

For the Six Months Ended September 30, 2024 (Interim)

# Financial Results Briefing

November 14, 2024





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For the Six Months Ended September 30, 2024 (Interim)

# Digest of Financial Results



## I

# Consolidated statements of income / Shareholder return



FY 2024

(100 mil. yen)

	Forecasts at the beginning of the term	Interim results	Progress rates	Term-end forecasts	Diff. from the forecasts at the beginning of the term
Net sales	1,900	736	39%	1,820	△ 80
Net sales of completed construction contracts	1,891	732	39%	1,811	△ 80
Dom. civil engineering	1,000	404	40%	940	△ 60
Dom. architectural construction	640	250	39%	640	0
Overseas construction	251	77	31%	231	△ 20
Real estate and others	9	3	-	9	0
Gross profit	241	90	37%	241	0
Gross profit on completed construction contracts	236	88	37%	236	0
Dom. civil engineering	157	53	34%	146	△ 11
Dom. architectural construction	52	23	45%	61	9
Overseas construction	26	11	44%	29	2
Real estate and others	4	2	-	4	0
Selling, general and administrative expenses	125	62	50%	125	0
Operating profit	116	27	24%	116	0
Dom. civil engineering	66	8	13%	56	△ 10
Dom. architectural construction	33	13	39%	41	8
Overseas construction	13	4	34%	16	3
Real estate and others	2	1	-	2	0
Ordinary profit	111	24	22%	111	0
Profit attributable to shareholders of parent	76	18	24%	76	0

## Interim results

Both net sales and operating profit decreasing from the previous term

## Term-end forecast

While net sales will fall below the forecast at the beginning of the term, profit accounts including operating profit will remain as expected at the beginning of the term, expecting profitability improvement in works already ordered

As for ROE (10%) and expected dividends, no change from the forecast at the beginning of the term

## Shareholders return / Dividend

		FY 2023	FY 2024 (forecast) <sup>※2</sup>
Dividend per share (yen)	Annual	74	80
	(Midterm)	-	(30)
	(Term-end)	(74)	(50)
Dividend ratio		99.3%	99.1%

※2 Interim dividend to be provided from FY 2024  
Term-end dividend amount: forecast at present

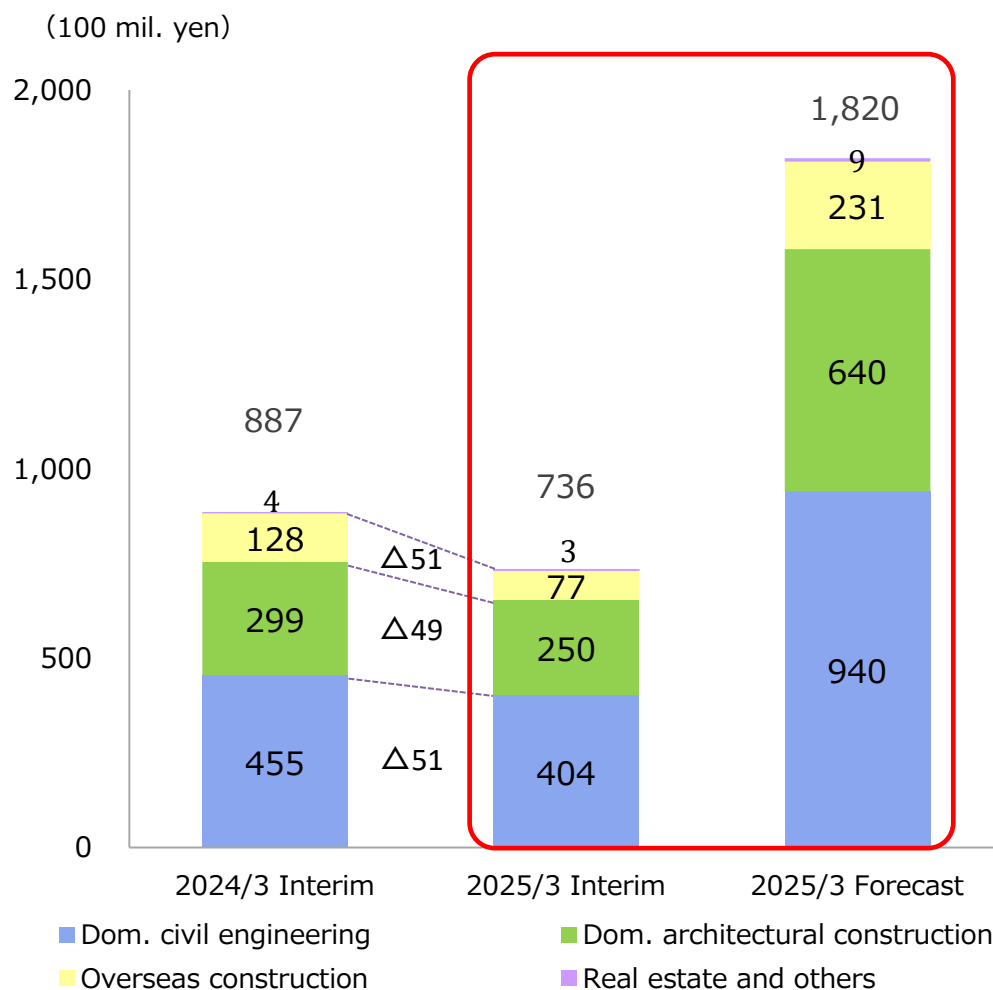
※Figures indicated above are rounded off to the nearest unit (100 mil. yen) and may not coincide with the total. ("Forecasts at the beginning of the term" are the published values on May 10, 2024, and "Term-end forecasts" mean revisions on November 11, 2024)

## I

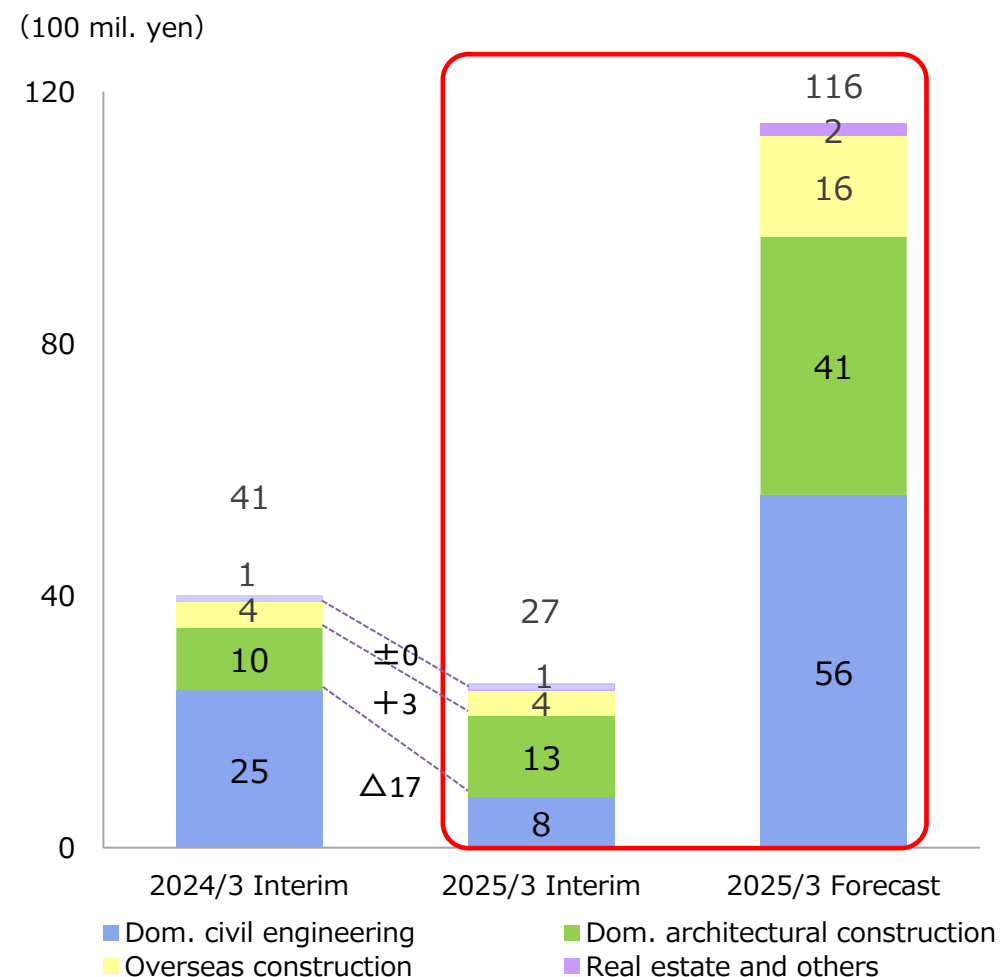
# Digest of Financial Results / Net sales & Operating profit



Net sales (consolidated)



Operating profit (consolidated)

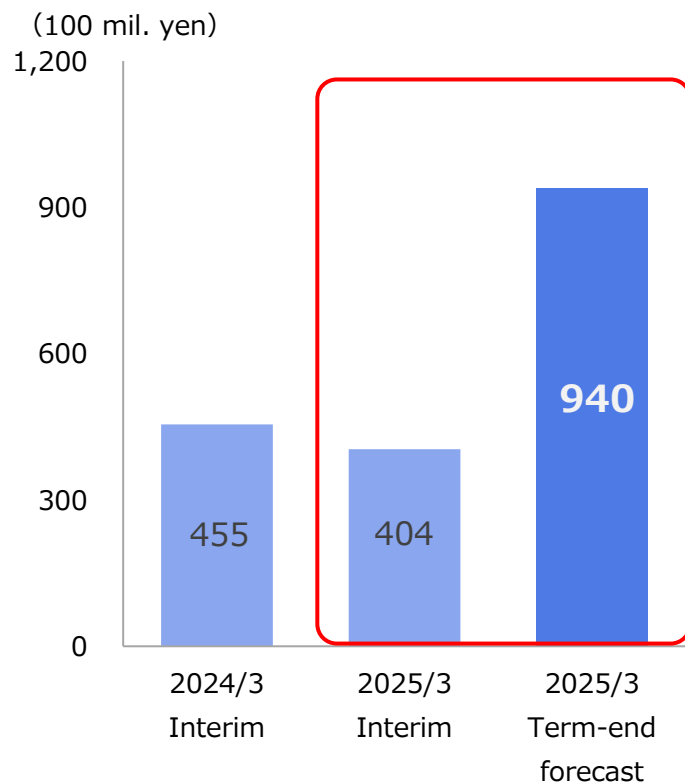


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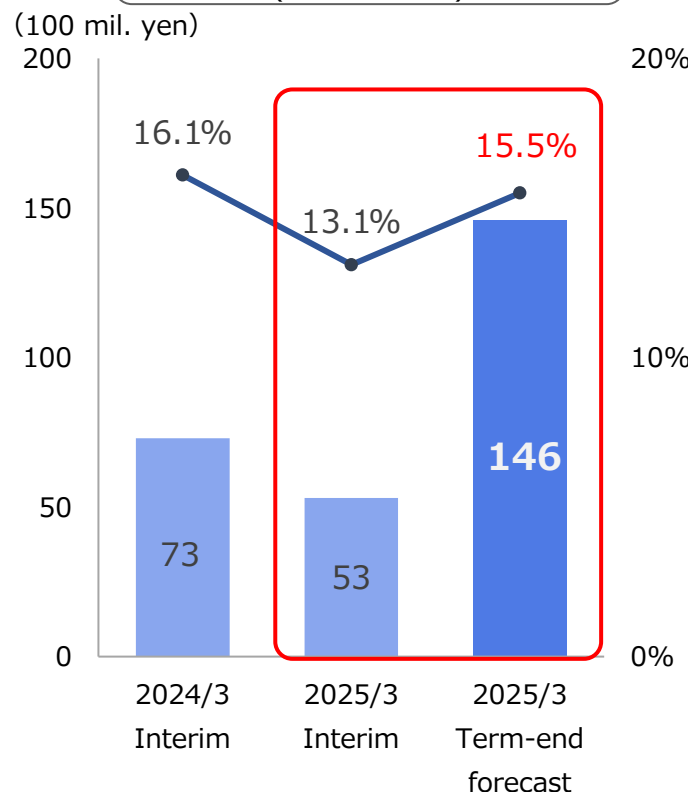
# I Dom. civil engineering



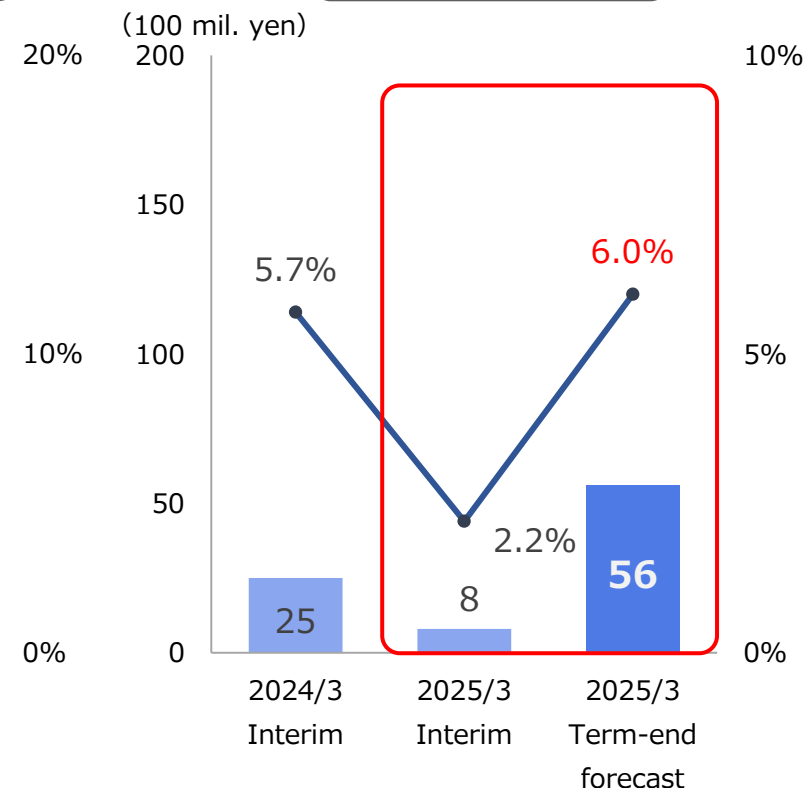
Net sales of completed construction contracts (consolidated)



Gross profit on completed construction contracts (consolidated)



Operating profit (consolidated)



**Net sales of completed construction contracts** : By the interim, decreasing by 5.1 billion yen on YoY due to delay in timing of receiving order of works that contribute to the amount of net sales of completed construction contracts. For the term-end forecast, also expected to fall below the forecast at the beginning of the term by 6 billion yen, affected by decrease of net sales of completed construction contracts by the interim.

**Gross profit on completed construction contracts** : For the interim, decreasing by 2 billion yen on YoY due to decrease of net sales of completed construction contracts and reactionary fall after completion of large-scale projects that contributed during the same period last year. For the term-end forecast, while expected to fall below the forecast at the beginning of the term due to decreased net sales of completed construction contracts, expecting 14.6 billion yen (below the forecast at the beginning of the term, by 1.1 billion yen) by a large progress from the interim due to progress on works already ordered and obtaining design-change for large-scale projects, etc. ※See next page

**Operating profit** : Operating profit expected to increase toward the term-end, along with increase of gross profit on completed construction contracts.

## I

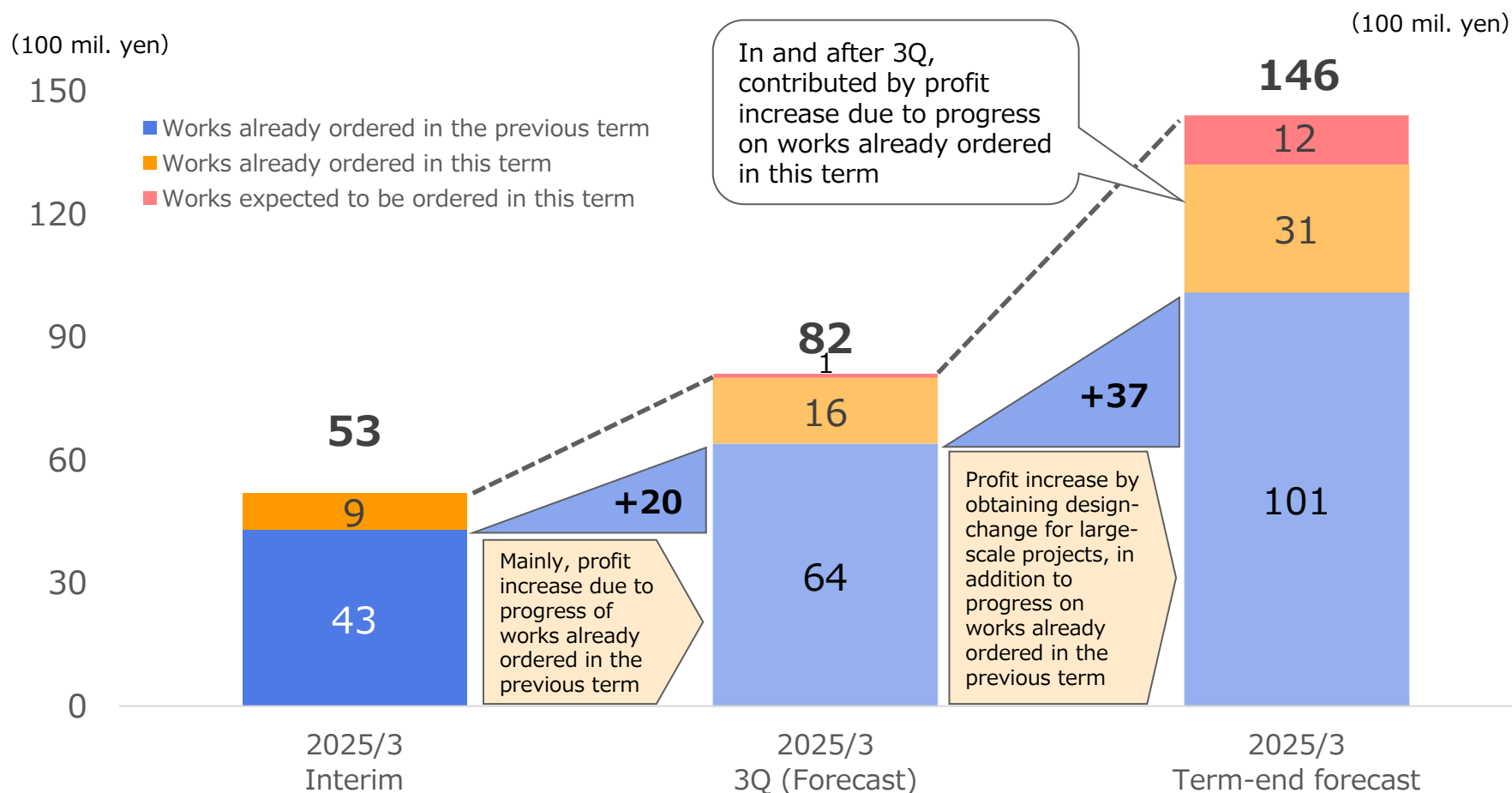
# Dom. civil engineering \_ Earnings forecasts

(Gross profit on completed construction contracts)



Gross profit on completed construction contracts is expected to increase from 3Q to the term-end due to following factors.

- Profit increase with progress on works already ordered (previous and this term)
- Profit increase by obtaining design-change for large-scale projects already ordered

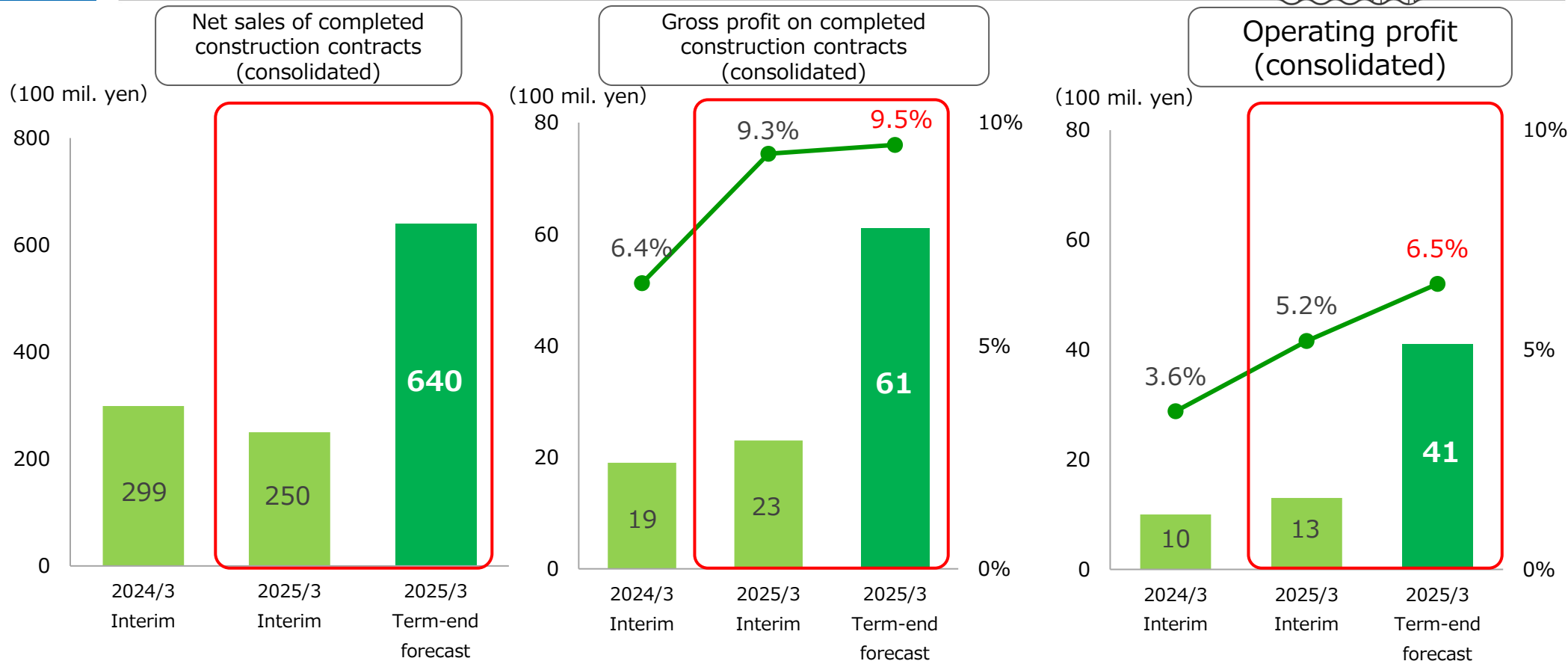


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## I

## Dom. architectural construction



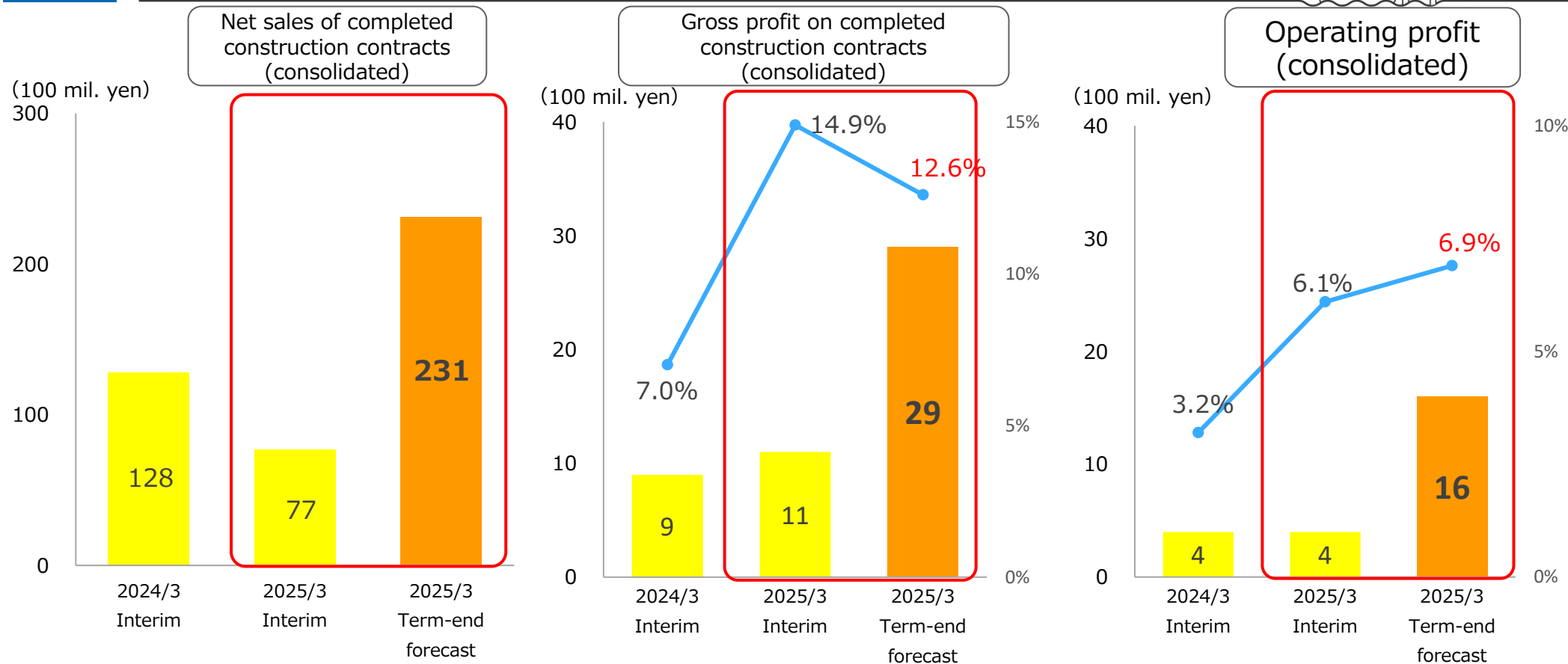
**Net sales of completed construction contracts** : By the interim, decreasing by 4.9 billion yen on YoY due to some projects remaining on design stage. For the term-end forecast, no change from 64 billion yen, the forecast at the beginning of the term, expecting progress on plenty of ongoing works.

**Gross profit on completed construction contracts** : Increased profit ratio by increasing profits of design & construction works at both design and construction stage, in addition to continuing efforts to secure the profit level at the time of receiving order in business promotion stage. For the interim, increasing profit by 0.4 billion yen on YoY, covering the impact due to decreased income by improving profit ratio. For the term-end forecast, exceeding the forecast at the beginning of the term by 0.9 billion yen by continuing measures to increase profitability, in addition to progress of net sales of completed construction contracts (covering expected decrease in dom. civil engineering).

**Operating profit** : Operating profit expected to increase toward the term-end, along with increase of gross profit on completed construction contracts.



# I Overseas construction



**Net sales of completed construction contracts** : By the interim, decreasing by 5.1 billion yen on YoY due to the suspension period of ongoing work caused by the typhoon damage in the Philippines in July, and the reactionary fall after completion of large-scale projects that contributed during the same period last year at our overseas subsidiary CCT. For the term-end forecast, expected to fall below the forecast at the beginning of the term by 2 billion yen, affected by the typhoon damage.

**Gross profit on completed construction contracts** : For the interim, increasing by 0.2 billion yen on YoY with obtaining design-change project (including reflection of indexation) for the Philippines ODA (river improvement work), etc., despite the impact by the typhoon damage. For the term-end forecast, expected to keep the same level as forecasted at the beginning of the term, by improved profit ratio from the forecast at the beginning of the term due to good progress in obtaining design change, despite the decrease of net sales of completed construction contracts.

**Operating profit** : Operating profit expected to increase toward the term-end, along with increase of gross profit on completed construction contracts.



For the Six Months Ended September 30, 2024 (Interim)  
**Orders Received Status and Forecast**



## II

# Orders received status and forecast / Balance carried forward



Orders received (Individual)

(100 mil. yen)

		Interim			Term-end			
		Six months ended September 30, 2023	Six months ended September 30, 2024	YoY	Results for the fiscal year ended March 31, 2024	Forecasts at the beginning of the term	Year ending March 31, 2025 (forecast)	Diff. from the forecasts at the beginning of the term
Dom. civil engineering	Marine civil engineering	247	291	44	536	649	649	—
	Land civil engineering	196	148	△ 47	339	337	337	—
	<b>Total</b>	<b>443</b>	<b>440</b>	<b>△ 3</b>	<b>876</b>	<b>986</b>	<b>986</b>	<b>—</b>
Dom. architectural construction	Private	275	395	119	426			
	Public	91	88	△ 3	196			
	<b>Total</b>	<b>367</b>	<b>484</b>	<b>116</b>	<b>623</b>	<b>660</b>	<b>760</b>	<b>100</b>
Overseas construction		△ 1	195	196	39	224	224	—
<b>Grand total</b>		<b>809</b>	<b>1,119</b>	<b>310</b>	<b>1,538</b>	<b>1,870</b>	<b>1,970</b>	<b>100</b>

Balance carried forward (Individual)

(100 mil. yen)

	Interim			Term-end
	Six months ended September 30, 2023	Six months ended September 30, 2024	YoY	Results for the fiscal year ended March 31, 2024
Dom. civil engineering	741	801	59	726
Dom. architectural construction	834	1,002	167	763
Overseas construction	205	332	126	187
<b>Grand total</b>	<b>1,781</b>	<b>2,135</b>	<b>353</b>	<b>1,677</b>

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## II

# Orders received status and forecast / Balance carried forward



## Interim results

**Good progress on orders received, and balance carried forward at high level**

**Orders Received (individual): 111.9 bil. yen (+31.0 bil. yen on YoY)**

### Dom. civil engineering

securing the previous term level, however, delaying in timing of receiving order of works that contribute to the amount of net sales of completed construction contracts of the current term

### Dom. architectural construction

increased by 11.6 bil. yen on YoY by receiving orders for large-scale projects such as factories, warehouses and ReReC®, etc.

### Overseas construction

increased by 19.6 bil. yen on YoY due to orders received of Japanese government ODA works in the Philippines, our key base (continued project for the ongoing works)

**Balance carried forward (individual): 213.5 bil. yen (+35.3 bil. yen on YoY)**

Increasing in dom. architectural construction (+16.7 bil. yen on YoY) and overseas construction (+12.6 bil. yen on YoY) along with increase of orders received. Particularly, **exceeding 100 bil. yen for dom. architectural construction at the interim point due to orders received of large-scale projects**

## Term-end forecast

**Dom. architectural construction exceeded the forecast at the beginning of the term by 10 bil. yen**

**Orders received (individual): 197 bil. yen (+10 bil. yen vs. the forecast at the beginning, +43.2 bil. yen on YoY)**

In consideration of dom. architectural construction's order-receipt progress by the interim and status of business promotion, expected to exceed the forecast at the beginning of the term by 10 bil. yen.

For dom. civil engineering and overseas construction, as forecasted at the beginning of the term.

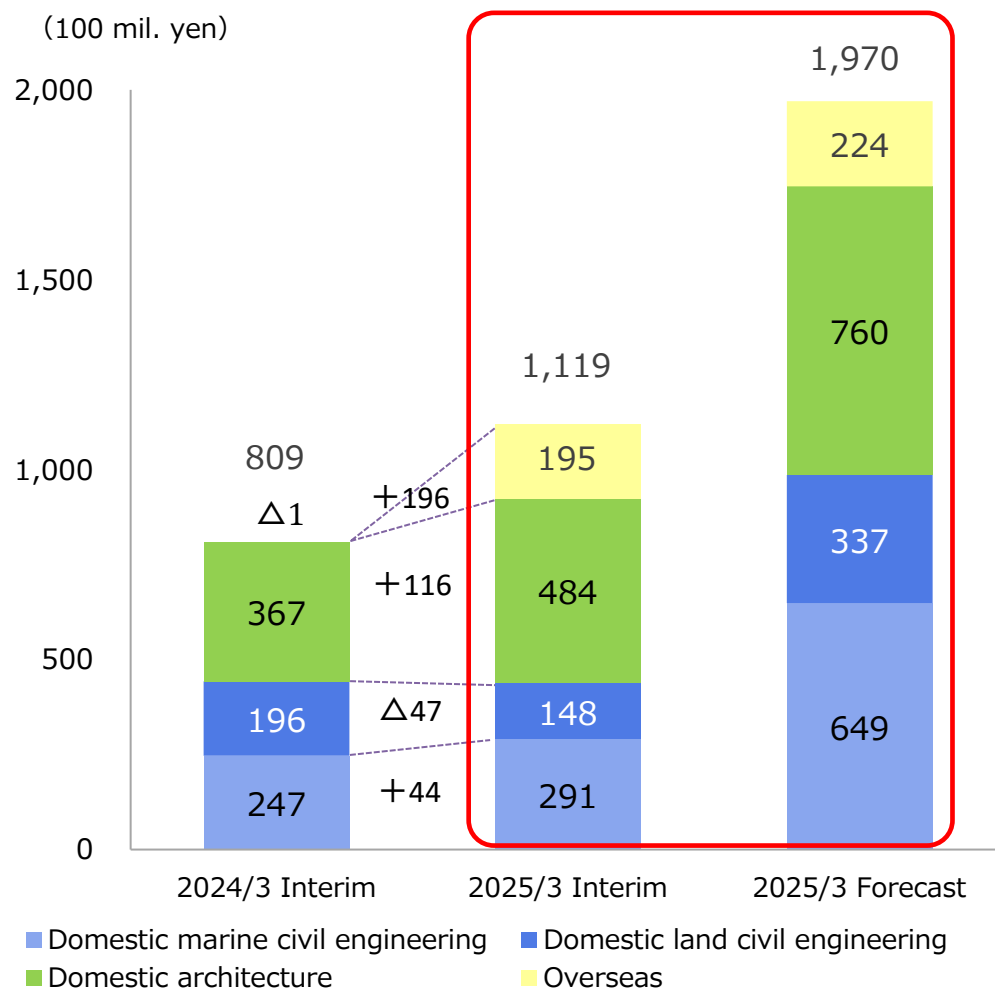
※See P14 for order-receiving environment for dom. civil engineering



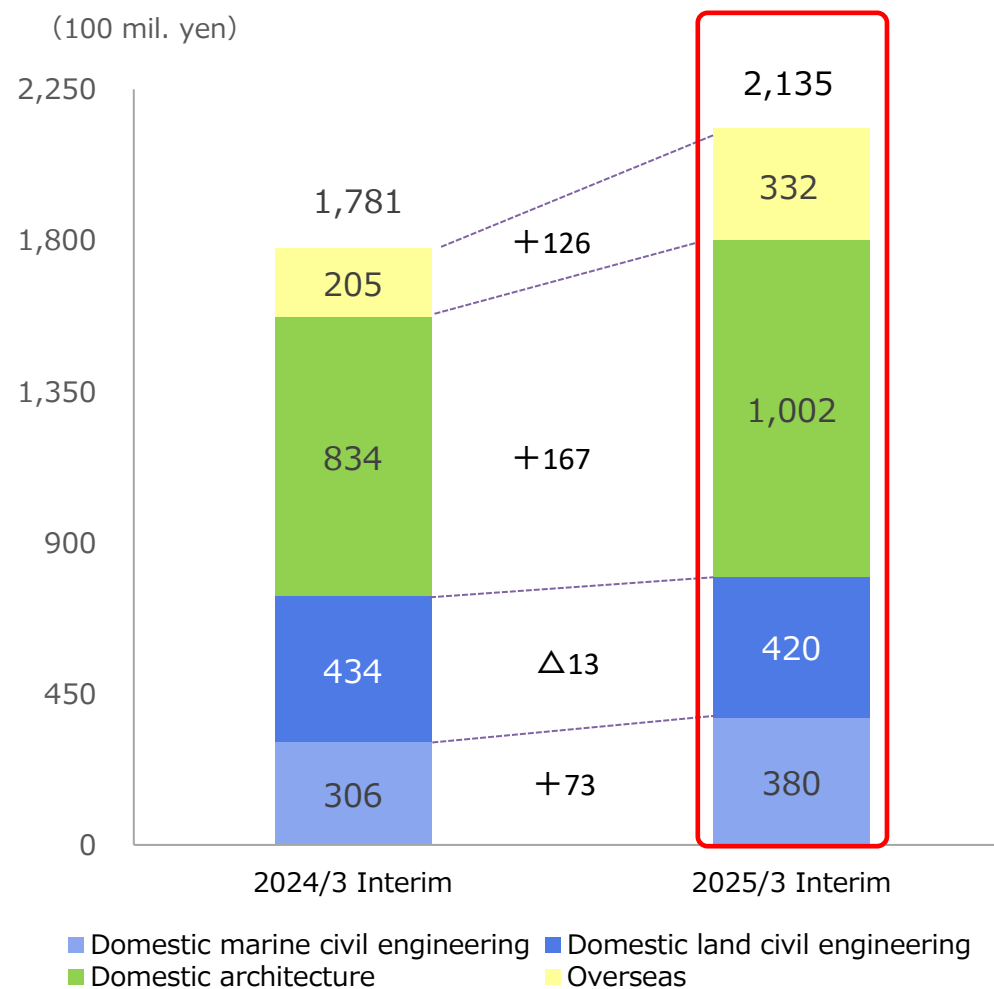
# Orders received status and forecast / Balance carried forward



Orders received  
(individual)



Balance carried forward  
(individual)



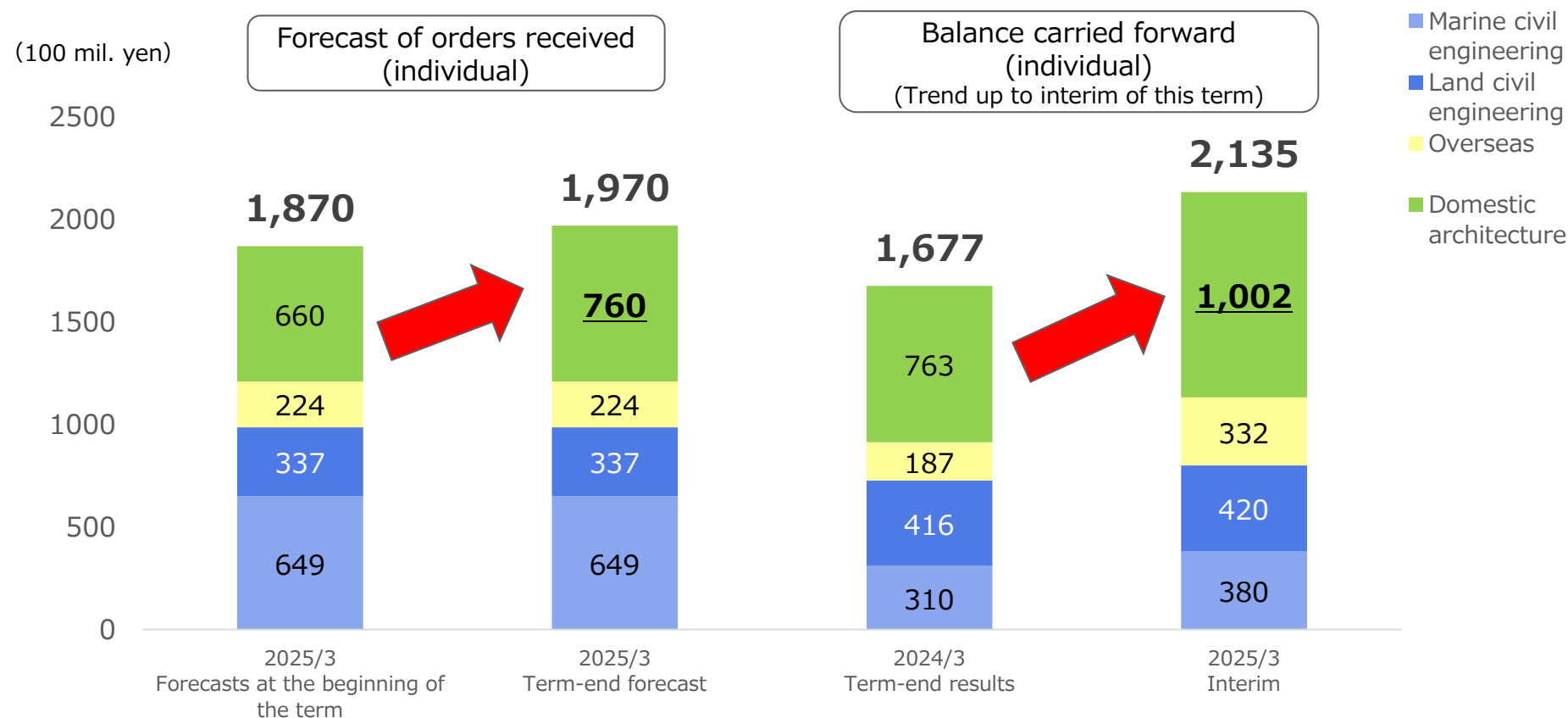
※Figures indicated above are rounded off to the nearest unit (100 mil. yen) and may not coincide with the total.

## II

# Revision of orders received on individual basis for the fiscal year ending March 31, 2025



Orders received of dom. architectural construction is expected to be 76 billion yen, increasing by 10 billion yen from the forecast at the beginning of the term, due to good progress on orders received of large-scale projects such as factories, warehouses and ReReC®, and expected to be 197 bil. yen for the whole company. Also, having secured adequate profit level when awarded, and in particular, with balance carried forward of dom. architectural construction exceeding 100 bil. yen at interim, we look forward to their future contribution to earnings.



※Figures indicated above are rounded off to the nearest unit (100 mil. yen) and may not coincide with the total.

## II

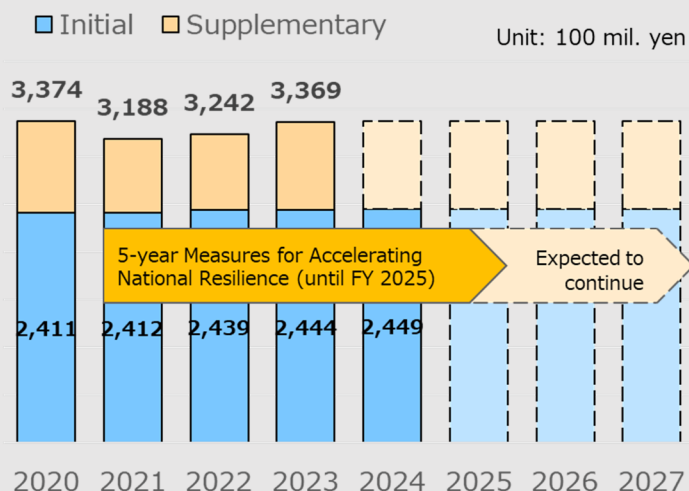
# Order-receiving environment for dom. civil engineering



For dom. civil engineering business, orders for defense-related projects, in addition to MLIT's port projects as the base, are expected

## Continuation of National Resilience Policy

- Trend in the budget for Port Improvement Program of Ports and Harbours Bureau of Ministry of Land, Infrastructure, Transport and Tourism (MLIT)

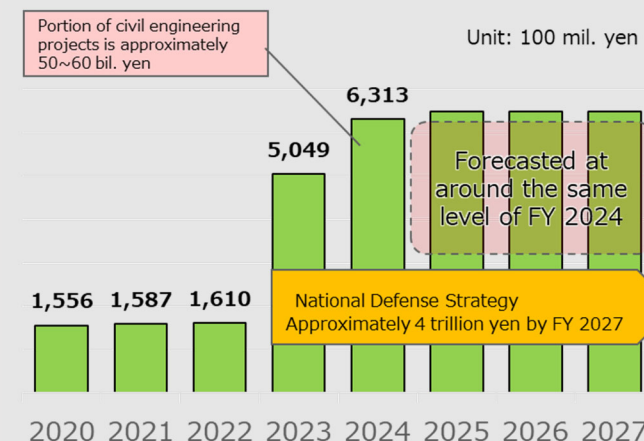


※ Prepared by the Company using the "Ports and harbors bureau related budget summary"

- Assuming maintenance at the same level until 2025 based on the 5-year Measures for Accelerating National Resilience and also continuation after 2026
- Expecting reconstruction projects related to the earthquake disaster in Noto Peninsula

## Promotion of strengthening facilities based on the National Defense Strategy

- Trend in the budget for strengthening facilities of the Ministry of Defense



※ Prepared by the Company using the "Progress on and budget for the fundamental enhancement of Bureau of Defense Policy"

- The budget for strengthening facilities based on the "National Defense Strategy" is expected 4 trillion yen for FY 2023~2027
- For strengthening facilities, development of various facilities is expected

## In private sector, corporate capital expenditure is backed by promotion of GX

- Expecting growth based on needs for maintenance and replacement of aging facilities mainly in electricity, manufacturing and transportation industries, and for development investment in facilities to realize CN



# Efforts for Growth Strategy





## III

# Progress of offshore wind power construction business



**As an industry leader in subsea cable construction, we are establishing a work structure to handle offshore wind power construction in promotion zones starting in FY 2027**

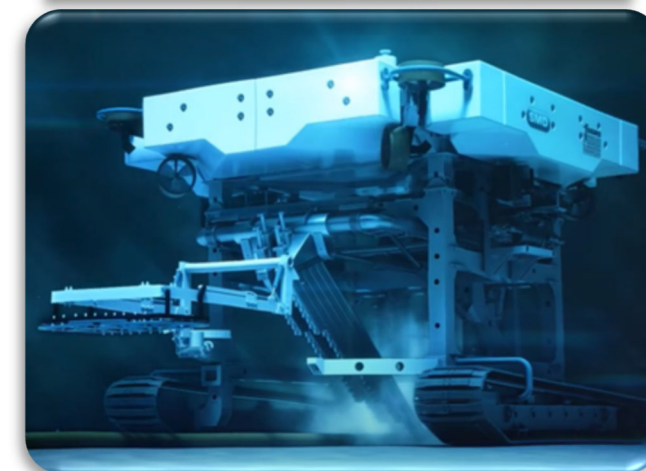
- At this point, **Toyo is the country's only contractor that owns and operates a self-propelled cable laying vessel (CLV)** ※1
- Advantage in subsequent projects by utilizing the construction technologies we have developed as well as achievements of the vessel
- Good progress on construction of CLV - **expected to launch in June 2025 and to be delivered in the first half of FY 2026** (Estimated total investment of 30 bil. yen)
- Considering the commencement period of projects (2027), CLV will be built in a short period of 2.5 years→ shortening the lead time for project commencement
- In October 2024, placed an order for the first “ROV trencher for burying underwater cable with advanced technology” in Japan with SMD※2 (Estimated total investment of 4 bil. yen).

Self-propelled cable laying vessel  
(Nation's largest class)



To be launched in 2025

ROV trencher for burying  
subsea cable



※1 Toyo is a contractor that proactively develops technology for offshore wind power as well as makes growth investments in CLV and ROV trencher, and that has established a vessel operating structure utilizing our own seafarers.

※2 Placed an order for ROV trencher with “SOIL MACHINE DYNAMICS LIMITED” (UK), a worldwide leading manufacturer of subsea ROVs



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