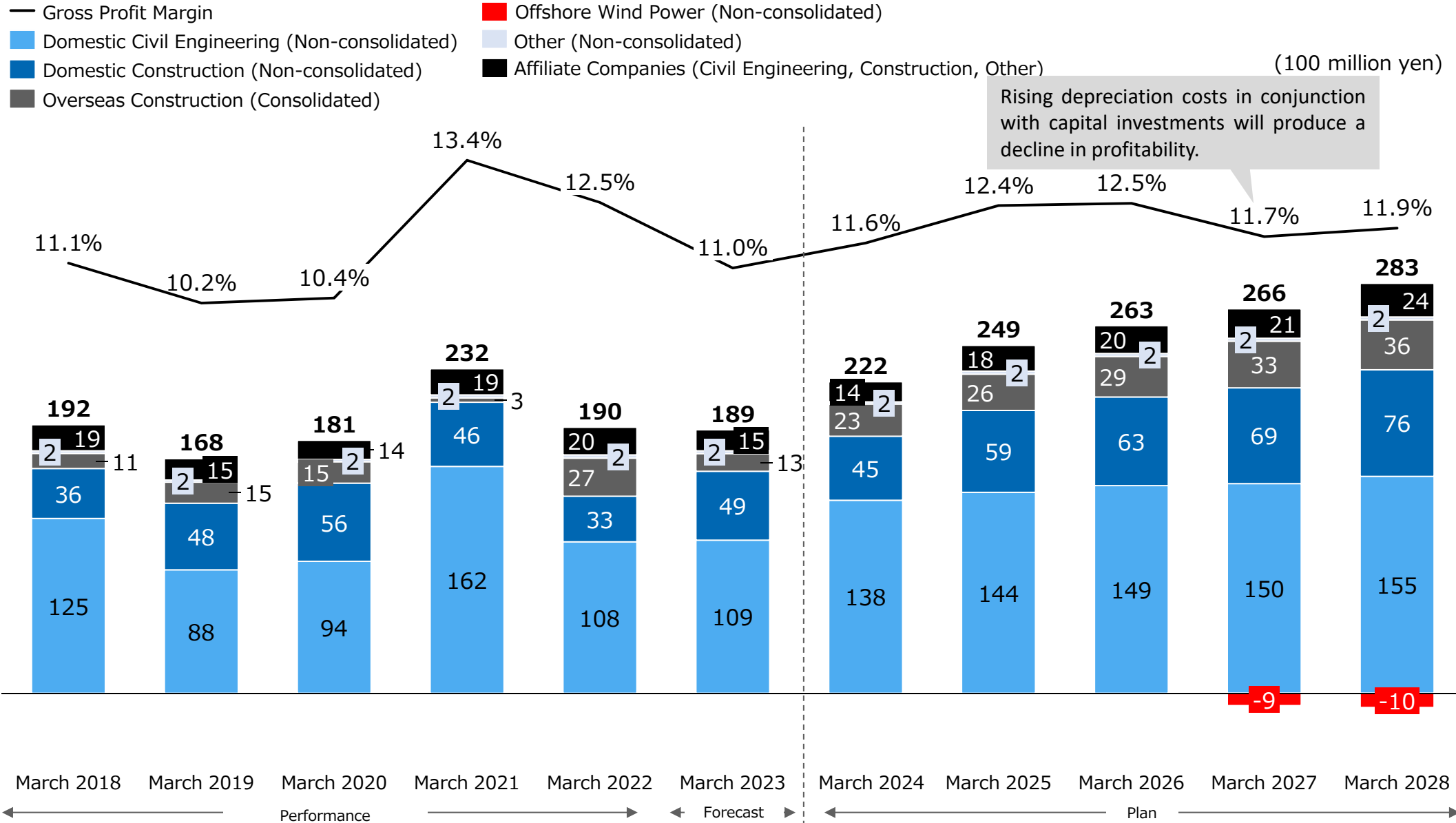
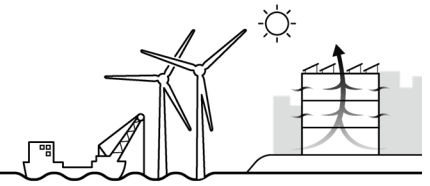
(100 million yen)



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.

I -4

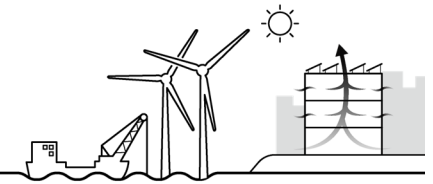
# Gross Profit (Consolidated)



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.

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# Gross Profit Bridge (March 2023 vs. March 2028)



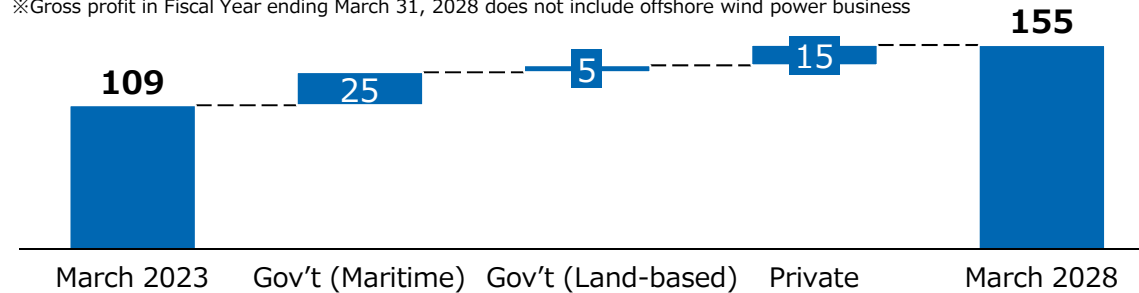
Gross Profit (100 million yen)

Main Causes of Increase/Decrease

Domestic Civil  
Engineering

Non-consolidated

※Gross profit in Fiscal Year ending March 31, 2028 does not include offshore wind power business

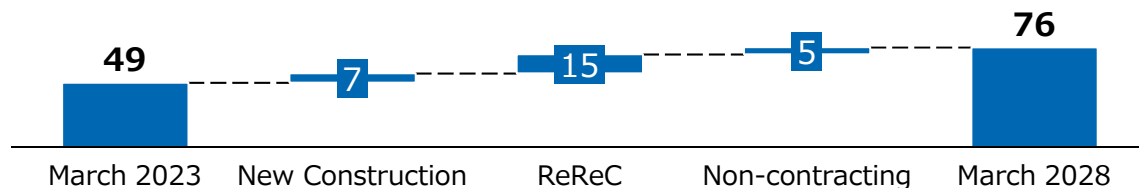


Higher sales and profit margin projected to fuel growth

- Sales forecast to rise from 75 billion yen in Fiscal Year ending March 31, 2023 to 99 billion yen in Fiscal Year ending March 31, 2028
- Sales growth in directly administrated ports, which offer higher margins, will see the gross profit margin improve by 1.1 percentage points

Domestic  
Construction

Non-consolidated



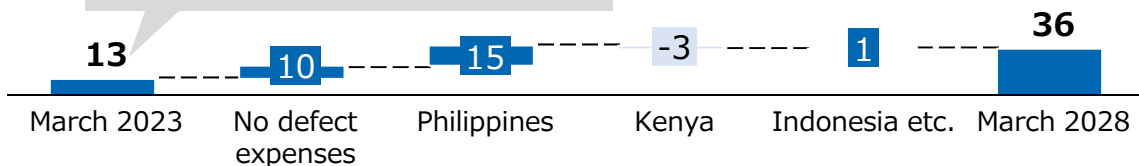
Higher sales and profit margin projected to fuel growth

- Sales forecast to rise from 66.2 billion yen in Fiscal Year ending March 31, 2023 to 81.4 billion yen in Fiscal Year ending March 31, 2028
- Sales growth in ReReC and non-contracting businesses, which offer higher margins, will see the gross profit margin improve by 2.0 percentage points

Overseas  
Construction

Consolidated

Results for Fiscal Year ending March 31, 2023 affected by the recording of about 1 billion yen defect repair costs for the completed construction

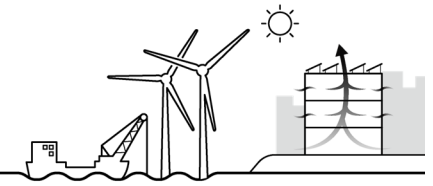


Higher sales projected to fuel growth

- Sales forecast to rise from 22 billion yen in Fiscal Year ending March 31, 2023 to 39.4 billion yen in Fiscal Year ending March 31, 2028, and gross profit projected to increase by maintaining profit margin in line with historical averages
- Results for Fiscal Year ending March 31, 2023 affected by the recording of about 1 billion yen defect repair costs for the completed construction in the Philippines in the past year; but this was a one-time charge, and no similar expenses are expected to be incurred

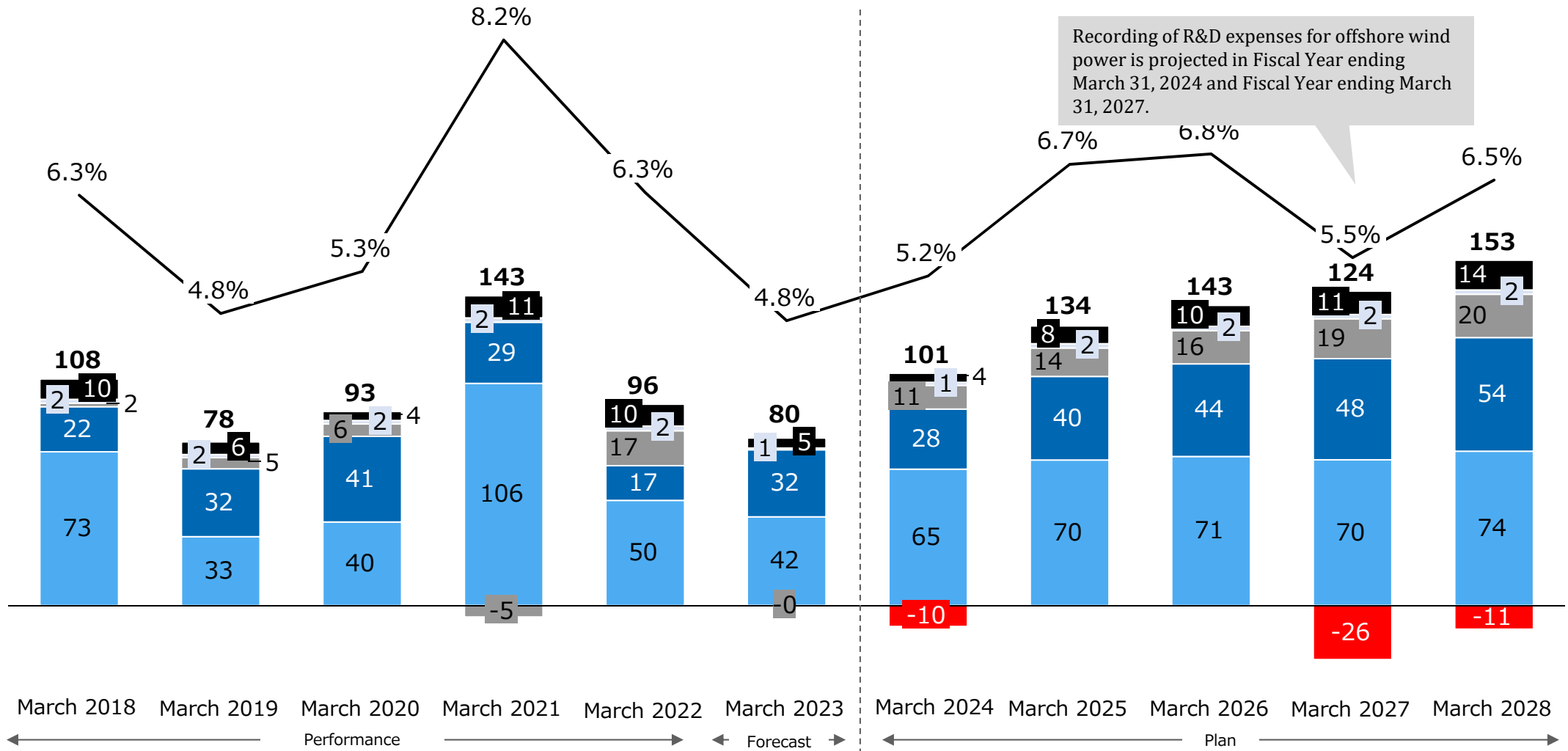
I -6

# Operating Income Trends (Consolidated)



- Operating Income Rate
- Domestic Civil Engineering (Consolidated)
- Domestic Construction (Non-consolidated)
- Overseas Construction (Consolidated)
- Offshore Wind Power (Non-consolidated)
- Other (Non-consolidated)
- Affiliate Companies (Civil Engineering, Construction, other.)

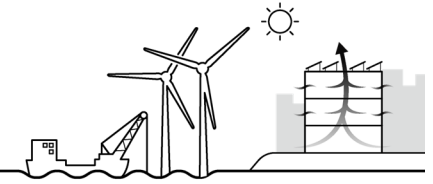
(100 million yen)



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.

I -7

# Operating Income Bridge (March 2023 vs. March 2028)



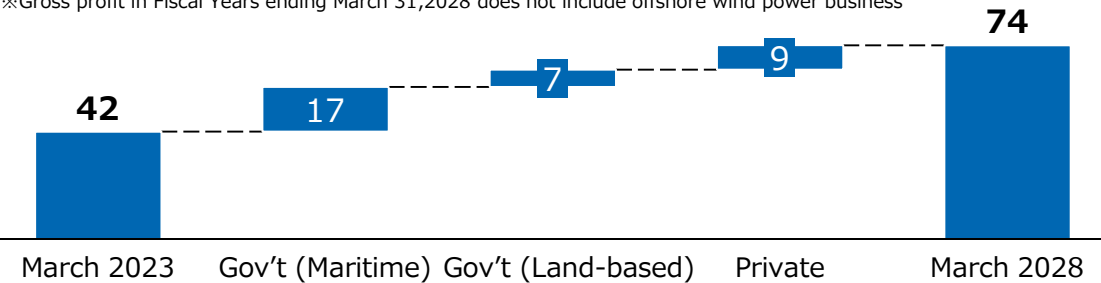
Operating Income (100 million yen)

Main Causes of Increase/Decrease

Domestic Civil Engineering

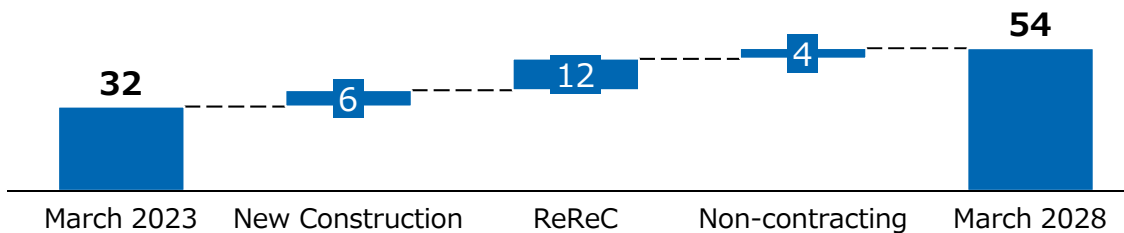
## Non-consolidated

※Gross profit in Fiscal Years ending March 31,2028 does not include offshore wind power business



Domestic Construction

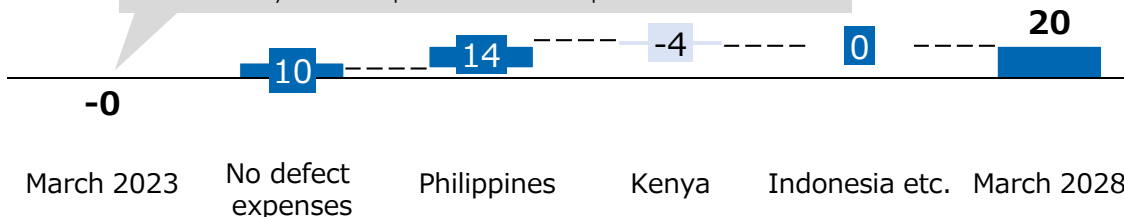
## Non-consolidated



Overseas

## Consolidated

Results for Fiscal Year ending March 31, 2023 affected by the recording of about 1 billion yen defect repair costs for the completed construction

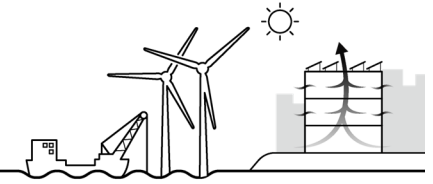


Changes in personnel and depreciation costs (in SG&A expenses) had a significant impact

- Operation income calculated by assigning SG&A expenses to the gross profit of each business
- Because many SG&A expenses items are basically fixed costs, an increase in depreciation costs for large-scale investments, etc. and higher personnel costs stemming from wage hikes are factored in, assuming actual results remain around the recent levels.
- Assignment of SG&A expenses to businesses based on sales and other internal standards

I -8

# Investment Policy (from New Mid-Term Plan)



Under the policy of transformation “from defense to offense,” make proactive investments centering around offshore wind business to build earnings-driving foundation for growth areas and further strengthen existing businesses

Growth-oriented  
investment

**34 billion  
Yen+**

Offshore wind

**26 billion  
Yen+**

- Investment in vessels, incl. cable-laying vessel

Domestic  
construction

**2.0 billion  
Yen+**

- ZEB-related investment

R&D  
DX, etc.

**6.0 billion  
Yen+**

- Technical Research Institute (up-front investment in technology R&D)
- DX/ICT, M&A, etc.

Other investments

**4.0 billion  
Yen+**

- Continued investment in existing assets

(5-year total)



# **Trends by Main Business:**

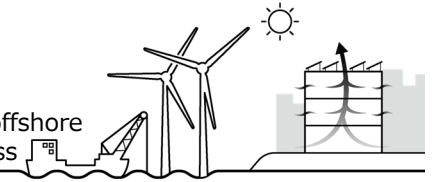
Domestic Civil Engineering (Non-consolidated)



# Trends of Orders Received

## (Domestic Civil Engineering / Non-consolidated)

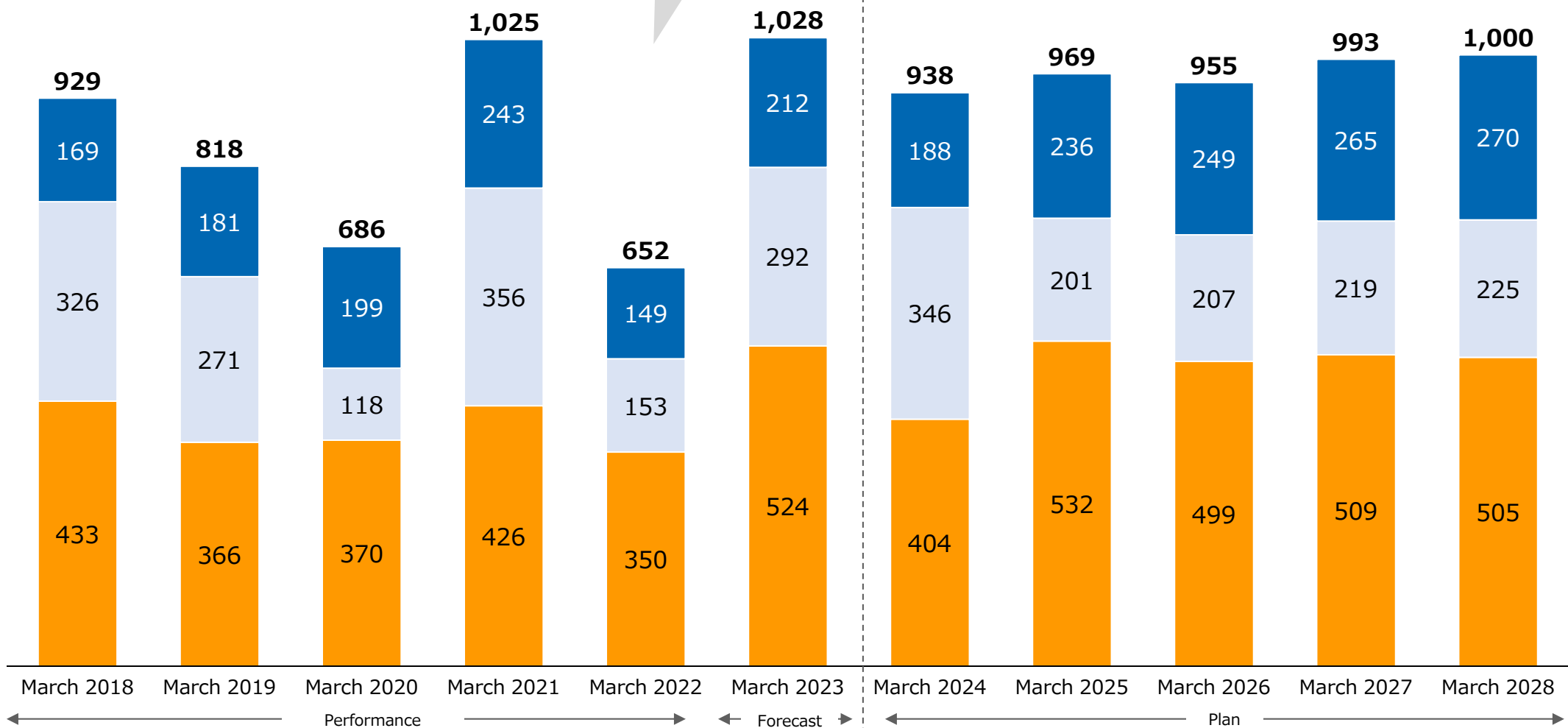
\*Excluding offshore wind business



Gov't (Offshore) Gov't (Land-Based) Private

The decline in orders for large projects and the small scale of work in private-sector projects produced a temporary decline in orders received.

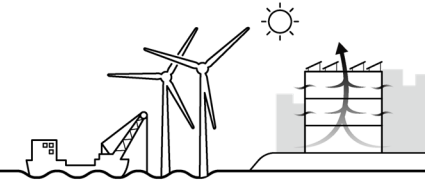
(100 million yen)



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.

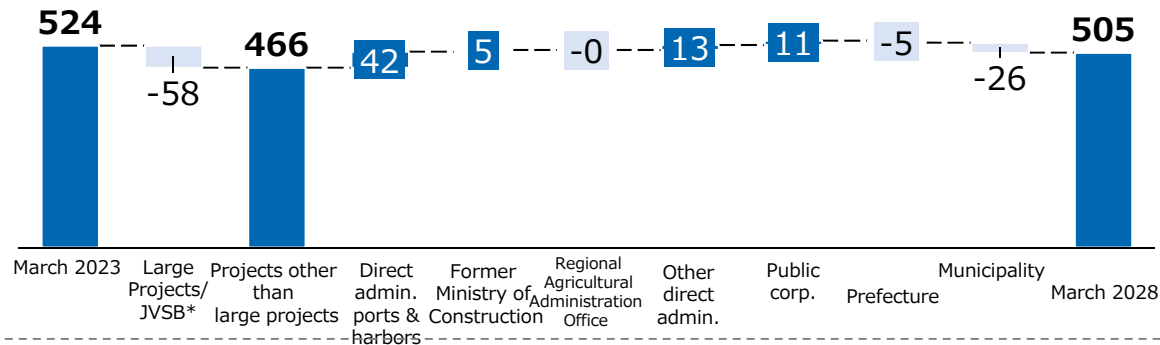


# Orders Received Bridge (March 2023 vs March 2028)



Orders Received (100 million yen)

Gov't(Offshore)

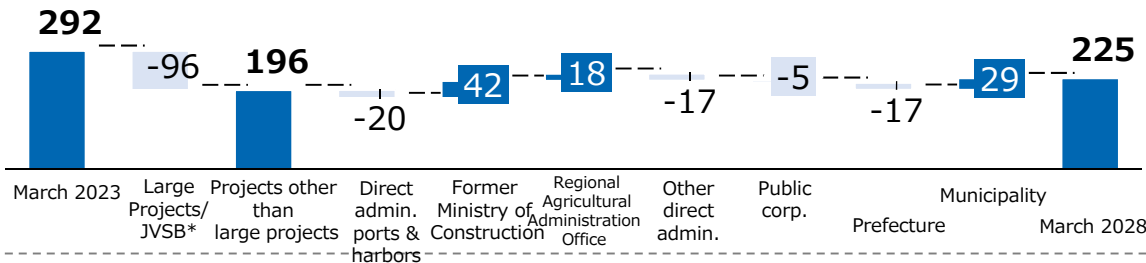


## Main Causes of Increase/Decrease

Increasing market share for directly administrated ports projected to increase orders

- Seek to increase opportunities to win orders for directly administrated ports by optimizing internal resource allocation, thus expanding our market share
- With some regional governments that give priority to local companies, selective acceptance of orders is expected to reduce the amount of orders received
- Expect to win orders for large projects in defense-related and other areas

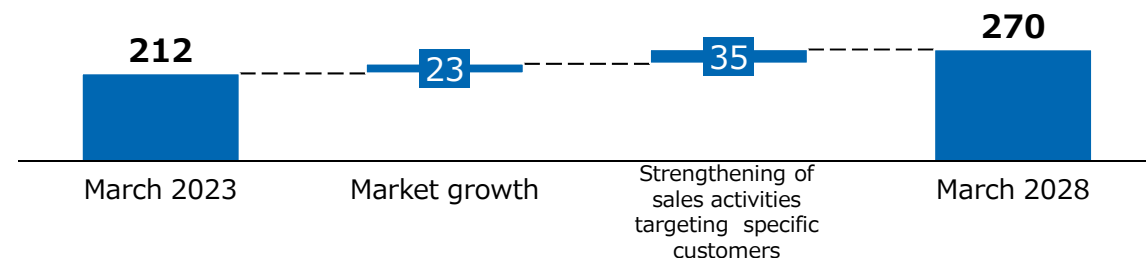
Gov't  
(Land-Based)



A focus on waterside projects from the former Ministry of Construction and Regional Agricultural Administration Office expected to cause a slight increase in amount of orders received

- With greater focus on waterside projects, which showcase our strengths, besides road and tunnel constructions, we seek to increase orders from former Ministry of Construction and Regional Agricultural Administration Office

Private



Market growth and strengthening of sales targeting specific customers projected to increase orders

- Private-sector civil engineering is a growth market, and since we are a latecomer, there is substantial room to increase our market share; growth of 2.3 billion yen is forecast by Fiscal Year ending March 31, 2028
- Strengthen sales activities targeting specific customers such as shipbuilders and energy companies, etc. and seek to obtain 3.5 billion yen in orders by March 2028

\*In Fiscal Year ending March 31, 2023, the Company received many large projects for both Gov't (Offshore) and Gov't (Land-Based). Efforts to obtain large projects will continue until Fiscal Year ending March 31, 2028, but overall numbers are expected to decrease.

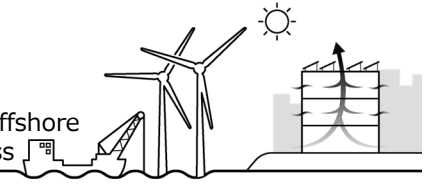




# Sales Trends

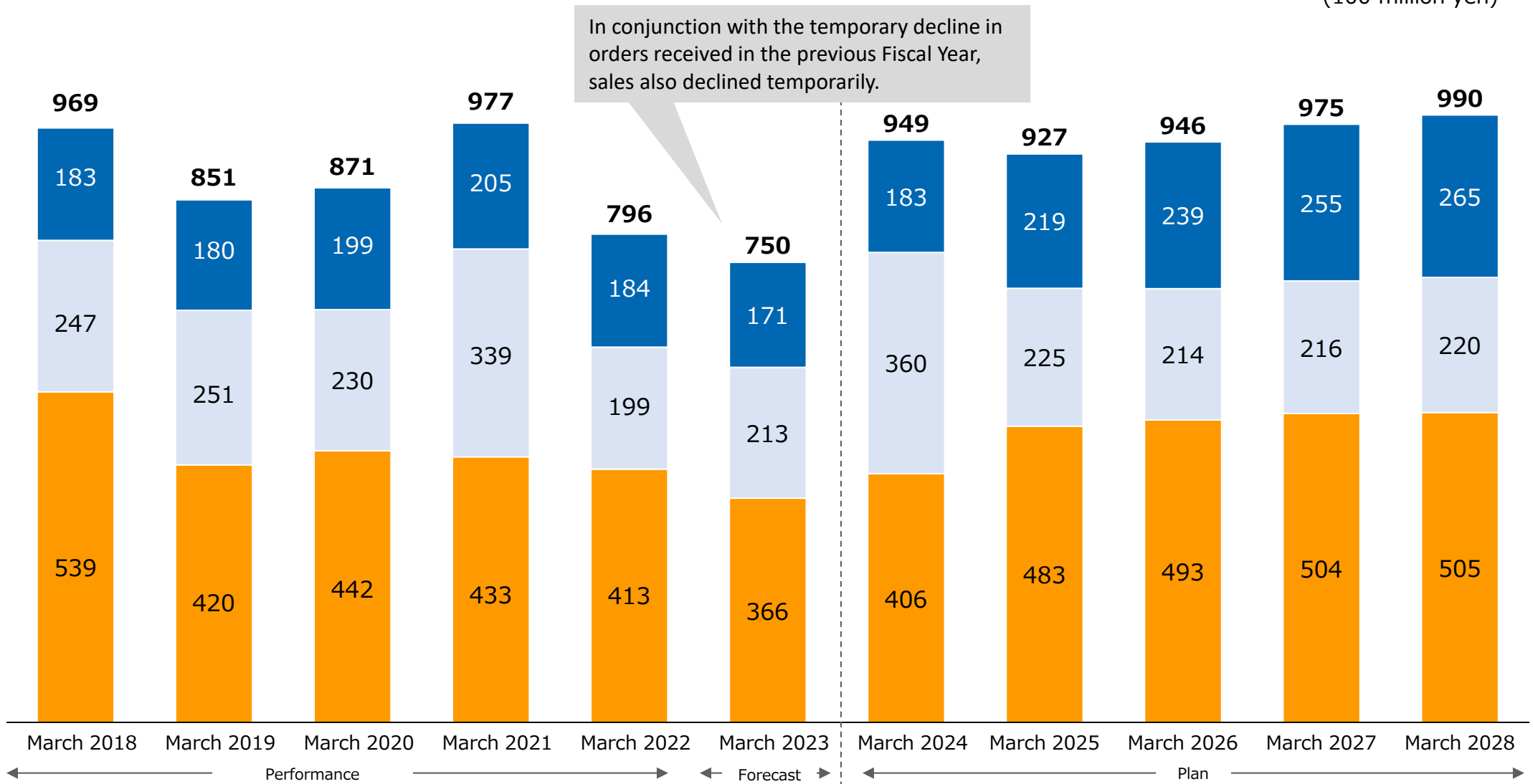
## (Domestic Civil Engineering / Non-consolidated)

\*Excluding offshore wind business



Government (Maritime) Government (Land-based) Private Sector

(100 million yen)



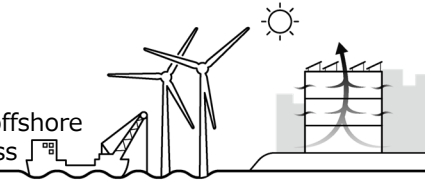
\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.



# Gross Profit

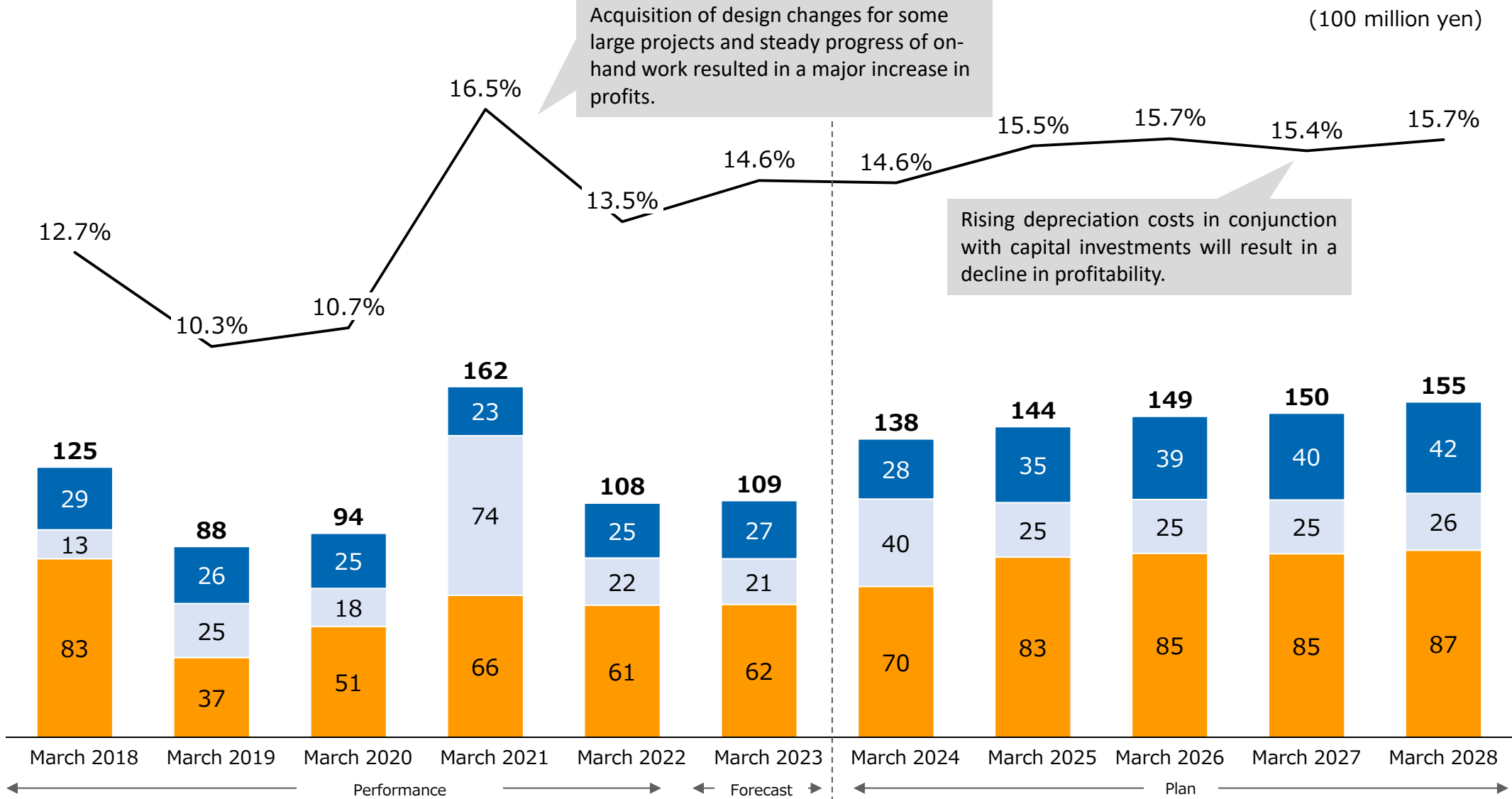
## (Domestic Civil Engineering / Non-consolidated)

\*Excluding offshore wind business



— Gross Profit Margin    ■ Government (Maritime)    ■ Government (Land-Based)    ■ Private Sector

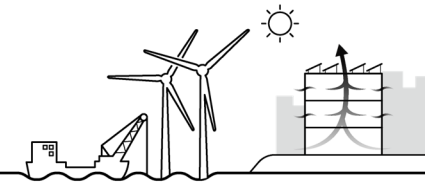
(100 million yen)



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.



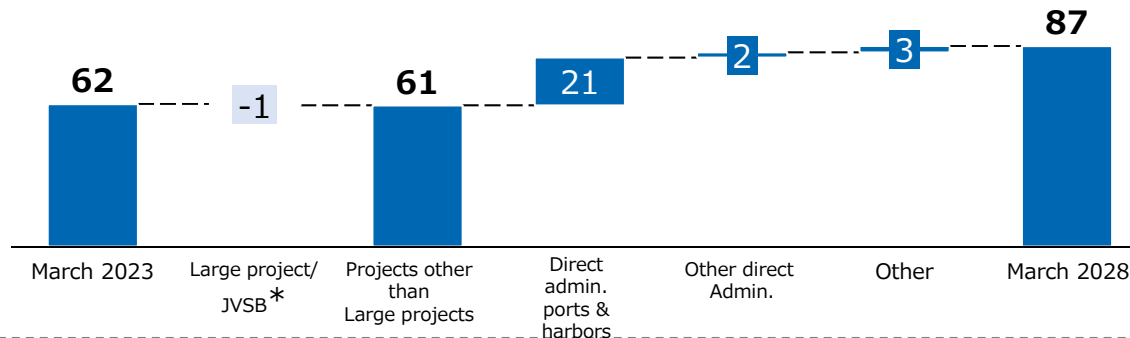
# Gross Profit Bridge (March 2023 vs. March 2028)



Gross Profit (Non-consolidated) (100 million yen)

Main Causes of Increase/Decrease

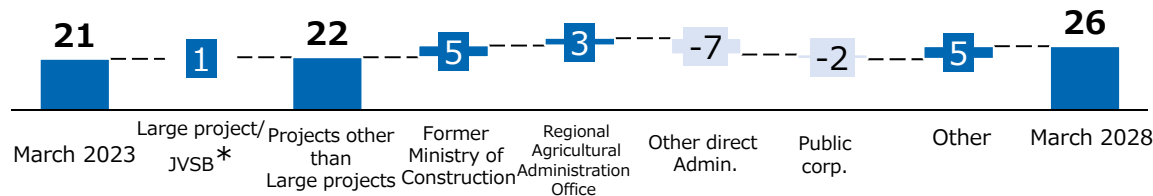
Gov't  
(Offshore)



Increases in orders and sales from directly administrated ports and improvements in profit margin projected to fuel growth

- We seek to optimize internal resource allocation to increase opportunities to obtain orders for directly administrated ports, thus increasing profit and improving profit margin

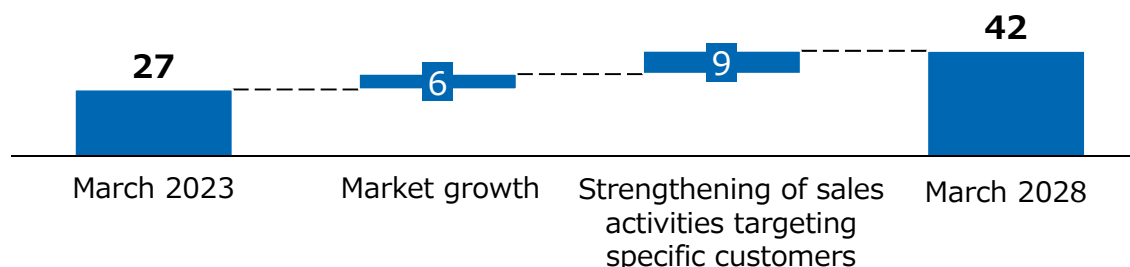
Gov't  
(Land-Based)



Increase in orders and sales due to focus on waterside projects and improvement in profit margin projected to fuel growth

- Increase in orders and sales for former Ministry of Construction and Regional Agricultural Administration Office, etc. due to focus on waterside projects projected to increase the amount of profit and improve profit margin

Private



Increase in orders and sales projected to fuel growth

Increase in orders and sales due to market growth and strengthening of sales targeting specific customers projected to increase the amount of profit (no excessive increase projected for profit margin; level comparable to the historical average and Fiscal Year ending March 31, 2023 projected)



# Operating Income Trends

## (Domestic Civil Engineering / Non-consolidated)



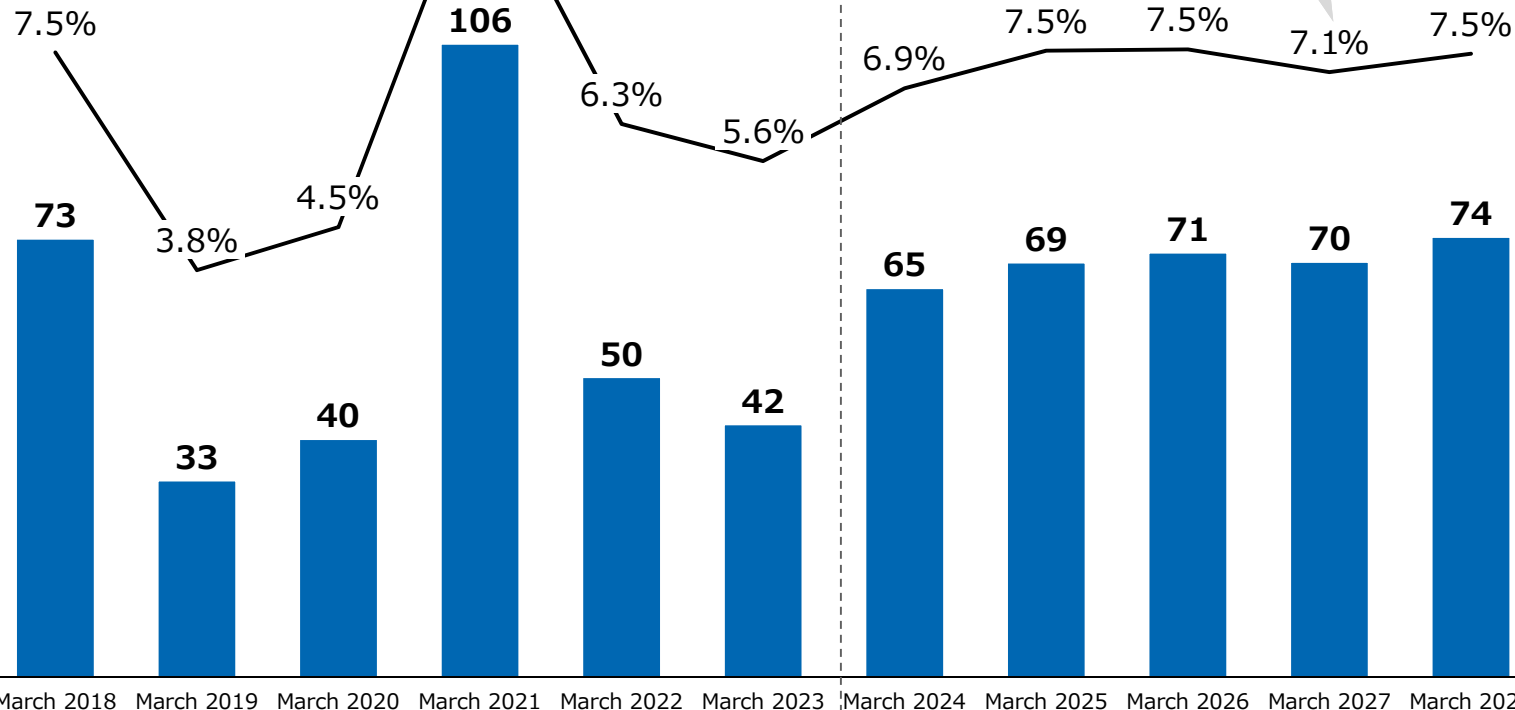
\*Excluding offshore wind business

Operating Income (Non-consolidated) (100 million yen)

Acquisition of significant design changes for some construction work carried over and steady progress of on-hand work resulted in a major increase in profits.

10.8%

Rising depreciation costs in conjunction with capital investments will result in a decline in profit margin.



### Main Causes of Increase/Decrease

- Fiscal Year ending March 31, 2018 and Fiscal Year ending March 31, 2021 achieved high profit levels with sales of over 95 billion yen.
- The company projects sales of 95 billion yen for Fiscal Year ending March 31, 2024, and a profit margin in line with the five-year average of previous years, and projects that the profit level will recover to 6.9%.
- From Fiscal Year ending March 31, 2025, both operating income and operating income margin are projected to increase due to increased sales in high-margin segments (e.g., directly administrated ports of government maritime sector, maritime construction in private sector, etc.).

Performance Forecast Plan

\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.

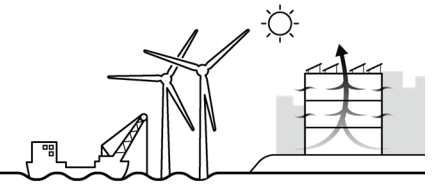


# **Trends by Main Business:**

Domestic Construction (Non-consolidated)



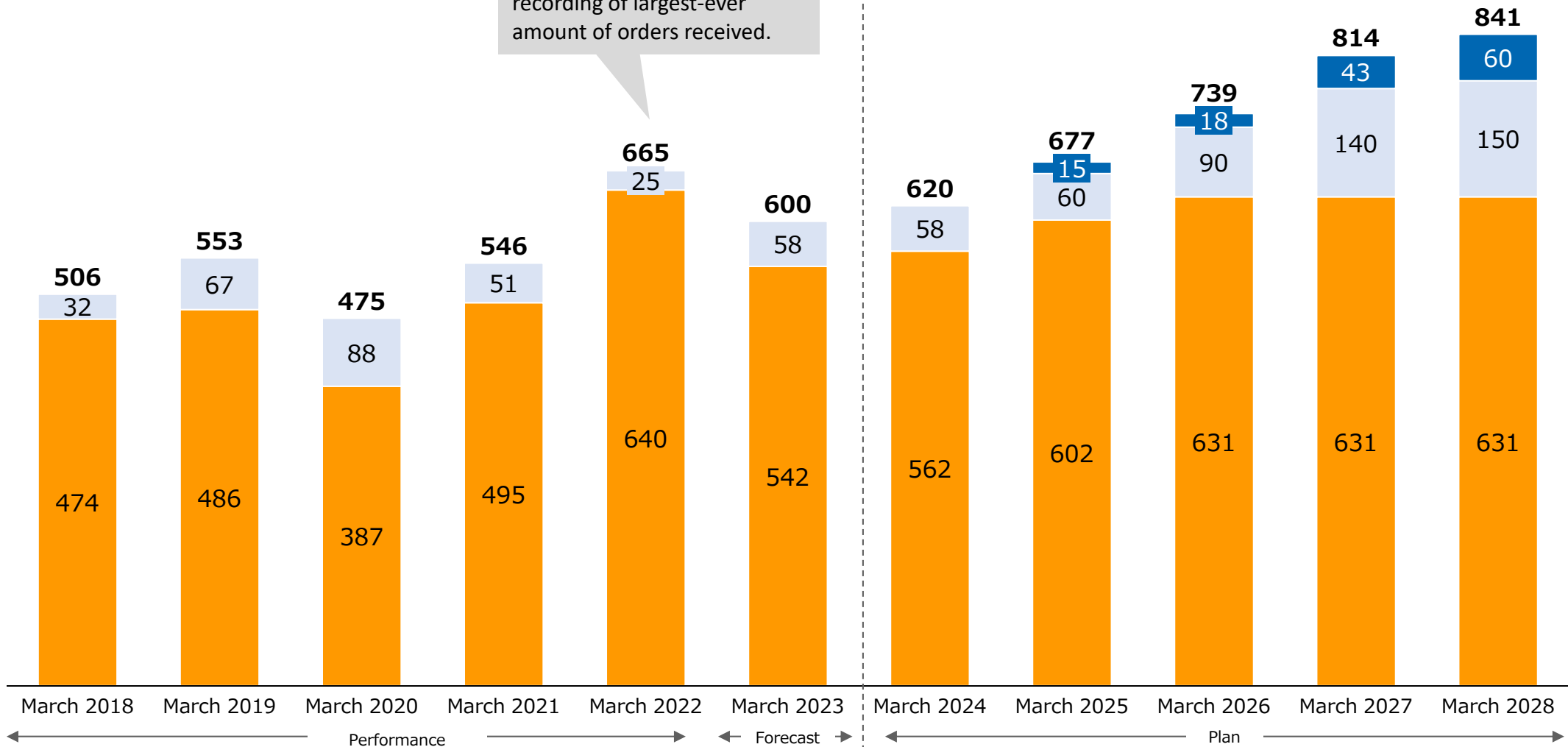
# Orders Received Trends (Domestic Construction/Non-consolidated)



■ New Construction  
■ ReReC  
■ Non-contracting

Many large projects for logistics facilities and environmental facilities were recorded, resulting in recording of largest-ever amount of orders received.

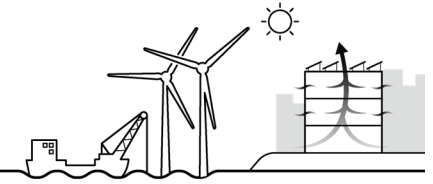
(100 million yen)



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.



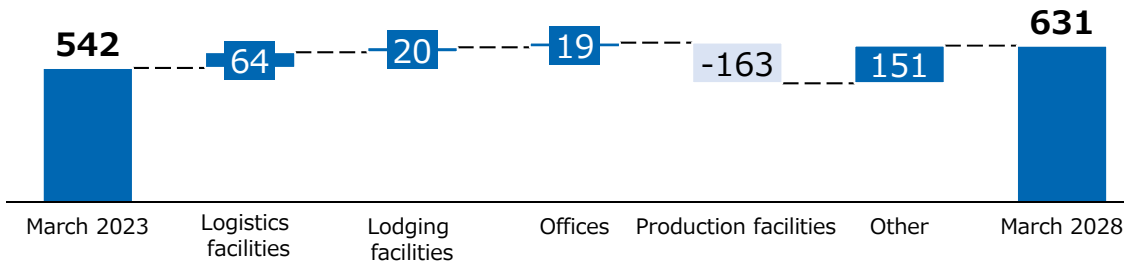
# Orders Received Bridge (March 2023 vs March 2028)



Orders Received (100 million yen)

Main Causes of Increase/Decrease

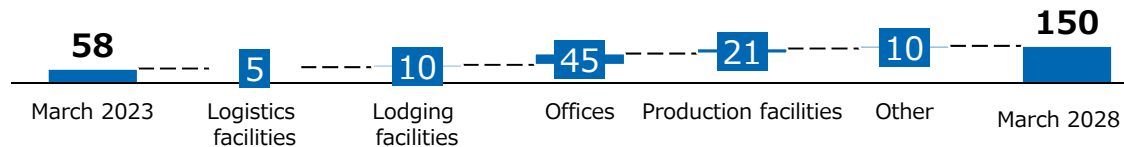
New  
construction



Aim to increase orders through derivative effects of ReReC

- Orders for offices and lodging facilities are expected to increase by seizing onto new construction needs as a derivative of strengthening of ReReC sales (for offices, we also expect to take advantage of market growth).
- Logistics facilities, which saw a decline in inquiries in Fiscal Year ending March 31, 2023 reflecting soaring material prices, etc., are expected to recover to the historical average level.
- Production facilities recorded record high orders received in Fiscal Year ending March 31, 2023, but orders are expected to settle at past levels going forward

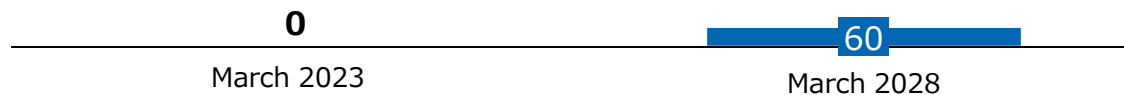
ReReC



Area where we aim to increase orders mainly for offices and production facilities, by strengthening our efforts

- Aim to obtain orders mainly for offices and production facilities by taking advantage of market expansion and effects of improvements in sales and technical capabilities achieved by carbon neutral related investments, etc.

Non-contracting\*



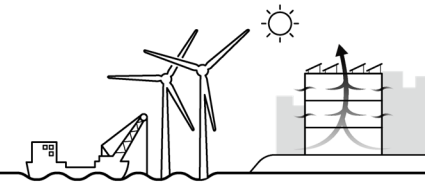
Area where we aim to strengthen initiatives and gain some of the benefits in order to make it the core of future growth

- As a strategic target area following ReReC, enhance business promotion by building a dedicated structure.
- Aim to acquire 2-3 projects, mainly ReReC-derivative projects, in Fiscal Year ending March 31, 2028.

\*For non-contracting, it is presented as Sales÷Orders Received considering side-by-side comparison with other businesses, though it is not expected that an order-based business will be the main form (in calculating non-contracting sales, it was taken into account that with non-contracting, too, there may be an order backlog because of some carried over projects of renewals, etc.)



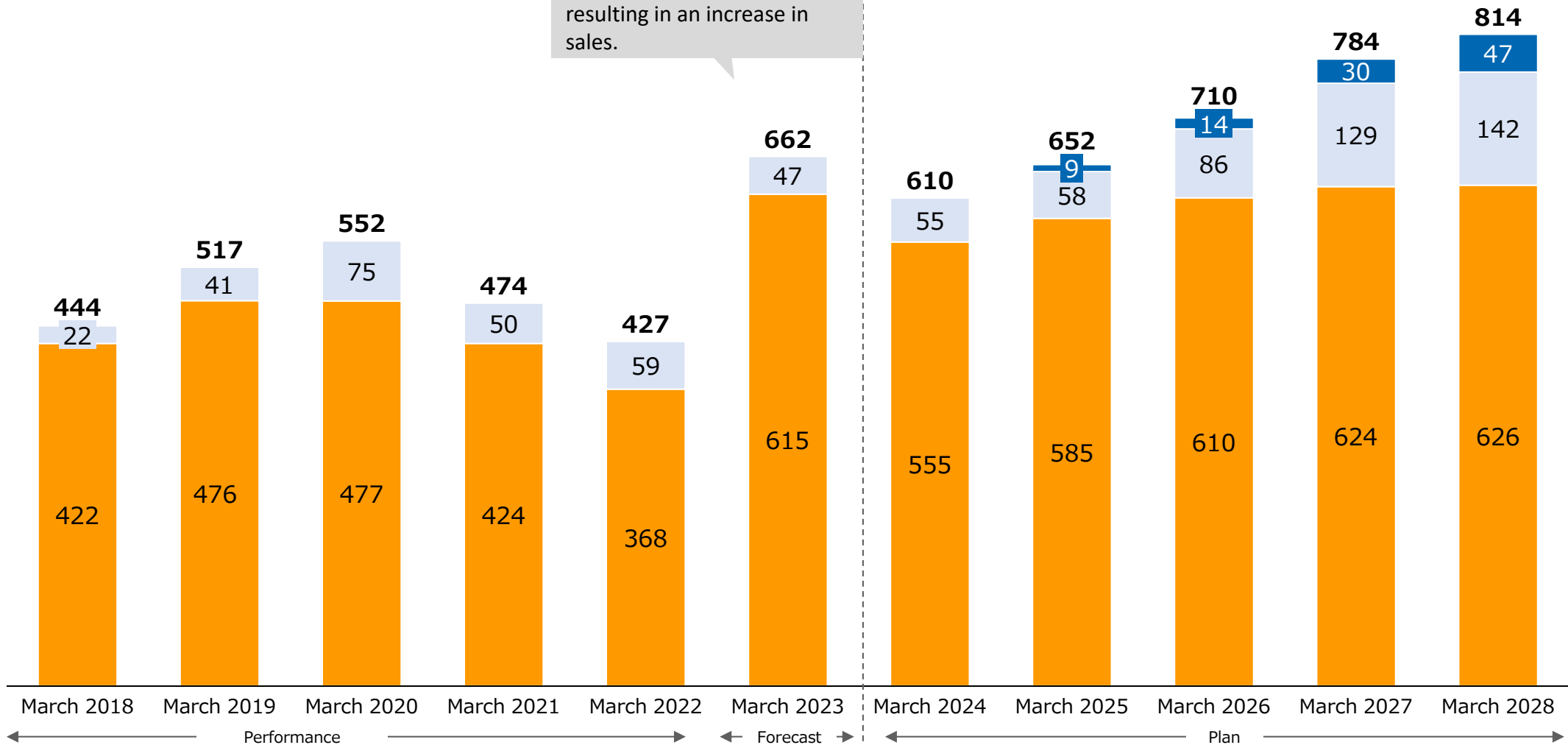
# Sales Trend (Domestic Construction/Non-consolidated)



■ New Construction  
■ ReReC  
■ Non-contracting

In the previous term, there were several orders for large projects for logistics facilities and environmental facilities, resulting in an increase in sales.

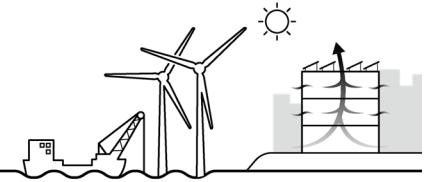
(100 million yen)



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.

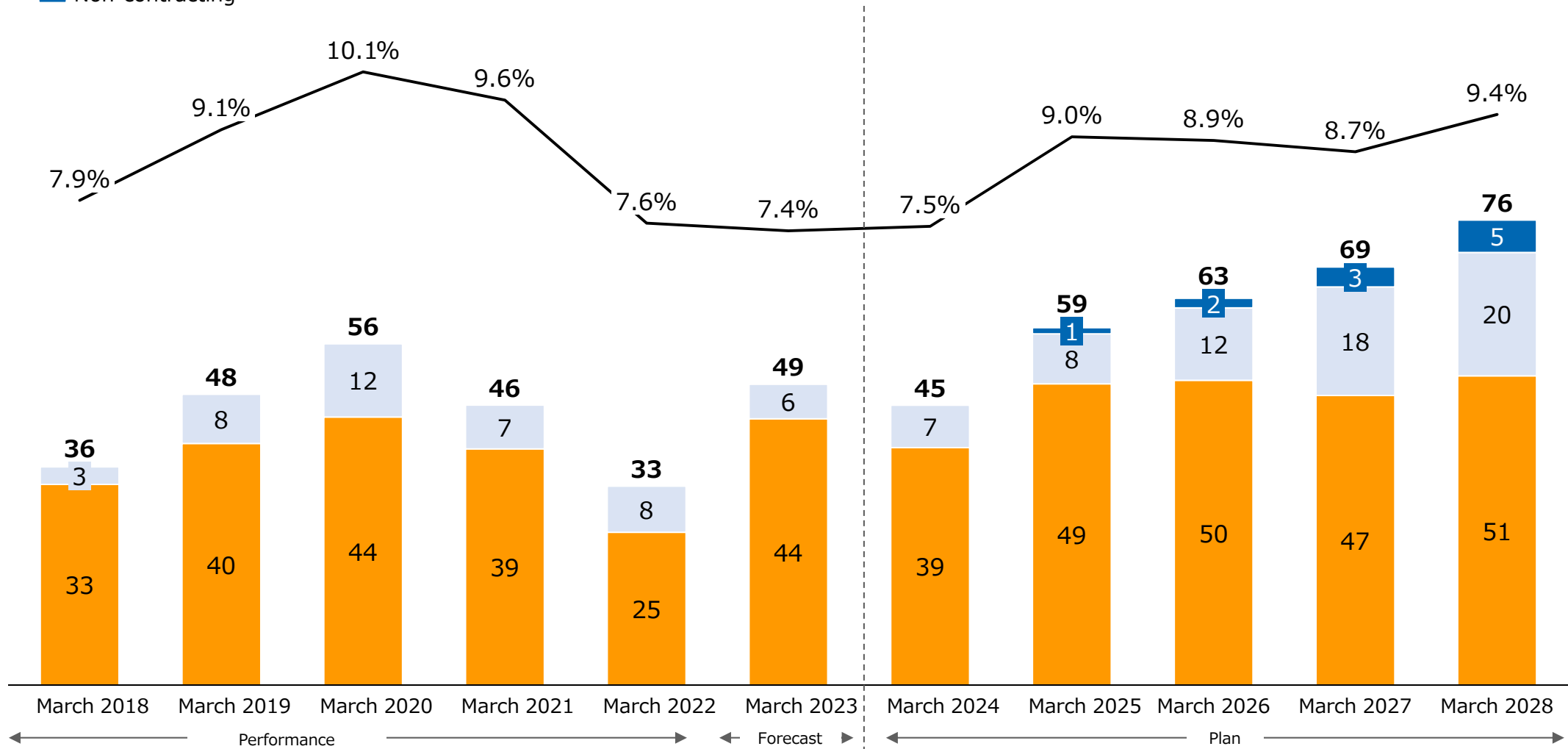


# Gross Profit (Domestic Construction/Non-consolidated)



- Gross Profit Margin
- New Construction
- ReReC
- Non-contracting

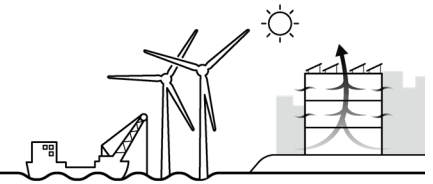
(100 million yen)



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.



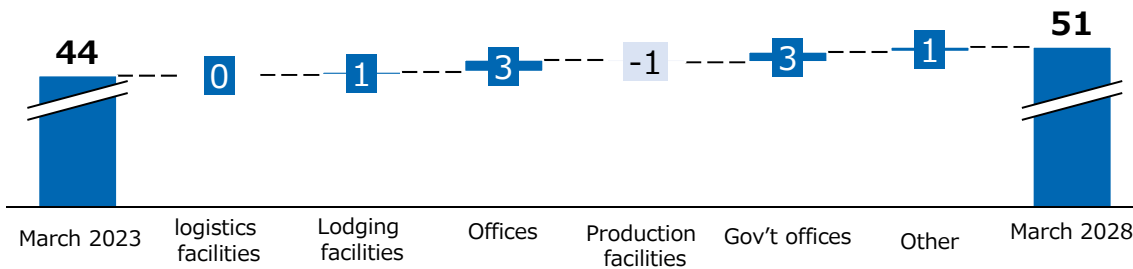
# Gross Profit Bridge (March 2023 vs. March 2028)



Gross Profit (Non-consolidated) (100 million yen)

Main Causes of Increase/Decrease

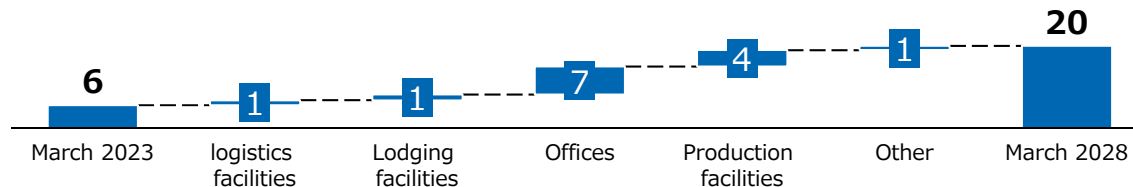
New  
construction



Increase in orders and sales and improved profit margins expected to fuel growth

- Gross income will increase in conjunction with increased orders and sales for offices and lodging facilities through strengthening of ReReC sales (profit margin is expected to be in line with historical averages).

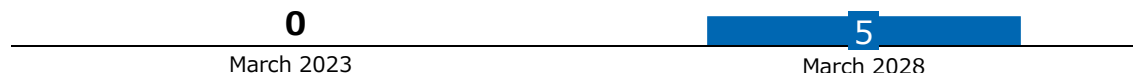
ReReC



Increase in orders and sales mainly for offices and lodging facilities through strengthening of our efforts expected to fuel growth

- Gross income will increase in conjunction with increase in orders and sales as a result of market expansion, strengthening of sales, and effects of carbon neutrality-related investments (profit margin improvement is not projected to be excessive and is expected to be in line with historical averages).

Non-  
contracting \*



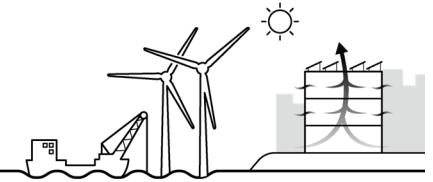
Winning of businesses in conjunction with winning of non-contracting projects expected to fuel growth

- Aim to record gross profit of about 500 million yen in Fiscal Year ending March 31, 2028 in conjunction with securing business through dedicated structure (target of 2-3 projects in Fiscal Year ending March 31, 2028) (profit margin is conservatively expected to be a little over 10%).

\*For non-contracting, it is presented as Sales÷Orders Received considering side-by-side comparison with other businesses, though it is not expected that an order-based business will be the main form (in calculating non-contracting sales, it was taken into account that with non-contracting, too, there may be an order backlog because of some carried over projects of renewals, etc.)

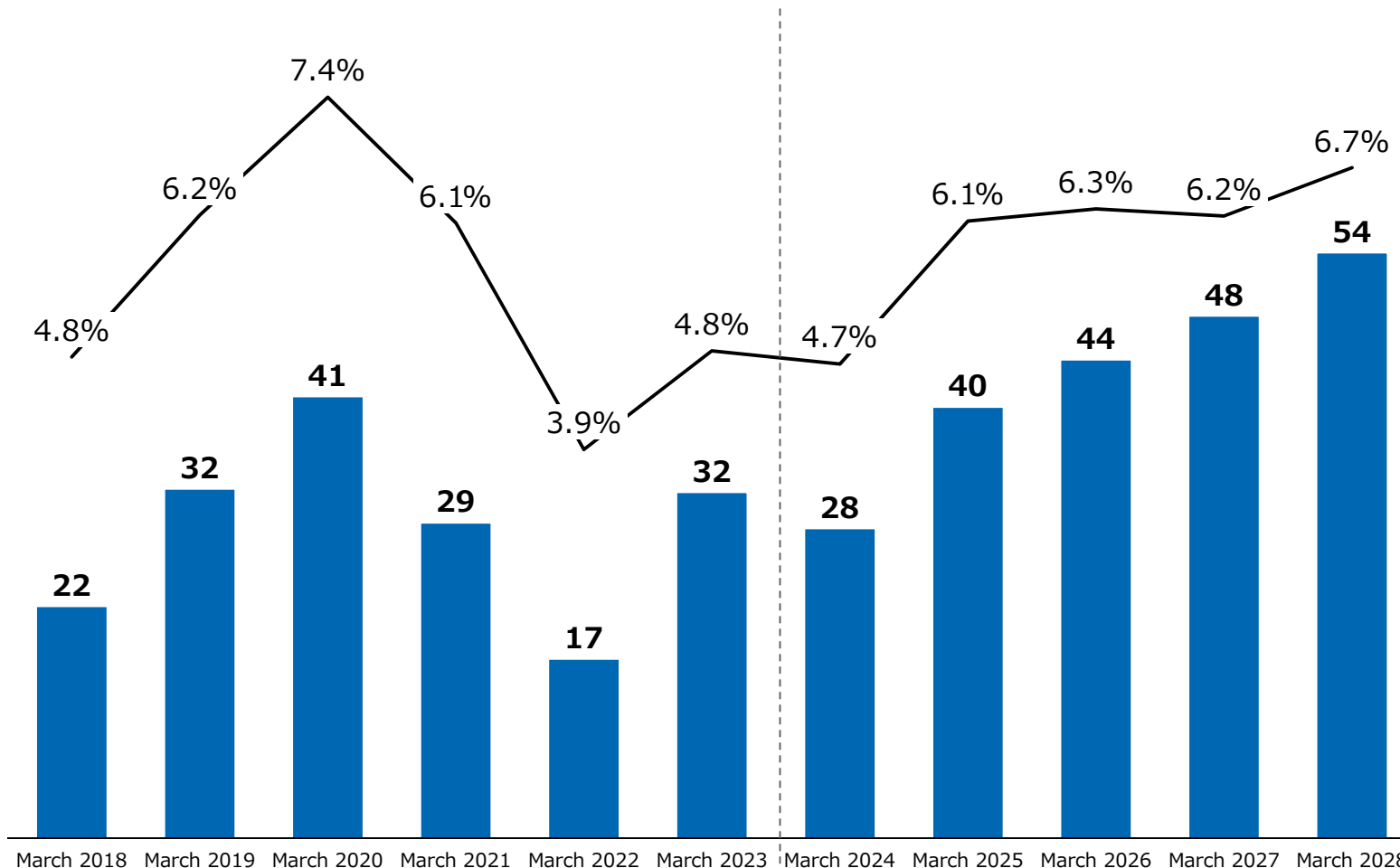


# Operating Income Trend (Domestic Construction/Non-consolidated)



Operating Income (Non-consolidated) (100 million yen)

Main Causes of Increase/Decrease



- The operating income margin for Fiscal Year ending March 31, 2022 fell as a result of higher cost ratios due to a decline in sales.
- Due to the impact from accepted projects, the operating income margin for Fiscal Year ending March 31, 2024 is expected to be comparable to that for Fiscal Year ending March 31, 2023.
- From Fiscal Year ending March 31, 2025, operating income margin in excess of 6% is projected due to the contribution of an increase in profit from the high-margin ReReC and non-contracting business.

Performance

Forecast

Plan

\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.

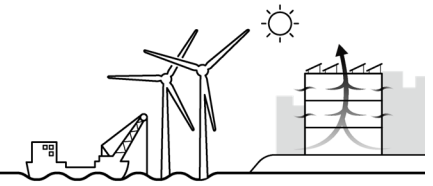


# **Trends by Main Business:**

Overseas Construction (Consolidated)



# Orders Received Trends (Overseas Construction/Consolidated)



Philippines (private sector work)

Philippines

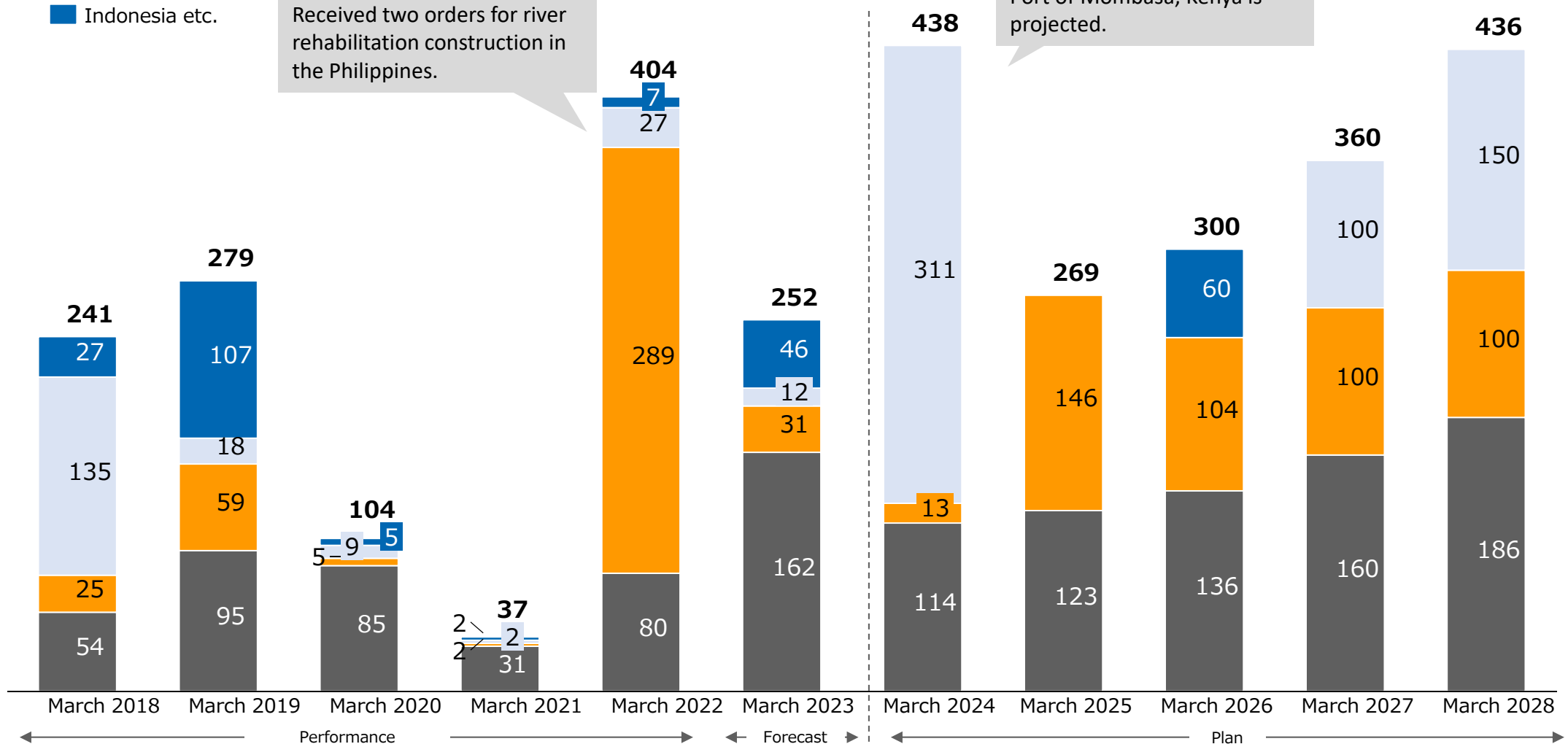
Kenya

Indonesia etc.

(100 million yen)

Received two orders for river rehabilitation construction in the Philippines.

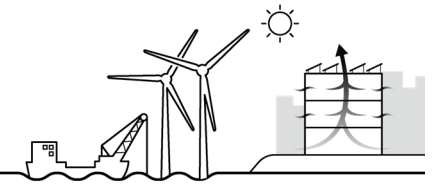
Orders for a large project in Port of Mombasa, Kenya is projected.



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.



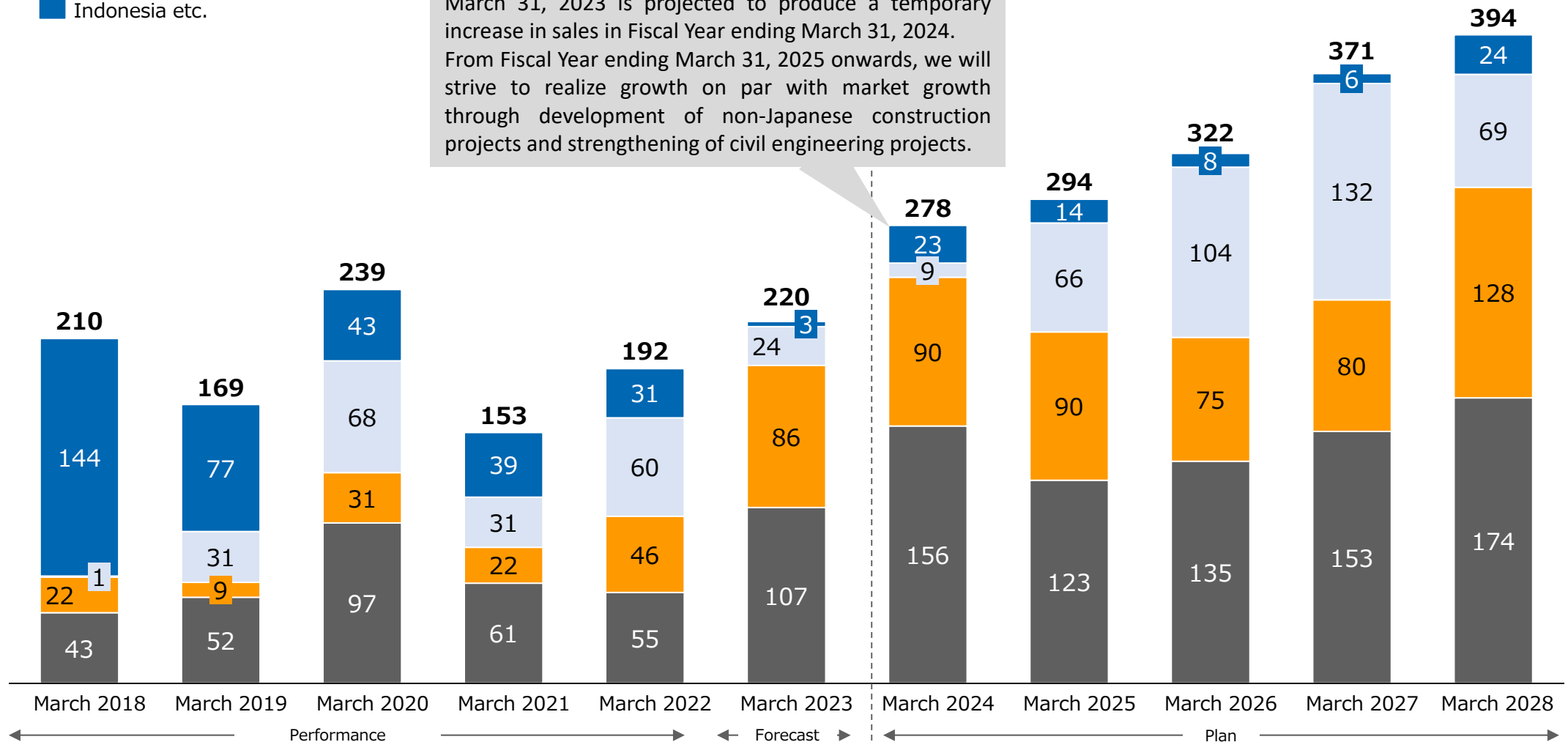
# Sales Trends (Overseas Construction/Consolidated)



- Philippines (private sector work)
- Philippines
- Kenya
- Indonesia etc.

For the Philippines (private construction), the impact of multiple large projects ordered in Fiscal Year ending March 31, 2023 is projected to produce a temporary increase in sales in Fiscal Year ending March 31, 2024. From Fiscal Year ending March 31, 2025 onwards, we will strive to realize growth on par with market growth through development of non-Japanese construction projects and strengthening of civil engineering projects.

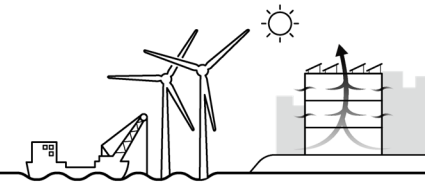
(100 million yen)



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.



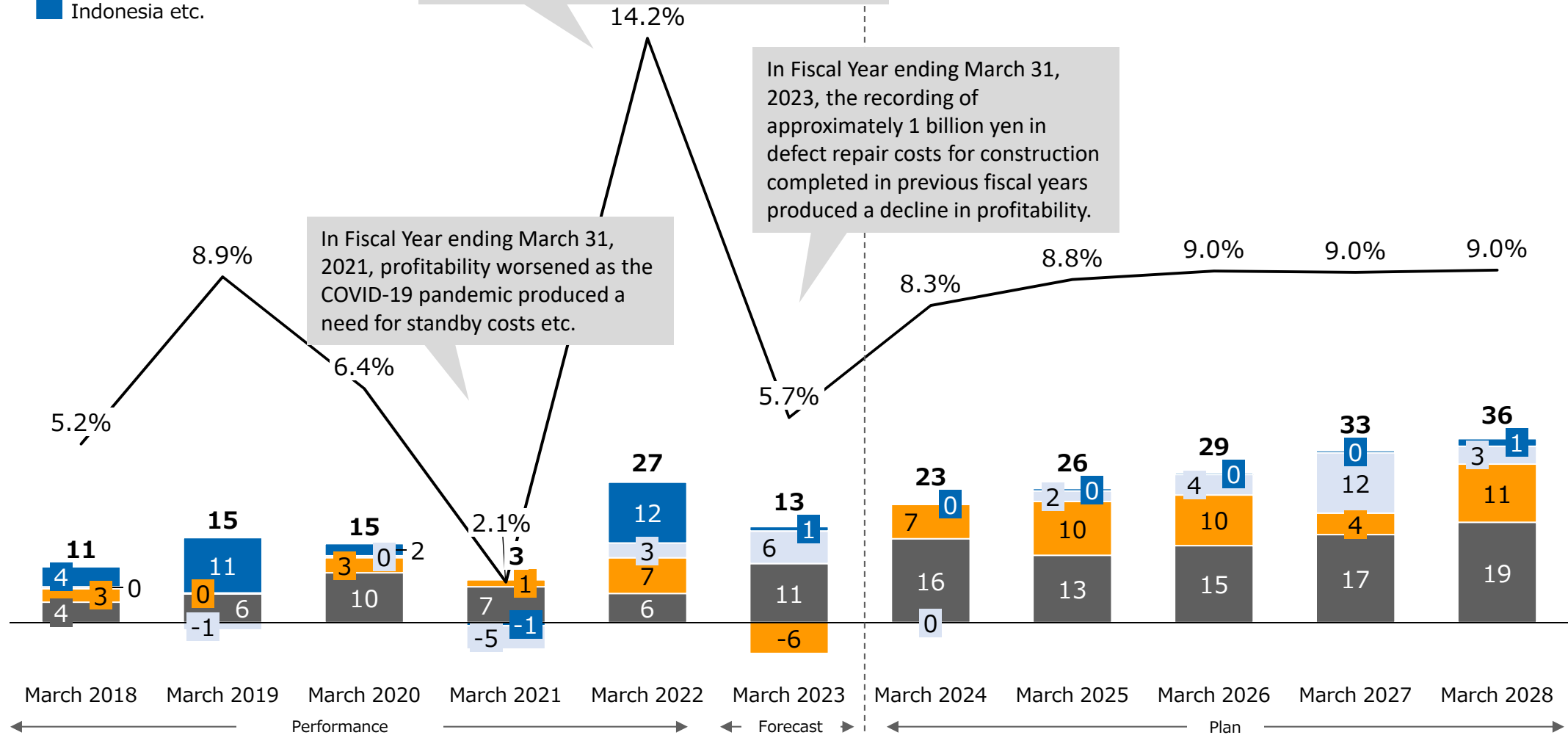
# Gross Profit (Overseas Construction/ Consolidated)



- Gross Profit Margin
- Philippines (private sector work)
- Philippines
- Kenya
- Indonesia etc.

In Fiscal Year ending March 31, 2022, recovery of standby costs in conjunction with the COVID-19 pandemic and completion of ODA projects in Kenya and Indonesia produced an increase in profitability.

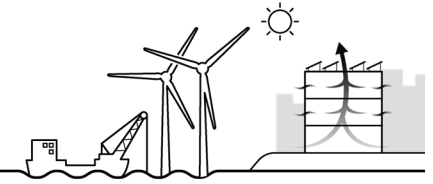
(100 million yen)



\*From Fiscal Year ending March 31, 2025, single-year figures will be reviewed each term.



# Gross Profit Bridge (March 2023 vs. March 2028)

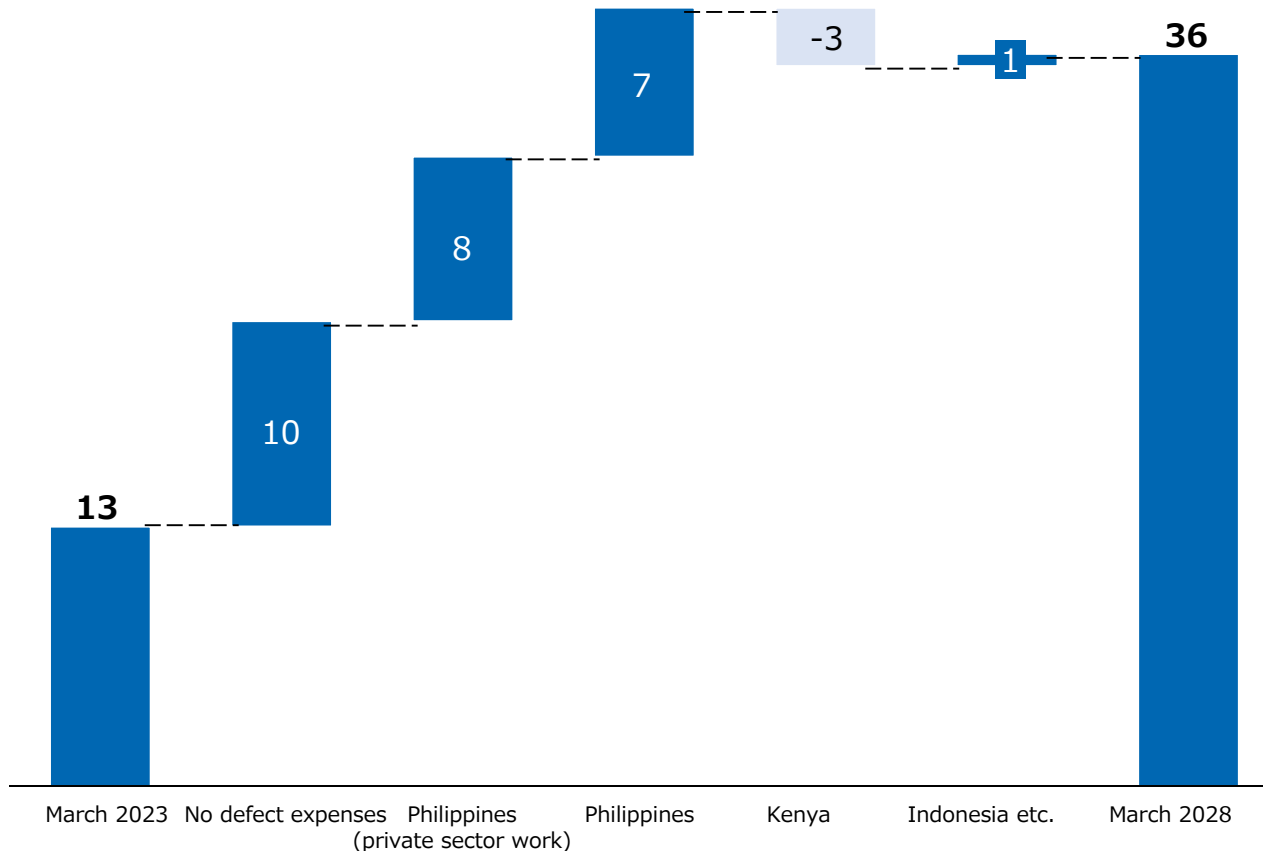


Gross Profit (Consolidated) (100 million yen)

Main Causes of Increase/Decrease

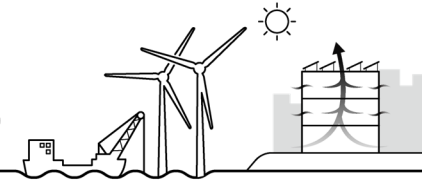
Growth from increased sales and stable profit margins is expected

- In the Philippines (private-sector work), the Company aims to increase sales on par with market growth through strengthening of cultivation of non-Japanese construction projects and civil engineering projects, and accordingly increase the profits (the profit margin is expected to be similar to that for historical averages).
- Sales for Fiscal Year ending March 31, 2028 are expected to be higher than that for Fiscal Year ending March 31, 2023 as a result of steady orders and constructions of planned ODA projects in the Philippines and Kenya. Accordingly, profits are projected to rise (the average profit margin is expected to be similar to that for historical averages).
- Results for Fiscal Year ending March 31, 2023 are affected by the recording of about 1 billion yen defect repair costs for the completed construction in Philippines in the past year, but this was a one-time charge, and no similar expenses are expected to be incurred.



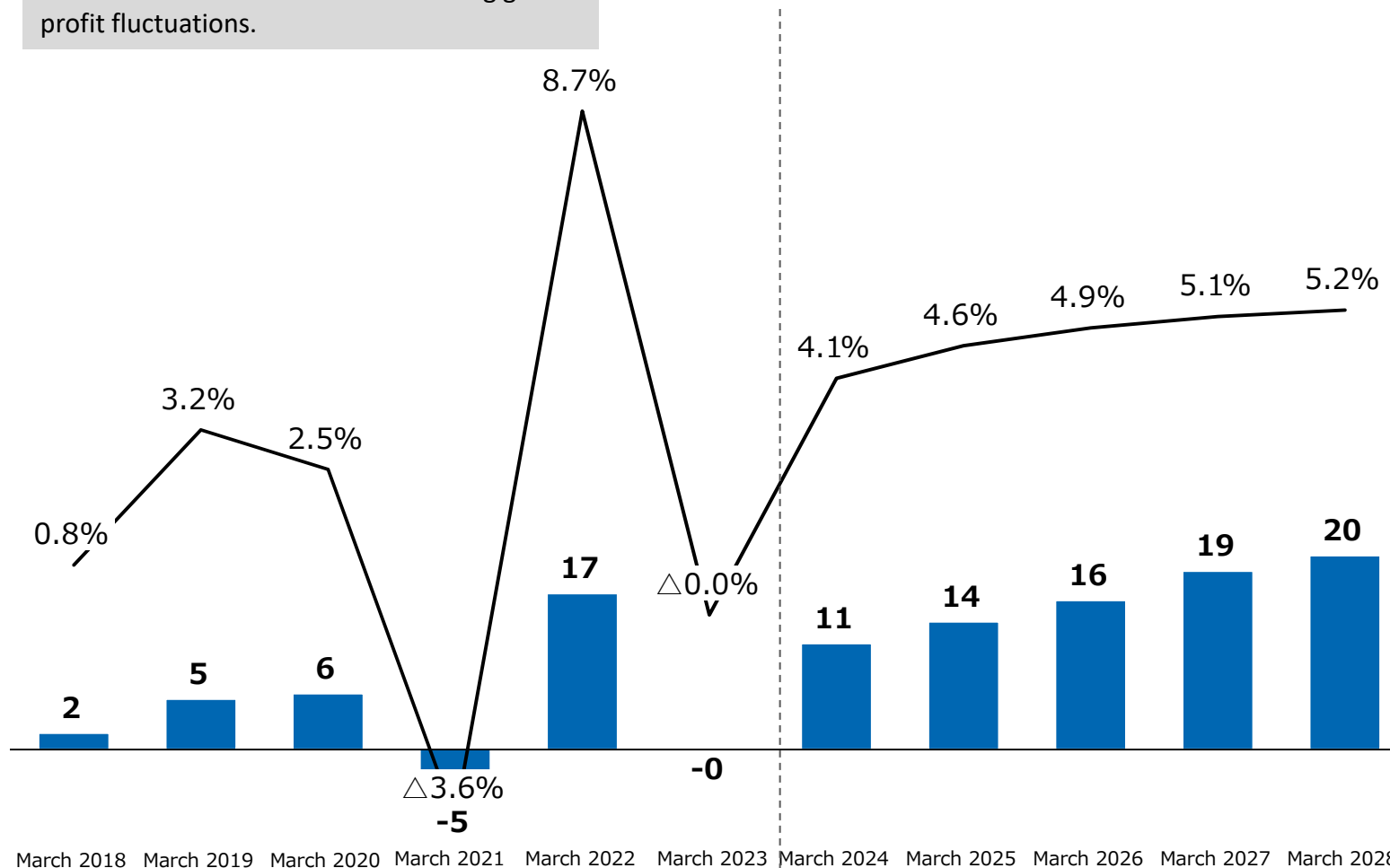


# Operating Income Trends (Overseas Construction/Consolidated)



## Operating Income (Consolidated) (100 million yen)

The factors driving operating income fluctuations are similar to those driving gross profit fluctuations.



## Main Causes of Increase/Decrease

- Results for Fiscal Year ending March 31, 2023 are greatly affected by the recording of about 1 billion yen defect repair costs for the completed construction in Philippines in the past year
- It is expected that from Fiscal Year ending March 31, 2024, as a result of the recording of sales from a large private construction project, increased sales from non-Japanese construction and civil engineering projects, and orders and the recording of sales for ODA in the Philippines and Kenya, stable operating income will be recorded.
- Although there may be changes to profits in performance of the past on a single-year basis depending on whether or not we acquire design changes for large projects and Covid-19 and other external factors, but an increase in operating income of about 4 to 5% is projected on average.

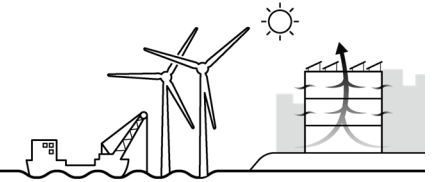


# Trends by Main Business:

For reference: Offshore Wind Power Business (March 2023 to March 2031)

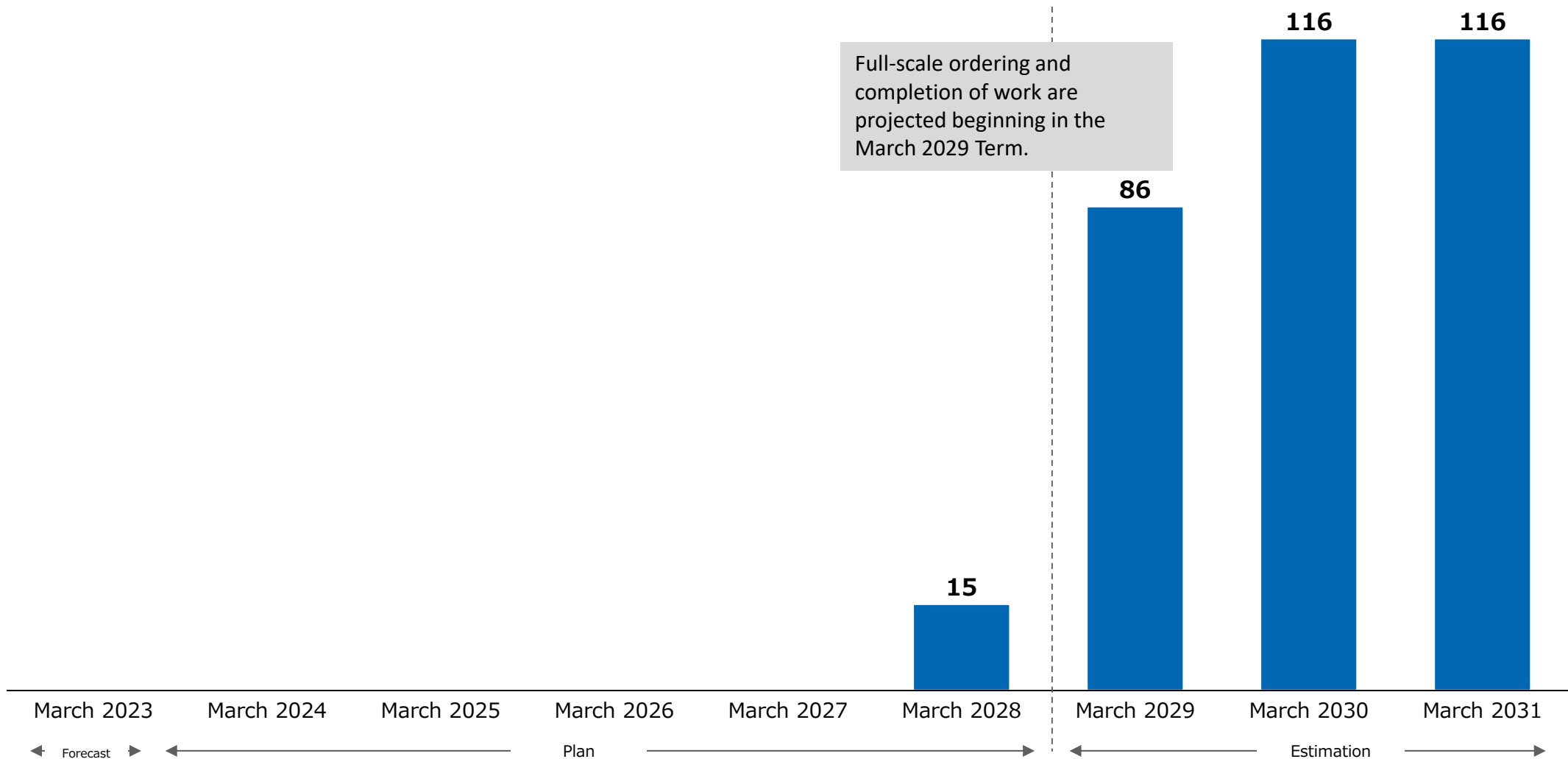


# Sales Trends (Offshore Wind Power/Non-consolidated)



■ Offshore Wind Power

(100 million yen)

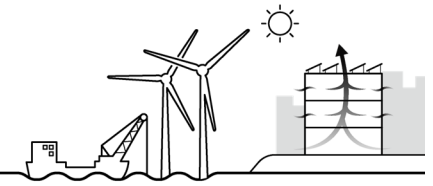




# Precious Human Resource Strategy

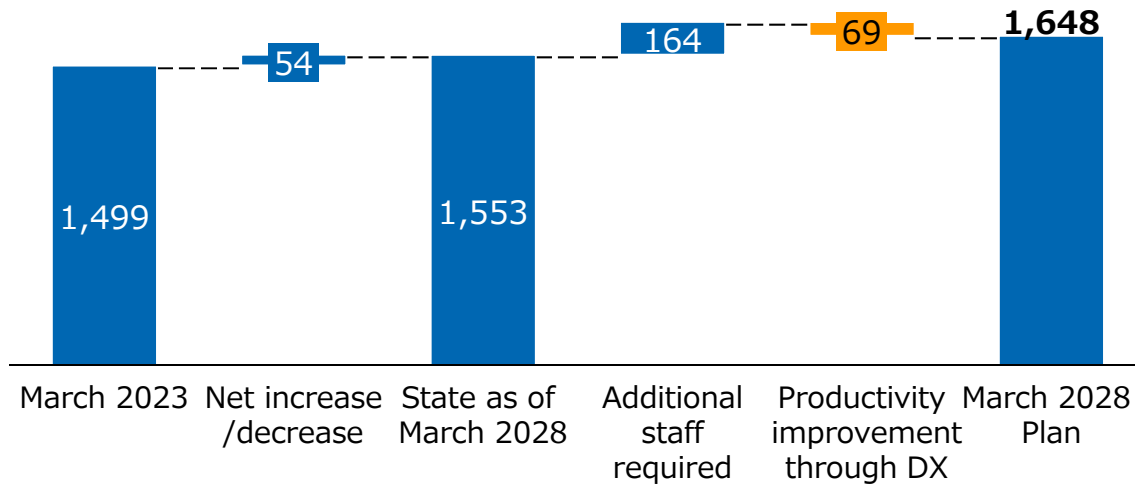


# Trends in Personnel Numbers and Costs



## Trends

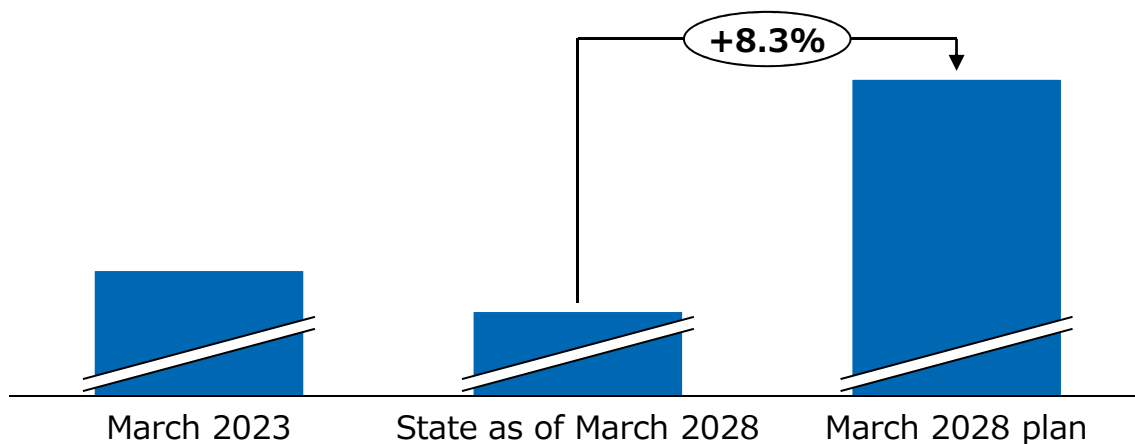
Personnel Trends  
(no. of employees)



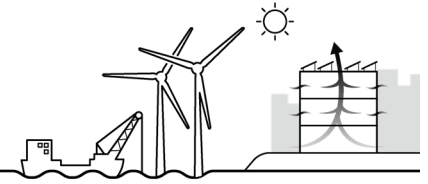
## Main Causes of Increase/Decrease

- To realize the Business Plan, the number of employees must increase by 164 from the previous level by Fiscal Year ending March 31, 2028 based on the numbers of new hires and retirees from the past.
- Investment in DX will be enhanced to improve productivity, and the effect of improvement of productivity from 69 additional employees in total is factored in as of Fiscal Year ending March 31, 2028.
- Regarding DX, it is envisioned that in addition to further utilization of BIM and CIM, productivity will be improved by the strengthening of the management base.
- The number of employees is expected to increase by roughly 95 in five years by hiring a variety of personnel by such means as attractive treatment and strengthening of engagement.

Average Salary  
(example)



- During periods covered by the Business Plan, because the average age of employees of the Company will decrease, the overall average salary is expected to decrease.
- Wages will be increased every year to strengthen the securing of human resources through providing attractive treatment, etc., and wage increase by roughly 8.3% by Fiscal Year ending March 31, 2028 is factored in.



# TOYO CONSTRUCTION CO., LTD.

This material contains matters relating to the future such as the forecasts, targets, plans and strategies of the Company (including consolidated subsidiaries).

These matters regarding the future are based on judgments and assumptions pursuant to information currently available to the Company and are not promises or guarantees of the Company's future performance or growth.

Please note that in using this material, results may differ from forecasts.