TOYO CONSTRUCTION CO., LTD.

Earnings Announcement for the First Quarter of Fiscal Year ending March 31, 2026

August 7, 2025

Agenda

1 FY2025Q1 Results

1 Summary of FY25Q1 Results

Orders Received well over the forecast, made the first Q1 OP in 2 yrs and achieved Net Profit

		progress rate[1]	YoY
Net Sales	**40.0** bln yen	20 %	+ 6.2 bln yen + 19 %
Operating Profit	**0.6** bln yen	5 %	+ 0.9 bln yen back to profit
Profit attributable to owners of parent	**0.5** bln yen	6 %	+ 0.6 bln yen back to profit
Orders Received	**68.0** bln yen	32 %	15.4 bln yen + 29 %

Factors

YoY

- Net Sales increased significantly. Building Construction domestic and Civil Engineering domestic made significant contributions□
- Operating profit turned into a surplus. Building Construction domestic was a major contributor
- Net profit increased by +0.6 billion yen mainly thanks to operating profit increase
- Civil Engineering domestic contributed significantly to the increase in Orders Received

vs May Forecast □

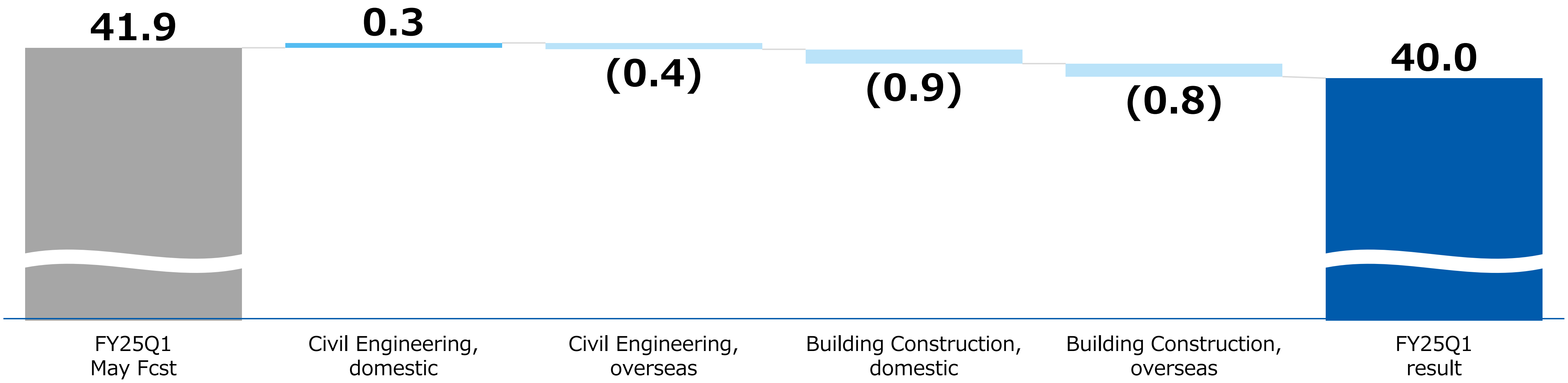
- Net Sales fell slightly short. Civil Engineering domestic met the forecast but Civil Engineering overseas, Building Constrcution both domestic and overseas did not due to delays in construction progresses
- Operating profit forecast achieved. Building Constrcution domestic contributed and Offshore Wind Power Engineering had delays of some expense items incurred
- Gains from the sale of some listed companys' stock and fixed assets contributed to Profit attributable to owners of parent
- Building Constrcution domestic and Civil Engineering domestic contributed to the significant increase in Orders Received

[1] against the annual forecasts announced in May

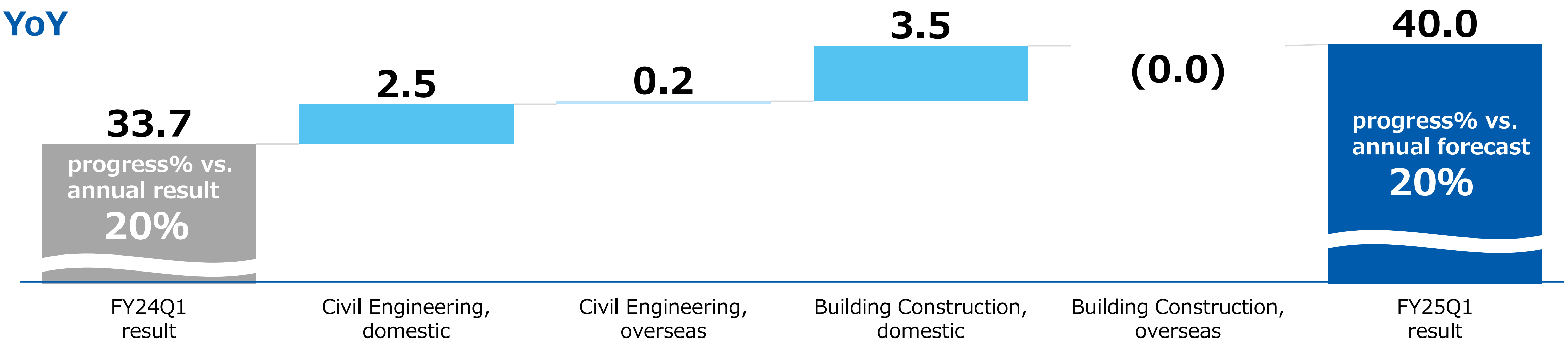
1 Net Sales in FY25Q1 - variances in Segments

(bln yen)

vs May Forecast



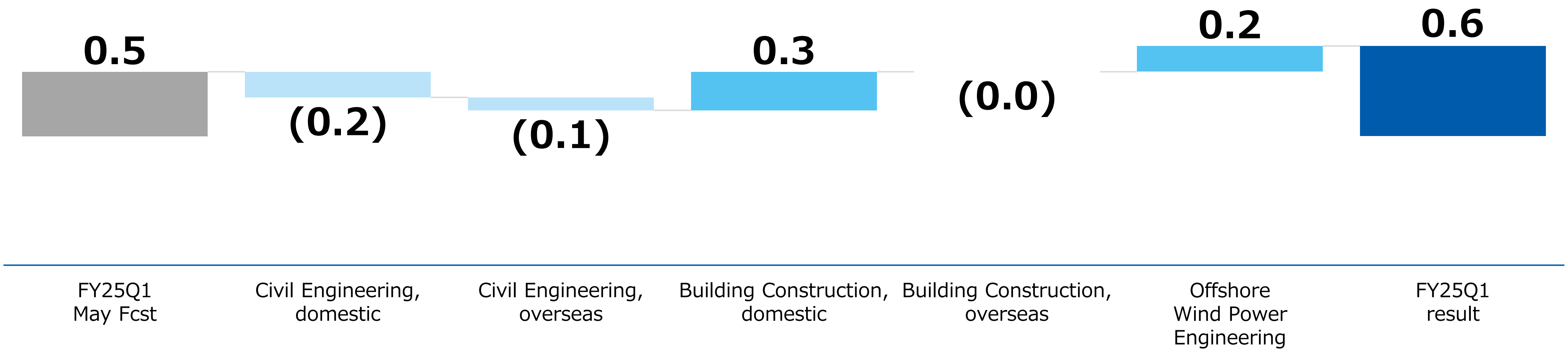
YoY



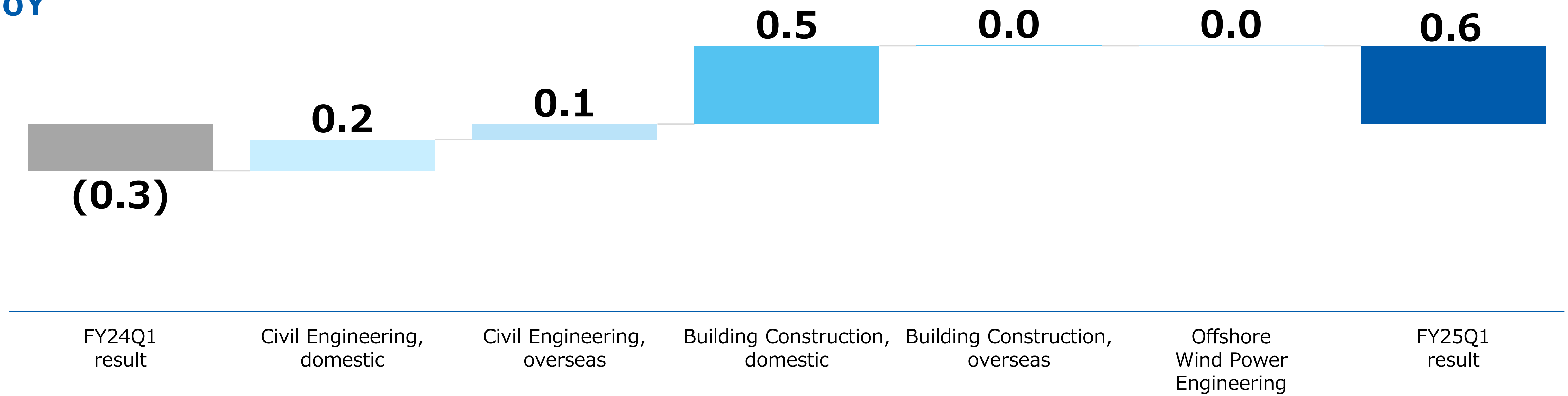
1 Operating Profit in FY25Q1 - variances in Segments

(bln yen)

vs May Forecast



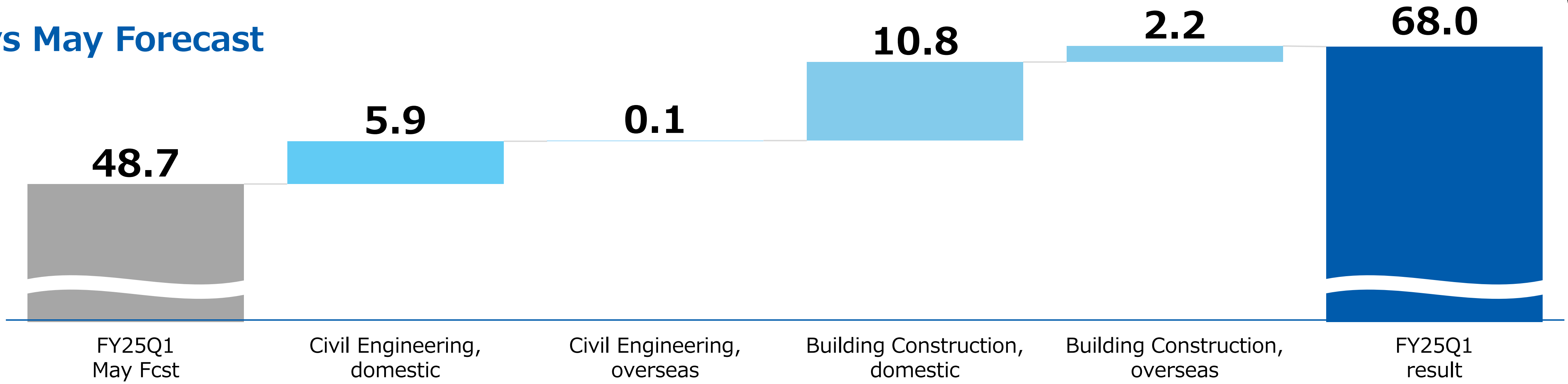
YoY



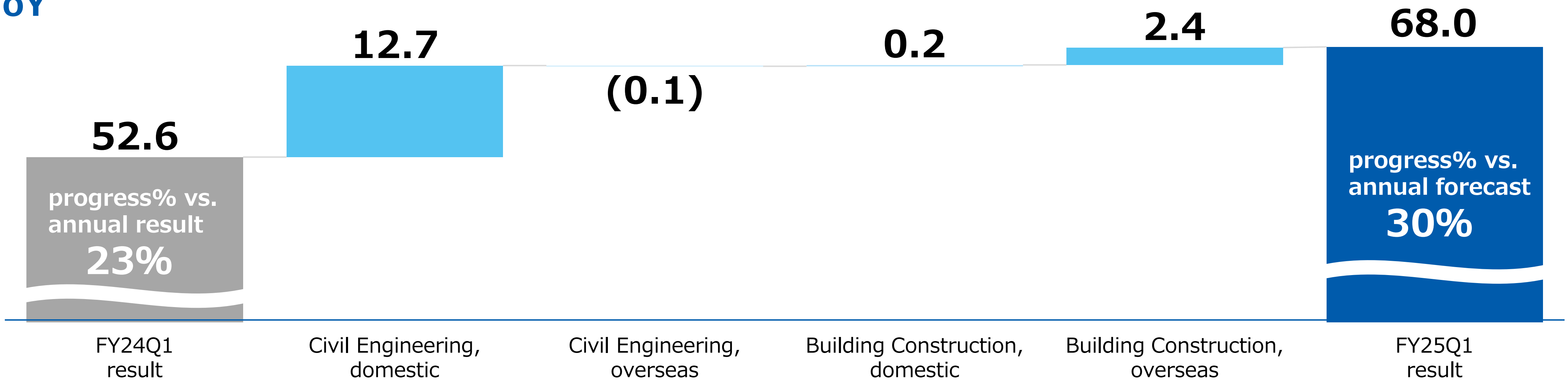
Orders Received - variances in Segments

(bln yen)

vs May Forecast



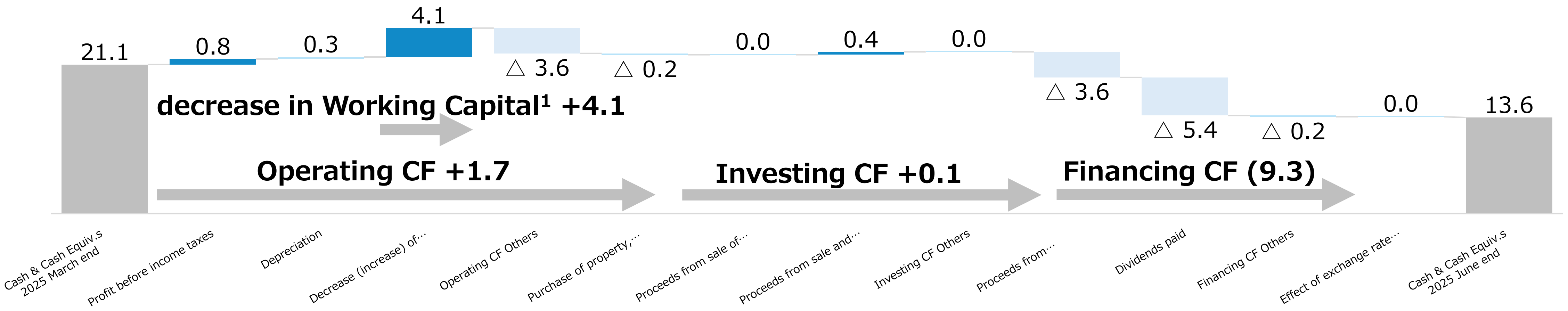
YoY



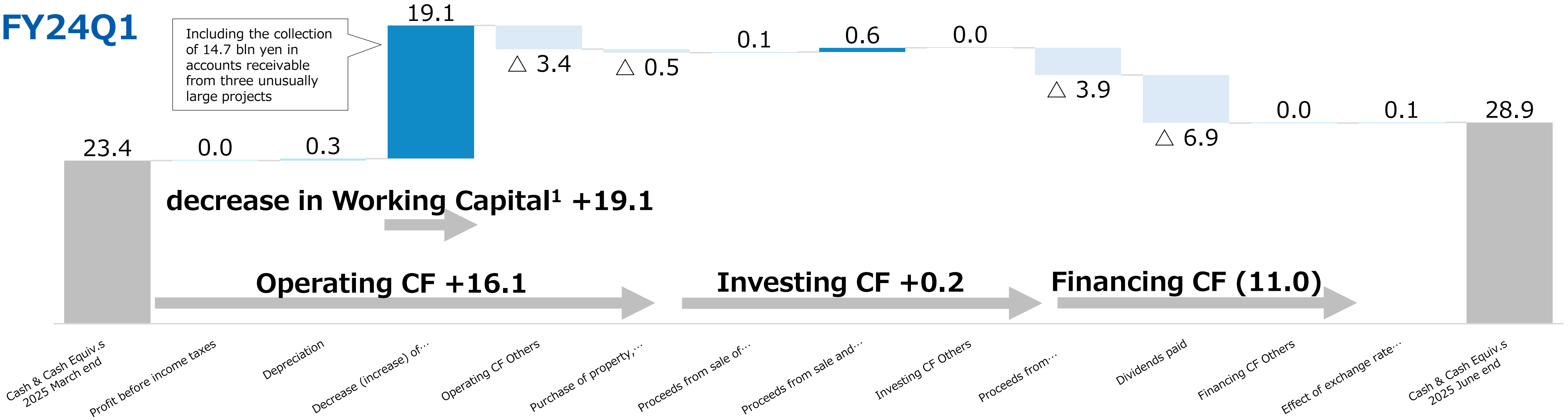
Cashflow

(bln yen)

FY25Q1



FY24Q1



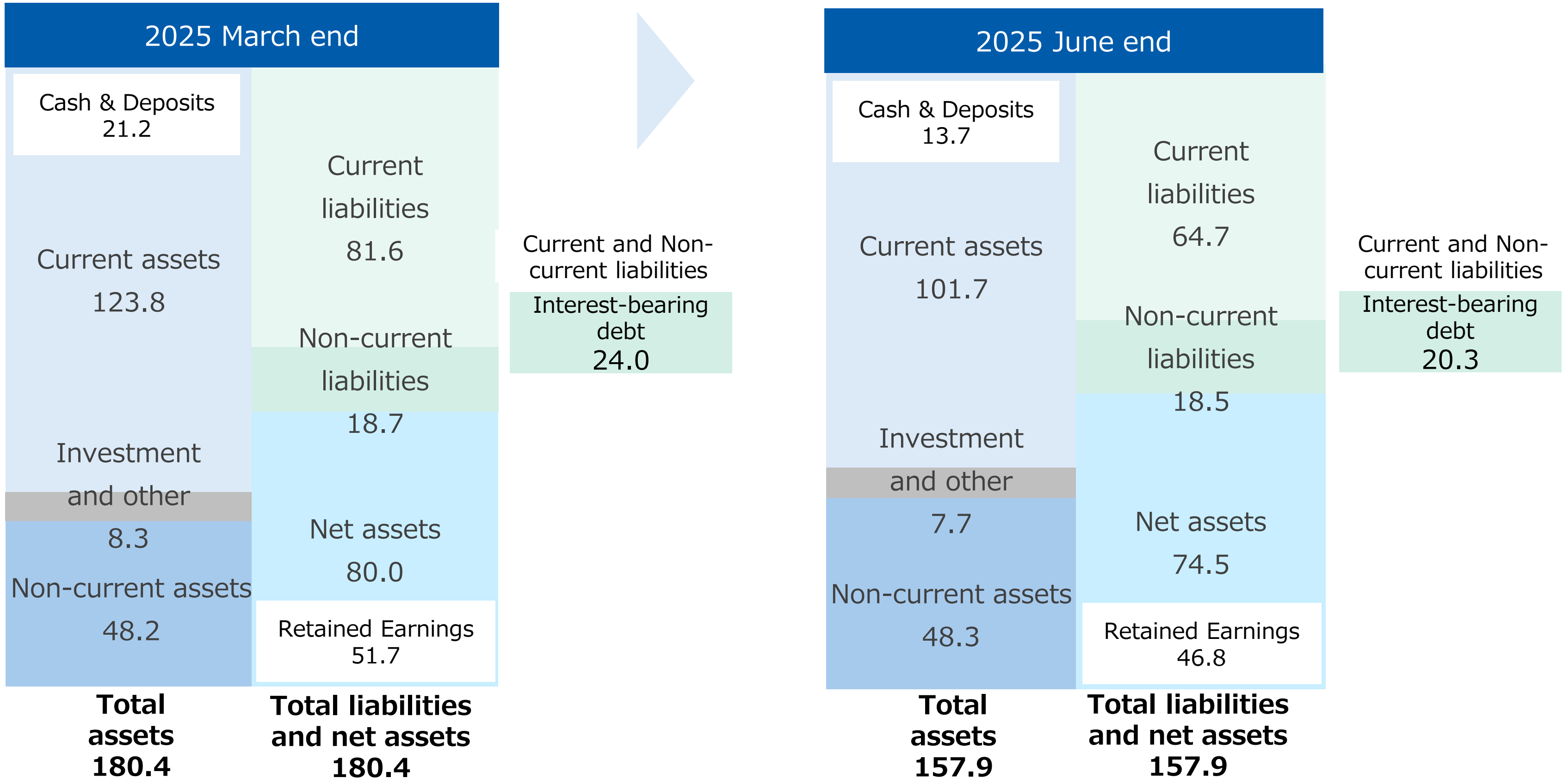
[1] Increase or decrease in working capital arises from changes in accounts receivable, accounts payable, construction work in progress, accounts receivable in joint ventures, advances received for construction in progress, allowance for doubtful accounts, provision for losses on construction contracts, real estate business expenditures, real estate for sale, advances paid, and deposits received. For more details, please refer to the statement of cash flows

1 Balance Sheet

- Current assets decreased by 22.0 billion yen mainly due to 17.6 billion yen decrease in accounts receivable from completed construction contracts
- Interest-bearing debt (mainly short-term borrowings) decreased by 3.6 billion yen
- Cash and Deposits decreased by 7.5 billion yen
- Net assets decreased by 5.4 billion yen primarily due to the payment of dividends

The initial signs of effects from the Company's focus on ROIC

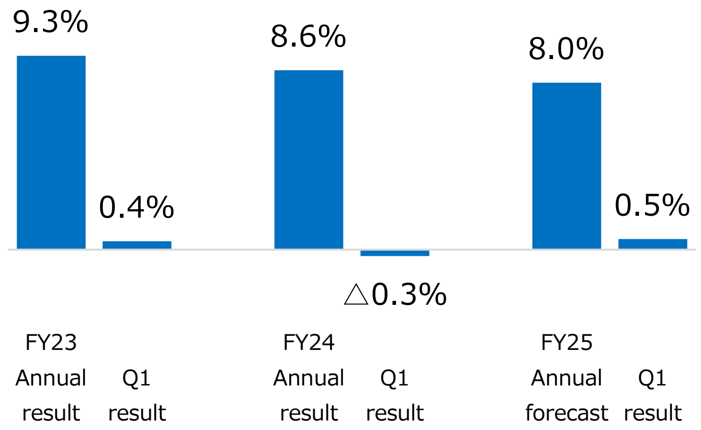
(bln yen)



1 Progress of ROIC improvement initiatives

ROIC Tree Items		Measures	Implementation in FY25Q1
Improvement of operating profit		・ Maintaining profit hurdle rates when receiving orders ・ Formulation of operating profit of each construction profit	・ Taking the forecasted indirect costs of the headquarters and branch offices into account
Pursuit of optimal invested capital	Reduction of fixed assets	・ Sale of idle or inefficient assets	・ Sale of land (1 case, book value of 10 million yen)
	Reduction of investment securities	・ Sale of investment purposes shares	・ Sale of listed company shares (5 cases, book value of 140 million yen)
	Reduction of working capital	・ Improvement of payment terms ・ Reduction of short-term borrowing	・ Working capital decreased due to progress in the collection of accounts receivable (4.1 billion yen) ・ Repayment of short-term loans (3.4 billion yen)

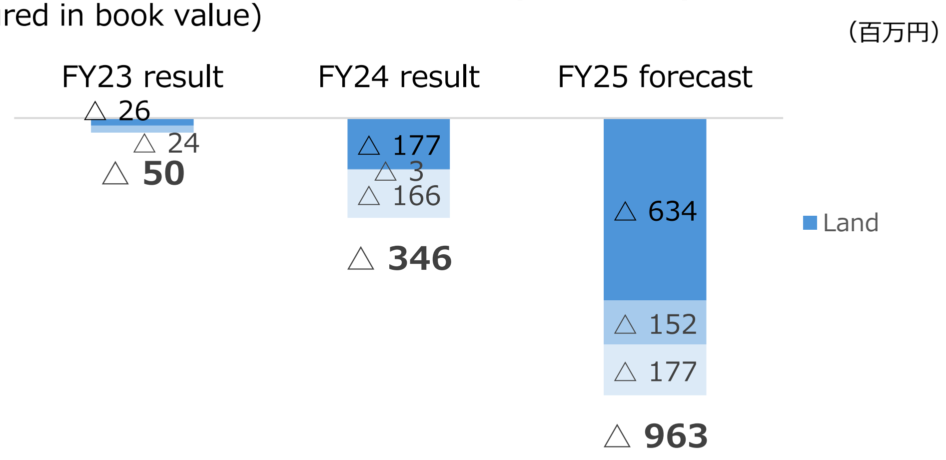
■ Progress of ROIC



	FY23	FY24	FY25
Sub-total of Civil Engineering and Building Constructions domestic and overseas	10.4%	9.5%	9.9%

■ Reduction of invested capital by asset sales

(measured in book value)



2 FY2025 Annual Forecasts

2 FY2025 Full Year Forecasts

Orders Received revised upward

			vs May Fcst
Net Sales	200.0	bln yen	unchanged
Operating Profit	12.0	bln yen	unchanged
Profit attributable to owners of parent	8.5	bln yen	unchanged
PER	90.50	yen	unchanged
Dividend (annual plan)			
Orders Received	224.6	bln yen	+ 13.0 bln yen + 6 %

Dividend will not be paid for the current fiscal year as the timely disclosure document posted on August 8, 2025 titled “Notice regarding the Revision of the Forecasts for Interim and Year-end Dividends for the Fiscal Year Ending March 2026 (No Dividend)” explains. <Correction on August 8>

Factors

Change from May forecast

- Orders Received increased by 13.0 bln yen solely by Building Constuction's upward revision

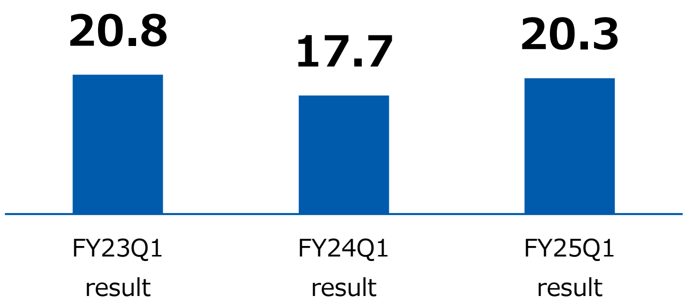
<Correction on August 8>

3 Statuses of Segments

3 Civil Engineering, domestic

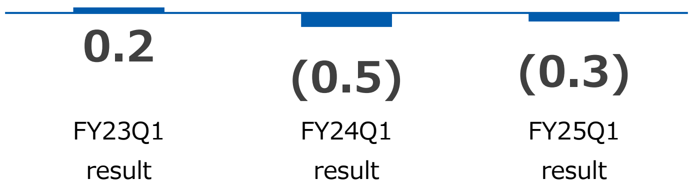
(bln yen)

Net Sales of Competed Construction Contracts



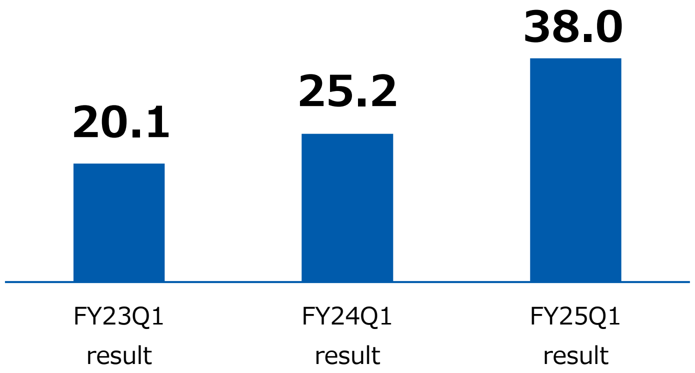
FY25Q1 | progress: **20%** vs May fcst: **+0.3** bln yen

Operating Profit



FY25Q1 | progress: **-%** vs May fcst: **(0.2)** bln yen

Orders Received



FY25Q1 | progress: **35%** vs May fcst: **+5.9** bln yen

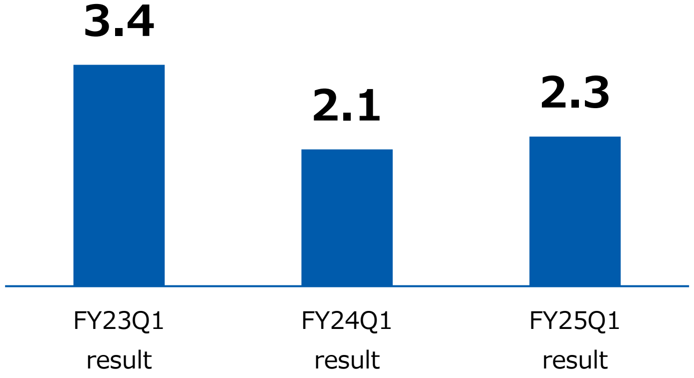
- **YoY**
  - Sales of completed construction increased thanks to progress of balance carried forward
  - Operating loss marked but shrank thanks to increased sales
  - Orders Received is steadily growing
- **vs May forecast**
  - Sales of completed construction was almost in line with the forecast
  - Operating profit is slightly short of the forecast due to delays of expected new orders and design changes
  - Orders Received exceeded the forecast thanks to new orders in private sector

FY2023 Yokkaichi Port Kasumigaura North Wharf Area Quay (-14m) Main Construction (Phase 2)

3 Civil Engineering, overseas

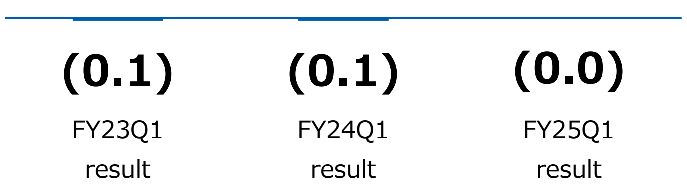
(bln yen)

Net Sales of Competed Construction Contracts



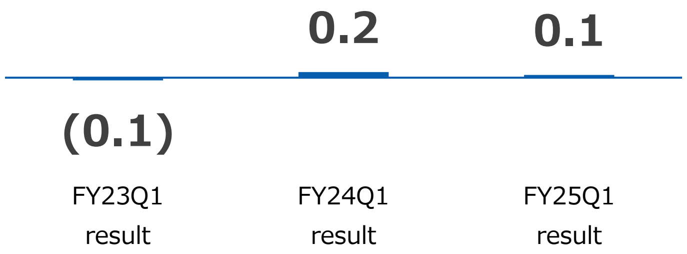
FY25Q1 | progress: 21 % vs May fcst: (0.4) bln yen

Operating Profit



FY25Q1 | progress: -% vs May fcst: (0.1) bln yen

Orders Received[1]



FY25Q1 | progress: 1% vs May fcst: +0.1 bln yen

- **YoY**
  - **Sales of completed construction increased**
  - **Operating loss marked but reached out to almost break-even thanks to increased sales**
  - **Orders Received remained low. Efforts to smooth out seasonal fluctuations and focus on expanding order types (private sector, ODA grants) were underway**

- **vs May forecast**
  - **Both sales of completed construction and operating profit fell short of the forecasts due to delays in the progress of balance carried forward**

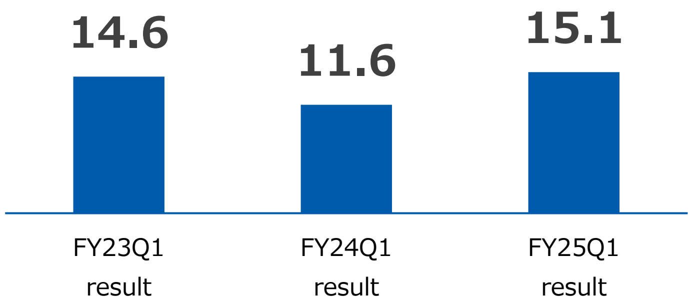
SEDC NEW JETTY, DOLPHINS AND ECHO BEACH PLATFORM PROJECT

[1] Orders Received (or construction revenue) is calculated as the sum of signed contracts and unsigned agreements that have been substantially agreed with customers. In FY23Q1, there were projects in which the total construction revenue decreased due to the depreciation of the Philippine peso and changes in unsigned contract amounts. As a result, the orders received became negative.

3 Building Construction, domestic

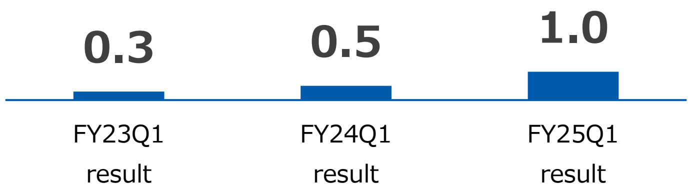
(bln yen)

Net Sales of Competed Construction Contracts



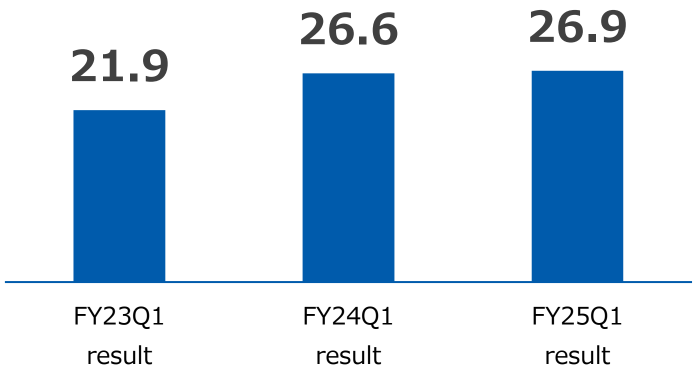
FY25Q1 | progress: **22**% vs May fcst: **(0.9)** bln yen

Operating Profit



FY25Q1 | progress: **24**% vs May fcst: **+0.3** bln yen

Orders Received



FY25Q1 | progress: **35**% vs May fcst: **+10.8** bln yen

- **YoY**
  - Sales of completed construction increased significantly
  - Operating profit grew thanks to the positive impact of increased sales and contributions from additional orders raised in modifying construction
- **vs May forecast**
  - Sales of completed construction fell short of the forecast due to delays in some projects' breaking-ground timing
  - Operating profit exceeded the forecast as gains from modification work and large-scale project completion
  - Orders Received significantly outperformed the forecasts thanks to the early acquisition of projects formerly expected in Q2 as well as the acquisition of new projects

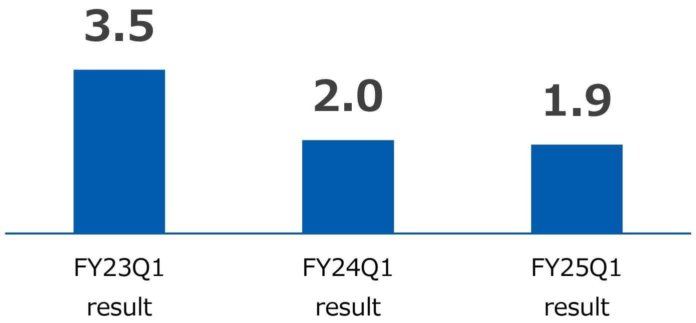
ITEC CORPORATION Kitakami Plant

3

Building Construction, overseas[1]

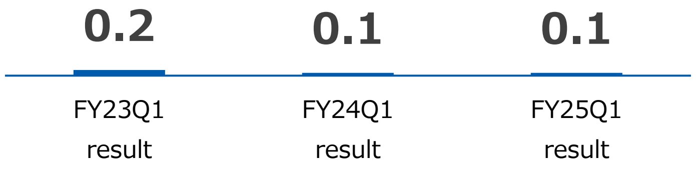
(bln yen)

Net Sales of Competed Construction Contracts



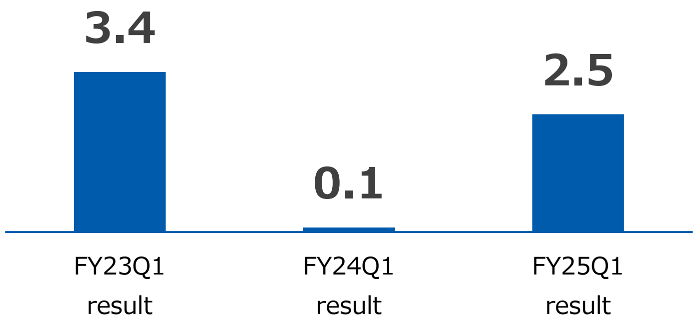
FY25Q1 | progress: 14 % vs May fcst: (0.8) bln yen

Operating Profit



FY25Q1 | progress: 15 % vs May fcst: (0.0) bln yen

Orders Received



FY25Q1 | progress: 24% vs May fcst: +2.2 bln yen

- **YoY**
  - **Both sales of completed construction and operating profit remained almost flat**
  - **Orders Received increased thanks to acquisition of projects of Philippine and Asian companies**
- **vs May forecast**
  - **Sales of completed construction fell short of the forecast due to changes in ground-breaking time and progress of works**
  - **Operating profit was slightly below the forecast**
  - **Orders Received increased as some projects originally expected in Q2 were acquired earlier**

TAMIYA Philippines, Inc. New Factory Building

[1] All overseas construction business is operated by CCT CONSTRUCTORS CORPORATION, a consolidated subsidiary. Its fiscal year differs from the consolidated one, thus CCT results for January to March are recorded in the first quarter of consolidated results.

3 Summary of Earnings and Orders Received

(bln yen)

	FY23Q1 results	progress rate vs. FY23 annual results	FY24Q1 results	progress rate vs. FY24 annual results	YoY	YoY%	FY25Q1 results	progress rate vs. annual forecasts	FY25 annual forecasts
Net Sales	42.6	23%	33.7	20%	+ 6.2	19%	40.0	20%	200.0
Net Sales of Completed Construction Contracts	42.5	23%	33.5	20%	+ 6.2	19%	39.8	20%	199.3
Civil Engineering, domestic	20.8	22%	17.7	19%	+ 2.5	14%	20.3	20%	104.0
Civil Engineering, overseas	3.4	26%	2.1	20%	+ 0.2	11%	2.3	21%	11.3
Bulding Construction, domestic	14.6	23%	11.6	19%	+ 3.5	31%	15.1	22%	70.0
Bulding Construction, overseas	3.5	25%	2.0	28%	+ 0.0	(4)%	1.9	14%	14.0
Offshore Wind Power Engineering	-	-	-	-	-	-	-	-	-
Others	0.1	22%	0.1	24%	+ 0.0	0%	0.1	26%	0.7
Operating Profit	0.4	4%	(0.3)	-	+ 0.9	-	0.6	5%	12.0
Civil Engineering, domestic	0.2	3%	(0.5)	-	+ 0.2	-	(0.3)	-	8.2
Civil Engineering, overseas	(0.1)	-	(0.1)	-	+ 0.1	-	(0.0)	-	0.6
Bulding Construction, domestic	0.3	12%	0.5	11%	+ 0.5	115%	1.0	24%	4.4
Bulding Construction, overseas	0.2	34%	0.1	20%	+ 0.0	16%	0.1	15%	0.8
Offshore Wind Power Engineering	(0.2)	-	(0.2)	-	+ 0.0	-	(0.2)	-	(2.3)
Others	0.0	6%	0.0	23%	(0.0)	(8)%	0.0	24%	0.2
Profit attributable owners of parent	(0.1)		(0.0)	-	+ 0.6	-	0.5	6%	8.5

	FY23Q1 results	progress rate vs. FY23 annual results	FY24Q1 results	progress rate vs. FY24 annual results	YoY	YoY%	FY25Q1 results	progress rate vs. annual forecasts	FY25 annual forecasts
Orders Received	45.4	27%	52.6	+23%	+ 15.4	29%	68.0	31%	224.6
Civil Engineering, domestic	20.1	21%	25.2	+23%	+ 12.7	51%	38.0	35%	110.0
Civil Engineering, overseas	(0.1)	-	0.2	+1%	(0.1)	-	0.1	1%	13.0
Bulding Construction, domestic	21.9	35%	26.6	+31%	+ 0.2	1%	26.9	30%	90.0
Bulding Construction, overseas	3.4	41%	0.1	+1%	+ 2.4	1579%	2.5	24%	11.0
Offshore Wind Power Engineering	-	-	-	-	-	-	-	-	-
Others	0.1	21%	0.2	+24%	+ 0.0	28%	0.2	44%	0.6

As numbers less than JPY millions are rounded down, a calculated total may not accord with a displayed total

4 Topics in businesses

4 The Company's participation to Government plans

Defense Capability Development Plan

Scale of the plan :

・Facility Resilience Budget for 2023–2027: approx. 4 trillion yen
- Of which, budget for 2025 and beyond: approx. 3 trillion yen

Importance to the Company:

FY25 MOD related
Civil Engineering domestic Received Order : 18%

A Company's completed construction

Ishigaki (5) Construction Work (2)

National Resilience Basic Plan

Scale of the plan :

・5-Year Emergency Measures (FY2021–2025): 15.6 trillion yen
- Of which, FY2025 budget for the Port and Harbor Bureau of MLIT : 0.2456 trillion yen

・First National Resilience Medium-term Implementation Plan (FY2026–2030): over 20 trillion yen
- Of which, budget of Port and Harbor Bureau of MLIT: undecided

Importance to the Company:

FY25 the related
Civil Engineering domestic Received Order [1] : 15%

A Company's completed construction

Caisson Installation Using Japan's Largest Crane Vessel at Shimoda Port Breakwater (West) E District Construction Project in FY2023

[1] The estimated amount calculated by applying the ratio of the budget for national resilience-related projects within that for the Ports and Harbors Bureau of MLIT to the Company's ratio of orders from the Ports and Harbors Bureau respectively.

4 Credit Rating Upgrade

■ Rating & Investment Information, Inc. (R&I) has changed the Company's credit rating as of May 28, 2025

<Subjects and Ratings>

	After	Before
Issuer Ratings	ＢＢＢ＋	ＢＢＢ
Direction of Rating	Stable	Stable

■ Having improved creditworthiness that may allow the Company to go for direct financing such as straight bond, we are now able to accommodate flexible financing strategies as below which accord with the market conditions

- Diversifying financing methods
- Responding to changes in the interest rate environment

4

Major Orders Received from April to June 2025

	Client	Construction Name
Civil Engineering	JFE Steel Corporation	Kurashiki Electric Furnace Civil Engineering Area 6
	Tokyo Metropolitan Government	Tokyo Odaiba Seaside Park Fountain Facility (7)
	Yokohama Port Wharf Co., Ltd	(Honmoku) D-5 Terminal Gate Area Improvement Work
	Chubu Regional Development Bureau of MILT	Reiwa 7 Nagoya Port new sediment disposal site revetment foundation work
	Tohoku Regional Development Bureau of MILT	Sakata Port Outer Harbor Area Wharf (-12m) Ground improvement work
Building Construction	Tokyo Tatemono Co., Ltd	T-LOGI Funabashi Nankai Shrine New Construction Project
	Mitsubishi Estate Residence Co., Ltd.	Funabashi City Miyamoto 1-chome plan new construction work
	Hinode Corporation	(tentative name) Hinoide Co., Ltd. Shin-Chikushino Center Phase II new construction work
	The Japan Cargo Tally Corporation	(tentative name) Tsukiji 1-chome plan new construction work
	Senko Group Holdings Co., Ltd	(tentative name) Senko Group new Fuji warehouse construction

Historical Data FY23~FY25

The following quarter and annual data for FY23~FY25 are available on our website

- Consolidated Balance Sheet
- Income Statement
- Cash Flow Statement
- Segment Information
- By construction type Orders Received, Net Sales and Balance Carried Forward[1]
- By client type Orders Received, Net Sales and Balance Carried Forward[1]
- Indicators

https://www.toyo-const.co.jp/doc/ir/irnews/20250807_FY25Q1_historicaldata.xlsx

[1] Toyo Construction Co. Ltd. stand-alone figures

TOYO CONSTRUCTION CO., LTD.

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