TOA CORPORATION
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Department, Corporate
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Integrated Report 2025

Create Value, Build the Future

TOA CORPORATION

Our Philosophy, Vision, and Principles

Corporate Philosophy

A Universal Standard of Value That Remains Unchanged through All Ages

Corporate Philosophy, Management Policies, and Principles

Corporate Philosophy

TOA CORPORATION strives for prosperity with advanced technologies and fulfills its social responsibilities through sound management.

Three (3) Management Policies

1. To enhance competitiveness by strategic management.
2. To maintain everlasting trust through reliable construction works.
3. To strive constantly to improve individual ability and contribute to organizational goals.

Five (5) Main Principles

1. Be an expert in your assigned work.
2. Do not miss an essential point and proper timing for your task.
3. Be ever mindful of untiring effort for improvement.
4. Have your own opinion and show it.
5. Discuss in all aspects, and be responsible to carry out the decision.

TOA2030

New Standards of Value Addressing Today's Demands

Building a Prosperous Society and Connecting People with the World for a Better Future

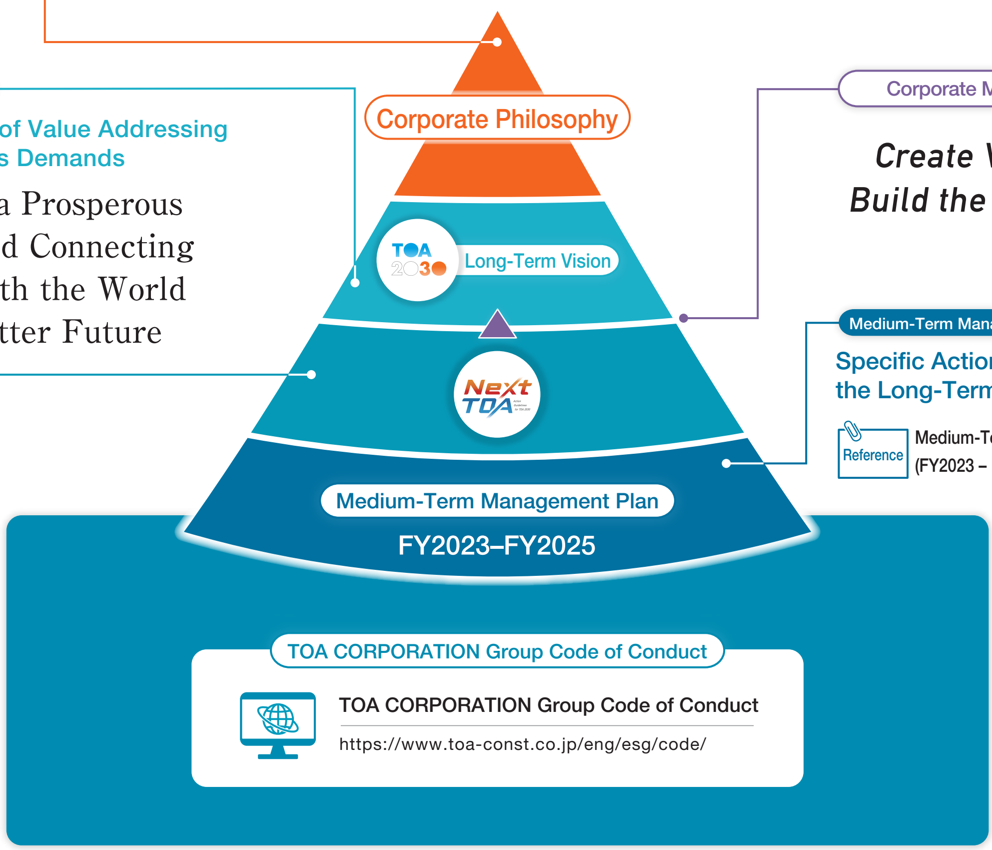
Corporate Message

Create Value, Build the Future

Medium-Term Management Plan

Specific Action Plan to Realize the Long-Term Vision

Reference Medium-Term Management Plan (FY2023 – FY2025) Pages 33-36



TOA CORPORATION Group Code of Conduct

TOA CORPORATION Group Code of Conduct
https://www.toa-const.co.jp/eng/esg/code/

Next TOA

New Action Guidelines Towards the Long-Term Vision

Flexibility
Respond to global changes and maintain the flexibility to move beyond the constraints of the past.

High Aspiration
Find what you want to be and act with the ambition to realize it.

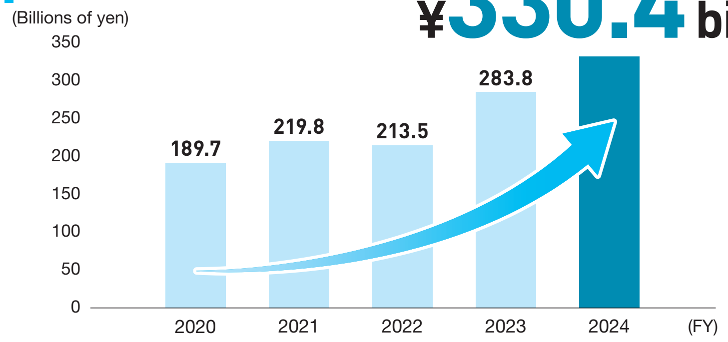
Quick & Speed
Respond timely to the trends and make quick decisions and actions.

Challenge
Continue to challenge every day to make tomorrow better than now.

TOA CORPORATION at a Glance (FY2024 Results)

Net Sales (Consolidated)

¥330.4 billion



Operating Profit (Consolidated)

¥20.6 billion

ROE

14.7%

Domestic Building Construction Business: Marine Civil Engineering Sales

2nd*1

*1 Source: Nikkei Construction, "Construction Company Financial Rankings 2024"

Domestic Building Construction Business: Civil Engineering Sales

6th*1

*1 Source: Nikkei Construction, "Construction Company Financial Rankings 2024"

Domestic Building Construction Business: Consolidated Net Sales

15th*2

*2 Source: BuildApp News General Contractor Sales Rankings (2025)

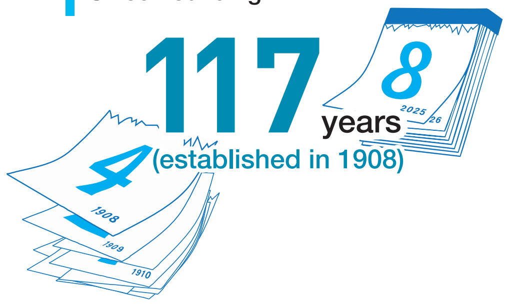
Number of Employees (Consolidated)*3

2,052 persons

*3 Figures reflect the number of employees reported in the securities report.

Since Founding

117 years (established in 1908)



Number of Countries with Completed Projects

CDP 2024 Climate Change

A List

Top 2% (2024)

Greenhouse Gas Reduction Rate

28.4%

(Scope 1 and 2, compared with FY2020)

CO_2

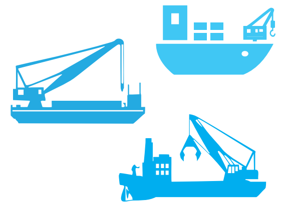
Ratio of Outside Directors (as of July 1, 2025)

55.6%

(Female directors: 22.2%)

Number of Work Vessels Owned (Domestic & Overseas)

57



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Financial and Business Risk Information — Non-Financial Information

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Financial Results	Securities Report	Report (Shareholder Newsletter)
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Corporate website		
IR information	Company information	Sustainability information

↕ Engagement

Customers	Business partners	Employees	Local communities	Shareholders and investors

Report Coverage

- Scope
  This report covers the business activities of the TOA CORPORATION Group. Where the range of data compilation differs, this is explicitly stated.
- Reporting Period
  Fiscal 2024 (April 1, 2024–March 31, 2025). In addition, some activities from other fiscal years are included as necessary.
- Date of Publication
  August 2025

Forward-Looking Statements

This report includes performance forecasts, future outlooks, strategies, and objectives, which are forward-looking statements, except for those based on past or present facts. These statements are based on plans, expectations, and judgments grounded in information currently available to the Company and certain assumptions deemed reasonable. Please note that actual outcomes might differ from these forward-looking statements due to changes in various factors.

Reference Guidelines

- GRI (Global Reporting Initiative) "Sustainability Reporting Standards"
- ISO 26000 "Guidance on Social Responsibility"
- IFRS Foundation "International Integrated Reporting Framework"
- Ministry of Economy, Trade and Industry "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation"

Editorial Policy

This publication is designed to provide a comprehensive understanding of the TOA CORPORATION Group's initiatives toward a sustainable future and its "Value Co-Creation Story" from both financial and non-financial perspectives. It systematically presents our vision and strategies, as well as current initiatives aimed at realizing them, while also explaining the background and underlying thinking, in a clear and accessible manner.

We have also focused on enhancing the connectivity of our information tools. The links provided throughout this report allow you to access a wide range of our disclosure materials.

Message from the President

Pursuing Steady Management Centered on Business and Human Resources Strategies

Takeshi Hayakawa
President and Representative Director

What We Have Cherished Throughout Our Long History

Over a century ago, our founder, Soichiro Asano, witnessed the far more advanced port facilities and maritime transport in Europe and the United States. Upon returning to Japan, he established TOA CORPORATION in 1908 and led large-scale reclamation projects for port and industrial land development. His dedication to Japan's modernization and his unwavering commitment to "benefiting society" have been passed down through the Company for more than 110 years, continuing to guide us today.

In 2020, the Company established its long-term vision of "building a prosperous society and connecting people with the world for a better future," as the desired state for 2030. To realize this vision, we set the integration of business and human resources strategies as the core policy of our medium-term management plan and are currently advancing various initiatives toward its achievement.

Our mission is to carry out contracted infrastructure development and construction projects with high quality, within the designated timeframe, and without accidents or issues, while ensuring proper and accurate management of the projects we undertake—in other words, "reliable construction works." Fulfilling this mission not only reflects our long-standing commitment since our founding to "benefiting society" but also naturally generates appropriate profits for the Company, forming the foundation of our earning power.

Our current business portfolio consists of marine civil engineering, accounting for just over 40% of total sales, with the remaining 30% from building construction and 20% from overseas construction. While many domestic general contractors focus primarily on building construction, the high proportion of civil engineering work remains one of our distinguishing features.

▸ Our Philosophy, Vision, and Principles Page 01
History of Value Creation Pages 11–12

Our Strengths and Competitive Advantages

The greatest strength of the Company, built through a history of honest and diligent craftsmanship, is the construction management expertise we have developed through involvement in a significant portion of land reclamation projects in Tokyo Bay, navigating the challenges of marine construction. This expertise, honed in marine civil engineering, is also applied to land civil engineering and building construction, and has enabled us to expand our operations overseas.

Another strength is our current business portfolio, which is well balanced across three areas: civil engineering, building construction, and overseas construction.

▸ Business Strengths and Fields Pages 13–14

Summary of Fiscal 2024 and Progress of the Medium-Term Management Plan

In fiscal 2024, supported by past orders, the Company delivered very strong results, achieving increases in both revenue and profit for the second consecutive year.

1. Net sales: ¥330.4 billion, up 16.4% year on year
2. Operating profit: ¥20.6 billion, up 19.7% year on year (setting a new record high)
3. Ordinary profit: ¥20.0 billion, up 20.7% year on year (setting a new record high)
4. Profit attributable to owners of the parent: ¥14.9 billion, up 41.8% year on year
5. Orders received (Non-consolidated): ¥353.7 billion, up 0.3% year on year (setting a new record high)
6. ROE: 14.7%, up 3.3 points year on year

▸ Progress of the Medium-Term Management Plan 2023–2025 and the Current Business Environment Pages 35–36
Message from the Executive Officer Overseeing Finance Pages 37–40

In the domestic civil engineering business, while the Ministry of Land, Infrastructure, Transport and Tourism's budget for port construction projects—our specialty—remained flat, our backlog of projects, particularly large-scale ones, progressed steadily. As a result, net sales for fiscal 2024 rose 2.6% year on year to ¥141.0 billion. The annual government budget for port construction projects we are capable of handling is approximately ¥260.0 billion, of which we secured just over 10%, or ¥29.0 billion–¥32.0 billion, and we maintain profitability through thorough site management. We also continued to focus on construction management for Regional Defense Bureau projects and private-sector projects related to ports.

Public works projects, which underpin sales in our civil engineering business, have traditionally provided stable orders backed by government budgets but also posed challenges in securing adequate profit. In recent years, however, this has improved considerably. Through the Japan Dredging and Reclamation Engineering Association, we have annual opportunities to share with the Ports and Harbours Bureau of the Ministry of Land, Infrastructure, Transport and Tourism and regional development bureaus nationwide issues related to bidding and contracting, as well as progress on work-style reform initiatives. In addition, for marine civil engineering projects , which are often affected by unpredictable weather conditions, the authorities now respond promptly and appropriately to contract revisions concerning proper construction periods. As a result, we are able to secure fair profits while continuing to engage in stable public works projects.

▸ Business Strategy: Civil Engineering Business Unit Pages 41–42

In the domestic building construction business, net sales rose 31.4% year on year to ¥110.3 billion in fiscal 2024, driven by the sequential completion of large-scale logistics warehouse projects ordered in prior years. From my perspective, with our current resources, the level at which we can deliver reliable construction works is around ¥95.0 billion, so the fiscal 2024 sales scale was somewhat ambitious. While capturing growth opportunities is important, a shortage of personnel increases the risk of troubles and accidents. Accordingly, led by the Building Construction Sales and Managing General Headquarters, we will manage orders and construction volume in line with the Company's capacity and scale. In the past, the Building Construction Business Unit has conducted sales and construction management under a two-branch structure, with one branch covering eastern Japan and another covering western Japan. However, particularly in western Japan, the Osaka Branch was responsible for a wide area from Nagoya to Kyushu, and the physical distance from project sites raised concerns about thorough construction management. To address this, in fiscal 2025 we reorganized the West Japan Architecture Branch into a more regionally focused structure, consisting of the Osaka Branch (including Shikoku), the Chugoku Branch, and the Kyushu Branch, each operating under an integrated framework combining civil engineering and building operations. In addition, last fiscal year we established the Foundation Ground Countermeasures Office within the building construction organization and assigned personnel with expertise in civil engineering, enabling us to incorporate civil engineering knowledge and expertise into our building construction operations.

▸ Business Strategy: Building Construction Business Unit Pages 43–44

In the overseas business, we have encountered various risks over more than 60 years of operations. Accordingly, we manage the scale of our overseas business so that it accounts for approximately 20% of total sales. Because overseas projects generally have longer construction periods than domestic ones, we manage construction volume based on a three-year average rather than a single year. With total sales reaching the ¥300.0 billion mark in fiscal 2024, we increased the overseas business allocation from ¥40.0 billion to ¥60.0 billion. In fiscal 2024, we executed a substantial backlog of projects, primarily in Africa, Southeast Asia, and South Asia, resulting in net sales of ¥65.7 billion, up 35.5% year on year.

▸ Business Strategy: International General Headquarters Pages 45–46

Medium- to Long-Term Risks and Opportunities

Over the medium to long term, the business environment remains uncertain, with rapid environmental changes making it difficult to forecast the future. In this context, risks facing Japan are becoming increasingly apparent, and the construction industry will inevitably be affected. The risks and opportunities that we must address are as follows.

1 Rising Geopolitical Risks and Overseas Initiatives

Conflicts in the Middle East and political instability in developing countries pose a high risk to projects conducted in those regions, so we avoid such exposure. Specifically, our offices in the Middle East are temporarily closed, and we are focusing on Asia, where we have a strong track record. Asia also offers significant opportunities due to its rapid population growth and many regions with promising economic growth. However, as various risks exist across the overseas business, we continue to manage orders carefully, limiting the scale of operations to approximately 20% of total company sales.

2 Frequent Natural Disasters and the Risk of Sea-Level Rise due to Global Warming

Recent natural disasters in Japan, including earthquakes, typhoons, and torrential rain, have become increasingly severe, and sea-level rise associated with global warming is emerging as a serious issue both domestically and globally. The Company has been involved in port-related reconstruction works following major events such as the Great Hanshin-Awaji Earthquake, the Great East Japan Earthquake, and, more recently, the Noto Peninsula Earthquake. At Nanao Port in Ishikawa Prefecture, we have conducted ground improvement works to enhance the seismic resilience of breakwaters. In addition, important measures to address sea-level rise, such as elevating seawalls, have been repeatedly carried out as part of our expertise in port construction. Under the initiative to strengthen national resilience, we remain confident that we will continue to make significant contributions in this area.

3 Impact of Tariffs and Rare Earths

U.S. tariff policies are expected to have a significant impact on export industries, likely leading to a slowdown in private-sector capital investment. Accordingly, focusing on domestic demand becomes important, and we will continue to actively pursue public-sector construction projects, an area in which we have considerable expertise. The Building Construction Business Unit will also focus on such projects, particularly defense facility projects, where close collaboration with the Civil Engineering Business Unit can be expected.

Message from the President

In addition, rare earths have also come into focus amid U.S.–China relations. While China accounts for the majority of the global market share, rare earth resources within Japan's exclusive economic zone (EEZ) are attracting growing attention from the perspective of economic security. Under the second phase of the Cabinet Office's Strategic Innovation Promotion Program (SIP), "Innovative Deep Sea Resource Survey Technology," the Company contributed to the development of technology for rare earth resource extraction in the Minamitorishima EEZ, led by the Japan Agency for Marine-Earth Science and Technology (JAMSTEC). In the third phase of SIP, "Establishment of a Marine Security Platform," JAMSTEC will undertake the world's first initiative to extract rare earth mud from a depth of approximately 6,000 meters. In particular, under SIP Phase 2, the Company conducted large-scale demonstration tests at one-third scale at its yard in Sodegaura, Chiba Prefecture, from July to August 2020, based on technology developed at the TOA Research & Development Center in fiscal 2019, for the critical "mud disintegration" technology required for rare earth mud extraction.

❹ Risk of a Shrinking Workforce

A major external risk is the decrease in the domestic workforce due to population decline. Since the number of personnel is closely correlated with construction volume, the medium-term management plan emphasizes human resources strategy alongside business strategy. In recent years, the Company has steadily increased recruitment, welcoming 104 new employees in fiscal 2025. Employee turnover has also decreased, with zero resignations recorded among new hires in fiscal 2023.

In addition, we have established the Partnership Declaration to promote collaboration and mutual prosperity with suppliers in our supply chain and with businesses that contribute to value creation, aiming to build new partnerships. Specifically, this involves placing greater focus on concluding fair and appropriate contracts with our partner companies.

To address the decline in the workforce, improving productivity is also essential. We are actively developing construction DX technologies, including the integration of AI and automation, which will be introduced in the Sustainability section.

▶Value Creation Process Pages 15–16
Human Resources Strategy Pages 55–56

Business Strategy for Medium- to Long-Term Growth

For medium- to long-term growth, we have set a target of achieving ¥13.5 billion in operating profit in fiscal 2030, while aiming for even higher performance. Focusing on our areas of expertise, primarily marine civil engineering, we plan to drive profit growth through the expansion of orders and construction volume, while gradually strengthening new areas such as land construction, with the goal of achieving stable growth.

1. National Resilience-Related Projects (Domestic Civil Engineering)

For projects under the Ministry of Land, Infrastructure, Transport and Tourism, we are currently at a stage where the approximately ¥15 trillion budget under the "Five-Year Acceleration Plan for Disaster Prevention, Disaster Mitigation, and Building National Resilience" has been largely utilized. In June of this year, the draft of the "1st Mid-Term Plan for the Implementation of National Resilience" was approved by the Cabinet, allocating a budget of over ¥20 trillion for the five years beginning in 2026. As a major pillar of our domestic civil engineering business, we will work to secure orders from these projects.

2. Defense-Related Projects (Domestic Civil Engineering and Building Construction)

Our track record in defense-related projects has steadily grown, placing us among the higher-ranked companies in the construction industry. In the civil engineering business, we are currently executing large-scale port-related projects, primarily in the Kyushu and Okinawa regions, and will continue to build on this performance. With defense-related projects expected to expand nationwide, we will maintain a strong focus on pursuing opportunities in this area.

In the building construction business, many existing facilities still conform to the old seismic standards, with approximately 40% requiring reconstruction. The Ministry of Defense's facility resilience budget has been steadily increasing, creating abundant business opportunities within a favorable market environment. In particular, projects for optimizing existing garrisons are valued at several tens of billions of yen, and we will actively pursue opportunities in this area as well.

3. Large-Scale Logistics Warehouses and Our Specialty in Refrigerated Warehouses (Domestic Building Construction)

The Building Construction Business Unit has expanded large-scale logistics warehouse projects in recent years, achieving net sales exceeding ¥100.0 billion in fiscal 2024. While some view the warehouse market as reaching saturation, projects in prime locations continue to offer growth potential. Moreover, the Company has extensive experience in refrigerated warehouses. This sector is expected to see reconstruction demand due to aging facilities and fluorocarbon regulations, and we will continue to deliver high-quality refrigerated warehouses. We will also pursue opportunities not only domestically but also with an eye toward overseas expansion.

4. Initiatives in Real Estate Redevelopment and Renovation Projects (Domestic Building Construction)

The Building Construction Business Unit has begun engaging in real estate redevelopment projects. To support this effort, two Group companies that had previously handled real estate management and renovation projects separately were merged to establish TOA REATEC Co., Ltd., in July 2025. Some redevelopment projects primarily involve renovation, and with current labor shortages, new construction projects face a higher risk of schedule delays. Consequently, interior-focused renovation projects are expected to increase, and we will continue to place strong emphasis on this area.

▶Group Companies Supporting TOA CORPORATION Pages 53–54

5. Initiatives in ODA Projects (Overseas)

Our Official Development Assistance (ODA) projects currently include the construction of container terminals at Patimban Port in Indonesia, Sihanoukville Autonomous Port in Cambodia, and the Port of Mombasa in Kenya—the latter marking our first entry into the country. These projects involve port construction, an area in which we have extensive expertise. Drawing on our past experience, we will steadily advance these projects while implementing comprehensive risk management.

In addition, we have newly secured the Matabari Port Development Project Phase 1 Package 1: Procurement of Civil Works for Port Construction in Bangladesh and have commenced construction of the country's first seismically isolated fire station. Although Bangladesh presents some political uncertainties, its growing population and expected economic expansion provide opportunities for various ODA projects, such as subway construction. We will actively pursue projects beyond port construction as well.

6. Initiatives Beyond ODA Projects and New Opportunities through Local Subsidiary Establishment (Overseas)

Our overseas construction business began with port projects in Singapore. Since the 1960s, we have steadily built a track record there, and in recent years, we have continuously secured and executed the long-term superstructure works for the container terminal in the Tuas area on the western side of Singapore. The work has progressed steadily, allowing us to build a strong record and reputation, undertake numerous design-build projects, and develop capabilities such as technical proposal expertise. Port development and maintenance are key national policies for Singapore. In particular, due to the impacts of recent climate change, the government is planning large-scale advance investments to address future sea-level rise, and we will continue to actively pursue such major projects.

ODA projects in countries approaching self-sustaining growth are scheduled to be gradually phased out. For example, in Indonesia, we are currently executing an ODA project at Patimban Port, but as public development through ODA gradually declines, a transitional gap is expected before private-sector development takes over. New business opportunities are also expected in areas such as logistics warehouse complexes on the quay opposite the container yard on reclaimed land. In addition, the planned relocation of the capital to Kalimantan is expected to generate various project opportunities. To receive construction orders from local governments beyond ODA projects, it is necessary to establish a local subsidiary. Accordingly, in September 2023, we jointly established PT TOA TUNAS JAYA INDONESIA in Jakarta with the Indonesian general contractor PT Tunas Jaya Sanur.

Although the reduction of ODA projects poses a risk, we view this as an opportunity to focus on securing orders through our local subsidiary and to steadily capture business.

▶Group Companies Supporting TOA CORPORATION Pages 53–54

7. Initiatives in Offshore Wind Power and High-Voltage DC Transmission (Domestic Civil Engineering)

Offshore wind power is expected to require not only fixed-bottom installations but also floating-type systems, which will become increasingly important given Japan's geography. Through a consortium in which we participate, we submitted a proposal to the Green Innovation Fund Project "Demonstration of Floating Offshore Wind Power Generation (Phase 2)" organized by the New Energy and Industrial Technology Development Organization (NEDO) and were selected. In fiscal 2023, we constructed our self-elevating platform (SEP) vessel, Hakkaku, which has already been used successfully for maintenance work at offshore wind power plants. Although 15 MW-class wind turbines are becoming the norm in Japan, the number of domestic SEP vessels is limited. With a lifting capacity of 1,250 tons, Hakkaku can serve as a platform for fixed-bottom foundations, accessory component installation, and survey work, while also cooperating with other large vessels.

We are also focusing on direct current (DC) power transmission projects, particularly those along the Sea of Japan route. Having experience in submarine cable laying for private-sector projects in Japan, we will leverage our accumulated expertise in port and marine civil engineering to actively pursue business development as a contractor in this field.

▶Offshore Wind Power Business Page 21

8. Growth Investment Strategy

Although we undertook a variety of initiatives, growth investments during the first two years of the medium-term management plan fell short of expectations. With profitability improving, however, we reviewed our cash allocation and raised the investment ceiling under the plan from ¥20.0 billion to ¥30.0 billion. Additional resources are being directed toward business domain expansion and human resource development.

We are considering investments in our SEP vessel, Hakkaku, including modifications for nearshore specifications and leg extensions to accommodate larger wind turbines and expand its functionality as a multipurpose vessel. We are also exploring the acquisition of an overseas building services company. By acquiring such a company in ASEAN countries, we aim to strengthen our overseas building construction business, improve price competitiveness, and generate synergies. In addition, our local subsidiary in Indonesia is considering the purchase of a work vessel for projects in the country, which we believe will further enhance our competitiveness in overseas markets.

We will also invest in securing human resources in addition to equipment. For example, to address the chronic shortage of engineers in Japan, we are implementing measures to gradually assign young foreign engineers and highly skilled personnel in domestic construction projects and our overseas bases.

At our Group company, TOAKIKAI KOUGYOU CO., LTD., we are planning the construction of a new factory equipped with full heating and cooling systems. Located in Shimonoseki City, Yamaguchi Prefecture, the factory benefits from favorable sunlight conditions, allowing its main power source to be solar energy. By producing products using green electricity, the factory will contribute to our customers' Scope 3 emissions reductions.

In this way, we will steadily execute investments that strengthen our management foundation and contribute to enhancing corporate value, while carefully considering M&A opportunities through various approaches, including starting with collaboration.

Message from the President

Our Sustainability

Our sustainability is supported by three major pillars: environmental, social, and governance (ESG) management, human capital management, and digital transformation (DX). We have been deepening our ESG initiatives, which have already received high evaluations from multiple external assessment organizations. In July 2025, for the first time, we were selected as a constituent of the FTSE Blossom Japan Sector Relative Index, an important benchmark for many investors' decision-making. While we recognize there are still challenges in each of E, S, and G, there is also strong demand for environmental initiatives, which presents new business opportunities. Through our ESG efforts, we aim to strengthen and build relationships not only with existing customers but also with new ones.

1. ESG Management

In terms of the environment, we prioritize achieving carbon neutrality by identifying high-emission hot spots across Scope 1, 2, and 3 and striving to reduce greenhouse gas (GHG) emissions. For Scope 1 and 2, the majority of emissions come from work vessels used in domestic marine civil engineering projects. To address this, we have begun trial use of biofuels such as waste cooking oil and are participating in next-generation biofuel development projects. Meanwhile, for Scope 3, which represents our largest source of emissions, we are actively promoting initiatives such as implementing Net Zero Energy Buildings (ZEBs) and adopting low-carbon materials in buildings. Moreover, through research and development aimed at further emission reductions and by deepening dialogue with our supply chain, we aim to achieve significant overall reductions.

In addition to port construction, we have long been involved in creating seaweed beds and tidal flats, further refining our environmental infrastructure technologies, which are highly competitive compared with other companies. We aim to develop these technologies with the goal of giving back to the sea. Led by the Blue and Green Infrastructure Technology Group at the TOA Research & Development Center, we are actively advancing related R&D and will continue contributing to nature-positive initiatives in the future.

▶Co-Creating Value in Harmony with the Environment Page 19
Technology Research and Development Pages 51–52

In terms of corporate governance, following approval at the June 2025 General Meeting of Shareholders, the Board of Directors transitioned to a structure in which a majority of members are outside directors. We had previously recognized challenges in the composition of the Board in terms of independence and oversight, and this change is expected to enhance its effectiveness. The Articles of Incorporation were also partially revised, with an outside director now serving as chair of the Board. Strengthening the governance framework is essential for building a sustainable corporate foundation, and the Group will continue to pursue highly transparent management practices.

▶Roundtable Discussion with Outside Directors Pages 29–32

2. Human Capital Management

I view human capital management as closely linked to the social and governance aspects of ESG management. Since society is built by people, its relevance to human capital management is extremely significant. Therefore, it is important to first improve both the quantity and quality of our workforce.

To increase our workforce, we are not only strengthening recruitment but also working to reduce turnover by creating a safe and rewarding work environment. As of March 31, 2025, our consolidated headcount reached 2,000—achieving the target set in the medium-term management plan a year ahead of schedule.

The greater challenge, however, lies in improving workforce quality. At our sites, employees in their 20s now make up over 40% of the workforce, making their early development crucial. We are training these young employees to inherit technical skills and knowledge, equipping them to manage construction sites. Effective site management requires both analytical thinking and practical skills. To cultivate personnel with both, we have, for example, clearly defined the necessary skills to become a site manager in a skills map and integrated this into our education and training programs. As a result, the number of employees under 35 appointed as site managers has grown dramatically. In addition, our personnel system ensures that these high-performing young employees are evaluated appropriately.

We also encourage female general employees to transition into career-track positions, aiming to enable each individual to maximize their abilities. Looking ahead, we hope to continue leveraging the experience and skills of senior employees who are healthy and willing to work, and we are making improvements to compensation and related systems to support this.

At the same time, improving employee engagement remains a priority. Recreational and club activities have become more active, and labor union initiatives have likewise intensified, with the Company supporting these efforts. In two years, our head office will relocate to Takanawa in Minato Ward, and we anticipate that creating a more comfortable workplace will further strengthen employee engagement.

▶Human Resources Strategy Pages 55–56

3. Initiatives in DX

Our digital transformation (DX) strategy is guided by the principle of driving sustainability and creating innovation by linking business strategy and human resources strategy through DX. We see DX as serving two major roles. First, internal data should be easily accessible to all employees, enhancing daily work productivity while contributing to management strategy. Second, DX should advance our construction technology, contribute to social infrastructure development—our core form of manufacturing—and generate innovation that meets the needs of a new era. The DX Strategy Department, reporting directly to the President, is currently formulating the strategy for how DX will be implemented in the core areas of our operations.

In the field of construction DX, we are actively developing technologies that incorporate AI, focusing on advancing existing technologies, automating and reducing manpower requirements, and enhancing safety management precision. From this fiscal year, we have also established a Company-wide DX roadmap through 2035, setting quantitative targets for developing DX-capable personnel and expanding the use of low-code applications. The entire Company is working together to further advance DX.

▶DX Strategy Pages 57–58

To Our Stakeholders

Enhancing Corporate Value

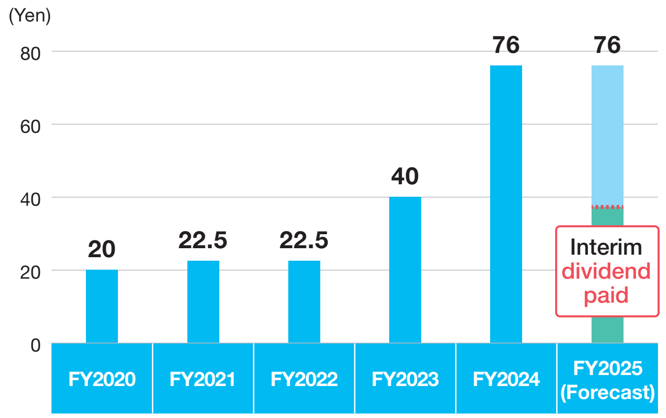
In May 2025, we announced the Action Plan to Improve Price-to-Book Ratio 2025, recognizing the enhancement of our price-to-book (P/B) ratio as one of our key management priorities. While ESG management is positioned at the core to support our medium- to long-term growth foundation, I also emphasize management that is conscious of the stock price and the cost of capital, and consider dialogue with the capital markets essential.

For many years, we have built trust and credibility through sincere construction practices, which cannot be gained overnight. We aim to strengthen relationships with all stakeholders—including shareholders, investors, customers, business partners, employees, and local communities—by consistently maintaining a sincere and responsible corporate stance. Returns to shareholders are based on a commitment to a total return ratio of approximately 70% over the medium-term management plan period, and we will ensure this commitment is upheld. Initially, we planned to achieve this target through a share buyback totaling ¥6.7 billion, a dividend payout ratio of 30% in the first year, and 40% in both the second and third years, for a total return of ¥15.0 billion. Due to improved performance, we have decided to implement an additional share buyback of ¥4.0 billion to achieve the 70% total return ratio, increasing the total return amount from the initially planned ¥15.0 billion to ¥26.0 billion. Furthermore, an interim dividend will also be paid this fiscal year (¥38, half of the ¥76 annual dividend).

The Board of Directors is currently discussing the direction of medium- to long-term profit distribution and shareholder returns, taking into account the next medium-term management plan and our longer-term vision.

We will continue to pursue sound management, and we sincerely ask our stakeholders to continue supporting us while observing our initiatives from a long-term perspective.

● Dividend per Share

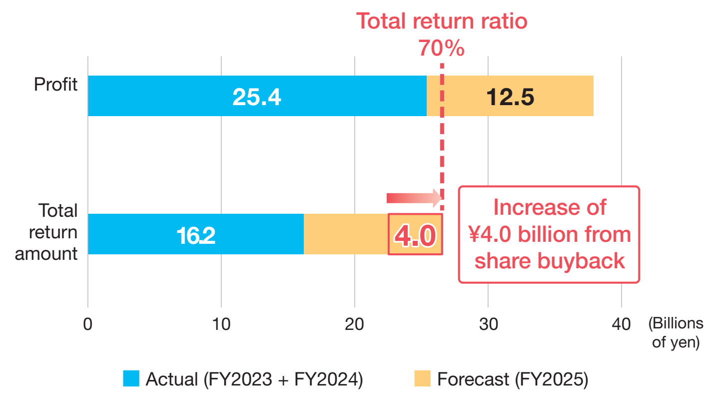


● Dividend Payout Ratio

22.8%	23.5%	40.1%	31.3%	40.4%	40% or more

Steady achievement of a total return ratio of approximately **70%** through the additional **¥4.0 billion** share buyback

● Total Return Ratio (Cumulative Over FY2023–FY2025)



Note: On April 1, 2024, a 4-for-1 stock split was implemented. All amounts above reflect the impact of this stock split.

History of Value Creation

From the Sea, to the Future. We will continue to embrace challenges in pursuit of a sustainable future for people and society.

For more than 110 years since its founding in 1908, TOA CORPORATION has continuously created social value by adapting to societal and environmental changes, all while staying true to the founder's vision of "benefiting society."

1908~

The history of TOA CORPORATION began in 1908, when Soichiro Asano proposed a large-scale land reclamation project for port and industrial use. In 1913, reclamation work commenced in the Tsurumi-Kawasaki area, and by 1927 the entire planned area of approximately 5 million square meters was completed. The reclaimed land later formed the foundation of the Keihin Industrial Zone, thereby realizing the grand vision of our founder, Soichiro Asano.

- **1912** Established the Tsurumi Reclamation Association with the cooperation of Eiichi Shibusawa and Zenjiro Yasuda
- **1914** Founded Tsurumi Marine Works Co., Ltd.
- **1920** Established Tokyo Bay Marine Works Co., Ltd.


Eiichi Shibusawa


Soichiro Asano


Zenjiro Yasuda

The design of the symbol represents the "tsuru" (crane) from Tsurumi, the birthplace of the Company, and the "three figures" of Soichiro Asano, Eiichi Shibusawa, and Zenjiro Yasuda.

Symbol: Three Cranes (Japanese only)
https://www.toa-const.co.jp/company/introduction/symbol/

Founded in 1908
Old Symbol (Three Cranes)

1945~

Following the postwar restoration of Haneda Air Base, we expanded our business through large-scale reclamation projects during a period of rapid economic growth in Japan. In 1963, we ventured overseas, with our initial success in Southeast Asia paving the way for global expansion. We focused on developing new markets both domestically and internationally.

▲Aerial view of Ogishima, showing reclaimed land in Chidori-cho and Yako-cho, Kawasaki City (Haneda Air Base visible in the distance)

▲Republic of Singapore Dredging Work at Jurong Islands

1973~

We continued to focus on market development in Japan, accumulating extensive experience in civil engineering projects, including railways, the Shinkansen, highways, and bridges. In 1973, we merged with Tomeokagumi to form TOA CORPORATION, establishing ourselves as a General Contractor.

▲Sanyo Shinkansen Nishi-Asa District Construction

▲Arab Republic of Egypt Dredging Work at Suez Canal

1973

Debut of our mascot, TOA Bōya

1977
Established a specialized consultation desk for maritime matters
Marine Consulting Office

1987~

We demonstrated our technological expertise in major projects such as Kansai International Airport. Following the collapse of Japan's economic bubble, we expanded our overseas business, particularly in Southeast Asia. We also received the Building Contractors Association (BCS) Award for the construction of Tokyo Sea Life Park and contributed to the restoration of port facilities following the Great Hanshin-Awaji Earthquake.

▲Kansai International Airport Phase 1 Construction

▲Tokyo Sea Life Park

▲Edo-Tokyo Museum

1991
Symbol mark changed to the current one

2000~

At the beginning of the 21st century, we participated in major projects such as the Kyushu Shinkansen and the re-expansion of Haneda Airport. In 2006, we completed the Yamaguchi Funeral Hall in Sapporo City, Japan's first private finance initiative (PFI) project* for a funeral facility, incorporating energy-efficient features.

* Project to develop public facilities using private funding

▲Haneda Airport Re-Expansion Project

▲Sapporo City Yamaguchi Crematorium

▲Kesen Ohashi Temporary Bridge Construction

2020~

In 2020, we announced our long-term vision, 〈TOA2030〉, with the theme "Building a prosperous society and connecting people with the world for a better future." In 2021, we introduced our corporate message, "Create Value, Building the Future." While cherishing the founding spirit of "benefiting society" as promoted by Soichiro Asano, we strive to create new values and contribute to a sustainable future.

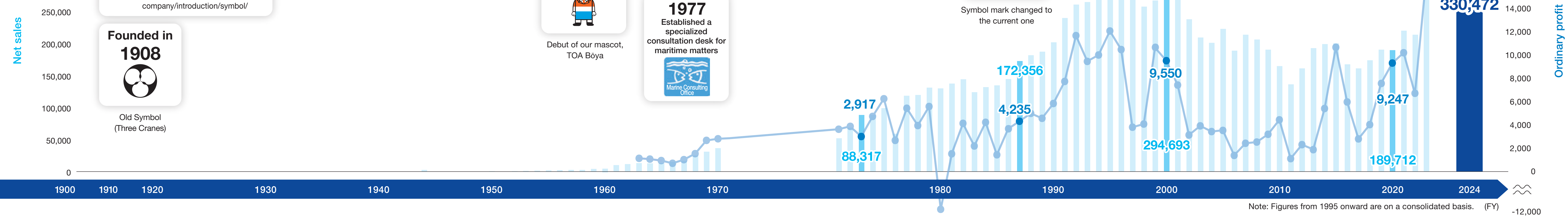
◀Kesennuma Bay Crossing Bridge

◀Abidjan Port Cereal Berth Construction Project (Republic of Côte d'Ivoire)

◀Matsuyama Joto Hospital

110th Anniversary Video
https://www.youtube.com/watch?v=WHGsCrPBK9M

Net Sales and Ordinary Profit



Note: Figures from 1995 onward are on a consolidated basis.

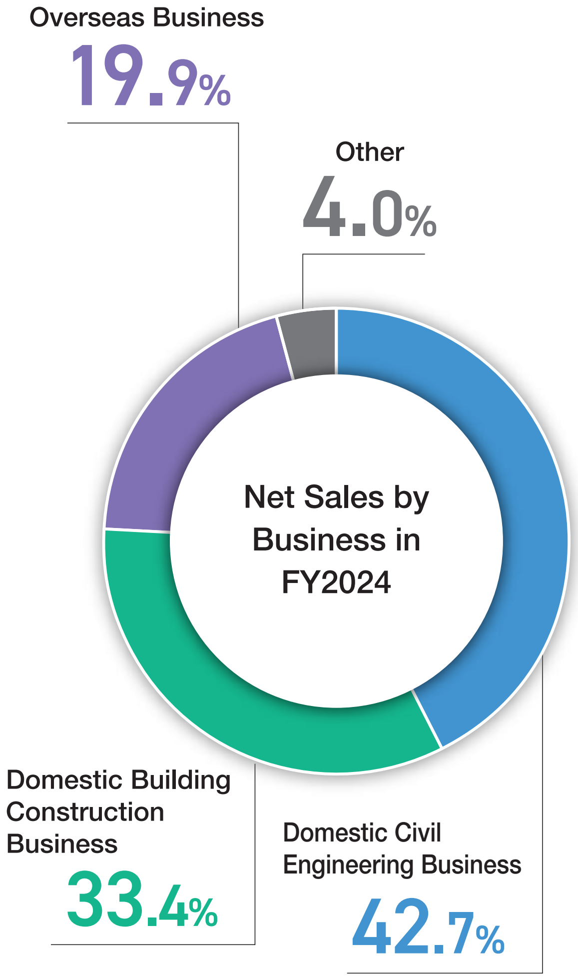
Business Strengths and Fields

Three Pillars Centered on Marine Civil Engineering

TOA CORPORATION is a general construction company, known as a marine contractor, specializing in marine civil engineering.

The domestic civil engineering business accounts for approximately 40% of consolidated net sales, covering port works, roads, tunnels, railways, and other land-based construction. The domestic building construction business has been growing rapidly and represents roughly 30%, while the overseas business, which includes large-scale port and land construction projects, accounts for about 20%. These three segments form the main pillars of the Company's operations.

One reason the Company has grown steadily and reliably is the strong collaboration across its business segments. By leveraging the extensive construction know-how and experience built since its founding, along with high-quality technologies that address social challenges, the Company takes a multifaceted approach and will continue to expand its business through its three main pillars: domestic civil engineering, domestic building construction, and overseas business.



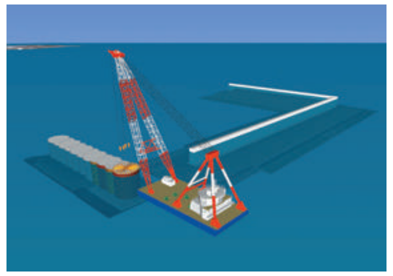
Domestic Civil Engineering Business

Business Overview and Strengths

The domestic civil engineering business has grown primarily through dredging and land reclamation projects since our founding in 1908. Over the years—from the Showa era (1926–1989) to the Reiwa era (2019–present)—we have expanded into roads, bridges, immersed tunnels, and other fields, contributing to the development of social infrastructure. Our extensive construction experience allows us to adapt to the weather and ground conditions of each port. In particular, our specialist expertise in marine civil engineering has been applied to large-scale projects such as Kansai International Airport and Haneda Airport. We have completed approximately 80% of the land reclamation in Tokyo Bay and operate work vessels including pump dredgers and deep-mixing treatment vessels. In collaboration with Obayashi Corporation, we also co-own self-elevating platform (SEP) vessels capable of operating in rough-wave areas.

Major Projects Completed in FY2024


▶FY2023: Construction of Shin-Honmoku Pier (-18 m, seismic) at Port of Yokohama (Phase 2)
Client: Kanto Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism


▶ICT-Based Steel Cell Installation Construction Management Screen

As part of the restructuring of the International Marine Container Terminal at the Port of Yokohama, we are carrying out improvement works at Shin-Honmoku Pier. The project is designed to accommodate larger container ships and increased cargo volumes by establishing a state-of-the-art logistics hub that integrates a deep-water, high-specification container terminal with advanced logistics facilities featuring sophisticated distribution processing capabilities. Currently, we are carrying out marine ground improvement, quay wall, and revetment construction. To ensure the client's quality standards are met, we are applying a range of construction management techniques and actively leveraging digital technologies to boost productivity.

Domestic Building Construction Business

Business Overview and Strengths

The domestic building construction business has built a solid track record since 1973 in offices, educational facilities, and residential buildings. In recent years, we have leveraged our expertise in coastal construction for high-performance refrigerated warehouses and multi-tenant warehouses, using proprietary hybrid construction methods to maintain a strong competitive edge. Our know-how prevents freezing and condensation in temperature-sensitive refrigerated facilities, and we are increasingly taking on large-scale projects using heat- and fire-resistant panels. The use of precast technology allows us to ensure both safety and constructability. We also have top-level experience in Private Finance Initiative (PFI) projects, including school lunch centers and funeral halls, and continue to expand our operations across a wide range of sectors.

Major Projects Completed in FY2024


▶GLP Kobe Sumiyoshihama Project (tentative name)
Client: GLP Kobe Sumiyoshihama Special Purpose Company


▶Multi-tenant logistics facility with fully adjustable temperature control (–25°C to +10°C)

The GLP Kobe Sumiyoshihama facility is one of Japan's largest next-generation rental refrigerated warehouses, designed to meet diverse needs such as divisible usage and variable temperature operations. Each section is equipped to handle cargo quarantine for marine containers, and runways on the first and third floors enable efficient loading and unloading. Only non-fluorocarbon insulation materials were used, reflecting a construction approach mindful of CO_2 reduction.

To support sustainable logistics with the latest environmental performance, the facility combines solar power with high-efficiency, natural-refrigerant chillers, contributing to reduced electricity consumption.

Overseas Business

Business Overview and Strengths

The overseas business has built a strong track record since we opened our Singapore Office in 1963, primarily across Southeast Asia and the Middle East. In recent years, while maintaining a base in Southeast Asia, we have expanded into South Asia and Africa, strengthening not only our core expertise in marine construction but also projects in bridges and buildings. To date, we have undertaken 587 projects across 54 countries, including local government projects, Japanese ODA projects, and private-sector projects—one of the largest country coverages in the industry. We are currently participating in one of the world's largest next-generation port development projects at Tuas Port in Singapore.

Major Projects Completed in FY2024


▶Jamuna Railway Bridge Construction, Eastern Part of Civil Works Package WD1*
Client: Ministry of Railways, People's Republic of Bangladesh


▶Singer Bangladesh Home Appliances Plant Construction (Package-2)
Client: Singer Bangladesh Limited

*Project name changed from the previous designation: Bangabandhu Sheikh Mujib Railway Bridge Construction, Eastern Part of Civil Works Package WD1

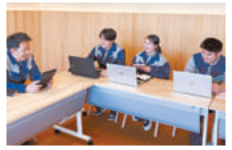
For the Jamuna Railway Bridge Construction Project, we advanced the work under strict COVID-19 infection control measures, completing technically demanding tasks such as the ultra-long steel sheet pile well foundations within the scheduled timeframe. During the Singer Bangladesh Home Appliances Plant Construction Project, we accommodated the client's partial installation of production equipment mid-construction and met the requirement for early partial handovers, completing the large-scale plant, with a total floor area of approximately 80,000 m², within a short construction period. Both projects were executed amid unstable conditions, including anti-government demonstrations that ultimately led to a change in administration. By coordinating closely with all relevant parties, we successfully completed the projects.

Other

Business Overview

While the TOA CORPORATION Group focuses on its core construction operations—the domestic civil engineering business, the domestic building construction business, and the overseas business—it also engages in ship repair and construction, steel structure manufacturing, shipping, real estate, building management, and the sale of construction materials and equipment, aiming for efficient Group-wide management.

TOA Tekko Co., Ltd.
Business description: Ship repair and construction, and manufacturing of steel structures
▶https://www.toatekko.co.jp/



SHINKO CORPORATION
Business description: Marine civil engineering, land-based civil engineering, and rental of vessels and equipment
▶https://www.shinko-con.co.jp/

TOAKIKAI KOUGYOU CO., LTD.
Business description: Manufacturing, repair, and sales of steel structures
▶https://www.toakikai.com/

TOA KAIUN SANGYOU CO., LTD.
Business description: General shipping services and ship sales
▶https://www.toakaiun.co.jp/

TOA Agency Co., Ltd.
Business description: Insurance agency services, trading, and leasing
▶https://www.toa-agc.co.jp/outline/

TOA REATEC Co., Ltd.
▶https://www.toa-reatec.co.jp/
For details, see p. 53.

PT TOA TUNAS JAYA INDONESIA
▶https://www.toa-tji.co.id/
For details, see p. 54.

The Driving Force of Value Co-Creation

Value Creation Process

Societal Demands (External Environment)

Human Resources/Working Style
Labor shortage
Diversification of values

Social Environment
Security concerns
Aging infrastructure
Disaster prevention, mitigation, and response

Natural Environment
Climate change
Loss of biodiversity
Resource and energy challenges

Construction Industry
Rising prices of materials and fuel
Aging workforce
Lack of technical skill succession

INPUT

(FY2024)

Financial Capital
Total assets ¥298.9 billion
Shareholders' equity ¥106.5 billion

Manufacturing Capital
Working vessels (Japan) 35 vessels
Working vessels (overseas) 22 vessels

Intellectual Capital
Number of patents registered (domestic and overseas) 336

Human Capital
Number of consolidated employees 2,052 persons
Ph.D. 14 persons
First-class architects 112 persons
Professional engineers 154 persons
First-class civil engineering works execution managing engineers 867 persons
First-class construction management engineers 309 persons

Social Capital
Consolidated subsidiaries 9 companies
(As of July 1, 2025)

BUSINESS MODEL

Corporate Philosophy

- Long-term Vision〈TOA2030〉
- Next TOA

Our Philosophy, Vision, and Principles Page 01

Medium-Term Management Plan
Integration of Business and Human
ESG management, human capital management, and DX

FY2023–FY2025 Resource Strategies

Cultivated Strengths

Top Commitment Pages 05–10

Business Strengths and Fields Pages 13–14

- Domestic Building Construction Business Pages 43–44
- Domestic Civil Engineering Business Pages 41–42
- Overseas Business Pages 45–46

Medium-Term Management Plan Pages 33–36

Sustainability

Materiality (ESG)

Materiality and Key Performance Indicators (KPIs) Pages 17–18

E	S			G
Contribution to global environmental conservation	Contribution to infrastructure development through technological advancement	Ensuring labor safety and quality	Developing diverse human resources and promoting active engagement	Strengthening compliance and governance

Across the supply chain

Supply Chain Management Page 25

Corporate culture

History of Value Creation Pages 11–12

OUTPUT

Co-Creating Value in Harmony with the Environment

Reducing Environmental Impact to Sustain the Natural Environment

Reduce greenhouse gas emissions (Scope 1, 2, and 3) by more than 25% compared with FY2020

Page 19

Co-Creating Value with Society

Supporting Secure Lives through Advanced Technology

Enhance our technology to contribute to disaster prevention, mitigation, and the improvement of quality of life

Page 23

Co-Creating Value with Employees

Continuing to Earn the Trust of Society and Employees

Enhance stakeholder evaluations

Page 26

Vision for 2030

Operating profit
¥13.5 billion
Aiming for further improvement

Group Employees
Over 2,210

Value creation for society (outcomes)

Sustainable Future We Create

Blue・Green
Blue ocean, blue sky, and green town

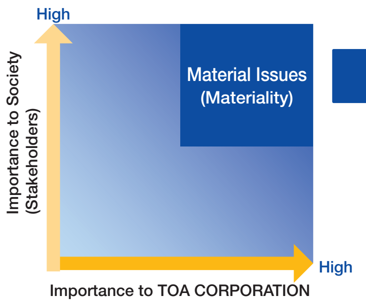
Resilience・Smart
Developing safe, secure towns, and comfortable urban environments

Well-Being・Social-Responsibility
Building a company trusted by society and valued by employees

Materiality and Key Performance Indicators (KPIs) of TOA CORPORATION

Process for Identifying Material Issues

TOA CORPORATION identifies social issues by referencing international standards such as ISO 26000 and the SDGs, surveys by external ESG rating agencies, and communication with stakeholders. Among the issues considered highly important and relevant both to society (stakeholders) and to the Company, we have specified five priority items as material issues (materiality) requiring focused action. In addition, to respond to changes in risks and opportunities stemming from shifts in the social environment, we review our material issues once a year.



Identifying Social Issues

- Extract issues based on changes in social demands and dialogue with stakeholders.

Evaluating Social Issues

- Quantify issues based on their importance to both society and the Company.

Identifying Material Issues

- Based on the evaluation results, identify material issues through discussions at the ESG Committee, which is composed of members of senior management.

Periodic reviews

Results for FY2024 Key Performance Indicators (KPIs)

ESG	Materiality	Action plan	KPIs	FY2024 (and beyond) targets	FY2024 results	SDGs
E	Contribution to global environmental conservation	●Promote the development of decarbonization technologies and technologies for the conservation and creation of biodiversity. ●Establish an Environmental Project Office within the Building Construction Sales and Managing General Headquarters to further advance initiatives toward carbon neutrality.	Number of R&D projects contributing to environmental impact reduction	10 cases or more	7 cases	
			Building construction: Number of ZEB proposals	5 cases or more	5 cases	
			Building construction: Proportion of ZEB series projects among design-build projects with a contract value of at least ¥1 billion	50% or more	50%	
		●Implement reduce, reuse, and recycle (3Rs) at construction sites to promote zero emissions and resource efficiency.	Number of R&D projects contributing to a recycling-oriented society	3 cases or more	3 cases	
			Final disposal rate of construction waste	3% or less	2.8%	
		●Adopt low-carbon construction machinery, methods, and energy sources. ●Enhance the effectiveness of the environmental management system. ●Promote carbon neutrality through stronger collaboration with partner companies and suppliers.	Reduction rate of greenhouse gas emissions (Scope 1 and 2; compared with FY2020)	10% or more	28.4%	
				25% or more (FY2030)		
				Virtually 100% (FY2050)		
			Reduction rate of greenhouse gas emissions (Scope 3; compared with FY2020)	10% or more	-18.2%	
				25% or more (FY 2030)		
			Number of major environmental accidents	0 cases	0 cases	
S	Contribution to infrastructure development through technological advancement	●Actively engage in national resilience initiatives to protect society and livelihoods from increasingly severe natural disasters. Contribute to the maintenance and renewal of aging port infrastructure, promoting the development of durable and highly sustainable infrastructure. ●Contribute to creating a comfortable urban environment through advanced construction and renovation technologies. ●Support infrastructure development in developing countries to improve living standards.	Number of R&D projects contributing to disaster prevention and mitigation	7 cases or more	6 cases	
			Number of R&D projects contributing to the development of comfortable urban infrastructure and environment	15 cases or more	15 cases	
			Number of infrastructure development projects in developing countries	3 cases or more	7 cases	
	Ensuring labor safety and quality	●Promote the advancement of construction and management practices through the use of Information and Communication Technology (ICT) and new technologies. ●Enhance the effectiveness of the quality management system. ●Strengthen efforts to prevent nonconforming products through collaboration between the Domestic Civil Engineering Business Unit and Building Construction Business Unit and the International General Headquarters.	Number of quality nonconformance cases with losses of ¥5 million or more (Domestic Civil Engineering)	3 cases or fewer	2 cases	
			Number of quality nonconformance cases resulting in losses of ¥5 million or more (Domestic Building Construction)	3 cases or fewer	1 case	
			Number of quality nonconformance cases resulting in losses of ¥10 million or more (Overseas)	3 cases or fewer	1 case	
		●Ensure accurate understanding of construction specifications and customer requirements, align site and management teams on these standards, and deliver high-quality outcomes that meet client expectations. ●After project completion, collect and analyze customer feedback and provide insights for application in subsequent projects. ●Utilize BIM as a platform in the Digital Transformation Production Design Section to enhance productivity.	Customer satisfaction rating (government agencies, internal indicators)	80 points or more	81.6 points	
			Customer satisfaction rating (private sector, internal indicators)	B or above	B or above	
			Customer satisfaction survey response rate	90% or more	94.9%	
		●Improve the effectiveness of the Occupational Safety and Health Management System. ●Eliminate occupational and public accidents by prioritizing safety above all else.	Number of serious accidents	0 cases	2 cases	
			Number of serious public accidents	0 cases	0 cases	
			Accident frequency rate (absence of 4 days or more, domestic)	0.70 or less	0.77	
	Developing diverse human resources and promoting active engagement		Lost workday frequency rate (4+ days lost, overseas)	0.20 or less	0.31	
		●To achieve diversity and inclusion, the Human Resources Strategy Section will lead efforts to formulate concrete measures and promote a change in mindset. ●Secure and develop a diverse range of human resources based on the Basic Policy for Human Resource Development. ●Each business unit will be responsible for recruiting personnel and developing the necessary training curricula. ●Promote DX to nurture highly skilled talent, enhance basic skills, and contribute to improved productivity and new work styles, ultimately positioning the company as one that contributes to society.	Employment rate for persons with disabilities	2.5% or more	2.85%	
			Number of female employees in career-track positions*1	200 persons or more (FY2030)	178 persons	
			Number of foreign national employees in career-track positions	40 persons or more (FY2030)	32 persons	
			Number of female employees in semi-executive and executive positions	20 persons or more (FY2030)	11 persons	
			Number of foreign national employees in semi-executive and executive positions	10 persons or more (FY2030)	2 persons	
		●Enhance employee benefits and education while further promoting work-style reform through operational improvements. ●Collaborate with partner companies, both domestically and overseas, to foster understanding and mitigate human rights risks across the entire supply chain. ●Promote a transparent and open organization by encouraging employees to proactively communicate and implement their ideas through the employee suggestion system.	Average score of the 28 items related to employee satisfaction in the company-wide compliance awareness survey (internal metric)	Exceeding the previous fiscal year's score	-0.01	
G	Strengthening compliance and governance	●Establish a corporate governance framework to enhance corporate value. ●Maintain and enhance the effectiveness of internal controls across the TOA CORPORATION Group to prevent recurrence of misconduct.	Frequency of third-party board effectiveness assessments	Once during the medium-term management plan period	1 time	
			Frequency of governance monitoring for domestic consolidated subsidiaries*2	Annually for each subsidiary	Conducted at least annually for each subsidiary	
		●Recognize potential risks and take all necessary measures to prevent them, while responding effectively if they occur. ●Strengthen business continuity management (BCM). ●Implement robust information security management practices.	Number of serious information security incidents	0 cases	0 cases	
			Number of company-wide BCP drills conducted	Annually	1 time	
			24-hour response rate in safety confirmation training	100%	89.2%	
		●Enhance and reinforce compliance education. ●Prevent a decline in employee awareness of construction quality issues.	Number of serious violations of laws and regulations	0 cases	0 cases	
			E-learning participation rate for compliance*3	100%	98.2%	
			Average scores of 18 items related to compliance in the company-wide compliance awareness survey (internal metric)	Exceeding the previous fiscal year's score	-0.03	

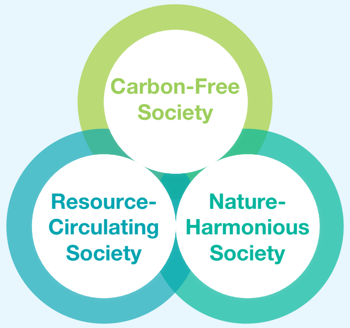
*1 Includes area-limited career-track employees.
*2 For consolidated subsidiaries with branch offices, separate branch monitoring is conducted once per year.
*3 Includes domestic consolidated subsidiaries.

Co-Creating Value in Harmony with the Environment

Basic Approach

Society as a whole is increasingly called upon to work together in addressing environmental challenges such as climate change, resource circulation, and the conservation and restoration of natural capital and ecosystems. TOA CORPORATION has established an Environmental Code of Conduct and is promoting initiatives across the entire supply chain to help realize a sustainable society, including building a carbon-free, resource-circulating, and nature-harmonious future.

Three Environmental Challenges and Our Initiatives



● Realizing a Decarbonized Society

To support the decarbonization of ports and industries and to strengthen competitiveness, initiatives are under way to promote the development of Carbon Neutral Ports (CNPs) and to advance decarbonization in construction practices. The Group has set a target of achieving carbon neutrality by fiscal 2050 and has disclosed a roadmap to guide these efforts. As a member of the GX League*, we are further enhancing initiatives to promote the introduction of renewable energy utilizing diverse infrastructure, as well as to develop technologies and services that contribute to reducing energy consumption.

*A collaborative platform of companies aiming to achieve both decarbonization and economic growth.

Carbon Neutral Initiatives (Climate-Related Information Disclosure) ▶https://www.toa-const.co.jp/eng/esg/tcfd/

● Forming a Resource-Circulating Society

With global resource constraints becoming an increasingly urgent challenge, there is a growing need to promote construction recycling. Aiming for a circular economy that enhances material and resource efficiency across society and thereby contributes to reducing greenhouse gas emissions, the Group is strengthening its initiatives at construction sites and other locations focused on the 3Rs (reduce, reuse, recycle) and promoting zero-emission practices.

TOA CORPORATION Group Environmental Code of Conduct ▶https://www.toa-const.co.jp/eng/esg/env_standard/

● Realizing a Nature-Positive Society

The loss of biodiversity, driven by resource depletion and the growing risks of natural disasters, poses a significant threat to economic activity. The Group's business operations both rely on and impact ecosystem services, domestically and internationally, that are based on biodiversity. For this reason, we recognize the natural environment as one of the essential capitals supporting our management, and we consider it vital to appropriately assess and manage it, while also developing technologies that contribute to achieving a nature-positive future.

The Group supports the principles of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum in January 2025 to advance disclosures based on the TNFD's information disclosure framework.

Biodiversity (Nature-Related Disclosures) ▶https://www.toa-const.co.jp/eng/esg/biodiversity/

Risks and Opportunities in the Group's Environmental Challenges

The Group has identified the risks and opportunities associated with its environmental challenges as summarized in the table below. By establishing an environmental due diligence framework, the ESG Committee reviews the full list of risks, including environmental risks, and the corresponding measures once a year based on the outcomes of risk responses. We will continue to work systematically to mitigate environmental risks and capitalize on opportunities.

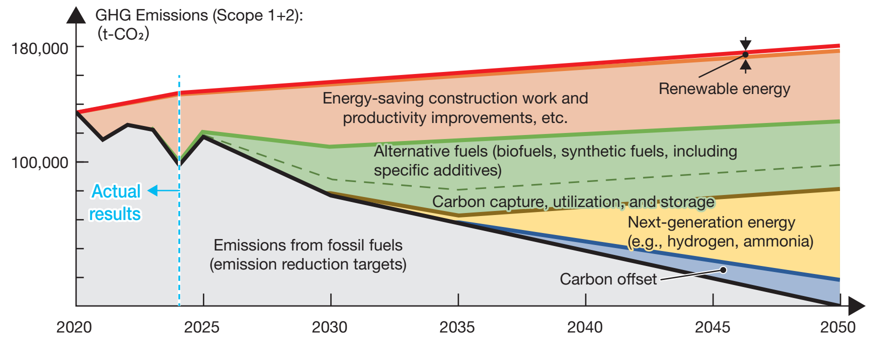
Key Environmental Risks, Opportunities, and Responses of the Group

Environmental challenges	Risks	Opportunities	Responses
Decarbonization	• Introduction of carbon taxes, stricter decarbonization regulations, and average temperature increases	• Growing demand for environmentally friendly buildings, carbon-neutral facilities, blue carbon generation, construction due to sea level rise, and climate-driven market changes	• Reducing CO_2 emissions during construction, promoting ZEB/ZEH buildings, initiatives to participate in offshore wind power projects, and developing technologies that contribute to infrastructure disaster prevention/mitigation and blue carbon generation
Resource Circulation	• Increased procurement costs due to resource depletion and stricter resource circulation regulations, and potential decline in corporate evaluation due to insufficient response to resource circulation	• Cost saving through more efficient resource use, increased order opportunities by providing technologies that promote resource circulation, and enhanced corporate image through proactive resource circulation initiatives	• Initiatives at construction sites focused on the 3Rs (reduce, reuse, recycle), promoting zero-emission practices, and advancing R&D that supports the 3Rs
Biodiversity	• Increased costs associated with responding to natural disasters and higher procurement/construction costs due to declines in ecosystem services	• Market expansion driven by demand for blue-green infrastructure, improved competitiveness through development of environmentally conscious construction methods, and enhanced corporate evaluation through provision of ecosystem conservation and restoration technologies	• Enhancing the effectiveness of business continuity management (BCM), utilizing and developing alternative materials, implementing environmentally conscious construction methods, and developing technologies that contribute to blue-green infrastructure and nature-positive initiatives to address regional challenges

Towards a Carbon-Free Society

Initiatives to Achieve Carbon Neutrality

The Group has established a roadmap within its medium-term management plan, aligned with the long-term vision TOA2030, aiming to achieve carbon neutrality by 2050. In addition, a transition plan has been formulated to achieve reductions in Scope 1 and 2 greenhouse gas (GHG) emissions (see diagram on the right). Looking ahead, the Group is preparing to shift to short-term targets aligned with the 1.5°C goal — limiting global temperature rise to 1.5°C above pre-industrial levels — and is accelerating initiatives toward carbon neutrality, including exploring joint projects for the production and sale of biofuels.



Updated as of June 2025

Disclosure of Climate-Related Information Based on TCFD Recommendations

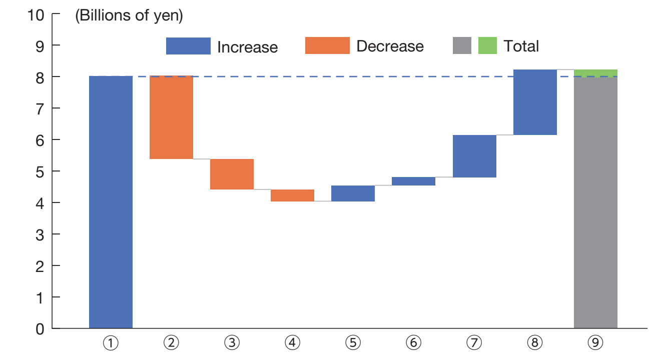
(TCFD: Task Force on Climate-related Financial Disclosures)

The Group expressed its support for the final recommendations of the TCFD in December 2021 and has been promoting climate-related disclosures. We identify and assess climate-related risks and opportunities, evaluate their potential impacts through scenario analysis, and consider preventive measures. Based on this, we develop roadmaps and transition plans to achieve our established targets, integrating initiatives for climate change mitigation and adaptation into our management strategy.

Assessment of the Financial Impact of Climate-Related Risks and Opportunities

The Group assessed the financial impact of climate change on its business under a 1.5°C transition scenario, focusing on 2030, which is expected to have a significant effect.

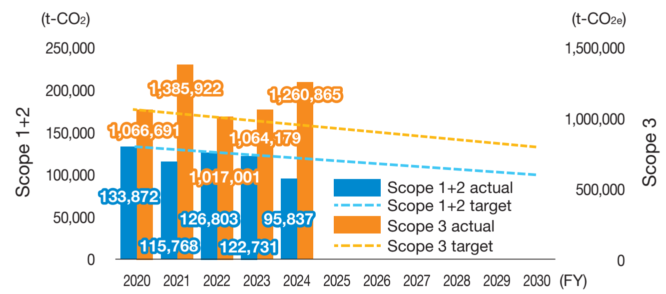
Although future projections involve some uncertainty, the evaluation showed that, in addition to restoring profits through risk mitigation, actively pursuing opportunities could increase profits compared with fiscal 2020 (see diagram on the right). This demonstrates that, by steadily implementing measures to address both risks and opportunities, the Group will maintain a certain level of resilience to climate change by 2030. Efforts to capitalize on opportunities are already producing results, such as receiving orders for the construction of carbon-neutral facilities.



①	Operating profit (FY2020)	④	Costs of countermeasure (②③⑤⑥⑦)	⑦	Increased in demands for construction adapted to sea level rise
②	Introduction of carbon tax	⑤	Growing demand for ZEB buildings	⑧	Recovery amount from risk responses
③	Increase in average temperature	⑥	Increased in demand for carbon-neutral facilities	⑨	Operating profit (FY2030)

Actual Greenhouse Gas (GHG) Emissions

According to the Group's actual GHG emissions (see diagram on the right), in fiscal 2024, Scope 1 and 2 emissions were reduced by 28.4% compared with the base year (2020), significantly exceeding the 10% reduction target aligned with the WB2°C target recognized by the Science Based Targets (SBT) Initiative. Meanwhile, Scope 3 emissions increased by 18.2% due to growth in business activity. Going forward, the Group will further strengthen dialogue and collaboration with its supply chain and focus on initiatives such as promoting ZEB buildings and introducing low-carbon materials.



Carbon Neutral Initiatives (Climate-Related Disclosure) ▶https://www.toa-const.co.jp/eng/esg/tcfd/

Co-Creating Value in Harmony with the Environment

– Contributing to Global Environmental Conservation

Offshore Wind Energy Project

Offshore wind power has a broad supply chain, from initial surveys to wind turbine manufacturing, installation, and operation. Given its large-scale deployment potential, it is expected to deliver significant economic ripple effects and is regarded as a key driver for making renewable energy a mainstream power source.

In particular, with the expansion of the target sea areas to the Exclusive Economic Zone (EEZ), further deployment of floating offshore wind power projects is anticipated.

TOA CORPORATION will leverage its accumulated knowledge and experience in marine civil engineering to steadily promote the introduction and widespread adoption of floating offshore wind power in Japan.

Status of Offshore Wind Power Projects in Promotion Areas

Under Rounds 1–3 of the Act on the Utilization of Sea Areas for Renewable Energy, operators have been selected for 10 sea areas (approximately 4.6 GW). Project development is progressing toward 10 GW by 2030 and 30–45 GW by 2040.

Our Initiatives in Fixed-Bottom Offshore Wind Energy Generation

There are various construction and operational activities in the survey, design, construction, and maintenance phases, and we aim to participate in each of these phases.

The SEP vessel Hakkaku (1,250-ton lifting capacity) can be utilized in a wide range of applications. In addition to monopile foundations and wind turbine installation, it is used for geotechnical surveys, jacket foundation construction, auxiliary work in areas with airspace restrictions, and the installation of foundation-related equipment.

From 2027 onward, when the industry is expected to become more active, a shortage of work vessels is anticipated. In addition, as the number of operating units increases, tasks requiring heavy-lifting operations, such as blade replacement, will also rise, and we will work to participate in these maintenance activities. Furthermore, since 2023, under the New Energy and Industrial Technology Development Organization (NEDO) subsidized project “Development of low-cost structures and construction methods for scour protection in fixed-bottom foundations,” the Company has been developing advanced construction methods focused on scour protection for fixed-bottom foundations, contributing to shorter construction periods and cost reduction.

In addition, the SEP vessel, based at Muroran Port, will leverage the port’s high accessibility and the convenience and mobility of the surrounding social infrastructure to contribute to the promotion and expansion of projects.

Expansion into Floating Offshore Wind Power

TOA CORPORATION is participating in the Green Innovation Fund project “Cost Reductions for Offshore Wind Power Generation – Floating Offshore Wind Power Demonstration Project (Phase 2)” (selected in June 2024 as a nine-company consortium). The Company is advancing research and development of wind turbine installation technology on floating foundations and, through demonstration in actual sea areas, promoting social implementation and international deployment.

In addition, as a managing company of the Floating Offshore Wind Construction System Technology Research Association (FLOWCON), we are advancing research and development on rapid, large-scale construction and efficient construction systems. The Company also collaborates with the Ministry of Land, Infrastructure, Transport and Tourism’s Public-Private Working Group on Offshore Construction of Floating Offshore Wind Generation, etc., and the Floating Offshore Wind Power Technology Research Association (FLOWRA), led by power generation companies, to contribute to the steady introduction and broader adoption of floating offshore wind power. Through these efforts, we aim to become a front-runner in the construction of semi-submersible floating offshore wind power facilities.

Looking ahead, floating offshore wind power is expected to expand into the EEZ, with a significant increase in scale. We will leverage our accumulated experience and technical expertise in marine construction, along with the trust we have built with stakeholders, to contribute to achieving carbon neutrality and preventing global warming through offshore wind power construction projects.

Floating Offshore Wind Construction System Technology Research Association (FLOWCON)
https://flowcon.or.jp/en/

NEDO Green Innovation Fund Project: Cost Reduction for Offshore Wind Power Generation
https://green-innovation.nedo.go.jp/en/

Green Innovation Fund Project / Cost Reductions for Offshore Wind Power Generation / Floating Offshore Wind Power Demonstration Project (Phase 2) – The Southern Akita Floating Offshore Wind Demonstration Project (Japanese only)
https://gi-f2-akita.co.jp/projects/

Initiatives for a Carbon-Free and Nature-Harmonious Society

Efforts to Reduce Environmental Impact through ZEB Implementation

Nitori’s Sendai Distribution Center, a wide-area logistics facility, adopts environmentally conscious design using highly aesthetic metal insulated sandwich panels and energy-saving equipment, achieving BELS 6-star certification and CASBEE A-rank evaluation. After completion, solar panels were installed, making it a facility compliant with the most stringent ZEB*1 standards. The Company is registered as a ZEB planner and ZEB leading owner*2, and will continue to actively engage in planning, consulting, and other activities to promote the widespread adoption of ZEB.

In addition, since Nitori’s Sendai Distribution Center was once the site of a wharf used as a logistics hub, a display space showcasing excavated cultural artifacts has been established within the facility, contributing to the local community by preserving and passing on the region’s historical and cultural heritage.

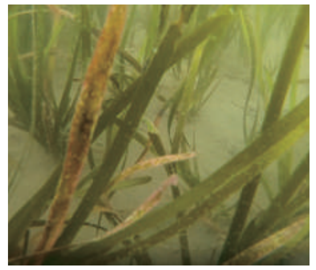

Nitori’s ZEB-compliant Sendai Distribution Center

*1 Buildings with net zero or negative annual primary energy consumption
*2 Registration system established by the Sustainable Open Innovation Initiative

Learn more about ZEB/ZEH initiatives (Japanese only) https://www.toa-const.co.jp/tech/needs/zeb/

Initiatives for Carbon Credit Generation

TOA CORPORATION is further advancing its technologies for restoring and creating natural environments in marine areas, applying them to the development of blue carbon ecosystems, while also promoting the development of green carbon ecosystems through forest management. In collaboration with other industries, the Company is jointly promoting the creation of seagrass beds in Ise Bay with FUJITRANS CORPORATION. In addition, together with Chugoku Lumber Co., Ltd., we conduct surveys and monitoring for the issuance of forest-derived J-Credits, implementing joint projects that allocate part of the generated forest credits to support forest management promotion and carbon offset initiatives.


Seagrass


Monitoring survey activities

Initiatives for Green Infrastructure

In Cavite Province, Philippines, where the Cavite Industrial Area – Flood Risk Management Project (Package 1) is under way, the downstream area of the San Juan River has low flood conveyance capacity, resulting in frequent inundation that affects daily life and the economy. This project involves the construction of diversion channels and the improvement of drainage channels and rivers, aiming to reduce flood damage and support sustainable economic development in the region.

The project area also contains mangrove forests. For areas affected by construction, appropriate transplantation will be carried out to minimize impacts on ecosystems while maintaining coastal disaster prevention functions and preserving biodiversity. Implementation of these environmentally conscious measures requires adherence to international environmental conservation standards. The Company monitors the growth conditions from transplantation through project completion and performs supplementary planting as needed, continuously undertaking responsible actions to achieve a nature-positive outcome.

Circular Economy Supporting Local Communities

Recycling of Dredged Soil – Hachinohe Reclamation Project

At Hachinohe Port in Aomori Prefecture, maintenance dredging is carried out annually to prevent the silting of shipping channels and berths, with the dredged soil effectively reused for land reclamation. In this project, five caissons (reinforced concrete box-shaped structures) were installed to complete the final closure of the water area to be reclaimed. The area will subsequently be filled with dredged soil and other materials to create public wharves and industrial land to accommodate new cargo demand, thereby supporting the regional economy.


Caisson installation work

Our ESG Initiatives https://www.toa-const.co.jp/eng/esg/effort/

Co-Creating Value with Society

Basic Approach

Carrying forward the spirit of "benefiting society" envisioned by our founder, Soichiro Asano, we protect lives and communities from natural disasters and pursue customer satisfaction through quality and productivity improvements. We aim to enhance the effectiveness of occupational health and safety and quality management, and address social and environmental issues such as human rights, thereby increasing corporate value.

Contributing to and Coexisting with Society through Infrastructure Development

Development of an International Bulk Port Capable of Accommodating Large Vessels

Tokuyama-Kudamatsu Port and Ube Port were selected as international bulk strategic ports in May 2011 to form an efficient coal transport network. This project allows large vessels from overseas to enter these ports.

By developing ports capable of accommodating large vessels as key hubs and promoting joint transport through intercompany collaboration, bulk shipments are made possible, reducing logistics costs. TOA CORPORATION participated in this project through works such as pier construction and mooring dolphin installation, ensuring stable and low-cost transport of materials, strengthening the international competitiveness of Japanese industry, and contributing to job creation.

Precast superstructure installation

Completed pier (-19 m) at Tokuyama-Kudamatsu Port, Kudamatsu District

Infrastructure Development for Emergency Evacuation Ports

On Oshima, located approximately 50 km from the mainland in Matsumae Town, Hokkaido, infrastructure development has been ongoing. The waters around Matsumae Oshima are known for harsh and rapidly changing sea conditions, resulting in frequent maritime accidents and a strong need for emergency evacuation points for vessels. Although the area is rich in fishing grounds for tuna and squid, development has been limited due to the roughly three-hour travel time from the mainland. To secure an emergency evacuation site on Oshima, various infrastructure works such as breakwater and quay construction have been carried out. These efforts have yielded three main outcomes: a reduction in maritime accidents; an increase in catches of squid, sea urchin, abalone, and kelp; and an increase in landing volumes at Era Fishing Port for these species.

The Company contributes to the development of evacuation port facilities implemented by the Hokkaido Regional Development Bureau to ensure the safety of offshore operations.

Oshima Fishing Port, being developed as an evacuation port

Refrigerated Warehouse Consulting Office

This Consulting Desk specializes in providing end-to-end consulting services for both new construction and renovations of cold storage warehouses. Our expertise addresses critical issues such as condensation, ice formation, and inadequate thermal insulation. In addition, we offer technical solutions for similar problems in existing refrigerated warehouse facilities, effectively meeting the diverse needs of our clients in the refrigerated warehouse segment.

Refrigerated Warehouse Consulting Office
(Japanese only)
https://www.toa-const.co.jp/tech/refriger_sodan/

Protecting Communities and Society from Intensifying Natural Disasters

Measures against Nankai Trough Mega-Earthquakes and Tsunamis Using the Triple Protection Method

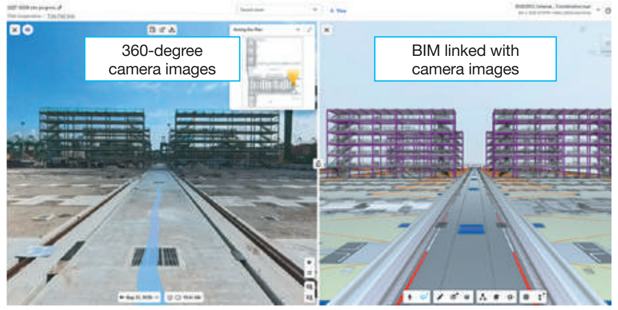
At Kochi Port, measures are being implemented to prepare for a Nankai Trough mega-earthquake and tsunami, which have an estimated 80% probability of occurring within the next 30 years. To ensure the safety and security of Kochi City, which accounts for approximately 47% of the population of Kochi Prefecture, a triple protection system has been established: the first line is an offshore breakwater, the second line consists of tsunami walls and seawalls, and the third line is internal revetments. TOA CORPORATION has been contracted for breakwater construction on both the first and second lines, performing tasks such as caisson installation using large crane vessels and concrete placement with mixer vessels. In particular, for the tsunami seawall construction, the Company worked closely with local stakeholders through safety liaison councils and other forums, gaining their understanding and support for the project and construction, enabling smooth execution and earning high praise from the client.

Breakwater construction work at Kochi Port

Initiatives to Improve Quality and Productivity

Construction Management Using "OpenSpace"

At the container terminal construction site in Singapore, we use the Open Space platform, which leverages 360-degree cameras and AI. This enables chronological recording of the construction site and allows inspection of any area from multiple angles, making it useful for tracking progress and documenting otherwise inaccessible areas. By integrating pre-prepared BIM models and reviewing the records at the site office to issue corrective instructions for problem areas, we achieve efficient construction management.



Adoption of a DX construction management tool utilizing 360-degree cameras and AI

Improving Efficiency and Quality through Precast Construction Methods

At the Port of Kuji entrance area breakwater (north breakwater) construction project, foundation work, main structure, armoring works, and superstructure are carried out under harsh sea conditions. In the case of cast-in-place construction for the superstructure, 12 days of offshore work were required. By adopting precast superstructures, offshore work period was reduced to just two days.

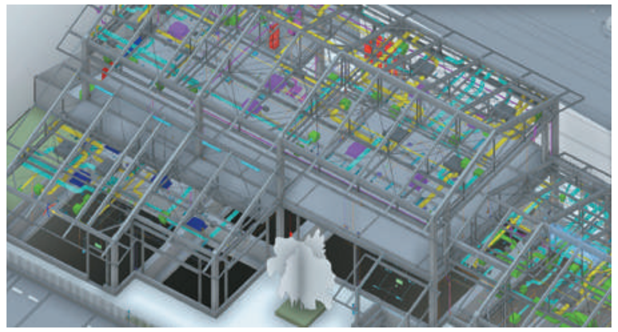
Precast construction has proven effective for breakwater work in this area, and the precast cap concrete and superstructures continue to be used.

Precast superstructure installation in progress

Aiming for Further Productivity Improvement through BIM

The Design Department of the Building Construction General Headquarters is promoting the use of BIM in design. Last fiscal year, two detailed design projects were implemented using BIM for architectural, structural, and MEP elements, enabling tasks such as clash detection.

In addition, together with partner companies, the department leveraged the Building BIM Acceleration Project subsidy and conducted regular training to enhance skills. This fiscal year, detailed design for three projects will involve creating general arrangement drawings in BIM, along with the development of BIM managers. The DX Planning and Support Section uses BIM for design for temporary work planning and component quantity checks, aiming to improve productivity.



Clash detection using BIM

Our ESG Initiatives ▶ https://www.toa-const.co.jp/eng/esg/effort/

Co-Creating Value with Society

Initiatives to Improve Quality and Productivity

Enhancing Productivity in Runway Reclamation Work Using ICT Equipment

In the runway extension and reclamation work at the Japan Air Self-Defense Force Ashiya Air Base, ICT equipment — including a 3D machine guidance system and a GNSS compaction control system — was installed on construction machinery (excavators, bulldozers, and vibration rollers), improving productivity for the large-scale embankment work, which involved approximately 110,000 m³ of fill.

By displaying the position information of machinery, integrating three-dimensional design data, on monitors in the control room, operators can control the construction equipment while checking real-time work information such as location and elevation. This has eliminated the need for staking work, reducing labor and manpower requirements, while enabling highly accurate construction management.

Embankment leveling using ICT-equipped machinery

3D machine guidance screen on ICT-equipped bulldozer

Marine Consulting Office

The Marine Consulting Desk, established in April 1977, has been in operation for 48 years. Leveraging the extensive know-how TOA CORPORATION has accumulated through years of experience at sea, the desk provides prompt and accurate advice on legal matters related to clients' business activities, as well as on a wide range of environmental issues.

Marine Consulting Office
(Japanese only)
https://www.toa-const.co.jp/tech/umiso/

Coexisting with Local Communities

Initiatives to Enhance Corporate Value (Gokko-Land)

Since July 2024, we have launched content on Gokko-Land, a company experience app for children, to raise awareness of the Company. The app features many companies from a variety of industries, and TOA CORPORATION's participation aims to spark children's interest in the construction industry and inspire it as a potential future career. As of May 2025, our content has been downloaded over six million times, with 320,000 registered users. We also participated in the Gokko-Land EXPO*1 this summer, further enhancing awareness of the Company.

*1 An event held at large shopping malls that brings the world of Gokko-Land to life, allowing children to interact with companies firsthand through workshops hosted by participating businesses.

Gokko-Land: "Exciting! Marine Construction!" (Japanese only)
https://www.youtube.com/watch?v=vWFSPVgRySI


Gokko-Land EXPO

Supply Chain Management

To fulfill social responsibilities across the entire supply chain, TOA CORPORATION established the Supply Chain Action Policy and Code of Conduct in 2023 and worked to raise awareness of them. A survey was also conducted, primarily targeting partner companies, to assess the current situation. In fiscal 2024, approximately 66% of partner companies responded, and based on the results, training sessions for business operators were held. We will continue to promote initiatives among partner companies, maintain open communication, and pursue continuous improvement.

Supply Chain Management
https://www.toa-const.co.jp/eng/esg/supplychain/

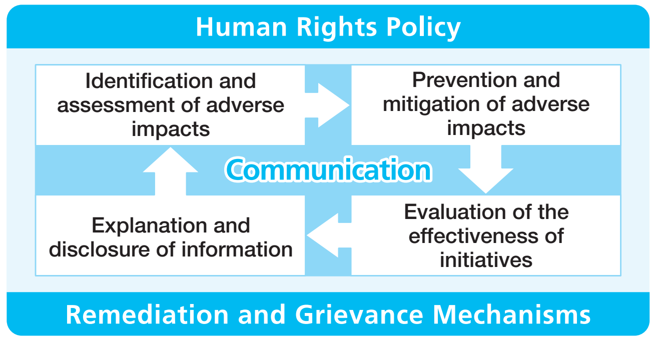
Co-Creating Value with Employees

Basic Approach

At TOA CORPORATION, we believe it is essential for each employee to broaden their opportunities and achieve personal growth alongside the Company's development. By promoting the development and active engagement of diverse talent, creating a comfortable work environment, and enhancing employee well-being, while also addressing human rights and environmental issues, we aim to co-create value with all our employees and foster a corporate culture of shared growth.

Human Rights Due Diligence

To fulfill our responsibility to respect human rights, we have published the TOA CORPORATION Group Human Rights Policy and established and continuously operate a human rights due diligence framework. We identify potential human rights impacts across our business, provide human rights education to employees through e-learning and various training programs, and maintain internal and external reporting and consultation channels, which are actively communicated. In addition, to promote respect for human rights throughout the entire supply chain, we provide human rights training to partner companies.



Health and Productivity Management

Under its Health and Productivity Management Declaration, TOA CORPORATION promotes the maintenance and improvement of the health of employees and their families in accordance with its Health and Productivity Management Strategy Map. Centered on the Health and Productivity Management Promotion Committee, the Company works in collaboration with branch offices, health insurance associations, and labor unions to achieve targets such as reducing the rate of employees requiring specific health guidance.

Health and Productivity Management (Japanese only) https://www.toa-const.co.jp/esg/health-management.html

Work-Style Reform

As part of our work-style reform initiatives, we aim to foster psychological safety in the workplace by enhancing workplace discussion meetings and rolling out the "Kaeru Meetings" method nationwide. We have also established the TOA SMART WORK STYLE AWARD, which recognizes exemplary cases that contribute to work-style reform and operational efficiency. Award recipients present their initiatives at the annual work-style reform presentation, sharing best practices across the company to encourage broader adoption.

Our Work-Style Reform (Japanese only)
https://www.toa-const.co.jp/esg/workstyle.html


"Kaeru Meeting" at the Shinsuna Sluice Gate Worksite, Tokyo Branch

ESG Presentation Meetings

To promote ESG management across the entire Group, we hold ESG presentation meetings in which the head office, branch offices, and Group companies report on their ESG initiatives. The head office provides information on external environmental trends and corresponding responses, while branches and Group companies present initiatives leveraging their unique characteristics, such as decarbonization, improved work environments, promotion of diverse talent, and strengthened compliance. These meetings help deepen understanding of ESG management from both risk and opportunity perspectives and drive further initiatives.


2024 ESG Presentation Meetings

Human Resources Strategy Initiatives

See here for initiatives related to our human resources strategy. Pages 55–56

Co-Creating Value with Employees: Shaping Each Individual's Future

This section highlights how our employees, who support the Company, strive daily to achieve their personal goals and the future they envision through their work.

Goals to achieve through work

Since our Company specializes in marine development projects, I want to further deepen my expertise in this field. I also hope to become someone whom others can rely on with confidence.
Civil engineer (20s)

In an island nation like Japan, the work we undertake directly contributes to national resilience in areas such as disaster prevention, national defense, and trade, and I hope to play a part in protecting a prosperous and peaceful Japan.
Civil engineering administrative staff (20s)

To manage my own construction site as a project manager
Building engineer, 20s

I want to gain experience with buildings in various fields, deepen my technical skills, and, as a site manager, deliver buildings that satisfy our clients.
Building engineer (20s)

I want to contribute to creating disaster-resilient communities and a stronger nation.
Civil engineer (20s)

I aim to contribute to enhancing TOA CORPORATION's global reliability and brand value by ensuring the smooth operation of overseas projects.
Overseas/Administrative staff (20s)

Leveraging our strength in marine construction, I want to create buildings in the coastal areas that help revitalize the community, even in the field of architecture.
Building engineer (20s)

I believe it all comes down to one principle: "benefiting society."
Administrative staff (40s)

At work, I want employees to experience a strong sense of achievement and fulfillment, and in their personal lives, to be able to pursue what they want without constraints. I hope to help build an organization where people at TOA CORPORATION can lead rich and rewarding lives.
Administrative staff (30s)

I want more people to recognize that the construction industry is an enjoyable and rewarding field.
Civil engineer (20s)

Through participation in infrastructure development projects, I want to embody the social contribution that gives my work meaning.
Civil engineer (20s)

What I hope the Company will be like in 10 years

I hope it continues to be a place where employees can gain unique experiences, cultivate their mindsets, achieve meaningful results, and contribute in ways possible precisely because they work here. I believe that, in the near future, it will be essential to be a workplace where people are motivated not only by compensation but also by the purpose beyond it.
Administrative staff (20s)

I hope the Company continues to quietly support people's daily lives for years to come.
Civil engineer (20s)

As the Company continues to respond flexibly to changes and evolving societal needs, I hope it fosters a comfortable work environment and enhances the well-being of every employee.
Building engineer (20s)

While the Company is pursuing enterprise-wide business expansion under the long-term vision TOA2030, I hope it continues to be a close-knit, family-like organization where employees treat one another with care and consideration, just as it has in the past.
Administrative staff (20s)

I want TOA CORPORATION to be a company that leverages flexibility and agility to take the lead and always challenge itself to stay one step ahead.
Civil engineer (20s)

I hope the Company continues to deliver indispensable value in developing social infrastructure and becomes an organization loved and respected by all stakeholders.
Administrative staff (50s)

I hope the Company becomes a major player in the industry while continuing to preserve its unique corporate culture and remain a tight-knit, warm workplace.
Civil engineering administrative staff (20s)

Deepening ESG Management (Value Co-Creation Story)

Governance and Value Co-Creation

– Roundtable with Outside Directors

TOA CORPORATION's Board of Directors is composed of a majority of independent outside directors, with the Chairman, the Chair of the Audit and Supervisory Committee, and the Chair of the Nomination and Remuneration Committee all being independent outside directors. This structure ensures transparency and soundness in management while aiming to enhance corporate value over the medium to long term. The outside directors, bringing diverse perspectives, freely exchanged views on the Company's challenges and strengths from an external standpoint, factors for medium- and long-term growth, and ways to further strengthen oversight.

Impression of the Company as an outside director

Okamura: I have served as an outside director of TOA CORPORATION since 2014. My impression is that the Company truly embodies its Corporate Philosophy and Three Management Policies. It is a sincere and earnest organization, and these guiding principles perfectly reflect what the Company stands for. The Company works in social infrastructure, which directly impacts people's lives, and because infrastructure can sometimes mean the difference between life and death, employees feel a profound responsibility to deliver reliable and high-quality construction projects. It is precisely this dedication through their work that makes the Company sincere and trustworthy in its approach.

Tamai: I see TOA CORPORATION as a company with outstanding technical expertise and know-how, supported by over 110 years of history and tradition. Its business extends not only across Japan but also internationally, primarily in Asia, making it one of the nation's leading comprehensive construction companies. At the same time, perhaps due to the nature of the construction industry, the Company might not be very widely recognized by the general public.

Sekine: Although I have served as an outside director for only a year, I am impressed by the Company's diligent approach to its business. As the saying goes, "Culture eats strategy for breakfast," and TOA CORPORATION's culture — sincere, earnest, and diligent — reflects a strong and well-established organizational ethos.

Sasano: I agree. Over many years, the Company has supported social infrastructure with a focus on marine civil engineering, steadily building highly specialized technical expertise and construction know-how. In the construction industry, safety must always come first, and I feel this principle is deeply embedded in the Company's culture. While TOA CORPORATION has a long tradition in civil engineering, it is also supported by its building and overseas businesses. In recent years, the building business has grown remarkably, with the Company's refrigerated warehouse technology gaining broad recognition and keeping pace with market trends, which is truly impressive.

Kuniya: Indeed. The Company is increasingly being directly selected by clients for projects. The civil engineering business provides a long-established foundation, and the building construction business is steadily progressing. TOA CORPORATION is a solid, well-grounded company.

Okamura: That's right. I find it admirable that the Company has been taking on significant challenges both domestically and internationally. I see a connection to the entrepreneurial spirit of our founder, Soichiro Asano, in this drive. The Company's record of venturing into new fields is a truly remarkable achievement.

Kuniya: Expanding the Company's business in Singapore, a global financial hub, is impressive. I am particularly struck by how the Company has continued to advance its projects in Bangladesh steadily and responsibly, even after the political upheaval there last August. At the time, I was concerned, but the Chief of the International Business Headquarters quickly assured me that the sites were secure, which confirmed the Company's strong grasp of events on the ground.

Okamura: True. The risks we perceive as outside directors are quite different from those encountered on the ground while managing local projects. Before entering a new market, the Company conducts thorough investigations—both objectively and subjectively—into its ability to manage potential risks and respond effectively if incidents occur, and only then decides to expand. In emergencies, the Company evaluates what measures it can take, drawing on local partners and, if necessary, the support of the Japanese government. I view these expansions as carefully planned and meticulously prepared undertakings.

Tamai: In the world of accounting, company management is often likened to driving a car. Effective driving is only possible when the supporting organizational functions—like the tires and engine—are solid. The management team, including executives, is at the wheel, moving forward while keeping an eye on the passengers, the vehicle itself, and the surrounding environment. From this perspective, I think sudden brakes or sharp turns can be very harmful, even in management.

Sekine: That's an interesting point. I understand that driving forward is hardly possible without a well-structured organization.

At the same time, when "road conditions"—such as social trends or market environments—change, the "car" that is the organization must be continuously updated to remain aligned. It's somewhat like updating software. As the demands on management increase, it is also our role as outside directors to point out when such updates are necessary and provide guidance.

Kuniya: Tamai, as a newly appointed director, what aspects of the Company do you intend to focus on first?

Tamai: Above all, I want to focus on how the management team gathers information while keeping an eye on the surrounding environment. This, I believe, is reflected in the Company's culture, so I intend to pay close attention to whether a culture that encourages open and free discussion—where opinions are not suppressed—is truly ingrained.

On the transition to a Board of Directors with a majority of outside directors

Sasano: The year 2025 marks a major shift in the structure of the Board of Directors. The Board has engaged in active discussions in the past, but with the reduction in the number of internal directors this year, there are concerns about whether we will be able to access internal information as effectively as before. As both an outside director and a member of the Audit and Supervisory Committee, I think we need to take even more proactive measures, including regarding the committee's activities, to ensure sufficient internal information is gathered. It is our responsibility to keep sending the message of what we consider "need to know" while deepening dialogue with the executive team.

Okamura: Serving as an outside director has its challenges, but I think it is crucial to convey the message that the Board of Directors is actively monitoring the Company. By doing so, those within the organization are made aware that their actions are being observed, which I believe is the most important aspect of effective governance.

Kuniya: In audits, it is often said that sampling should focus on high-risk areas. Within the TOA CORPORATION Group, which areas do you recognize as requiring the closest attention?

Sasano: Each year, the Audit and Supervisory Committee meets with the Chiefs of each business division and conducts on-site inspections at various branches and projects of interest. Through these activities, we take a closer look at issues that warrant attention.

Kuniya: I feel that President Hayakawa, while he might seem cautious, he is very familiar with the field and has quite a bold side as well.

Governance and Value Co-Creation – Roundtable with Outside Directors

Okamura: I agree. President Hayakawa is highly decisive—he identifies the key issues and makes clear, firm decisions. For instance, he recently reorganized the branches in western Japan into integrated civil engineering and construction branches. I imagine there must have been many opposing voices, but he prioritized the benefits of integration. At the same time, he is flexible and willing to adjust or even reverse decisions when circumstances require. Changing policies in response to the situation is natural, and I admire his ability to think boldly and act decisively.

Growth strategy and human capital strategy

Kuniya: Looking back at the fiscal 2024 Board of Directors meetings, what impressed me most was the discussion on how to allocate the cash accumulated from the record-high profits. Okamura took the lead in emphasizing investment in human capital.

Okamura: In fact, I have been emphasizing investment in human capital since around three years ago, when we formulated the current medium-term management plan, as profits began to grow significantly four to five years ago. This is not because I see any shortcomings among our employees. When considering where to invest the profits we generate, the most important asset is our people. Of course, shareholder returns are important as well, but to enhance the Company's corporate value, the true source of that value lies in our human capital. Investing in our people ultimately benefits the shareholders who support the Company over the long term.

Kuniya: I believe highly motivated, persistent, and positive-minded individuals have great potential. Increasing compensation attracts top talent. From an organizational perspective, it's effective to first broaden the talent pool through human capital investment and then identify those who will assume core roles. There are also capable individuals overseas, and recruiting key personnel internationally would further strengthen organizational diversity.

There are instances where digital technology and AI can support the transfer of technical expertise. For example, preparing estimates and bids is demanding work, but because these tasks follow certain patterns, technology can be leveraged to improve efficiency.

Sasano: Beyond the transfer of technical expertise, I'd like to touch on the diversity that Kuniya mentioned. The Company is a traditional organization with over 100 years of history, and many of its executives and managers have worked here for decades. As a result, the company culture tends to be relatively homogeneous. This unity can be a strength when everyone works toward the same goals, but it also raises concerns that innovation, doing things differently from other companies, might be hindered. If we aim to explore new areas that set us apart from other companies, we need to establish a system that welcomes independent, self-reliant talent whose mindset might differ from the existing company culture.

Okamura: I think that by selecting employees from a pool of highly curious individuals eager to take on various challenges, the Company can both enhance diversity and attract the talent that we are looking for. But to make that work, we need a system that really values and supports these individuals, including appropriate compensation and development opportunities. Investing in human capital is essential not only to secure talent but also to nurture those who join. And if we want to fully leverage new talent, the corporate culture itself must evolve, making it important to take gradual, deliberate steps in that direction.

Sasano: On the other hand, when it comes to M&A, we usually focus on acquiring companies in the same industry, partly as a means of securing talent. That's kind of unique to TOA CORPORATION, where investment in people is also considered an investment in growth.

Sekine: Having spent many years in the financial sector, I find a similarity between finance and general contractors in that a company's value comes from its people. Without investing in talent, you cannot outperform competitors. Looking ahead, as experienced engineers gradually retire and their numbers decline, how each company survives will be a critical, existential issue.

Tamai: As an accountant, I focus on specific industries, and I find the construction industry particularly unique. First, it is heavily labor-intensive, which makes investment in human capital essential. Regarding M&A, because of this labor-intensive nature, unlike in service or manufacturing industries, acquisitions inevitably involve essentially "buying labor." At the same time, considering the mission of providing social infrastructure, we must ask whether maintaining a purely labor-intensive model is sustainable. Over the long term, it would not be surprising for this industry to adopt new technologies such as robotics to transform labor-intensive processes, which could open up entirely new frontiers for construction.

Sasano: Indeed. While the Company is currently advancing digital transformation with a focus on efficiency and labor-saving, we have not yet reached the stage that Tamai mentioned—where DX and IT are used in a more drastic way to replace human labor.

Sekine: The industry faces a severe labor shortage, making it inevitable that solutions will need to rely more on automation and technology. For human capital, the current focus is on expanding the number of experienced engineers, but addressing the broader range of tasks and specializations across the workforce is a national issue for Japan. As an outside director, visiting the Company's facilities and witnessing its impressive history spanning over 110 years has been remarkable. However, I feel it is essential to start discussing the Company's positioning for the next 100 years, as well as its outlook 10 or 20 years from now.

Expectations for the Company and the role of outside directors

Tamai: Periods of strong performance, like now, represent a huge opportunity. How the Company leverages this—through human capital investment and other initiatives—will shape its future. When performance declines, dissatisfaction can arise and cause disruption, so it is crucial to recognize that this is the best chance for everyone to move forward together as one team. I hope the Company approaches its initiatives with this mindset.

I am also a certified public accountant, so I believe that my expertise is expected to contribute valuable insights. In particular, I aim to fulfill my role as an outside director by keeping in mind discussions from a corporate finance perspective on issues increasingly emphasized by the stock market, such as improving the Company's price-to-book ratio.

Kuniya: It is also important to have a strong commitment to remaining a leader in this field. Drawing on my experience in project management, M&A and investments, international business, research and development, intellectual property, risk management and response to misconduct, and dispute resolution, I aim to actively participate in discussions and fulfill my supervisory responsibilities.

Sasano: When a company grows, revenue typically increases first, and the organization catches up a little later. Currently, our organizational structure is slightly behind the pace of revenue growth, which I recognize as raising the risk of stumbling amid higher volatility. I hope the Company navigates these challenges skillfully to reach the next stage of growth.

In addition to leveraging my expertise as a certified public accountant and tax accountant, as well as my practical experience as a business executive and knowledge of internal controls and governance, I aim to use my position as an outside director to serve as a bridge between the Company and external perspectives. By facilitating dialogue with both internal and external stakeholders, I hope to contribute to enhancing the Company's credibility while reflecting the "market's eye" and society's expectations that are often hard to see from inside.

Okamura: One characteristic of our workforce is a shortage of employees in their 30s and 40s, which means that young staff must be promoted to site manager positions to keep operations running smoothly. This presents a significant opportunity for younger employees, and I hope they approach it with curiosity and a willingness to take on challenges. I believe the Company's real capabilities exceed what the market currently reflects in the stock price. However, because stock prices also factor in future expectations, it is essential that investors have positive expectations for TOA CORPORATION's future. To do this, the Company must demonstrate a clear growth path, starting with how the increasingly accumulated profits will be used. My primary role is to both encourage and carefully evaluate proposals for new uses of these profits while carefully assessing the substance of those proposals.

Sekine: Risk and opportunity are two sides of the same coin. Because the Company is performing well, I want to encourage it to take calculated risks—after fully understanding the risk-reward balance and evaluating various scenarios. With its team of experts, TOA CORPORATION is highly reliable in maintaining the status quo, but that inward focus can make it harder to pursue initiatives that distinguish it from others. Given the Company's tradition of careful and steady execution, I aim to provide constructive support when bold decisions are needed.

Review of Past Medium-Term Management Plans and the Current Plan FY2023–FY2025

In response to serious incidents, including defects in certain ground improvement works and falsified reporting revealed in 2016, restoring trust has remained our top priority. Under the Medium-Term Management Plan FY2020–FY2022, the scale of operations was approximately ¥200 billion in sales. The FY2023–FY2025 plan aims for further growth by integrating business and human resource strategies. For fiscal 2025, the targets are 2,000 employees, consolidated net sales of ¥267.0 billion, and consolidated operating profit of ¥12.0 billion.

Medium-Term Management Plan FY2017–FY2019

Strategy

Toward a "Reborn TOA CORPORATION" that earns customer trust through technology and quality

● Change to restore trust

The Company is committed to making concrete changes to restore trust.

● Growth built on a foundation of technology and quality

TOA CORPORATION is a company grounded in high-level technology and quality. By delivering work that satisfies our customers around the world, we aim for continued growth and development.

Targets, Results, and Review

(Billions of yen)

	During the Medium-Term Management Plan FY2017–FY2019	
	Targets	FY2019 Results
Net sales	184.0	190.2
Operating profit	6.0	7.9
Profit*	–	5.0
ROE (non-consolidated)	5%	7.2%

* The profit figures represent profit attributable to owners of parent.

Review

"Change" to restore trust	● Reformed the mindset of executives and employees ● Improved internal controls
"Growth" built on a foundation of technology and quality	● Domestic civil engineering: Secured orders and profits while prioritizing repair work ● Domestic building construction: Improved profitability by leveraging technology and know-how ● International (overseas): Steadily built a business foundation, focusing on Southeast Asia and Africa

Medium-Term Management Plan FY2020–FY2022

Transformation of the business structure to achieve the long-term vision, TOA2030

Transforming the business structure to realize the long-term vision

Enhancing Existing Businesses

Accelerated growth in business areas in which TOA CORPORATION has strong competitiveness

Accelerating Expansion of Business Areas

Diversification of business areas for continuous growth

Strengthen the Management Base

Enhancing the execution structure supporting business strategies and improving productivity

(Billions of yen)

	During the Medium-Term Management Plan FY2020–FY2022	
	Targets	FY2022 Results
Net sales	234.0	213.5
Operating profit	10.2	6.5
Profit	6.5	4.8
ROE (non-consolidated)	8% or more (non-consolidated)	5.5% (consolidated)
Dividend payout ratio	20%–30% (non-consolidated)	40.1% (consolidated)

Review

Enhancing Existing Businesses	● Expanded marine civil engineering projects for the Ministry of Defense and the U.S. military ● Advanced large-scale building projects and promoted technological development
Accelerating Expansion of Business Areas	● Expanded into the medical field and PFI projects in the domestic building construction business ● Expanded business in Bangladesh and Africa
Strengthen the Management Base	● Launched the Management Planning General Headquarters (ESG, DX, and CN Promotion Department) ● Collected and horizontally deployed work-style reform initiatives, etc.

Medium-Term Management Plan FY2023–FY2025

Specific action plan for realizing the long-term vision, TOA2030

Business strategy toward achieving the long-term vision

Enhancing Existing Businesses

Maximize our organizational capabilities through improving cross-business unit cooperation

Accelerating Expansion of Business Areas

Embrace new business models, including new projects

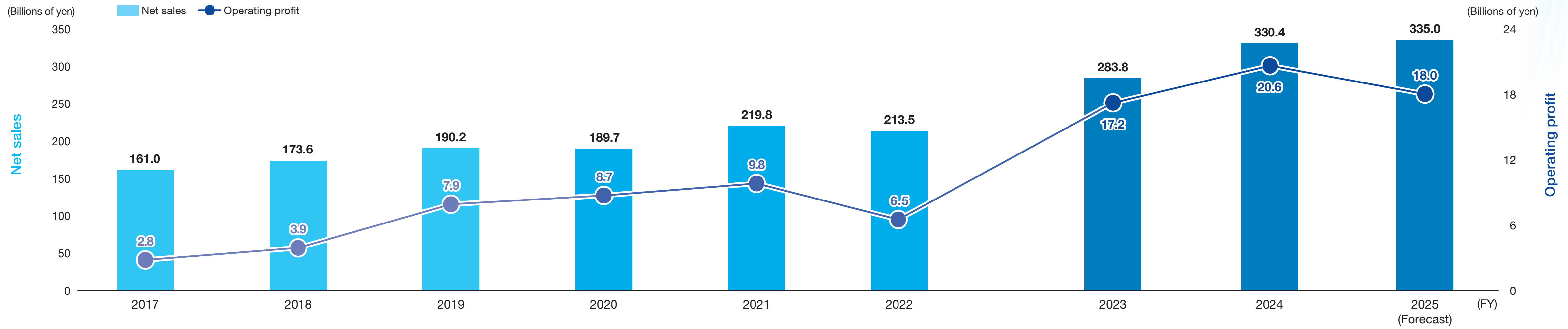
Strengthen the Management Base

Establish a cycle to sustainably enhance corporate value through highly satisfied employees

(Billions of yen)

	During the Medium-Term Management Plan FY2023–FY2025		FY2030
	Targets	FY2025 outlook	Targets
Net sales	267.0	335.0	280.0
Domestic Civil Engineering	124.0	154.0	130.0
Domestic Building Construction	72.0	86.5	82.0
Overseas	59.0	73.0	60.0
Operating profit	12.0	18.0	13.5
Profit*	8.0	12.5	–
ROE	8% or more	10% or more	Maintain at least 8%
Dividend payout ratio	FY2023 30% or more FY2024/FY2025 40% or more	48.2%	–
No. of Group employees	2,000 persons	2,052+ persons	2,210+ persons

Net Sales and Operating Profit



TOA 2030

Building a prosperous society and connecting people with the world for a better future

Build an industrial base

Through domestic and international infrastructure projects, particularly in marine civil engineering, we contribute to global economic development and the establishment of industrial foundations.

Realize a sustainable society

By reducing environmental impact and addressing social issues, we contribute to creating a sustainable society where people can live with peace of mind.

Foster diverse talent

Recognizing that people are the foundation of society and business, we strengthen our investment in human capital and develop a diverse workforce.

To realize our vision, we embody the following three principles through our business activities:

Inclusive

We continue to provide an environment where diverse talent can thrive, adapting to changes in work styles across society.

Advanced

We continuously pursue innovation by adopting advanced technologies, ideas, and values in line with the trends of the times.

Social

We actively engage in solving social issues while fulfilling our responsibilities as a corporate citizen.

Progress of the Medium-Term Management Plan FY2023–FY2025 and the Current Business Environment

Overview of Aims and Strategies

The plan aims to enhance existing businesses and accelerate the expansion of business areas to realize our long-term vision. In addition, there is a focus on strengthening the management base that supports our business strategy.

TOA 2030

Long-term Vision

Building a Prosperous Society and Connecting People with the World for a Better Future

- Build an industrial base
- Realize a sustainable society
- Nurture diverse human resources

Basic Policies of the Medium-Term Management Plan

Integration of business strategy and human resources strategy to realize the long-term vision

Integration of Business and Human Resources Strategies toward Realizing the Long-Term Vision

Enhancing Existing Businesses

Maximize our organizational capabilities through improving cross-business unit cooperation

- Establish sales headquarters in Domestic Civil Engineering and Building Construction to expand the customer base through improved sales information sharing
- Carry out cross-business unit R&D activities to enhance areas of strength

Accelerating Expansion of Business Areas

Embrace new business models, including new projects

- Expand involvement in port facility maintenance for the Ministry of Defense and U.S. DOD and contribute to national resilience
- Focus on the "offices" and "medical and welfare" sectors
- Promote diversification in overseas construction types and establish local subsidiaries

Strengthen the Management Base

Establish a cycle to sustainably enhance corporate value through highly satisfied employees

- Create workplaces where employees can work with peace of mind and high motivation
- Promote diversity by establishing the Human Resources Strategy Section
- Empower each operational operating division with greater authority over recruitment and human resource development

Financial Targets and Results

Initially, the Medium-Term Management Plan projected a business scale of approximately ¥270.0 billion. However, the business environment proved more favorable than expected, with net sales exceeding ¥300.0 billion in fiscal 2024 and remaining above that level in fiscal 2025. Operating profit also significantly surpassed the target, reaching ¥20.6 billion in fiscal 2024.

Consolidated	Medium-Term Management Plan (FY2023–FY2025)						Financial KPIs	
	FY2023		FY2024		FY2025		ROE	Dividend payout ratio
	Initial plan	Results	Initial plan	Results	Initial plan	Forecast		
Net sales	253.0	283.8	265.0	330.4	267.0	335.0	Maintain ROE at 8% or higher	FY2023
Domestic Civil Engineering	127.0	137.5	123.0	141.0	124.0	154.0		30% or more
Domestic Building Construction	70.0	84.0	71.0	110.3	72.0	86.5		
Overseas	45.0	48.5	59.0	65.7	59.0	73.0		FY2024/FY2025
Operating profit	9.7	17.2	11.2	20.6	12.0	18.0		40% or more
Profit*	6.6	10.5	7.5	14.9	8.0	12.5		

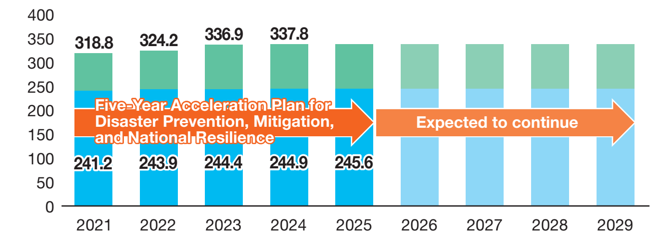
* The profit figures represent profit attributable to owners of parent.

(Billions of yen)

Favorable Market Environment

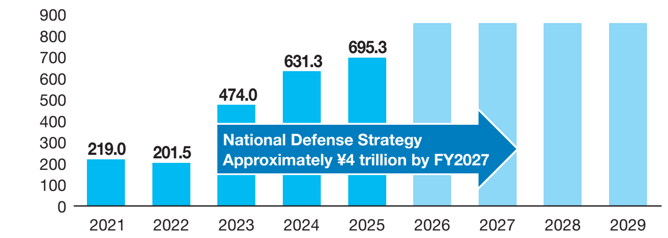
Government investment remains high due to initiatives such as national resilience projects and increased defense budgets. In addition, demand has grown for large, multi-tenant warehouses in the logistics sector, and there are abundant large-scale projects overseas, including in Singapore and through ODA. The market environment has continued to be more favorable than anticipated at the time the Medium-Term Management Plan was formulated.

MLIT Port Development Budget



Estimated from national expenditures for port development projects in "MLIT Ports and Harbours Bureau Budget Overview"

Ministry of Defense Facility Reinforcement Budget



FY2021 and FY2022: "Japan's Defense and Budget" facility improvement costs, etc. (Expenditure + General property expenses)
FY2023 onward: Estimated from facility reinforcement in "Progress and Budget in Fundamental Reinforcement of Defense Capabilities"

Steady Execution of Large-Scale, High-Productivity Projects through Cross-Department Collaboration

In a favorable market environment, each division successfully secured large-scale projects valued at several tens of billions of yen. However, such projects inherently carry execution risks, and any failure to deliver them reliably could result in significant losses that affect overall management. The Company therefore places the utmost priority on ensuring steady, incident-free execution.

For example, in the large-scale logistics warehouses worth several tens of billions of yen now being undertaken in domestic building projects, the Company assigns civil engineering specialists within the Building Construction General Headquarters to support foundation work. This approach helps prevent ground-related issues and avoid potential problems at the foundation stage.

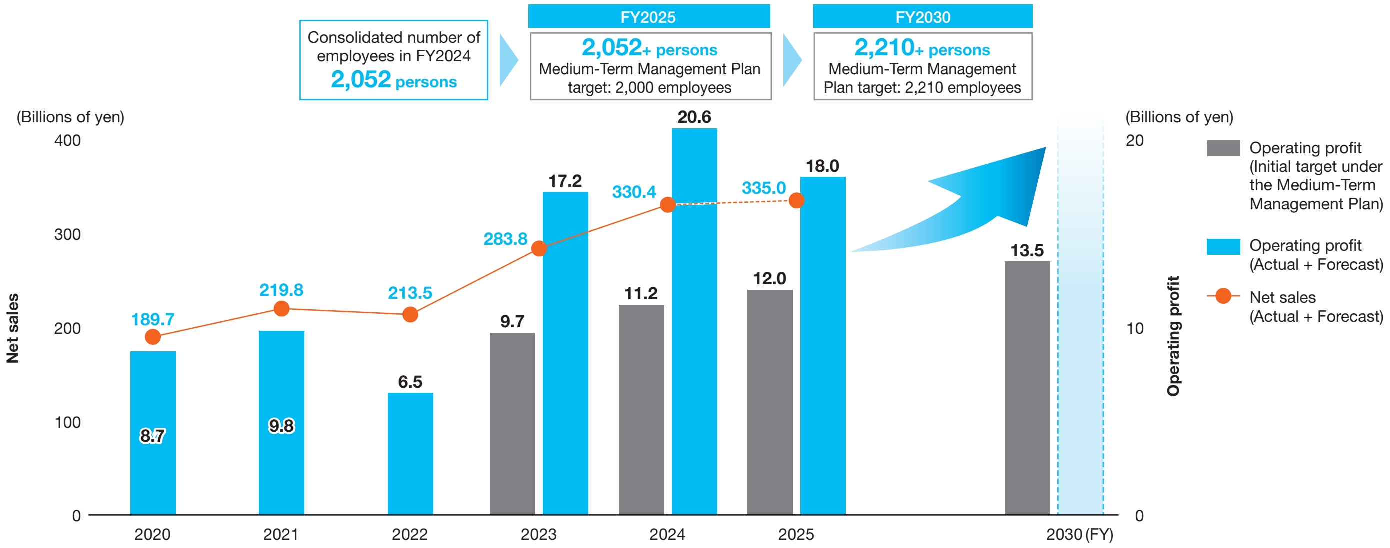
Increase in Employees Exceeding the Plan

Alongside securing highly productive large-scale projects in a favorable market environment, the workforce has grown beyond the planned level, contributing to increases in both net sales and operating profit.

At the time the Medium-Term Management Plan was formulated, the target for consolidated employees by the end of fiscal 2025 was 2,000. As of the end of fiscal 2024, however, the workforce had already reached 2,052, significantly exceeding the target.

Amid a favorable market environment, we will continue to enhance productivity through initiatives such as digital transformation, while further improving both the quantity and quality of our workforce, aiming to increase operating profit.

Net Sales, Operating Profit, and Consolidated Number of Employees



Message from the Executive Officer Overseeing Finance

Strengthening engagement with the capital markets to further enhance corporate value

Representative Director and Senior Executive Officer
Chief of Manager, Corporate Management Headquarters;
overseeing DX Strategy Department, Internal Audit Department, and Secretarial Department
Takeshi Nakao

Review of Business Performance and Outlook

Summary of Fiscal 2024

Fiscal 2024 closed with strong performance. I believe this year's results are significant in two respects.

First is the level of net sales. Sales have long hovered around ¥200.0 billion and have shown a gradual upward trend over the past five years. In the previous fiscal year, net sales were ¥283.8 billion, and in the current fiscal year, they reached ¥330.4 billion, surpassing the ¥300.0 billion threshold. Achieving sales at this level marks a meaningful step forward, positioning the Company at the entry point of the mid-tier in the construction industry. Looking back, TOA CORPORATION recorded ¥351.3 billion in net sales in fiscal 1996, influenced in part by reconstruction demand following the Great Hanshin-Awaji Earthquake. While the current figure is not an all-time high, the business environment and era are very different, making direct comparisons difficult. However, at that time the Company had approximately 3,400 employees, compared with 2,052 employees in the current fiscal year. This demonstrates that while sales have grown steadily, productivity has also increased significantly.

The second point is the level of profit. Over the past few years, the Company has maintained a trend of rising profits, and in the current fiscal year, both operating profit and ordinary profit reached record highs. Looking at segment performance, all segments—Domestic Civil Engineering, Domestic Building Construction, and Overseas—achieved year-on-year profit growth. This demonstrates that the results were robust across the board, reflecting a strong performance overall.

Factors Supporting the Strong Performance

Analyzing the factors behind the strong performance, external factors include a favorable order environment and profit growth driven by large-scale, highly profitable projects. From an internal perspective, the contribution of each individual employee played a significant role and is highly valued.

For example, our sales personnel negotiate with clients based on appropriate cost estimates that factor in potential fluctuations in material prices after construction begins. While public-sector projects allow some flexibility to accommodate additional costs incurred during construction, private-sector projects rarely permit contract amounts to be revised after the fact. In fiscal 2022, when material prices surged sharply due to the conflict in Ukraine, the Company experienced significant setbacks on private-sector projects. Since then, our sales staff have been carefully negotiating with an eye on both contract terms and profitability.

The ability to negotiate with clients stems from the trust we have earned. Starting with projects in Tokyo Bay, the Company has built a track record in marine civil engineering, passing down technical know-how and establishing strong client relationships across both civil engineering and building construction. This credibility is the result of the dedication of our personnel in ensuring technical excellence and quality. Moreover, once construction begins, the efforts of on-site staff to carry out smooth, trouble-free work help prevent unnecessary costs, directly supporting our strong performance.

I believe that the combined efforts of each individual were instrumental in delivering the excellent results achieved in fiscal 2024.

Outlook for Fiscal 2025

For fiscal 2025, net sales are projected at ¥335.0 billion, operating profit at ¥18.0 billion, ordinary profit at ¥17.5 billion, and profit attributable to owners of parent at ¥12.5 billion, reflecting revenue growth but a decline in profit. These targets, set at the beginning of the fiscal year, are based on levels that the Company can realistically achieve and, in that sense, represent must-meet objectives.

For public works in the domestic civil engineering business, design changes or contract revisions that help secure appropriate profits are not factored into the plan, representing a potential upside. On the other hand, potential troubles or environmental changes during construction are also not included in the plan, so maintaining stable construction management to prevent such downside factors will be crucial for achieving the targets.

Basic Financial Policy

Fundraising

In construction projects, costs are generally paid up-front while contract payments are received later. This financial characteristic—where cash outflows precede inflows—means that when the Company experiences continued sales growth, as it has in recent years, cash demand remains high. The increased need for working capital naturally leads to higher borrowings, and in fiscal 2024, we even issued corporate bonds, which caused interest-bearing debt to rise. However, indiscriminately increasing borrowings would create downsides, such as higher interest expenses. To maintain financial discipline and avoid holding excessive cash, we manage cash and deposits to remain within 1.5 times monthly sales. Controlling cash at this level also helps limit interest-bearing debt. For fiscal 2025, we aim to keep the debt-to-equity (D/E) ratio at 0.6 or below.

Regarding construction payments, early collection is emphasized. While transactions with the same client typically maintain consistent payment terms, over the past two years the sales division has actively negotiated with an eye on the cash conversion cycle, requesting clients to provide advance payments or increase the proportion of interim payments.

About two years ago, we obtained a credit rating, and since then we have diversified our funding sources—not only borrowing from financial institutions but also issuing commercial paper and corporate bonds. By broadening our financing options, we are prepared not only for working capital needs in construction projects but also, when necessary, for major capital investments or M&A activities.

Past and Future of Financial Strategy

Looking back about 10 years, the conventional approach for Japanese companies was to strengthen equity and minimize borrowings to maintain a healthy balance sheet. Today, however, the capital markets expect companies to leverage debt effectively to improve capital efficiency. At the same time, from the perspective of credit ratings, which are important when issuing bonds, high equity is valued for financial stability. This means we must carefully balance efficiency and stability in our financial strategy.

Amid this environment, the Company has seen growth in sales and expansion of total assets, and we remain constantly mindful of an optimal capital structure. As of March 31, 2025, the Company's equity ratio stood at 35.6%, which we consider well balanced for maintaining the current credit rating of A (Single A minus). While a potential upgrade is also considered, it would not be prudent to pursue efficiency excessively by lowering the equity ratio. By avoiding prolonged retention of cash and reducing policy stocks, we are working to compress total assets.

Looking ahead, we expect that investment effectiveness and capital efficiency will continue to be key priorities. One approach to enhancing efficiency is share buybacks, which we consider effective. At the same time, in promoting management with a medium- to long-term focus on investment impact, introducing metrics such as return on invested capital (ROIC) will be an important area to consider.

Cash Allocation and Growth Investment

In light of the substantial profit growth in fiscal 2024, we revised our cash allocation to increase both growth investment and shareholder returns. Over the three-year period from fiscal 2023 to fiscal 2025, the growth investment budget was raised by ¥10.0 billion to ¥30.0 billion, while shareholder returns were increased by ¥11.0 billion from the initial plan, reaching approximately ¥26.0 billion.

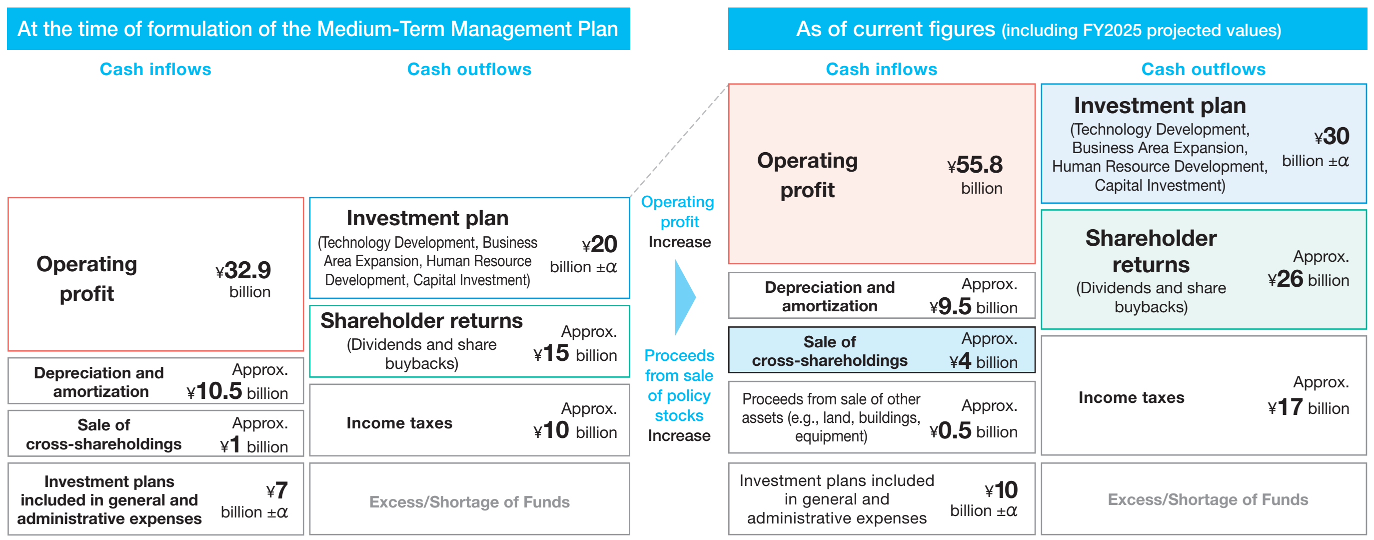
Key growth investments undoubtedly include capital expenditures such as work vessels. Achieving high profitability in marine construction using these vessels is a core part of our business model, so appropriate and continuous reinvestment forms the foundation of our operations. Research and technology development for the future is another important foundation, even if the monetary scale is relatively modest, as our construction expertise itself is a key differentiator. In recent years, we have particularly emphasized investment in human capital. Over the three-year period of the Medium-Term Management Plan, we aim to invest ¥7.0 billion in recruitment, training to develop employee capabilities, and salary increases that promote retention and motivation. We view these personnel costs not as expenses but as strategic investments.

For M&A aimed at expanding our business domains, the initial allocation of ¥5.0 billion for the Medium-Term Management Plan period was increased to ¥10.0 billion in May this year. To date, the only actual expenditure has been the investment for establishing a local subsidiary in Indonesia. However, M&A studies are ongoing. We are considering acquisitions to increase personnel, strengthen technical and construction capabilities, and pursue vertically integrated M&A opportunities.

Shareholder Returns and Reduction of Cross-Shareholdings

For fiscal 2025, the Company plans to maintain a dividend payout ratio of at least 40% and steadily achieve a total shareholder return

Cash Flow Allocation (Cumulative for FY2023–FY2025)



Message from the Executive Officer Overseeing Finance

ratio of approximately 70% over the three-year period from fiscal 2023 to fiscal 2025.

For fiscal 2025, we plan a dividend of ¥76 per share and have introduced an interim dividend to provide more frequent opportunities for shareholder returns. In addition, we have approved a ¥4.0 billion share buyback to further enhance shareholder value. We are also actively reducing cross-shareholdings, targeting less than 10% of consolidated net assets (excluding deemed holdings) by the end of fiscal 2025, and are taking steps to achieve this goal.

Human Resources Strategy

The Medium-Term Management Plan sets the integration of business and human resources strategies as a core policy. While sales and profits have been steadily increasing, sustaining this growth and translating it into further development will require continued investment in human capital.

Looking at the Company's workforce by age, there are two peaks: employees in their 50s who joined during Japan's economic boom in the late 1980s, and younger staff in their 20s and 30s. There is a smaller cohort in their 40s due to periods in the past when hiring was limited based on business conditions. The current sales level in the ¥300 billion range is being driven by the performance of capable employees in their 50s, but over the next five to 10 years, this group will begin to retire. To prepare for this, we are strengthening our training systems. For younger employees, we are developing skill maps and other educational tools to accelerate their growth into fully capable site managers. For employees in their 50s, we introduced training last year to provide opportunities to consider second careers starting in their early 50s. In addition, our age-specific training programs for 35- and 45-year-old employees now include components designed to cultivate managerial perspectives, supporting the planned development of future business leaders.

I believe the most important aspect of integrating business and human resource strategies is whether employees are approaching their work proactively and with genuine engagement, rather than out of obligation. Starting in fiscal 2024, we began initiatives to measure employee happiness and take steps to improve it. Factors contributing to happiness include salary increases, a work-life balance, rewarding work, and promotions to roles such as site manager, among others. By investing in human capital in this way, we expect that employees will experience greater job satisfaction, which in turn will further enhance organizational productivity.

Enhancing Corporate Value

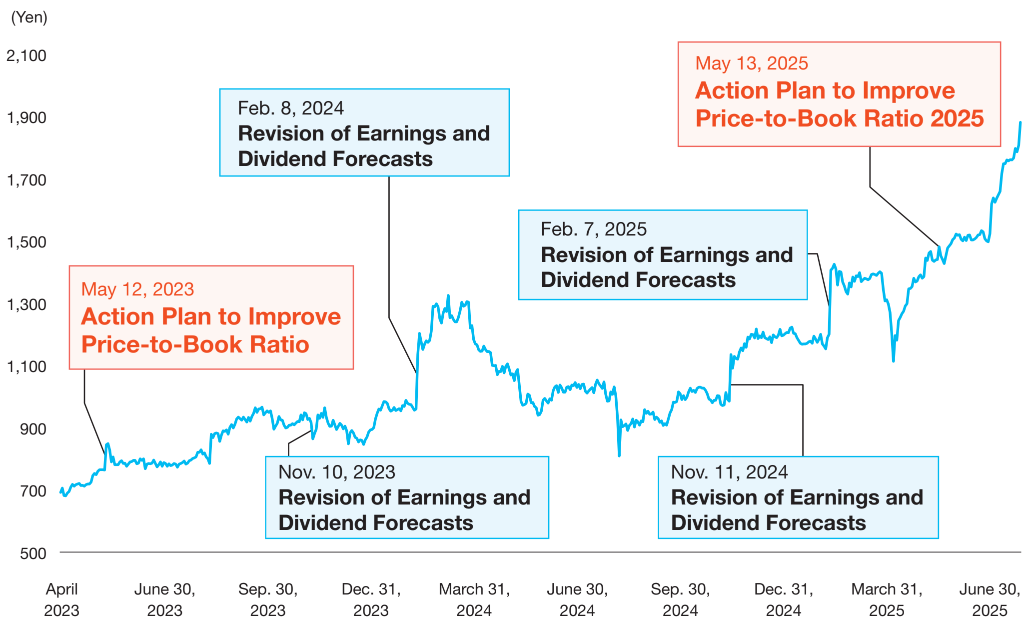
Engagement with the Capital Markets

Many investors gave favorable evaluations of our fiscal 2024 results. At the same time, we were frequently asked how we plan to sustain this strong performance and what long-term growth strategies we envision.

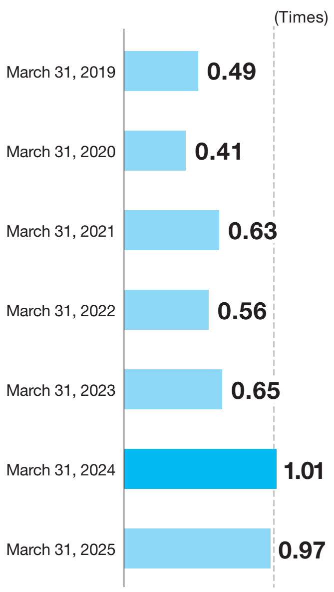
We currently expect the construction market environment to remain favorable. In the domestic civil engineering business, government budgets for national resilience measures continue to support public works, and defense-related allocations are expected to increase over the medium to long term. In the domestic building construction business, demand for logistics warehouses is projected to grow further, while strong replacement demand for refrigerated storage facilities is expected to continue. For the overseas business, the potential market remains substantial, given its global scope.

Over the past seven years, the Company's sales and profits have steadily increased, and we recognize that the capital markets now expect growth in both sales and profits that goes beyond this historical trend. By expanding our workforce, we can enhance construction capacity, which should drive further revenue and profit growth. However, given the widespread shortage of skilled personnel across industries, sustaining such growth is not a simple task. We intend to continue strengthening recruitment and development, while maintaining close attention to safety and quality, in order to meet the expectations of all stakeholders.

Stock Price



P/B Ratio



Enhancing the P/B Ratio

To improve the price-to-book (P/B) ratio, we announced the "Action Plan to Improve Price-to-Book Ratio" in 2023. By March 31, 2024, the P/B ratio had exceeded 1.0; however, by March 31, 2025, it fell slightly below 1.0, partly due to a broader market decline. Since April 2025, the ratio has again risen above 1.0, but we recognize the need to continue striving for further improvement. In May 2025, we released a refined version, the "Action Plan for P/B Ratio Improvement 2025."

The 2025 Action Plan notes our current understanding that the Company's cost of equity is generally around 7%. Some might consider 7% to be low, but while we are aware of commonly accepted calculation methods such as the capital asset pricing model (CAPM), we have taken into account estimates provided by market participants and determined that a level slightly above those calculations—approximately 7%—represents an appropriate reference point for the Company.

We believe it is essential to maintain and improve return on equity (ROE) at levels that consistently exceed the cost of equity. Since fiscal 2019, when our ROE first surpassed 7%, we have continued to achieve ROE above the cost of equity, except in fiscal 2022. As of March 31, 2025, ROE rose 3.3 percentage points from the previous fiscal year to 14.7%. Moving forward, we aim to achieve sustainable profit growth while deepening dialogue with the capital markets, which we expect will further enhance both the price-earnings (P/E) ratio and the price-to-book (P/B) ratio. To this end, we will implement three specific initiatives.

The first initiative is to steadily improve operating profit while enhancing both the quantity and quality of our human capital. This serves as the foundational measure for improving ROE. The second initiative is to review the balance sheet through enhanced shareholder returns and the reduction of cross-shareholdings. As mentioned earlier, the Medium-Term Management Plan sets a target total shareholder return ratio of approximately 70% over three years. While stable and substantial shareholder returns are our fundamental approach, we recognize that the shareholder return policy for the next Medium-Term Management Plan should be reconsidered in light of growth investments. In terms of cross-shareholdings, we currently target holdings of less than 10% of net assets (excluding deemed holdings), but we believe further reductions will be necessary. The third initiative is to further strengthen our investor relations (IR) activities.

Formulation of the "Action Plan to Improve Price-to-Book Ratio 2025"
▶https://www.toa-const.co.jp/eng/ir/plan/

Further Strengthening IR Activities

We believe that the reasons our price-earnings (P/E) ratio has not risen sufficiently include not only questions about our future growth strategy but also limited awareness among domestic and international investors. From fiscal 2025 onward, we will further strengthen our investor relations (IR) activities to improve the P/E ratio.

From an organizational perspective, in fiscal 2025 we established the Corporate Communications Department to centralize the reporting line for feedback from investors. This department brings together and expands personnel with experience in IR and shareholder relations (SR), as well as staff capable of handling English disclosures. It will work to strengthen IR activities targeting not only sell-side analysts and domestic institutional investors but also individual and overseas investors.

In fiscal 2022, we held 37 IR meetings with shareholders and investors, which increased to 77 meetings in fiscal 2024. While 77 meetings fell short of our initial expectations, the limitation was due to insufficient staffing. For fiscal 2025, with the Corporate Communications Department strengthened, we aim to raise the number of meetings to 100.

We also plan to actively engage with overseas institutional investors as much as possible. Although the proportion of foreign ownership of our shares is not particularly low, we aim to increase opportunities for direct dialogue, including visits to overseas institutional investors.

At the same time, to enhance awareness, we will take measures such as holding financial results briefings earlier, providing transcripts of financial results briefings, improving English-language disclosures, including the use of sponsored research, and expanding briefings for individual investors, all aimed at raising recognition across the capital markets.

Message to Stakeholders

In March of this year, we marked our 111th anniversary. Yet I see TOA CORPORATION as still very much a company in development. We have many talented and high-quality employees, and our business still holds significant growth potential. I firmly believe that the value we can provide to society as a company is substantial. As each individual grows, so too does the company. We now stand at a turning point in our history. We want to continue to be a company that survives and thrives for many more years, a company that can sustainably grow its corporate value. From my position as Executive Officer Overseeing Finance, I will contribute to building a company where both the officers and employees can grow together, always asking myself what I can do to support this mission.

Strategy for Value Co-Creation Business Strategy

Civil Engineering Business Unit

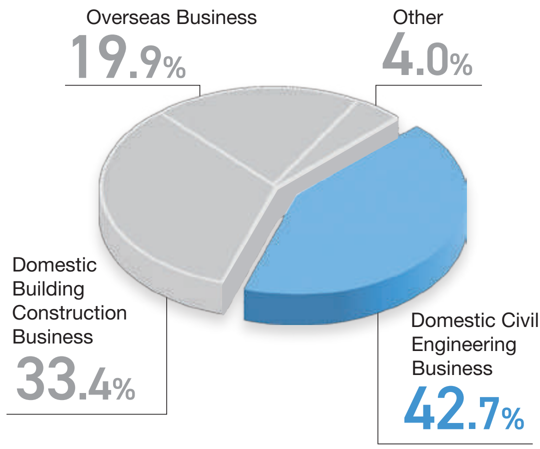
Developing resilient infrastructure by addressing broad social issues and by focusing on disaster prevention, mitigation, and national resilience

Senior Executive Officer
Responsible for Civil Engineering Business Unit (Civil Engineering Sales and Managing General Headquarters, Civil Engineering General Headquarters), General Manager of Civil Engineering General Headquarters
Masanobu Kinoshita

Business Policy

1. Maintain position as a top runner in the port and marine sector
2. Expand into land civil engineering projects through strategic future-oriented initiatives
3. Strengthen efforts to diversify business operations to enhance corporate value
4. Promote productivity and safety improvements through DX
5. Advance initiatives to achieve carbon neutrality
6. Secure and develop a diverse workforce
7. Promote work-style reform
8. Achieve zero legal violations and power harassment through compliance training

FY2024 Consolidated Sales Composition by Business Segment



Strengths

- Over 110 years of experience and technology in the marine civil engineering sector.
- Ownership of specialized working vessels for port infrastructure development.
- Collaborative quality assurance system integrating head office, branch offices, and worksites.

Opportunities

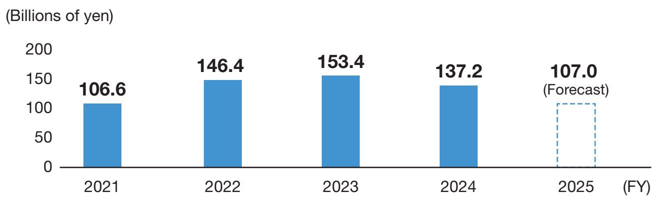
- Strong trends in public investments, including the 5-Year Acceleration Plan for Disaster Prevention, Disaster Reduction, and National Resilience and the development of security-related infrastructure to strengthen defense capabilities.
- Growing demand for environmental and new energy businesses.
- Increased infrastructure maintenance and renewal from the high growth period.

Risks

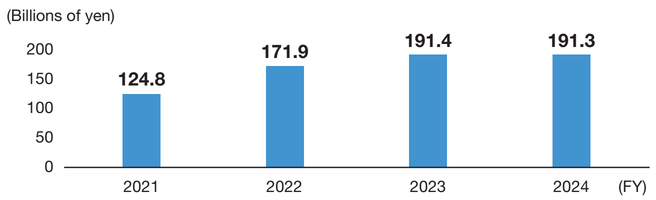
- Challenges in securing a workforce and passing on technology due to the shortage of the construction workforce.
- Increased costs due to soaring labor, material, and energy prices.
- Adverse effects of climate change on labor and work environments.
- Reduced budgets for public works and private capital investments due to population decline and economic downturn.

Results and Targets (Non-consolidated)

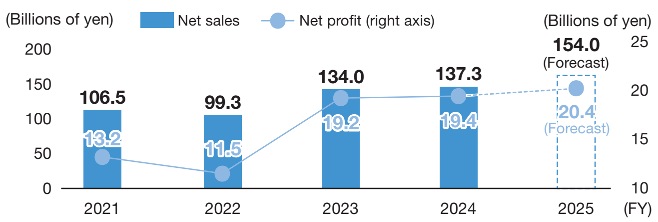
Orders received



Year-end construction backlog



Net sales / Net profit



Orders by business segment

By type of construction (Billions of yen)

	FY2024
Marine civil engineering	95.9
Land civil engineering	41.2
Total	137.2

By public and private sectors (Billions of yen)

	FY2024
Public	101.7
Private	35.4
Total	137.2

Summary of the Medium-Term Management Plan FY2023–FY2025

In the Civil Engineering Business Unit, we steadily advanced key initiatives, focusing on efforts to strengthen national resilience and expand defense- and U.S. military–related projects, while continuing to secure orders in our core area of marine civil engineering. At the same time, we enhanced our capabilities in land-based construction and improved responsiveness to diverse bidding systems. As a result, sales in the Civil Engineering Business Unit exceeded the Medium-Term Management Plan targets, reaching ¥134.0 billion in FY2023 (target: ¥127.0 billion) and ¥137.3 billion in FY2024 (target: ¥123.0 billion). Looking ahead to FY2025, we expect to significantly surpass the target of ¥124.0 billion, with projected sales of ¥154.0 billion, by steadily executing the substantial backlog of projects accumulated through consistently high order performance. On the profit side, we secured stable earnings that meet our targets, supported by higher sales and the maintenance and improvement of profitability through appropriate project execution.

In addition, we have worked to improve productivity and ensure quality by introducing digital and remote technologies at worksites, strengthening the activities of task force teams to identify and respond to risks early, and optimizing the use of our work vessels through centralized business information and labor-saving measures.

As part of our efforts for environmentally conscious construction, we are promoting decarbonization initiatives by accurately managing CO_2 emissions, electrifying some work vessels, and researching and developing methods for exhaust gas collection.

Future Growth Strategy and Focus Areas

Infrastructure development for disaster prevention and mitigation, as well as security-related projects tied to the strengthening of defense capabilities, will remain priority areas, supported by expected increases in government investment in construction. In the private sector, while we remain mindful of potential investment adjustments due to rising prices, no major shifts in the overall market environment are anticipated. Although market conditions are highly favorable, in the current fiscal year we will focus on executing our substantial project backlog. At the same time, we will maintain our leading position in the port and marine sector and strategically pursue selective, productivity-driven orders in land-based construction, defense and U.S. military projects, power and gas-related projects, and new energy and carbon-neutral initiatives, including decarbonization efforts.

Furthermore, by leveraging AI and other advanced technologies to effectively utilize accumulated construction data, we aim to drive technology development that facilitates both the transfer of expertise and our growth strategy. This approach will further enhance construction quality and operational efficiency. In addition, we will continue to improve productivity and safety at worksites through initiatives such as implementing BIM/CIM and 3D data for digital and ICT-enabled construction, automating and autonomizing ship machinery, and strengthening cross-departmental collaboration.

TOPICS Efforts toward Reconstruction after the Noto Peninsula Earthquake

We are engaged in disaster recovery work at the Ota Quay of the Port of Nanao, which was damaged by the Noto Peninsula earthquake that occurred on January 1, 2024.

The quay is located slightly east of the center of the Port of Nanao and consists of the Busen Quay (-10 m, 185 m), No. 2 Quay (-10 m, 185 m), and No. 3 Quay (-13 m, 290 m). It was used for cargo handling of timber for plywood production, steelmaking slag products, and fertilizers.

At the specialized quay for unloading, the earthquake caused severe damage, including deformation of the steel sheet piles of the quay, with the quay's normal line bulging seaward by up to 1.7 m.

The work involves replacing 181 m of deformed steel sheet piles and constructing a quay with a pseudo-gravity with ground improvement (50,276 m³ of soil solidification and 1,666 compaction columns).

To achieve rapid recovery, the construction period needs to be shortened, and in addition to standard land-based work, we plan to carry out simultaneous offshore construction using work vessels. We have also proposed using precast deck slabs to further accelerate the restoration work.

Disaster recovery work at Ota Quay, Port of Nanao

Our ESG Initiatives ▶ https://www.toa-const.co.jp/eng/esg/effort/

Strategy for Value Co-Creation Business Strategy

Building Construction Business Unit

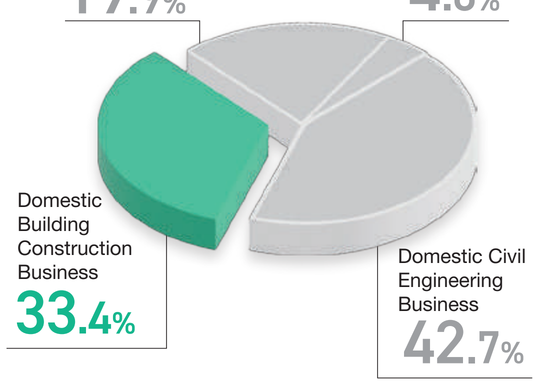
Further strengthening expertise in logistics warehouses and residential projects, while expanding into new sectors and advancing toward carbon neutrality

Managing Executive Officer
Responsible for Building Construction Business Unit (Building Construction Sales and Managing General Headquarters, Building Construction General Headquarters), General Manager of Building Construction General Headquarters
Kazuyoshi Mugita

Business Policy

1. Enhance our proficiency in areas such as logistics warehouses, housing, welfare facilities, government buildings, and PFI projects, while retaining high-quality clients
2. Establish the Building Construction Sales and Managing General Headquarters, leveraging customer information from civil engineering, which excels in coastal areas, to highlight our capabilities in facilities such as factories
3. Utilize BIM as a platform through the Digital Transformation Production Design Section to boost productivity
4. Intensify efforts in the office and medical welfare sectors
5. Engage in redevelopment projects in regional urban areas and collaborate in civil construction for PPP and PFI projects
6. Establish the Environmental Project Section and strengthen initiatives for proposal-based sales aimed at promoting carbon neutrality

FY2024 Consolidated Sales Composition by Business Segment



Strengths

- Competitive edge in logistics warehouses, especially refrigerated warehouses.
- Leveraging strong relationships with coastal-area companies established through civil engineering.
- Building on the success of numerous PFI projects (such as food service centers and funeral halls) to take on additional public-private partnership projects.

Opportunities

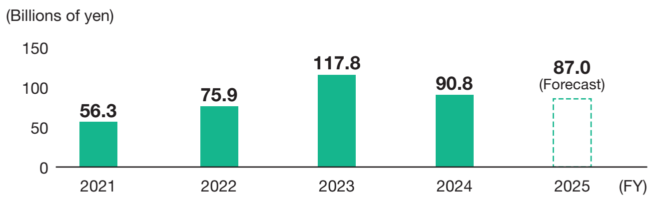
- Expanding into new business areas by applying expertise in logistics facilities and refrigerated warehouses to data centers and factories, where future demand is anticipated.
- Promoting domestic achievements to Japanese companies expanding overseas to create a ripple effect in global construction projects.
- Strengthening efforts in government construction projects in response to increased public investment in defense capabilities.

Risks

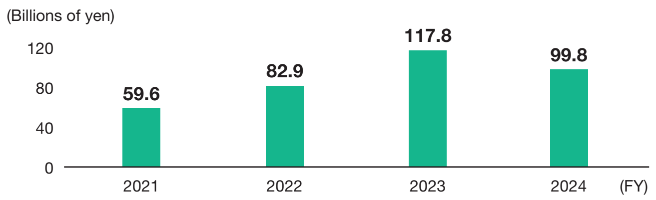
- Shortage of construction management personnel due to increasing demand, including a shortage of worksite managers capable of handling large-scale projects.
- Challenges in securing labor due to a chronic shortage of construction workers and new entrants.
- Rising construction costs driven by higher prices of materials, equipment, labor, and energy.

Results and Targets (Non-consolidated)

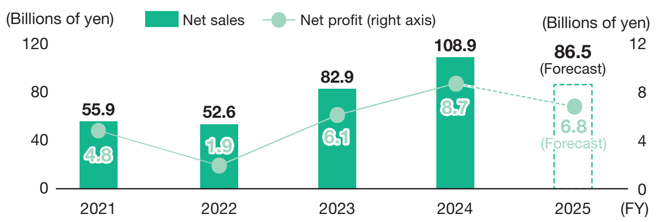
Orders received



Year-end construction backlog



Net sales / Net profit



Orders by business segment

By type of construction

(Billions of yen)

	FY2024
Warehousing/ Logistics facilities	41.4
Housing	21.8
Other	27.5
Total	90.8

By public and private sectors

(Billions of yen)

	FY2024
Public	16.9
Private	73.9
Total	90.8

Summary of the Medium-Term Management Plan FY2023–FY2025

In the business field, we steadily advanced the initiatives outlined in the Medium-Term Management Plan, focusing on strengthening our core areas and enhancing efforts in priority areas. This enabled us to accumulate orders in our core areas, such as logistics warehouses and housing projects, while also securing orders in priority areas, including hospitals and welfare facilities, thereby increasing overall orders and diversifying project types. At the same time, we actively pursued public-sector projects, such as PFI and defense-related contracts, contributing to both project diversification and increased order volume. As a result, sales in the Building Construction Business Unit significantly exceeded the Medium-Term Management Plan targets, reaching ¥82.9 billion in fiscal 2023 and ¥108.9 billion in fiscal 2024. For fiscal 2025, with a substantial backlog of carried-over projects, we expect to achieve the sales target set out in the Medium-Term Management Plan.

Productivity improvement initiatives have focused on supporting construction through Building Information Modeling (BIM). In certain design-build projects, architectural, structural, and equipment drawings were all created using BIM and then applied directly to construction drawings and other deliverables.

In the environmental field, we established the Environmental Project Office in fiscal 2024 to promote initiatives such as reducing greenhouse gas (GHG) emissions through Net Zero Energy Building (ZEB) proposals and holding study sessions, thereby enhancing environmental awareness across the entire Building Construction Business Unit.

Future Growth Strategy and Focus Areas

We aim to steadily secure orders in our core areas, such as logistics warehouses and housing projects, while expanding our presence in priority areas, including medical and welfare facilities, offices, and public-sector projects. This strategy will support stable order acquisition and greater diversification across business sectors.

By strengthening our sales strategy through integrated public and private sales structures and close collaboration with the Civil Engineering Business Unit, we will focus on high-value, high-profitability projects to enhance the overall quality of our portfolio. In addition, we will advance initiatives in new areas, including value-added proposals in the development and environmental sectors, to broaden our business domains.

In addition, in response to future challenges such as workforce shortages and technology transfer, we will promote work-style reforms and focus on initiatives that enable young employees to realize their own growth. At the same time, by leveraging the expertise of senior staff to address an uneven age distribution, we will continue to reinforce an integrated sales and construction project approach, thereby maintaining and enhancing a stable order acquisition and construction execution system.

In design-build projects, we will use BIM as a platform not only to improve construction productivity but also to enhance efficiency in cost estimation by extracting material quantities and other data from BIM models.

TOPICS Promoting the Appeal of the Construction Industry – Securing the Next Generation of Talent

Securing a workforce for the construction industry is currently a very serious challenge and a critical issue for the entire sector. With low interest in the industry and a worsening labor shortage, urgent measures are needed. As a member of the construction industry, we are actively implementing initiatives to secure the next generation of talent.

Strengthening collaboration with universities and high schools – site visits to our nearby construction sites

Through the site visits, students engaged in comprehensive and advanced learning related to their specialized fields, while also developing a proper understanding of work and professional values. The experience helped them cultivate awareness and attitudes as future engineers and skilled workers, serving as motivation for their studies (39 students from a technical high school participated).

On-site lecture session

Strengthening collaboration with the local community – supporting initiatives in Konan City, Shiga Prefecture

(for reference: Konan City website)

In Konan City, the Konan SDGs College is held annually to create a system that enables young people, as role models for the region's future, to actively and continuously participate in community development.

At one of our construction sites in Konan City, we held a site tour for a wide range of participants, from elementary to high school students. The event introduced our SDGs initiatives on-site and gave participants the opportunity to experience the enjoyment of craftsmanship and construction firsthand.

Site tour

Our ESG Initiatives ▶ https://www.toa-const.co.jp/eng/esg/effort/

Strategy for Value Co-Creation Business Strategy

International General Headquarters

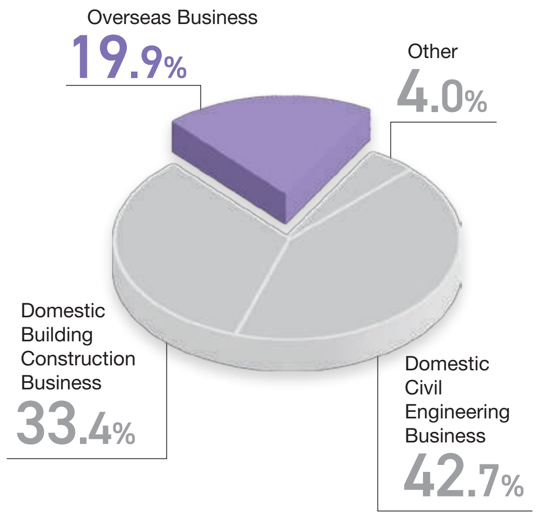
Pursuing the sustainable development of the International General Headquarters, we strive to shape the future globally by steadily expanding our presence and projects in target countries through both civil engineering and building construction businesses

Director, Senior Executive Officer, General Manager of International General Headquarters
Katsuhisa Kimura

Business Policy

1. Emphasis on balancing core and new fields for civil engineering projects and steady expansion of building construction business
2. Localization of overseas offices and building construction business, alliances with local and Japanese companies, and fostering the growth of local subsidiaries
3. Development of profitable new business models and new ventures
4. Improving profitability through enhanced cost estimation, customer-focused design modification proposals, and effective management of profit and loss, cash flow, and risk
5. Building a sustainable and robust organization by placing young employees and foreign staff in senior positions, effectively supporting and engaging senior employees, and promoting diversity & inclusion
6. Transfer and education of technical know-how and promotion of operational efficiency
7. Prioritization of safety and strict adherence to compliance, risk management and governance

FY2024 Consolidated Sales Composition by Business Segment



Strengths

- A wealth of experience, technology, and trust accumulated through projects in over 54 countries since 1963.
- Strong sales and proposal capabilities, developed through numerous design and construction projects, leveraging our technological expertise, particularly in Singapore.
- Possession of specialized work vessels such as large dredger, and pile driving and soil improvement vessels.
- A diverse workforce comprising numerous Japanese employees experienced in overseas projects, foreign national employees who now make up approximately 15% of the International General Headquarters, and local staff hired in each country.

Opportunities

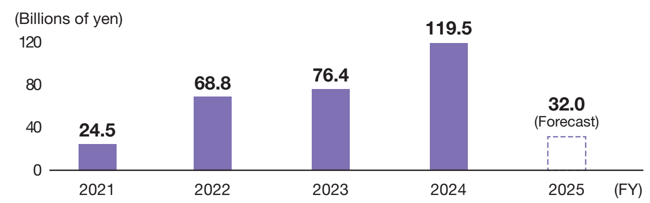
- Sustained strong demand for infrastructure, particularly in Asia and Africa.
- Initiatives for new private-sector projects through the Indonesian local subsidiary established in 2023 with a local partner, as well as private-sector projects in other countries conducted in collaboration with local partners.
- Opportunities related to global carbon-neutral initiatives, such as renewable energy projects and sustainable infrastructure development, including efforts to reduce CO_2 emissions at our own overseas worksites.
- Supporting and securing orders for the overseas expansion of Japanese companies by collaborating with Building Construction Business Unit to further enhance our presence in the global market.

Risks

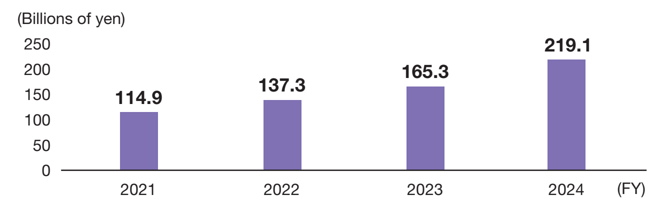
- Rising geopolitical risks, and increases in resource and raw material prices as well as transportation costs amid an uncertain global environment.
- Rising prices for resources, raw materials, and transportation costs.
- Short-term economic disruptions and structural changes in the global economy over the medium to long term.
- Transfer of know-how, experience, and technical skills of overseas personnel to the next generation, and governance, training, and awareness initiatives to support increasing workforce diversity, including Japanese employees and local staff abroad.

Results and Targets (Non-consolidated)

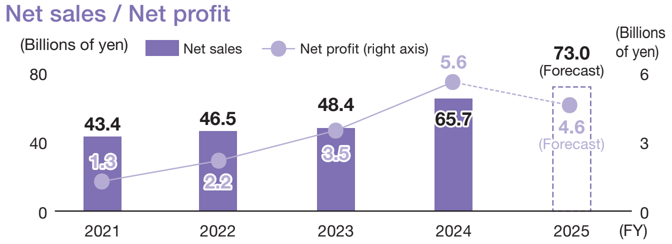
Orders received



Year-end construction backlog



Net sales / Net profit



Orders by region

By region (Billions of yen)

	FY2024
Southeast Asia	87.2
South Asia	26.7
Middle East	(1)
Africa	5.6
Other	-
Total	119.5

Summary of the Medium-Term Management Plan FY2023–FY2025

Under the three-year Medium-Term Management Plan from fiscal 2023 to 2025, we focused on expanding our business domains and strengthening collaboration with local construction companies, actively pursuing new orders. As a result, orders received reached ¥196.1 billion over two years, significantly exceeding the planned target of ¥134.0 billion. We secured multiple large-scale projects at our most important hub, Singapore, and also won major port construction contracts in newly entered markets, such as Cambodia and Kenya.

Net sales reached ¥114.2 billion over the two years, exceeding the Medium-Term Plan target of ¥163.0 billion on a comparative basis.

On the profit side, despite the impact of rising prices and exchange rate fluctuations, profit was boosted through measures such as securing change orders for completed projects. As a result, net profit exceeded the planned targets.

At the end of the previous fiscal year, project backlog reached ¥219.1 billion, one of the highest levels on record, providing a stable foundation for future business growth.

Future Growth Strategy and Focus Areas

Looking ahead, in international business we aim to maintain an appropriate business scale while ensuring steady execution, improved profitability, and stable performance for each project, taking into account the current substantial backlog. Achieving these goals requires individual growth, with particular emphasis on on-the-job and off-the-job training for young employees. In addition, we will continue to focus on securing talent through the recruitment of foreign nationals and mid-career employees, driving organizational transformation to enable the diverse workforce to thrive.

In terms of business domains, we will continue to focus on our core strength in port projects, while advancing diversification across multiple sectors and strengthening our efforts in private-sector projects, new business models, and new ventures. In the building construction field, we will continue to prioritize partnerships with overseas construction companies, steadily expanding our initiatives in this area.

As a priority area, we will focus on the Philippines, where not only ODA projects but also a significant number of private civil engineering and construction projects are expected, by establishing and leveraging a local subsidiary. In Indonesia, we have already begun operating a local subsidiary established in partnership with a local company, and given the country's strong economic growth outlook, we plan to further strengthen the organizational structure and foundation of this subsidiary, pursuing long-term development in the market.

TOPICS

Use of EV Boats in Singapore*

In Singapore, from 2030 onward, all new harbor craft will be required to operate on either full electrification, 100% biofuel (B100 fuel), or net-zero fuels such as hydrogen, which result in virtually zero GHG emissions. Against this backdrop, we have decided to introduce and utilize EV boats in our ongoing construction projects in Singapore. This initiative marks the first time EV boats have been deployed at a construction site in Singapore.

* EV boats are next-generation vessels powered by electricity that reduce CO_2 emissions and help lower environmental impact.

EV boat, introduced for the first time at a construction site in Singapore

Completion of Private Home Appliance Factory in Bangladesh

In the Bangladesh Economic Zone developed by TOA CORPORATION near Dhaka, the first construction project—the home appliance factory of Singer Bangladesh Limited (SBL)—has been completed. This economic zone has been developed through public-private collaboration between Japan and Bangladesh, with the aim of promoting industrial diversification, attracting foreign investment, and driving economic development in Bangladesh. The operation of this factory is expected to contribute to these objectives. Furthermore, the factory has applied for and is currently in the process of obtaining LEED Gold certification*, making it an environmentally friendly production facility that meets global standards.

* An environmental performance evaluation system for buildings (and their site use), developed and operated by the U.S. Green Building Council, and the most widely used system of its kind in the world.

Environmentally conscious production facility of Singer Bangladesh Limited constructed by TOA CORPORATION

Our ESG Initiatives ▶ https://www.toa-const.co.jp/eng/esg/effort/

Safety, Environment and Quality General Headquarters

Ensuring safety, environmental protection, and quality as core elements to our management, and fulfilling social responsibility by integrating these areas to achieve synergy

Senior Executive Officer
Chief of Safety, Environment and Quality General Headquarters
Naruyuki Umakoshi

Business Policy

Safety

Under the fundamental policy of "Safety First," top management ensures that every employee shares a strong commitment to absolutely preventing workplace accidents and actively communicates to achieve zero major workplace accidents and zero major public safety incidents.

Environment

Through strict compliance with environmental laws and regulations, reduction of greenhouse gases and waste, and the implementation of preventive measures against environmental risks, we aim to achieve zero major environmental accidents and a reduced impact on the global environment.

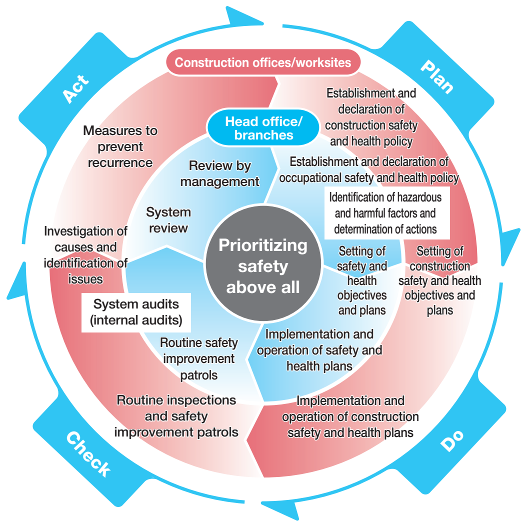
Quality

By adhering to established procedures, we ensure the effective execution of the PDCA cycle, with a particular focus on the C (Check, Verification, and Evaluation), and provide construction and technical services that fulfill customer requirements.

Key Initiatives

We will implement the following key initiatives to create a comfortable workplace where safety and health are prioritized. In addition, we will conduct construction work with a strong focus on environmental protection and quality, thereby contributing to society.

1. Embed the principle of "safety first" from top management to every level of the site.
2. Continue safety education and safety activities to foster a safety culture.
3. Advance work-style reform and create a comfortable work environment.
4. Ensure strict compliance with environmental laws and promote reduce, reuse, recycle (3Rs) across the entire workplace.
5. Continuously improve the quality management system.



PDCA cycle

Progress of Safety Initiatives and Future Policy

Establishing a Reliable On-Site Inspection System

- We actively conduct joint patrols with the head office and branches to demonstrate a Company-wide commitment to eliminating workplace accidents. By inspecting worksites from multiple perspectives, we strive to identify potential risks at an early stage.
- We participate in online patrols of overseas construction sites and accompany on-site patrols approximately once a year to deepen our understanding of the working environments in each country.

Enhancing the Safety Education System

- In addition to the six-tier safety training program for all employees, we will continue to provide education specifically tailored for mid-career hires. We will also continue to offer specialized training for worksite managers, focusing on mid-career and experienced employees.
- We appoint branch safety staff as instructors for the tiered safety training program to improve their teaching skills and enhance and standardize the Company-wide safety education system.

Preventing Similar Accidents through ICT

- We will roll out the internally developed "AI Disaster Search System (provisionally named HACARUS KY)," created in collaboration with the DX Strategy Department. By utilizing past accident data, we aim to eliminate similar incidents.

Progress of Environmental Initiatives and Future Policy

Reduction and Reuse of Construction By-Products

- Toward realizing a circular economy, we promote reuse of excavated soil between projects, utilization of recycled materials, and recycling of construction by-products such as concrete blocks, aiming for zero-emission construction sites (minimizing final disposal). We also thoroughly manage targets at each site, branch, and the head office through the Environmental Management System (EMS) and oversee construction by-products using our in-house EMS, striving to further advance the 3Rs (reduce, reuse, recycle).

FY2024 Construction Waste Volume Results (Domestic, Non-Consolidated)

Category	Target Value	Actual Value
Final Disposal Rate (Excluding sludge)	3% or less	2.8%

Progress of Quality Initiatives and Future Policy

ISO Certification

- To improve the quality of business operations and earn trust and recognition from society, we have obtained ISO certifications (9001 for quality, 14001 for environment, and 45001 for occupational health and safety). In 2024, we underwent a surveillance audit by MSA (Management System Assessment Center) and successfully maintained our certifications. We operate an integrated manual covering quality, environment, and occupational health and safety, and simplify management by consolidating site-level plans into a single document.

Management System (MS) Internal Audits

- In fiscal 2024, we conducted 72 audits across Japan, including those by internal auditors at the head office and branch offices, as well as audits led by the Quality Control Department. In fiscal 2025, we will continue MS internal audits with the same rigor, while focusing on further enhancing audit quality and depth. In addition, we will prioritize follow-up actions on audit results and training internal auditors to strengthen the overall effectiveness of our management system.

Prevention of Nonconforming Products and Improvement of Quality Control

- To prevent nonconforming products, we conduct 30 surprise quality audits annually. These audits help prevent misconduct and ensure adherence to quality standards. The audits focus on critical construction stages of projects involving invisible elements such as ground improvement, as well as projects with known quality concerns. Through these audits, we verify compliance with the management system and emphasize the importance of quality assurance. We also clarify key management points for each type of construction and provide guidance to prevent nonconforming products.

TOPICS

Joint Head Office and Branch Office Patrols

We are working company-wide to eliminate workplace accidents.

Joint patrols at worksites

Patrols conducted by President Hayakawa (center right)

Company-Wide Integrated Safety Education System

We aim to enhance and standardize the safety education system across the Company.

Safety lectures by President Hayakawa

Tiered safety training conducted by in-house instructors

Strategy for Value Co-Creation Business Strategy

Corporate Management General Headquarters

By integrating the Corporate Planning General Headquarters and the Administration General Headquarters, we are strengthening the collaboration between financial and non-financial information management and planning functions, thereby building an organizational structure that contributes even further to enhancing corporate value

Representative Director and Senior Executive Officer
Chief of Corporate Management General Headquarters
Overseeing DX Strategy Department, Internal Audit Department, and Secretarial Department
Takeshi Nakao

Corporate Management General Headquarters Policy

1. Strengthen response to the changing capital markets (enhance corporate value, improve external communication)
2. Strengthen governance (strengthen compliance, risk management, etc.)
3. Secure and develop the next generation of talent
4. Advance financial strategies and policies (financial accounting strategies that contribute to strengthening FP&A functions*)
5. Integrate engagement initiatives (workstyle reform, improving well-being, etc.)

* FP&A (Financial Planning & Analysis): The finance function that develops corporate financial plans and conducts analyses to support business strategy.

New Structure and Vision

Changes in the Era and Requirements for Corporate Management

Corporate management is facing new trends. In recent years, equity governance, in which shareholders exercise stronger oversight of management, has been increasingly emphasized. At the same time, engagement with other stakeholders has expanded more than ever, and the boundaries between internal and external operations are becoming increasingly blurred. Traditionally, administrative departments focused primarily on internal operations, but corporate management—including financial management—is shifting from an era when only internal personnel needed to understand the business. Companies are now expected to operate with greater transparency toward the capital markets and to address new initiatives with a long-term perspective.

To respond to these changes in the business environment, the Management Planning General Headquarters and the Administration General Headquarters were integrated in April 2025, establishing the new Corporate Management General Headquarters. This new structure moves beyond the traditional vertically segmented organization that handled only conventional administrative tasks, aiming instead to 1 strengthen integrated management of financial and non-financial information, 2 improve operational efficiency, 3 promote innovation, and 4 enhance market competitiveness, thereby further contributing to the improvement of corporate value.

Roles and Functions of the Corporate Management General Headquarters

The Corporate Management General Headquarters has a wide and diverse range of responsibilities. As an organization functioning in a role closely aligned with the CFO, it engages with the capital markets and is responsible for financial management, external communications, and the formulation of corporate strategies. In addition, its most important role is to establish systems and frameworks for sound corporate governance, develop related policies and approaches, and ensure that employees understand and fully embrace these practices.

Furthermore, as outlined below, by taking on the new roles assigned to each department, the administrative functions will not only focus on "defensive" operations but also strengthen "offensive" capabilities, thereby contributing to the enhancement of corporate competitiveness.

<New Roles Assigned to Each Department>

- **Corporate Planning Department**
  Coordinator of the Corporate Management General Headquarters
- **ESG Corporate Planning Department**
  Command center for risk management, governance education, and related initiatives
- **Corporate Communications Department**
  Comprehensive external engagement, including shareholder relations (SR), investor relations (IR), and public relations (PR) for both internal and external communications
- **Administration Department**
  Secretariat for management and Board of Directors meetings; cornerstone of the governance framework
- **Human Resources Department**
  Planning and communication of human capital management initiatives
- **Accounting Department**
  Active involvement in capital policies and related financial strategies
  FP&A

Future Challenges and Focus Areas

The Corporate Management General Headquarters has set financial and ESG targets as its priority objectives. The financial targets go beyond financial management alone, aiming to enhance the Company's financial soundness. To this end, we formulate and implement corporate strategies such as the Action Plan to Improve Price-to-Book Ratio.

Regarding ESG targets, we prioritize advancing our distinctive ESG management, with a particular focus on strengthening governance frameworks and developing the next generation of talent.

We are also placing a strong emphasis on external communications. In addition to the existing departments, the newly established Corporate Communications Department enhances IR activities, while the Personnel Department drives company-wide PR efforts to support recruitment. Through these initiatives, we aim to strengthen the Company's brand value and credibility both inside and outside the organization.

TOPICS

Sponsorship of NTV (Nippon Television) Program "Umikoi—What We Can Do for the Sea Now"

"Umikoi—What We Can Do for the Sea Now" is a program that introduces people across Japan who are passionate about the ocean while highlighting the importance of blue carbon. From our position as a construction company specializing in marine civil engineering, we have long applied our accumulated technologies and expertise to creating blue carbon ecosystems. Through sponsoring this program, we aim to advance initiatives in blue infrastructure and blue carbon ecosystems that contribute to social value creation, including biodiversity conservation and the promotion of harmony with nature.

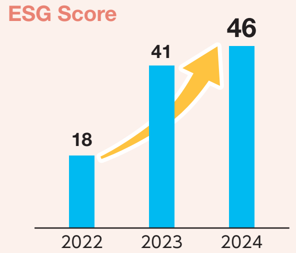
Program information is available here (Japanese only):
https://www.ntv.co.jp/bluecarbon/

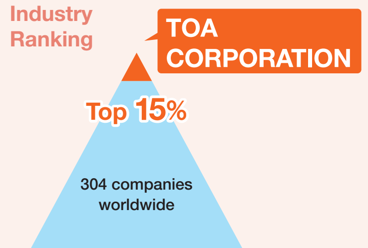
Launch of Official X Account

In today's environment, where immediate information dissemination is essential, we have launched an official X account, leveraging the platform's speed and wide reach. X allows concise, short-form communication and reaches a diverse user base, making it an effective new channel to deliver our information to a broader audience. By incorporating our mascot character, "TOA Bōya," we can provide a friendly and approachable image while sharing comprehensive and timely updates about the Company. We will continue to strengthen our information dissemination through X going forward.

First post (February 2025)
Image: "TOA Bōya"

ESG Assessment by S&P Global





In the 2024 ESG scores published by S&P Global, an external ESG evaluation organization, we received a score of 46, placing us in the top 15% among 304 construction and engineering companies worldwide—a high rating in relative terms.

Evaluation of Climate Change Initiatives by CDP 2024

Climate CDP A List 2024 | Supplier Engagement Leader CDP 2024

Our efforts and disclosures on climate change were recognized by CDP, a leading global environmental information disclosure platform. In fiscal 2024, we were selected for the highest rating in the climate change category, the "A List" (Leadership Level). In addition, we were selected for the second consecutive year as a "Supplier Engagement Leader," the highest rating in the Supplier Engagement Assessment.

Climate-Related Disclosures Based on the TCFD
https://www.toa-const.co.jp/eng/esg/tcfd/

Research and Development

Formulation of the Basic Intellectual Property Policy

The TOA CORPORATION Group views the intellectual property generated through our Daily Operations and Research and Development as intangible assets that contribute to corporate value. With the aim of appropriately protecting and utilizing these assets, as well as preventing and mitigating associated risks, we have formulated the Basic Intellectual Property Policy.

Basic Intellectual Property Policy

Basic Policy

Guided by our corporate motto—"TOA CORPORATION strives for prosperity with advanced technologies and fulfills its social responsibilities through sound management"—we aim to contribute to a better society.

To this end, we actively convert ideas and technologies generated across all business areas, including Construction sites, Design, and Research and Development, into the intellectual property; appropriately protect and utilize them; and work to prevent and mitigate risks related to the intellectual property.

Through these intellectual property activities, our group aims to secure a competitive advantage, expand its business, and enhance corporate value, while fulfilling its social responsibilities.

Action Guidelines

1. Promote strategic intellectual property activities
2. Manage risks related to the intellectual property
3. Develop human resources involved in the intellectual property

Four Materiality in Research and Development

In recent years, achieving carbon neutrality and addressing disaster prevention, mitigation, and resilience have become major social challenges. In particular, responding to large-scale disasters caused by massive earthquakes and climate change is an urgent issue. Efforts are also needed to address aging infrastructure. To meet these needs, we have identified four materiality priorities, set research and development themes accordingly, and respond with a sense of urgency, linking these efforts to corporate growth.

Blue・Green
Global warming countermeasures and building a low-carbon society
Conservation, regeneration, and creation of the natural environment
Reduction of environmental impact

Life - cycle
Maintenance and longevity
3Rs practices

Digital・Smart
Improvement of quality, safety, and productivity
Enhancement of wellness

Resilience
Disaster prevention, mitigation, and strengthening resilience
Providing safety and security

Initiatives in Seabed Mineral Resource Development

Blue・Green | Digital・Smart | Life - cycle

In recent years, global demand for battery metals such as rare earth elements, cobalt, and nickel has been rising. The stable supply of these metal resources is a critically important issue for Japan, both for achieving a carbon-neutral society and for ensuring economic security.

It has become clear that seabed mineral resources containing these valuable metals exist within Japan's exclusive economic zone, attracting attention as a promising future business field. Moreover, seabed resource development is gaining focus as an alternative to onshore resource extraction, which raises concerns such as environmental degradation and human rights issues. By ensuring strict management and leveraging advanced technological capabilities, it is expected that sustainable and ethical resource supply can be achieved.

Introduction to the Research and Development Group is available here (Japanese only):
▶https://www.toa-const.co.jp/trdc/field/

Against this backdrop, we are leveraging our long-cultivated marine civil engineering expertise as a marine contractor to create new value. In the field of seabed mineral resource development, we have provided technical support and collaboration for national projects such as the Strategic Innovation Promotion Program (SIP), contributing to the advancement of technological development. These initiatives not only demonstrate our technological superiority but also are expected to generate future business opportunities.

In recent years, these activities have been featured in television programs and newspapers, and alongside growing public interest, our technological capabilities and commitment to social responsibility are becoming widely recognized. Going forward, we will continue to balance addressing social challenges with enhancing corporate value through the sustainable development of marine resources, fulfilling our responsibility as a company that creates the future.

Initiatives in Blue Carbon and Nature-Positive Practices

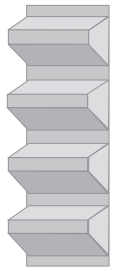
Blue・Green | Life - cycle

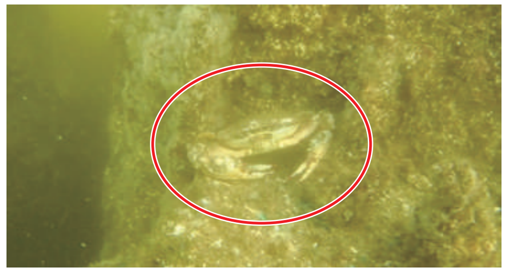
Amid growing calls for decarbonization, efforts are under way to expand CO_2 absorption sources through the use of blue carbon ecosystems as a measure against global warming, including initiatives to increase seaweed bed areas. In addition, Japan's National Biodiversity Strategy was adopted in 2023, setting a target to achieve nature-positive outcomes by 2030. Against this backdrop, we are developing technologies that contribute to the expansion of blue carbon ecosystems and the enhancement of biodiversity.

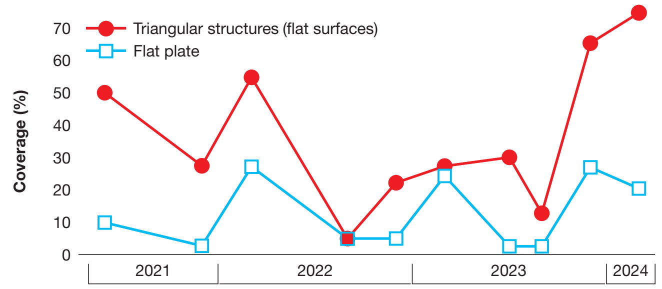
As one related technology, we are testing triangular structures installed on vertical port structures to examine their effectiveness in promoting the attachment and growth of algae and other organisms. Using the Kanto Regional Development Bureau's open-sea experimental site system, we conducted a field experiment on a vertical port structure at Honmoku Pier, Yokohama Port. In this experiment, green algae such as species of Ulva attached to the corners of the triangular structurer (flat surfaces). Compared to flat plates (control areas), the triangular structures showed a higher coverage of seaweed*, confirming their effectiveness in promoting algal attachment.

The triangular structures create three-dimensional structural variations on seawalls, promoting the attachment of macro algae on flat surfaces and sessile organisms on sloped surfaces. They have also been shown to support species such as the Shore Swimming Crab and Fat greenling, demonstrating their potential to enhance biodiversity. Currently, we are installing these triangular structures at our Oppama Yard in Yokosuka City and on the seawalls of Kanazawa Fishing Port in Yokohama City to evaluate their effectiveness in promoting organism attachment and growth.

* Percentage of surface covered by seaweed


Triangular structures


Shore Swimming Crab observed on Triangular structures



Seaweed coverage on triangular structures and flat plates

Obtaining Technical Evaluation Certificate for New Pile Head Connection Technology in Precast Superstructures

Digital・Smart | Resilience

We developed a new steel frame insertion joint method for precast superstructures, known as the SFI joint method, and obtained technical evaluation certification from the Coastal Development Institute of Technology for private-sector port-related technologies.

This method adopts a steel frame insertion joining technique to connect piles and superstructures in the construction of marine pile-supported structures, such as piers. By precasting the superstructures, it is expected to shorten the construction schedule while also reducing manpower and labor requirements for offshore work and enhancing overall safety.

Certificate awarding ceremony

Message from the Chief of the TOA Research & Development Center

TOA Research & Development Center is a hub for technological innovation, shaping the future of TOA CORPORATION.

We continuously strive to refine and advance our technical expertise in civil engineering and building construction, accelerate the research and development to address social challenges, and at the same time, strengthen the collaboration with project sites to create and implement technologies that are highly practical.

In response to the recent climate change and the intensification of related disasters, we are promoting the development of technologies aimed at achieving carbon neutrality and enhancing disaster prevention, mitigation, and resilience. In addition, to address the aging infrastructure and a declining labor force, we are developing technologies that leverage digital solutions to reduce labor requirements and streamline operations.

In addressing a wide range of social challenges, we respect the creativity and spirit of challenge of each employee and, through a flexible and open research environment, we aim to deliver technologies that can create the next-generation value for the society.


Chief of the TOA Research & Development Center
Nobuyuki Yamane

Group Companies Supporting TOA CORPORATION – Annual Highlights –

All executives at the new head office

TOA REATEC Co., Ltd.

Leveraging the strength, technology, and experience of the TOA Group, we turn our customers' aspirations and expectations into reality and create the future of society.

Purpose and Vision of the Merger

On July 1, 2025, TOA REATEC Co., Ltd., was established through the merger of Toa Real Estate Corp. and TOA BUILTEC CO., LTD., both consolidated subsidiaries of TOA CORPORATION. By combining the Group's collective expertise in real estate with technical capabilities in building maintenance and renovation, we aim to provide higher-quality services and deliver customer solutions across the entire building life cycle—from land development and construction to maintenance, management, and repairs. Our goal is to create a "circular renovation business" that serves customers throughout a building's life cycle.

Business Overview and Achievements

As a member of the TOA CORPORATION Group, we combine expertise in real estate with building maintenance and renovation technologies to provide high-quality services that maximize the value of land and buildings.

Business Overview

Renovation

- General repairs and maintenance (interior, exterior, painting, waterproofing)
- Renewal (equipment upgrades, store renovations)
- Remodeling (layout changes, barrier-free modifications)
- Seismic reinforcement of refrigerated warehouses and other structures (vibration control, base isolation)
- Large-scale condominium repairs
- Conversion projects

Leasing, Sales, and Brokerage

- Real estate leasing (e.g., land, rental units, parking lots)
- Real estate sales, brokerage, surveys, and consulting
- Property management

Comprehensive Building Management

- Cleaning (daily and periodic)
- Facilities maintenance management (disaster prevention, electrical, mechanical, elevators)
- Environmental hygiene management (air quality measurement, water testing, pest control)
- Security (manned and electronic)

Real Estate Development

- Research, planning, and management for real estate development
- Real estate investment

An example of new office renovations by TOA REATEC

An example of a university campus renovations

Our Vision for the New Company

As a wholly owned subsidiary of TOA CORPORATION and the Group's only architecture-focused subsidiary, we at TOA REATEC aim to contribute to the development of the entire TOA CORPORATION Group through our three business areas: renovation, real estate, and building management. As a partner that remains entirely customer-oriented, we strive to realize our clients' aspirations—effective utilization of valuable land and enhancement of building value through improved environmental performance—by leveraging the comprehensive capabilities of the TOA CORPORATION Group, and to meet our customers' expectations for the long term.

Representative Director and President
Masato Honda

Corporate Profile

Company Name	TOA REATEC Co., Ltd.
Head office	30th Floor, Tower S, Shinjuku Park Tower, 3-7-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1030, Japan Tel: +81-3-5207-3321 (Main) Fax: +81-3-5207-3322
Yokohama Office	6th Floor, Minar Building, 18-1 Toyooka-cho, Tsurumi-ku, Yokohama, Kanagawa 230-0062, Japan Tel: +81-45-571-5351 Fax: +81-45-571-0418
Capital	¥20 million (wholly owned by TOA CORPORATION)
Representative	Representative Director and President Masato Honda
Incorporation	July 1, 2025
Licenses and Registrations	·Real Estate Transaction License (Governor of Tokyo) ·Construction Business Permit (Governor of Tokyo) ·Condominium Management Business Registration (Minister of Land, Infrastructure, Transport and Tourism) ·Electrical Contractor Registration (Governor of Tokyo) ·Comprehensive Building Environmental Sanitation Management Business Registration (Governor of Tokyo) ·Security Business Certification (Kanagawa Prefectural Public Safety Commission) ·First-Class Architect Office (Governor of Tokyo)

TOA REATEC website (Japanese only) ▶https://www.toa-reatec.co.jp/

Signing ceremony of the local subsidiary establishment agreement

PT TOA TUNAS JAYA INDONESIA (TTJI)

Contributing to Local and Corporate Development from Indonesia

Purpose of Establishment and Achievements to Date

To capture the growing demand in Indonesia, one of the fastest-growing economies in ASEAN, we established the local subsidiary PT TOA TUNAS JAYA INDONESIA (TTJI) as a joint venture with TUNAS JAYA SANUR (TJS), headquartered in Bali. By leveraging the strengths of both companies and executing projects with integrity and reliability, we aim to contribute to creating better living conditions in Indonesia.

Future Growth Strategy

Guided by our Corporate Philosophy —"TOA CORPORATION strives for prosperity with advanced technologies and fulfills its social responsibilities through sound management."—we have set forth the following three points as our medium- to long-term plan.

Growth Strategy 1: Build a stable revenue base (Sound management)

Growth Strategy 2: Actively address regional business challenges (Social responsibility)

Growth Strategy 3: Serve as a hub for talent development and deployment (Business growth)

From its establishment through the current fiscal year, in addition to collaborating on projects awarded to the local subsidiary, we have sought to accelerate the integration of corporate culture by providing TJS employees with opportunities to work on our projects in other countries, participating as the lead contractor in joint ventures, and engaging TJS as a subcontractor for TOA CORPORATION projects. At the same time, we are building governance structures covering internal systems, organization, human resources, and finance to promote effective organizational management.

Going forward, we will further strengthen our collaborative framework, actively address regional business challenges, and develop business models unique to TTJI.

We aim for this growth to contribute to the advancement of both the TOA CORPORATION Group and the TJS Group.

Message

PT TOA TUNAS JAYA INDONESIA (TTJI) is a construction company established as a joint venture between TOA CORPORATION and Tunas Jaya Sanur (TJS). TJS is a well-established Indonesian construction company with extensive experience in building hotels and commercial facilities. TOA CORPORATION holds a 67% stake, while TJS holds 33%. Through the synergy of both companies' strengths—TOA CORPORATION's expertise in Japanese and international construction markets and TJS's knowledge of Indonesian culture and business practices—we aim to provide high-quality construction services across Indonesia. Leveraging the full potential of both companies, we will grow together based on mutual trust and reliability.

Representative Director and President
Fahrudin Sokran Daud

Corporate Profile

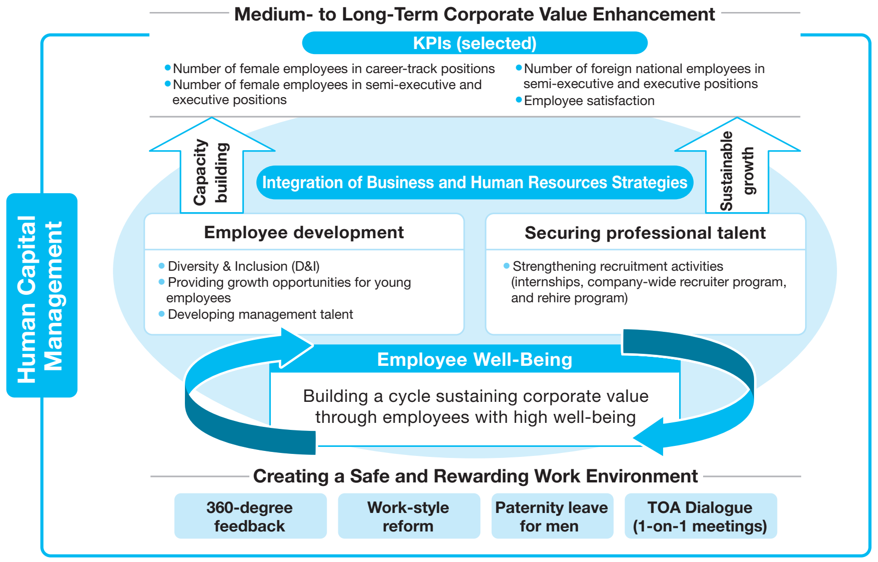
Company Name	PT TOA TUNAS JAYA INDONESIA
Location	RAJAWALI PLACE, 21st Floor, Jl. HR. Rasuna Said Kav B-4, Kuning an, Setiabudi, Jakarta Selatan 12910 Indonesia
Representative	Representative Director and President Fahrudin Sokran Daud
Business Activities	Construction and civil engineering works, including new construction and repair
Capital	80,600 shares issued, IDR 80,600,000,000
Operations Commenced	September 2023

TTJI website ▶https://www.toa-tji.co.id/

Human Resources Strategy

Medium-Term Management Plan (FY2023–FY2025): Human Resources Strategy

In the construction industry, trust is created by people and serves as the foundation of competitive strength. We believe that accelerating human capital management is essential to fully leverage our workforce and enhance corporate value. By recruiting talent willing to take on bold challenges in new business models and fostering employee growth, we are building an organization that drives business expansion. At the core of all our initiatives is a safe and fulfilling work environment. For the Company's sustainable growth, it is essential that the well-being of individual employees and that of the Company are aligned. Through the promotion of human capital management, we are building a cycle in which employees with high well-being sustainably enhance corporate value.

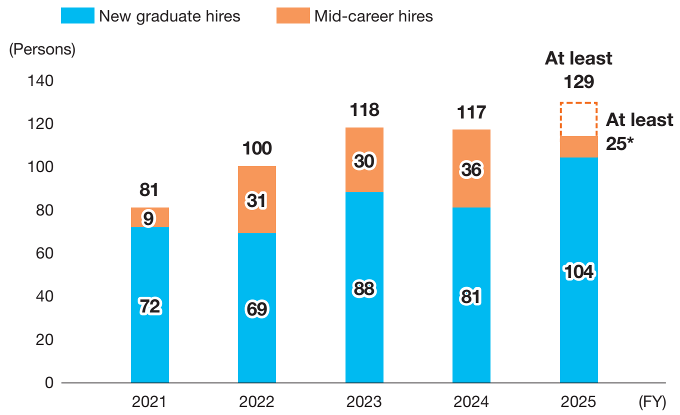


Key Initiatives in the Medium-Term Management Plan

Securing Professional Talent

To achieve our long-term vision, TOA2030, we have set a target of at least 2,210 employees across the Group by fiscal 2030 (compared with 2,052 employees at the end of fiscal 2024). Through initiatives such as a company-wide recruiter program for all employees, strengthened internship programs, and a rehire program that enables former employees to leverage the knowledge and experience they gained after retirement, we are working to secure a solid talent base. We actively recruit a diverse range of talent—not only personnel for our core civil engineering and building construction businesses but also highly specialized professionals in areas such as carbon neutrality, ESG, diversity, intellectual property management, and investor relations, as well as individuals with capabilities currently underrepresented in the Company—through career recruitment initiatives.

Number of Career-Track Hires (New Graduates + Mid-Career)



* For fiscal 2025, the target for mid-career hires is 25 or more (as of July 31, 2025, 10 hires had been made).

Promoting Diversity of Knowledge and Experience

We believe that when employees with diverse backgrounds understand and respect one another, their combined knowledge and experience can drive innovation and enhance corporate value. For this reason, we actively promote the success of diverse talent across the Company.

❶Promoting Female Advancement

To further advance diversity and inclusion (D&I), in 2025, we have raised the target ratio of female hires among career-track positions to 20% or more by fiscal 2030, up from the previous target of 10% through fiscal 2024. Going forward, we will focus on initiatives such as leveraging female recruiters. In addition, we introduced a region-specific career-track program in fiscal 2024 for general-position employees who primarily handle routine tasks. To date, approximately 90% of these employees have transitioned to career-track positions. We will continue to support them by expanding job rotation and educational opportunities, enabling contributions at higher levels of responsibility.

Currently, there are two female executive officers. To foster the next generation of leaders, we have set a target of appointing 30 or more women to semi-executive and executive positions (positions eligible for managerial roles, such as section manager or higher) by fiscal 2030 (compared with 11 as of the end of fiscal 2024). Moving ahead, we will work to strengthen the pool of female managerial candidates through initiatives such as leadership training programs for women.

❷Promoting Young Employees

To help young technical staff rapidly acquire the skills needed to serve as site managers—a key milestone in their careers—we introduced a skill map in fiscal 2024. This system systematically organizes the abilities, knowledge, experience, and mindset required of site managers. Employees conduct self-assessments and, through discussions with their supervisors, gain a clear understanding of their current status and future development plans. We are also accelerating the early promotion of young employees. The number of site managers aged 35 or younger has grown from one in fiscal 2021 to 11 in fiscal 2024.

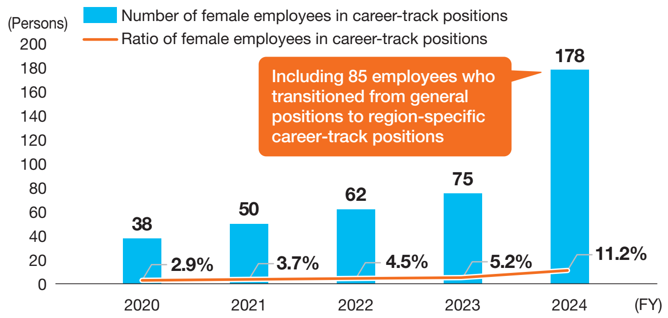
❸Promoting Foreign National Employees

We aim to appoint 10 or more foreign national employees to semi-executive and executive positions by fiscal 2030 (compared with two as of the end of fiscal 2024). In the International General Headquarters, we support foreign national employees in succeeding regardless of their Japanese language ability by standardizing bilingual (Japanese and English) communication in domestic workplaces. In addition, we provide Japanese language training to prepare employees for future promotion to semi-executive and executive positions.

❹Promoting the Employment of People with Disabilities

As of June 2024, the employment rate of people with disabilities stood at 3.0%. We focus on creating an environment where individuals can fully utilize their talents, such as by hiring artists with disabilities to produce illustrations and designs for internal and external use.

Number and Ratio of Female Employees in Career-Track Positions



Enhancing Organizational Vitality and Strength

To enable diverse individuals to fully demonstrate their abilities, it is essential to foster a corporate culture that ensures psychological safety, where employees can express their thoughts freely and with confidence. We focus on promoting psychological safety through initiatives such as the TOA Dialogue, in which supervisors and subordinates regularly engage in paired discussions, and Kaeru Meetings®—team meetings in which participants define their desired outcomes, identify challenges, and develop and implement improvement plans.

We believe that linking the well-being of individual employees with the success of the Company and fostering mutual growth strengthens organizational capability and enhances corporate value. Based on this approach, we introduced an Employee Well-Being Survey in fiscal 2024 to assess how fulfilled employees feel both at work and in their personal lives. The initial survey achieved a response rate of over 90%, and more than 250 employees participated in the results presentation event and associated workshops. Going forward, we will continue to analyze the data and insights obtained from the survey and implement events and initiatives aimed at improving well-being, thereby enhancing organizational vitality.

A workshop conducted following the Employee Well-Being Survey

Column Remote Lecture Using the Avatar Robot "OriHime"

A site manager at our Shikoku Branch is currently undergoing rehabilitation in Takamatsu City due to partial paralysis caused by illness. Using the avatar robot OriHime, developed by OryLab Inc., the manager participated online in a young employee training session held in Kochi City and shared experiences from the Great East Japan Earthquake. We will continue to actively enhance the work environment to ensure that employees can perform their duties smoothly from home or rehabilitation centers.

Online lecture at young employee training session

OriHime

Delivering a lecture from the rehabilitation center

Message from the Executive Officer Overseeing Personnel

Our corporate philosophy states that TOA CORPORATION strives for prosperity with advanced technologies and fulfills its social responsibilities through sound management. True to these words, the technical skills of each employee, combined with a culture of mutual learning, have supported the Company's history spanning more than 110 years. To ensure continued sustainable growth, we will accelerate initiatives to transfer the expertise cultivated by veteran employees to younger staff, thereby preserving the pride and tradition of "TOA's Technology."

In addition, to create a better tomorrow, we aim to cultivate employees who take initiative and embrace challenges, as emphasized in our employee action guidelines under the message "Challenge!" To achieve this, it is essential to provide an environment where all employees can confidently demonstrate their full potential. As an ongoing priority of our human resource strategy, we will continue to advance initiatives that promote psychological safety and further strengthen diversity and inclusion.

Executive Officer, Deputy Chief of Corporate Management General Headquarters, General Manager of Human Resources Department

Yuko Hirose

Strategy for Value Co-Creation

DX Strategy

Promoting Digital Transformation (DX)

In the DX Strategy Department, we focused on enhancing employees' digital literacy to advance DX through the previous fiscal year. Going forward, we will continue our efforts to further promote DX, guided by the roadmap shown in the figure.

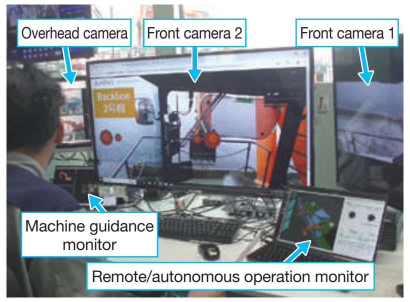
Roadmap for DX Strategy

DX Strategy (Detailed Roadmap) ▶https://www.toa-const.co.jp/esg/esg-pdf/dx-strategy.pdf(Japanese only)

2025 → 2035

Area	Initiative	2025		2035
Construction DX	Automation and autonomy of work vessels	Trials of remote, automated, and autonomous operation of work vessels, and autonomous learning	Practical application of autonomous work vessels	Deployment of fully autonomous work vessels
Construction DX	Robotics	Verification and data acquisition at pilot sites	Introduction to major sites and establishment of operational rules	
Construction DX	Advanced construction management	Trials of management using AI	Practical application of management using AI	Collaboration between AI and robotics
Construction DX	BIM/CIM, utilization of BIM (Civil Engineering)	Trial application of front-loading	Utilization from front-loading through maintenance management	
Construction DX	BIM/CIM, utilization of BIM (Building Construction)	Trial application of design and construction planning	Expansion of application to all areas and utilization for maintenance and asset management	
Construction DX	BIM/CIM, utilization of BIM	Training on utilization for specific employees	Training on utilization for all technical staff	
Construction DX	Utilization of digital twin	Trial of advanced visualization technologies	High-precision visualization technologies	
Construction DX	Utilization of digital twin	Trial of virtual space reconstruction technologies	Implementation for safety and construction management, and application in employee training	
Data Utilization	Practice of data-driven operations	Establishment of data integration platforms	Utilization of data for management decision-making	Data utilization across all areas using AI
Data Utilization	Practice of data-driven operations	Continuous development of personnel capable of advanced data utilization		
Data Utilization	Innovation creation using AI agents	Structuring of unstructured data and advanced RAG	Operational efficiency through coordination of multiple AI agents	
Work-style DX	Establishment of diverse work-styles	Provision of supportive environments for all employees and application for office staff	Expansion of application to on-site personnel	
Work-style DX	Advanced operational efficiency	Education and dissemination of low-code development	Practice of low-code development by all employees	
Work-style DX	Advanced operational efficiency	Trial use of AI agents	Utilization of generative AI and AI agents	
Human Resources	Development and deployment of DX promotion personnel	Internal systemization of system-related positions	New recruitment for system-related positions and expanded utilization of DX promotion personnel	
Human Resources	Enhancement of employees' digital literacy in compliance with AI governance	Continuous education to improve digital literacy for all employees		
Information Security	Improvement of IT infrastructure	Transition to zero-trust security model	Continuous strengthening of data backup systems (Strengthening through cloud adoption and BCP-conscious system enhancements)	
Information Security	Strengthening management of important documents	Review of current regulations and reinforcement through system measures	Ongoing management of important documents	
Information Security	Information security education	Continuous education to raise information security awareness for all employees		

Trial Implementation of Remote-Controlled and Autonomous Operation Systems for Heavy Machinery Construction DX

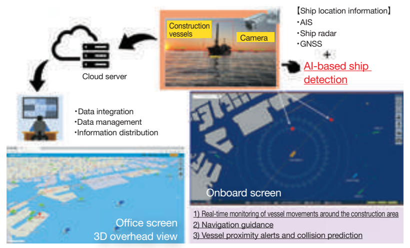


Construction status using remote-controlled/autonomous operation system

At TOA CORPORATION, we have applied the remote-controlled and autonomous operation system for heavy machinery, developed by ARAV Inc. (Head Office: Bunkyo-ku, Tokyo), for the first time in Japan to the backhoe of a sand-spreading vessel, conducting a trial implementation for sediment placement work in marine construction. This system allows a single operator to control two backhoes simultaneously, reducing the number of operators required and demonstrating that efficient construction can be achieved regardless of operator experience. To realize the future goal of fully autonomous heavy machinery, we will continue trials and verifications through actual construction work, aiming to create a safer and more efficient work environment.

Details: ▶https://www.toa-const.co.jp/company/release/2025/250807.html(Japanese only)

Development of Vessel Navigation Monitoring System, COS-NAVI Construction DX

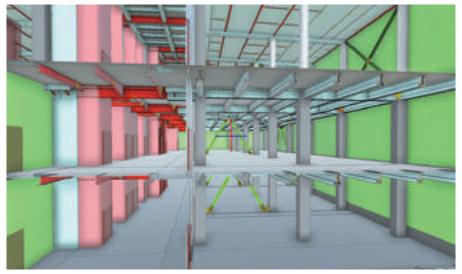


AI detects areas where radar is less effective

We have developed the vessel navigation monitoring system COS-NAVI (Construction On the Sea NAVIgation system), which incorporates AI image recognition technology to automatically detect vessels. The system has been registered in the New Technology Information System (NETIS) provided by the Ministry of Land, Infrastructure, Transport and Tourism (Registration No.: KTK-240003-A). Following its introduction to port construction sites for verification, the system demonstrated a high vessel detection rate of over 90% at close range within 500 meters from the vessel. This technology is expected to significantly enhance both the safety and productivity of marine operations.

Details: ▶https://www.toa-const.co.jp/tech/cos-navi/ (Japanese only)

Promoting the Utilization of BIM Construction DX


Detailed cross-section study using BIM

Building Information Modeling (BIM) is a core technology driving digital transformation in the construction industry. At TOA CORPORATION, we are actively promoting the adoption of BIM, aiming for fully integrated digital management across the entire construction process, from design and construction to maintenance planning. By leveraging boring data, we use BIM to predict foundation depths, check for interferences, and verify constructability, contributing to improved construction productivity. Going forward, we will expand the use of BIM to support building Life Cycle Assessment (LCA) initiatives and Company-wide DX promotion, further enhancing efficiency and quality.

AI Governance Data Utilization

With the advancement of AI technologies, the Group aims to contribute to solving customer, economic, and social challenges and to promoting sustainable development by creating new business value and driving innovation using AI.

At the same time, we recognize that inappropriate use of AI carries risks such as information leaks, the spread of false information, and the potential to induce erroneous decisions. To prevent these risks, we have established an AI Policy based on the TOA CORPORATION Group Code of Conduct. Under this policy, we ensure that AI is used safely and securely.

Full text of the AI Policy can be found here ▶https://www.toa-const.co.jp/esg/ai_policy/index.html (Japanese only)

Special Jury Award at UNIRITA Users' Symposium Work-style DX


Left: Kenji Okayama, DX Strategy Department, TOA CORPORATION; right: Hisako Saeki, UNIRITA Users' Group coordinator

At the 41st UNIRITA Users' Symposium, organized by the UNIRITA Users' Group, a research team including members of our DX Strategy Department received the Special Jury Award. The research focused on new applications of generative AI and addressed the challenge of uncertainty surrounding its effective use. Over the course of a year, the team explored the topic from the perspective of "nurturing AI." The originality and practical approach of this research were highly praised, earning the team this recognition.

Improving Operational Efficiency and Developing Digital Talent (Support for Low-Code Development) Human Resources

The DX Strategy Department provides support for application development using low-code programming in response to requests from various internal departments. This initiative aims to improve operational efficiency and develop digital talent by helping employees acquire app development skills themselves. In addition, we hold sessions to share development results, facilitating knowledge exchange between departments, fostering a digital culture within the Company, and further motivating employees who engage in app development.

Message from the General Manager, DX Strategy Department

In fiscal 2022, TOA CORPORATION established the DX Promotion Department as the division responsible for driving DX. Since then, we have implemented initiatives such as standardizing company-wide systems, introducing cloud storage, providing education to enhance employees' digital literacy, and building data platforms.

In fiscal 2025, to further accelerate corporate transformation using digital technologies, the department was reorganized under the direct supervision of the President and renamed the DX Strategy Department.

In this era of rapid change, the DX Strategy Department will harness the power of digital technology to realize the Company's growth strategy and enhance employee well-being.


General Manager,
DX Strategy Department
Jun Ogino

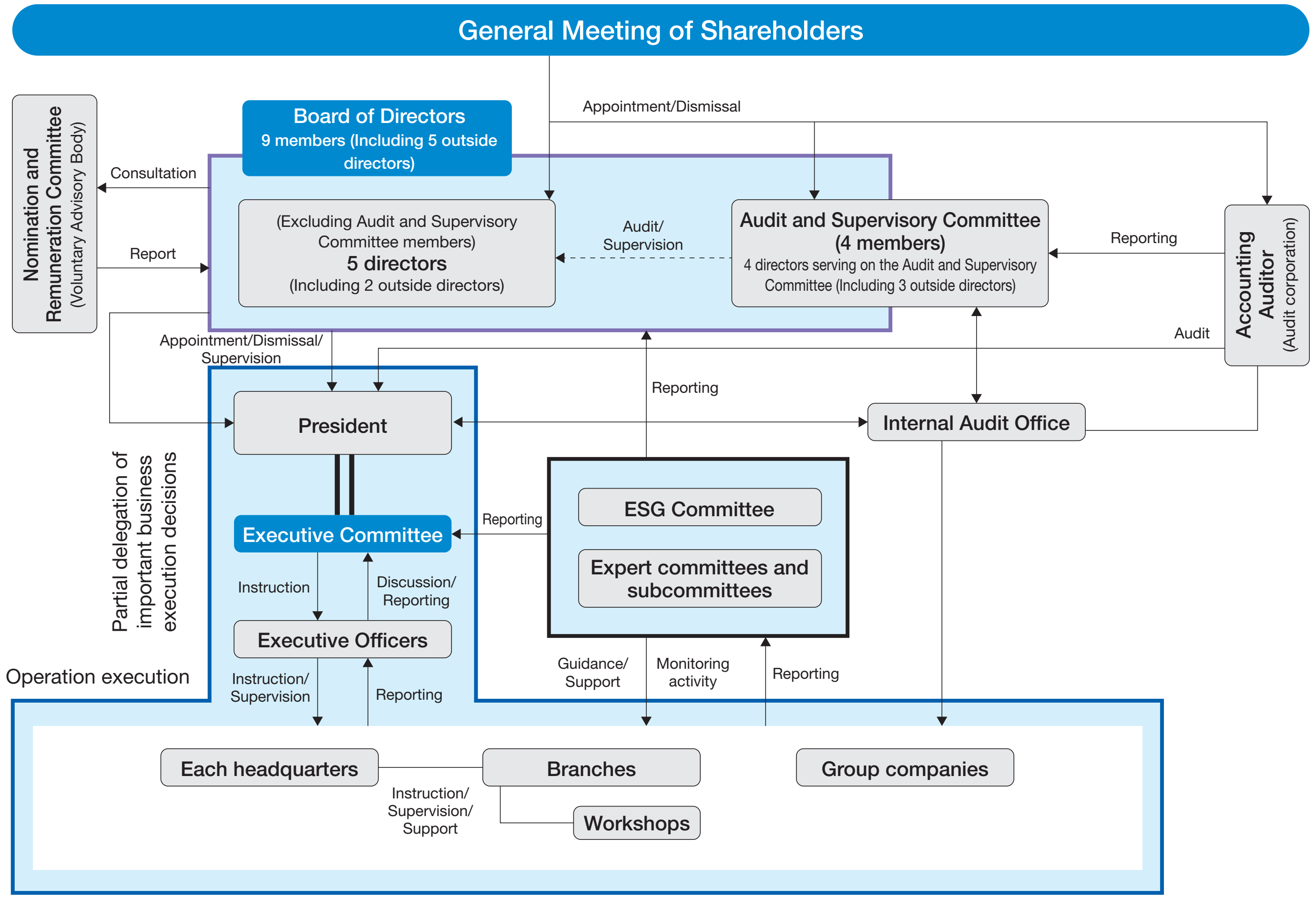
Corporate Governance

Basic Approach

Under the management philosophy of "striving for prosperity through advanced technology and fulfilling social responsibilities through sound management," the Group has set the long-term vision 〈TOA2030〉, which is "building a prosperous society and connecting people with the world for a better future." By steadily implementing its domestic civil engineering, domestic building construction, overseas, and other businesses, the Company aims to achieve management practices that are trusted by all stakeholders and meet their expectations. At the same time, the Company will promote ESG management to contribute to a sustainable society and the achievement of the SDGs.

Our basic policy is to continually ensure the soundness and transparency of our corporate activities by consistently adhering to laws, regulations, social norms, and corporate ethics, and by establishing a management structure that enables prompt and flexible responses.

Corporate Governance Structure (As of July 1, 2025)



Overview of Corporate Governance System

	Number of meetings in FY2024	Composition in FY2025
Board of Directors	At least once a month with additional meetings as needed (16 in fiscal 2024)	9 Directors (4 Internal, 5 Outside) Chairperson: Outside Director
Audit and Supervisory Committee	At least once a month with additional meetings as needed (16 in fiscal 2024)	4 Members (1 Internal, 3 Outside) Committee Chair: Outside Director
Nomination and Remuneration Committee	As needed (4 in fiscal 2024)	5 Members (2 Internal, 3 Outside) Committee Chair: Outside Director
Executive Committee	Once a week (47 in fiscal 2024)	Composed of full-time directors and executive officers Executive Officers, etc.: 10 members (All Internal)
ESG Committee	Twice a year or as needed (2 in fiscal 2024)	15 Members (14 Internal, 1 Outside)

Evaluation of the Effectiveness of the Board of Directors

The Company recognizes the importance of strengthening corporate governance to achieve the Group's sustainable growth, enhance corporate value, and continue creating social value. Our Corporate Governance Guidelines outline the roles and responsibilities of the Board of Directors, including supervising overall management, ensuring fairness and transparency in management, nominating and evaluating management and determining its remuneration, assessing serious risks and formulating countermeasures, and determining important business execution. To ensure the effectiveness of these policies, the Board of Directors conducts regular analysis and evaluation through periodic questionnaires to each Director. The results are summarized, reported, and discussed by the Board of Directors as follows:

In the current fiscal year, to ensure transparency in the evaluation process and to enhance the effectiveness of the Board of Directors, we conducted evaluations utilizing a third-party organization and external experts, incorporating their perspectives.

Evaluation Subject	The Board of Directors meetings (16 in total) and the Nomination and Remuneration Committee meetings (4 in total) held from April 2024 to March 2025		
Evaluators	All directors (12 in total, as of the end of March), comprising 5 independent outside directors, 3 of whom are Audit and Supervisory Committee members		
Evaluation Method	Questionnaires with a 5-point rating scale and open-ended responses, followed by interviews based on the results, and discussions incorporating reports prepared by a third-party organization and external experts		
Evaluation Criteria*	• Composition and operations • Business strategy and management planning	• Risk management • Nomination and remuneration	• Dialogue with shareholders and others • Individual contributions of directors

* Evaluation criteria include those related to the Nomination and Remuneration Committee

Overview of Analysis and Evaluation Results in Fiscal 2024

The operation of the Board of Directors and the Nomination and Remuneration Committee was generally considered appropriate, and the Board was evaluated as functioning effectively, with its effectiveness assured. Communication with shareholders and investors also received generally positive evaluations. At the same time, although Board discussions and operations were conducted in a free and open manner, some opinions indicated that further improvements should be considered.

Key Issues Identified

Items	Issues and measures based on this evaluation
Number, Composition, Functions, and Roles of the Board of Directors	**Issue** • The Board is composed predominantly of internal directors, making it difficult for outside directors to fully exercise their independence and for the Board to perform its supervisory functions effectively. **Measure** • As of the General Meeting of Shareholders in June 2025, the Board transitioned to a structure with a majority of outside directors. All directors will, in line with this purpose, work to ensure the Board operates effectively and strategically as a supervisory body.
Matters Deliberated by the Board of Directors	**Issues** • Many low-risk proposals are submitted, taking up significant Board time; more time should be allocated to discussions on medium- to long-term direction and management strategy. • There is a disparity in the amount of information available between outside directors who are Audit and Supervisory Committee members and those who are not. **Measures** • Raise the monetary thresholds for items submitted to the Board, promoting the delegation of authority to the Executive Committee. • Plan dedicated sessions, such as Board meetings or discussion sessions, to ensure thorough deliberation on medium- to long-term management policies in preparation for the next medium-term management plan. • Provide pre-briefings and information sessions on Board proposals for outside directors who are not Audit and Supervisory Committee members.
Oversight of the Risk Management Framework	**Issue** • The risk management framework has not been sufficiently explained in a systematic manner, nor have company-wide discussions on business risks been fully conducted. In addition, management has not yet implemented systematic risk management. **Measure** • Establish a risk management framework centered on the ESG Committee and, in coordination with the Board of Directors and the executive side, conduct cross-organizational, company-wide deliberations on risks to strengthen the effectiveness of risk responses.
Matters Related to Nomination and Remuneration	**Issues** • Sufficient discussion and systematization regarding succession plans for executive candidates, including the President, have not been conducted. • The deliberations of the Nomination and Remuneration Committee have not been fully reported to the Board of Directors. **Measures** • Establish regular opportunities for discussion of executive development plans at the Board of Directors, aiming to build a systematic succession plan. • Ensure that the deliberations of the Nomination and Remuneration Committee are fully reported to the Board, enhancing discussions related to nomination and remuneration.

Corporate Governance

Future Initiatives

Based on the results of the most recent effectiveness evaluation, we will implement measures to address the issues outlined above, aiming to enhance the quality of Board deliberations, promote constructive discussions, and further strengthen the Board's overall effectiveness.

Results of the Previous Board Effectiveness Evaluation and Fiscal 2024 Responses

Issues identified in the previous evaluation	Specific examples of improvement of issues
Respond to the increase in agenda items, and secure opportunities for deliberation and enhancing discussions through selection based on importance.	● Revised the Board of Directors Regulations (effective April 1, 2025) to expand delegation to the executive committee, enable appropriate authority transfer, and accelerate decision-making. ● Amended the Articles of Incorporation to allow independent outside directors to serve as Board chairperson (proposed and approved at the General Meeting of Shareholders in June 2025).
● Enhance discussions on skills, strengthening directors' knowledge and capabilities. ● Ongoing review of new skills related to the environment, work-style reform, DX, and gender. ● Discussions at the Nomination and Remuneration Committee aimed at enhancing corporate value.	● Appointed executive officers specializing in new skills such as ESG, carbon neutrality, and DX, establishing a framework for discussion at the Board of Directors. ● The Nomination and Remuneration Committee, as an advisory body to the Board, conducted discussions regarding the review of the Board's composition.
● Continuous execution of the PDCA cycle. ● Enhance opportunities for discussions on management strategy, Group strategy, and engagement. ● Strengthen effective Group governance.	● Reported on the progress of deliberations at the Executive Committee without delay and raised issues as needed. ● As an effective measure to strengthen group governance, reflecting on last year's subsidiary misconduct, conducted compliance awareness surveys and hearings at subsidiaries. ● Revised the Whistleblower Protection Regulations to apply to Group companies (effective April 1, 2025).

Executive Remuneration

The Company's basic policy regarding the determination of remuneration for individual directors and executive officers is established by the Board of Directors, following deliberations by the Nomination and Remuneration Committee. This committee is chaired by an independent outside director and is composed of a majority of independent outside directors.

The remuneration of the Company's directors consists of monetary compensation and non-monetary compensation in the form of stock awards, with points varying according to performance. However, for directors and outside directors who are Audit and Supervisory Committee members, remuneration is set as a fixed monetary amount, without any performance-based variation, to ensure their independence.

Total Amount of Remuneration for the Board of Directors and Audit and Supervisory Committee Members, etc.

Category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration in kind (Millions of yen)				Number of eligible recipients (Persons)
		Monetary compensation			Non-monetary compensation	
		Fixed compensation	Variable compensation	Short-term incentive compensation	Performance-linked stock compensation	
Directors (excluding Audit and Supervisory Committee members) (Of which outside directors)	261 (12)	87 (12)	112 (–)	21 (–)	40 (–)	9 (2)
Directors (Audit and Supervisory Committee members) (Of which outside directors)	39 (27)	39 (27)	– (–)	– (–)	– (–)	5 (4)

Director Training Policy

The Company continuously offers all directors the necessary training and seminars to effectively fulfill their roles and responsibilities. In addition, we provide independent outside directors with opportunities to acquire essential knowledge and information about the Group's business, financial affairs, and organizational structure.

Reasons for Appointment of Outside Directors

For more information, please refer to the Corporate Governance Report available on our website.
▶https://www.toa-const.co.jp/ir/pdf/corporate_governance_report.pdf

Internal Control System

To achieve sound management and fulfill its corporate social responsibility, the Company is committed to building an appropriate and effective business execution framework. Alongside this, we emphasize the promotion of company-wide compliance awareness, accurate identification and control of risks related to overall business execution, and the establishment of an independent internal audit system. These efforts are implemented through cross-organizational measures, led primarily by divisions in charge of planning, administration, and internal audit, aiming to enhance the effectiveness of the internal control system.

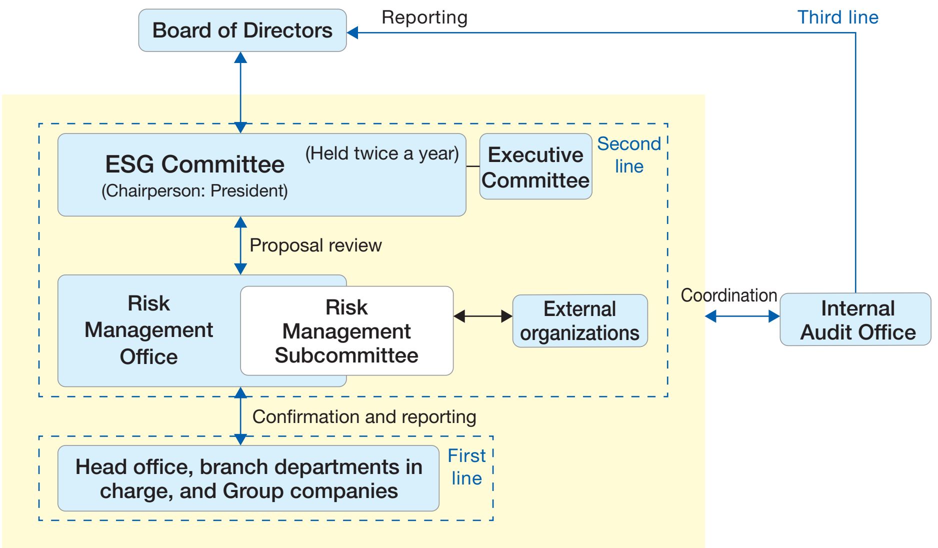
Establishment of the Internal Control System (Japanese only) ▶https://www.toa-const.co.jp/ir/company/cg_system/

Initiatives to Strengthen Group Governance

To promote ESG management, we hold an annual ESG Presentation Meeting as a forum for branches and Group companies to share ESG activities. In fiscal 2024, with the goal of strengthening governance across the Group, reports were presented on compliance education at Group companies and initiatives to enhance psychological safety at branches, helping to raise awareness of governance.

Risk Management

The TOA CORPORATION Group has established a three-line risk management framework. In the first line, the departments responsible for each risk execute risk management based on a risk register. In the second line, the ESG Committee, composed of management members, monitors the risk response status of the first line and, based on proposals from the Risk Management Subcommittee, reviews the risk register, issues directives for countermeasures, and reports the status to the Board of Directors. The third line, the Internal Audit Department, operates independently from the first and second lines, ensuring proper risk management and reporting the status of these efforts to the Board of Directors.



● Business Continuity Plan (BCP)

We recognize the swift restoration of social infrastructure following a large-scale disaster as a critical responsibility and have accordingly developed a business continuity plan (BCP). Understanding that it is essential not only to create the BCP but also to integrate it across the Company and continuously improve it, we conduct annual BCP drills.

● Information Security

To further strengthen security, the Company has implemented a company-wide zero-trust* environment. This initiative improves the environment for securely accessing cloud services and other systems from on-site offices while significantly enhancing overall information security levels.

In addition, to prepare for potential information leaks, the Company has established a Computer Security Incident Response Team (CSIRT) and conducts annual drills. It also provides security training for all employees, including those at Group companies, through phishing simulations and e-learning programs.

Furthermore, the Group has unified IT infrastructure such as networks and e-mail systems and centralized their management, strengthening the overall defense posture across the Group.

* Zero trust: A network environment built on the principle of "never trust, always verify" for all communications.

Compliance

● Thorough Compliance Education

The Group ensures that its officers and employees comply with the TOA CORPORATION Group Code of Conduct and handle business activities based on it, thereby working to fulfill the management philosophy of fulfilling social responsibilities. As part of these efforts, compliance training is provided for directors, executive officers, branch managers, and presidents of affiliated companies. In addition, compliance education is continuously incorporated into group training sessions, with executive officers serving as instructors to provide practical instruction on the importance of compliance in ESG management and on engineering ethics.

TOA CORPORATION Group Code of Conduct ▶https://www.toa-const.co.jp/eng/esg/code/

Compliance training for officers

Foundation Supporting Value Co-Creation

List of Directors

Photographed at the head office in Shinjuku Park Tower

From left: Tetsuya Kimura, Katsuhisa Kimura, Takeshi Nakao, Takeshi Hayakawa, Masahiko Okamura, Kanako Sekine, Michi Sasano, Satoshi Tamai, Shiro Kuniya

Skills Matrix

■ Newly appointed director ■ Outside Director ■ Independent Director

Internal: 4 members, External: 5 members	Corporate management	Safety, environment, and quality	Financial/ Accounting	Technology	Sales/ Marketing	Legal/Risk management	Global	Human resource development/ Diversity	Board of Directors	Audit and Supervisory Committee members	Nomination and Remuneration Committee members	Executive Committee	ESG Committee
Takeshi Hayakawa	●	●		●	●		●		●		●	◎	◎
Takeshi Nakao	●		●			●		●	●		●	●	●
Katsuhisa Kimura		●		●	●		●	●	●			●	●
Shiro Kuniya ■■	●					●	●		◎				
Kanako Sekine ■■	●		●			●	●		●				
Masahiko Okamura ■■	●				●		●		●	◎	◎		●
Michi Sasano ■■	●		●			●	●	●	●	●	●		
Tetsuya Kimura			●			●			●	●		●	●
Satoshi Tamai ■■■			●			●			●	●	●		

Note: The checklist does not represent all knowledge and experience of the directors.

Note: "◎" indicates Chairperson or Presiding Officer.

Definitions for Each Skill

Skill	Definition
Corporate management	To develop management policies and strategies from a medium- to long-term perspective in light of socioeconomic trends, making timely and appropriate decisions to manage and advance the Company's entire business.
Safety, Environment, and quality	To possess specialized knowledge and ample experience aimed at preventing labor accidents and environmental incidents at construction sites, actively promoting the eradication of such accidents. To understand societal demands regarding global environmental issues, such as decarbonization, and possess the insight to turn these challenges into business opportunities.
Financial/ Accounting	To objectively analyze corporate management from a financial perspective, formulate financial policies by considering various funding methods in light of the status of capital investments, and to provide appropriate financial and accounting information to external stakeholders.
Technology	To advance each business operation and R&D initiative by leveraging digital technologies, backed by advanced specialized knowledge and extensive experience in civil engineering and building construction.
Sales/Marketing	To craft and execute sales strategies, having a thorough understanding of market trends in civil engineering, building construction, and overseas businesses.
Legal/ Risk management	To make critical decisions in risk control and undertake legal evaluations in management strategies, being well-versed in corporate law. In addition, to proactively prevent compliance violations based on a sound ethical perspective.
Global	To drive our overseas business strategy forward, armed with extensive knowledge and experience in global construction markets, risk trends, and overseas businesses.
Human resource development/ Diversity	To possess the knowledge and experience required to develop personnel who can ensure the continuity of our business in the future. In addition, to have the expertise and experience in nurturing a diverse range of talents, including women, foreign nationals, and persons with disabilities.

Ratio of Internal and External Directors As of July 1, 2025

Internal

4 members

44.4%

Outside

5 members

55.6%

11-Year Financial Summary

Major Management Indicators (Consolidated)

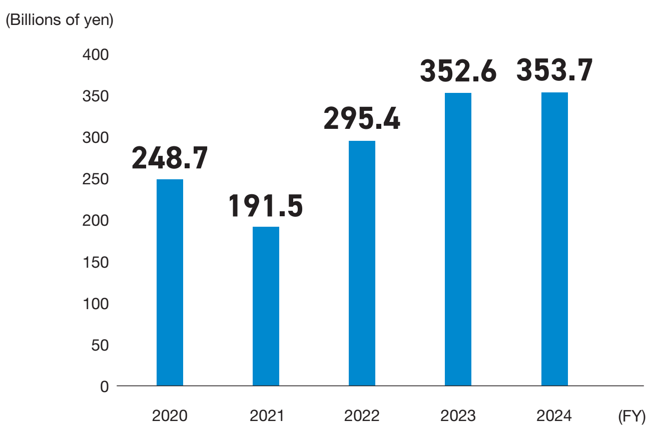
		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	(Millions of yen)	198,884	200,282	167,200	161,045	173,692	190,278	189,712	219,814	213,569	283,852	330,472
Net sales to consolidated net sales ratio	(Times)	1.06	1.04	1.05	1.06	1.04	1.05	1.05	1.04	1.05	1.05	1.04
Operating profit	(Millions of yen)	5,696	11,789	6,196	2,879	3,980	7,957	8,714	9,874	6,555	17,231	20,621
Ordinary profit	(Millions of yen)	5,308	10,606	5,897	2,714	3,943	7,604	9,247	10,138	6,614	16,630	20,073
Profit attributable to owners of parent	(Millions of yen)	2,080	6,038	(7,438)	1,750	3,072	5,007	6,859	7,385	4,835	10,517	14,908
Basic earnings per share*1	(Yen)	24.88	72.22	(88.97)	20.93	36.75	61.16	87.66	95.70	56.14	127.73	187.94
Total assets	(Millions of yen)	190,202	196,491	183,735	190,276	202,514	202,657	204,200	212,916	226,928	272,936	298,939
Shareholders' equity*2	(Millions of yen)	68,633	70,684	64,426	67,191	68,216	68,462	75,446	86,028	88,629	95,634	106,546
Net assets	(Millions of yen)	69,004	71,143	64,958	67,747	68,845	69,166	76,175	86,725	89,361	96,700	107,873
Interest-bearing debt*3	(Millions of yen)	29,281	29,905	29,195	28,632	28,252	34,470	28,740	30,862	47,043	47,703	50,471
D/E ratio (Debt-to-equity ratio)	(Times)	0.48	0.45	0.50	0.48	0.45	0.53	0.41	0.39	0.57	0.57	0.53
Shareholders' equity ratio*4	(%)	36.1	36.0	35.1	35.3	33.7	33.8	36.9	40.4	39.1	35.0	35.6
ROE (Return on equity)*5	(%)	3.1	8.7	(11.0)	2.7	4.5	7.3	9.5	9.1	5.5	11.4	14.7
Net assets per share*1	(Yen)	820.87	845.41	770.61	803.72	815.99	873.08	986.53	984.92	1,017.96	1,206.27	1,342.70
Operating cash flows	(Millions of yen)	(15,419)	19,850	(8,769)	9,928	(2,347)	11,496	1,471	(2,671)	(13,947)	39,350	(14,255)
Investing cash flows	(Millions of yen)	(1,388)	(2,467)	(1,263)	(714)	(1,496)	(2,851)	(4,731)	(2,391)	(2,578)	(2,639)	93
Financing cash flows	(Millions of yen)	(3,563)	65	(1,639)	(674)	(1,042)	3,373	(8,254)	4,550	12,723	(8,493)	(1,250)
Cash and cash equivalents at the end of the period	(Millions of yen)	22,909	39,896	28,187	36,652	31,799	43,746	32,310	32,017	28,278	57,044	41,583
Number of employees	(Persons)	1,761	1,770	1,739	1,705	1,737	1,767	1,810	1,848	1,877	1,945	2,052

*1 The Company conducted a 4-for-1 stock split of its common stock on April 1, 2024. Basic earnings per share and net assets per share have been calculated assuming the stock split had been conducted at the beginning of fiscal 2014.
*2 Net assets at the end of the fiscal year less non-controlling interests.
*3 The sum of short-term borrowings, commercial paper, corporate bonds, and long-term borrowings (including zero-coupon convertible bonds with stock acquisition rights).
*4 Shareholders' equity divided by total assets.
*5 Profit attributable to owners of parent divided by the average amount of shareholders' equity during the period.

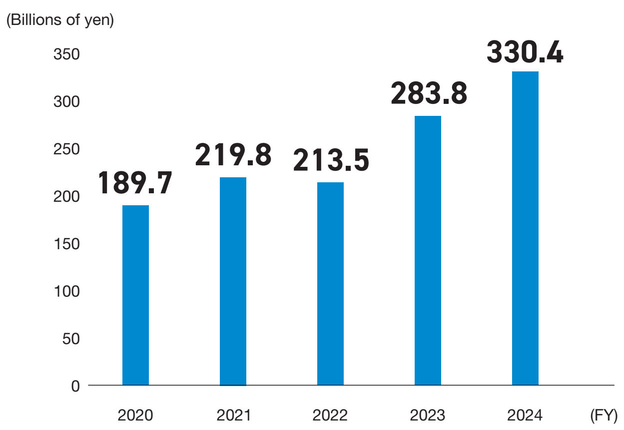
Data

Financial and Non-Financial Highlights (Consolidated)

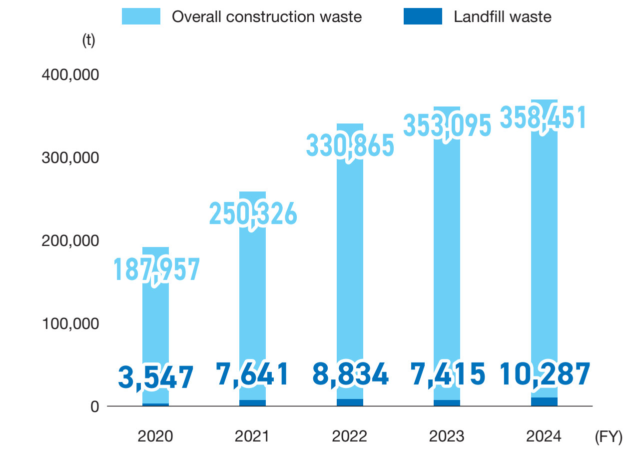
Orders Received (Non-Consolidated)



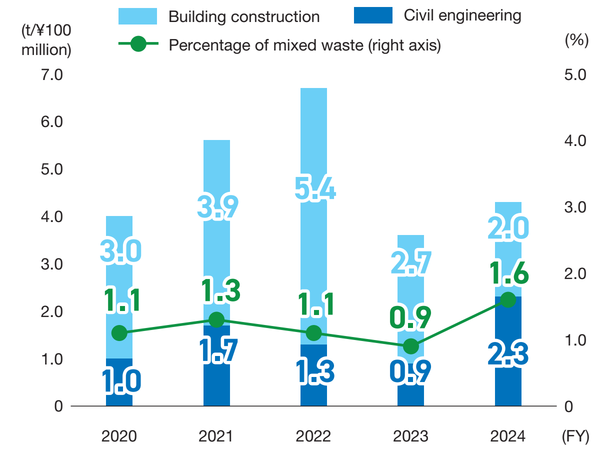
Net Sales



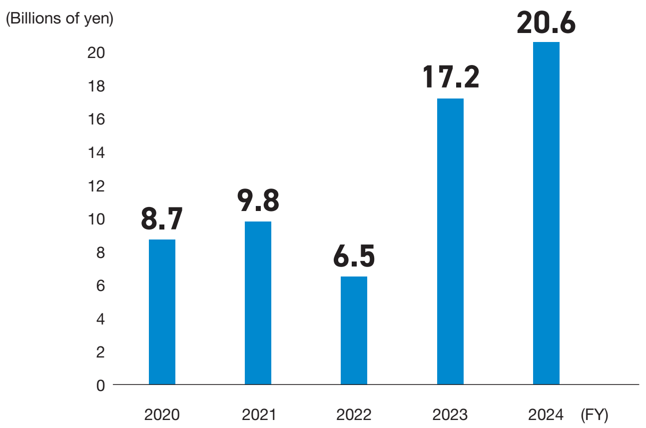
Construction Waste Emissions (Non-Consolidated)



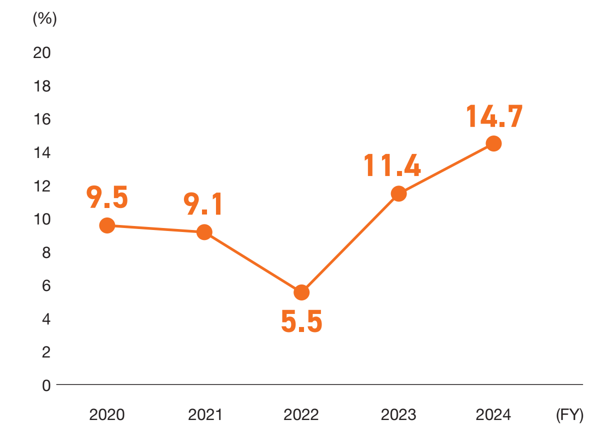
Mixed Waste per ¥100 Million of Completed Construction Contracts and Percentage of Mixed Waste (Non-Consolidated)



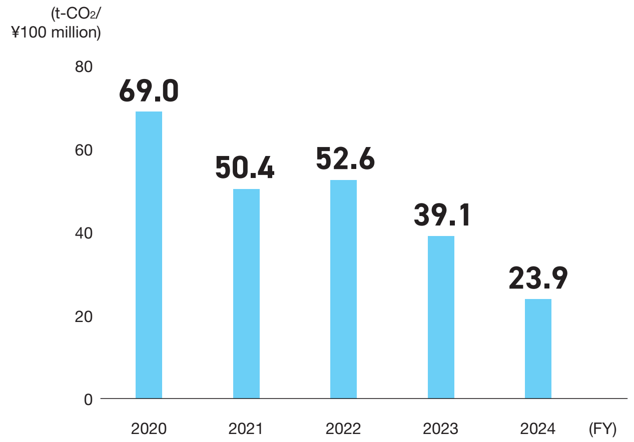
Operating Profit



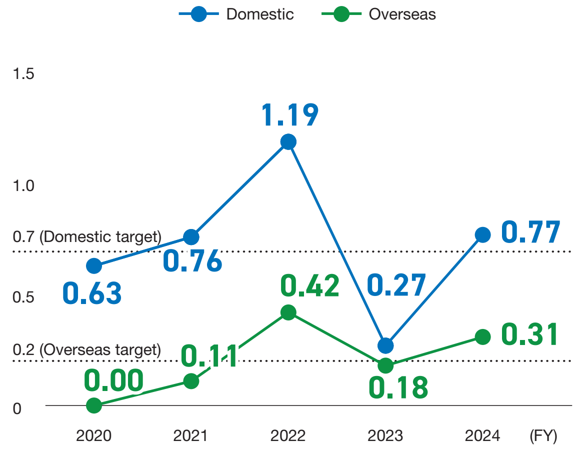
ROE (Return on Equity)



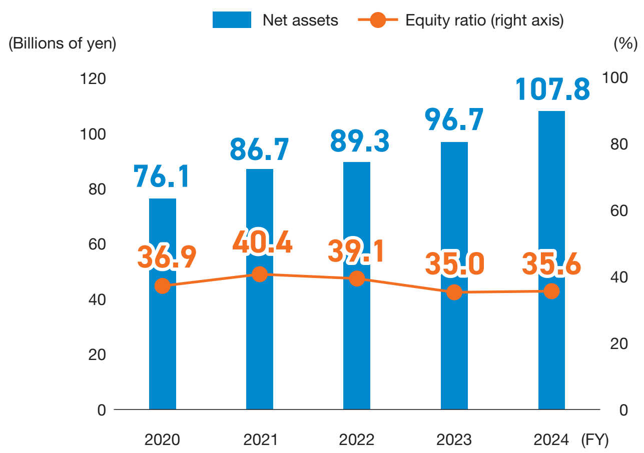
CO_2 Emissions per Completed Construction Contracts (Non-Consolidated)



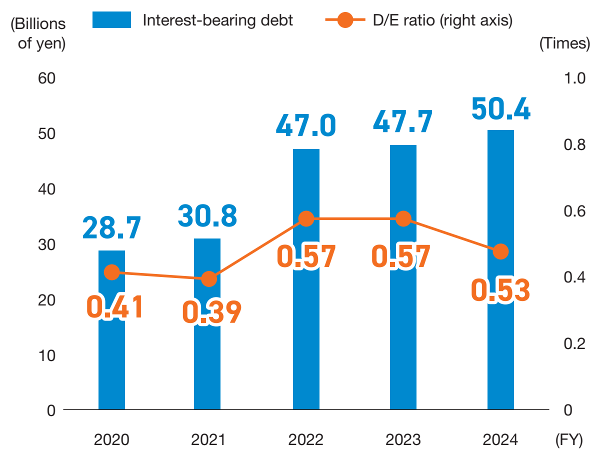
Accident Frequency Rate (Non-Consolidated)



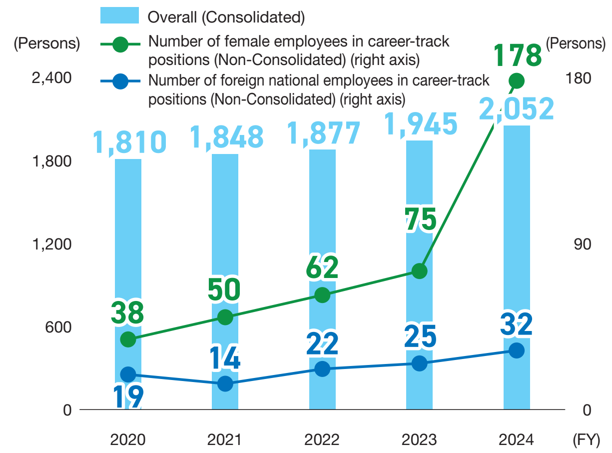
Net Assets / Equity Ratio



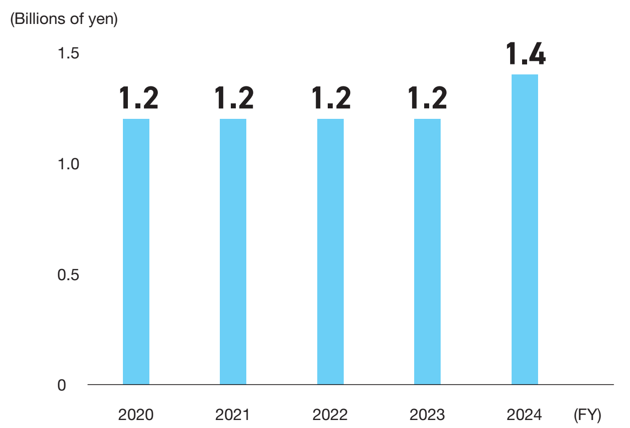
Interest-Bearing Debt / D/E Ratio



Number of Employees in Career-Track Positions



R&D Expenses



Corporate Profile/Stock Information

Corporate Profile (As of March 31, 2025)

Company name	TOA CORPORATION
Head office	Shinjuku Park Tower, 3-7-1, Nishi-shinjuku, Shinjuku-ku, Tokyo 163-1031, Japan
Establishment	1908
Founding	March 4, 1914
Incorporation	January 23, 1920
Common stock	¥18,976,658,924
Representative	Takeshi Hayakawa, President and Representative Director
Number of employees	2,052 (Consolidated)
Description of businesses	General contractor
Main businesses	Marine civil engineering, land civil engineering, dredging, reclamation, building construction, land development and sales, development, construction consulting, etc.
Construction business licenses	Minister of Land, Infrastructure and Transport (Toku-4) No. 002429
Registration of class-1 architect office	Governor Registration No. 13191, Tokyo
Building lots and buildings dealer's license	Ministry of Land, Infrastructure and Transport (16) No. 475

Domestic Branches (As of July 1, 2025)

Head office
Shinjuku Park Tower, 3-7-1, Nishi-shinjuku, Shinjuku-ku, Tokyo 163-1031, Japan

Branches

Hokkaido Branch (Sapporo City)
Tohoku Branch (Sendai City)
Chiba Branch (Chiba City)
Tokyo Branch (Chuo-ku, Tokyo)
Yokohama Branch (Yokohama City)
Hokuriku Branch (Niigata City)
Nagoya Branch (Nagoya City)
Osaka Branch (Osaka City)
Chugoku Branch (Hiroshima City)
Shikoku Branch (Takamatsu City)
Kyushu Branch (Fukuoka City)
East Japan Building Construction Branch (Shinjuku-ku, Tokyo)
International General Headquarters (Shinjuku-ku, Tokyo)

Note: As of April 1, 2025, following the reorganization of the Company's building construction business, the West Japan Building Construction Branch was split and reorganized to form an integrated structure with the civil engineering branches (Osaka, Chugoku, and Kyushu branches).

Research Institute
TOA Research & Development Center (Yokohama City)

Overseas Offices (As of July 1, 2025)

SINGAPORE, Singapore Office
INDONESIA, Indonesia Office
VIETNAM, Hanoi Office
VIETNAM, Ho Chi Minh Office
PHILIPPINES, Philippines Office
BANGLADESH, Bangladesh Office
UNITED ARAB EMIRATES, Dubai Office
KUWAIT, Kuwait Office

Major Group Companies (As of July 1, 2025)

TOA Tekko Co., Ltd.	Ship repair and construction, and manufacture of steel structures
TOAKIKAI KOUGYOU CO., LTD.	Manufacture, repair, and sale of steel structures
TOA Agency Co., Ltd.	Insurance agency, trading, leasing
TOA REATEC Co., Ltd.	Real estate sales, brokerage, management, leasing; construction; and comprehensive building management, etc.
TOA KAIUN SANGYOU CO., LTD.	General marine transport and sale/purchase of ships
SHINKO CORPORATION	Port and marine, and land civil engineering work, and lease of ships and equipment
PT TOA TUNAS JAYA INDONESIA	Construction and repair of building and civil engineering works

Executives (As of July 1, 2025)

Board of Directors

President and Representative Director	Takeshi Hayakawa
Representative Director	Takeshi Nakao
Director	Katsuhisa Kimura
Outside Director	Shiro Kuniya
Outside Director	Kanako Sekine

Directors (Audit and Supervisory Committee Members)

Outside Directors (Audit and Supervisory Committee Members)	Masahiko Okamura Michi Sasano
Director (Audit and Supervisory Committee Member)	Tetsuya Kimura
Outside Director (Audit and Supervisory Committee Member)	Satoshi Tamai

Executive Officers

President	Takeshi Hayakawa
Executive Vice Presidents	Seigo Suzuki Yoshika Hirose Tooru Koike
Senior Executive Officers	Masato Honda Takayuki Baba Takahide Maruyama Naruyuki Umakoshi Katsuhisa Kimura Masanobu Kinoshita Takeshi Nakao
Managing Executive Officers	Kazuhiko Takase Satoshi Iyama Akihisa Ishiyama Satoshi Kaneda Kazuyoshi Mugita Hidetaka Mikutsu Hiroshi Takino Isamu Kitabayashi Fumio Ichike Yoshiyuki Oka
Executive Officers	Takuya Takeichi Satoshi Kawamori Masato Nakamichi Yasuyuki Fukuchi Takamitsu Sakui Yuko Hirose Hitoshi Kawashima Kenichi Moriyama Shigetoshi Maeda Yuko Tanaka Toshiharu Kubota Kouichi Ando Takashi Kamata Masahiko Okamoto Kenji Horikoshi Akira Kimura

Stock Information (As of March 31, 2025)

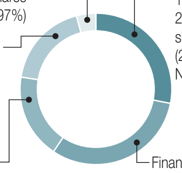
Total number of authorized shares	240,000,000 shares
Number of issued shares	87,978,516 (including 5,725,660 treasury shares)
Total number of shareholders	14,901
Administrator of shareholder registry	Mizuho Trust & Banking Co., Ltd.
Ordinary General Meeting of Shareholders	During June of each year
Stock exchange listings	Tokyo Stock Exchange Prime and Sapporo

Major Shareholders

Shareholders	Shares Held (Thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	8,849	10.76
Taiheiyo Cement Corp.	4,274	5.20
Custody Bank of Japan, Ltd. (trust account)	3,711	4.51
Meiji Yasuda Life Insurance Company	3,082	3.75
Custody Bank of Japan, Ltd. (trust E account)	2,900	3.53
TOA Tsurukabukai	2,698	3.28
TOA Employee Stock Ownership Association	2,496	3.04
Morgan Stanley MUFG Securities Co., Ltd.	1,279	1.56
The Nomura Trust and Banking Co., Ltd. (trust account 2052256)	1,267	1.54
Aioi Nissay Dowa Insurance Co., Ltd.	1,250	1.52

Note: The shareholding ratio is calculated excluding treasury stock of over 5,725,000 shares. It should be noted that this treasury stock figure does not include over 2,900,000 shares of the Company held by the trust account for the Share Benefit Trust (BBT, J-ESOP).

Shareholder Composition



Efforts to Prevent Recurrence and Restore Trust

In response to the construction defects and false reporting issues that emerged in 2016 within a series of our ground improvement projects, we have conducted a thorough verification of the facts and a rigorous analysis of the causes. Based on these findings, we have developed a comprehensive plan to prevent such incidents from reoccurring, which is being diligently implemented by all our executives and employees.

The TOA CORPORATION Group is actively working on reforming the mindset of our executives and employees and enhancing our corporate culture to ensure that such misdeeds are never repeated.

Overview of the Recurrence Prevention Action Plan

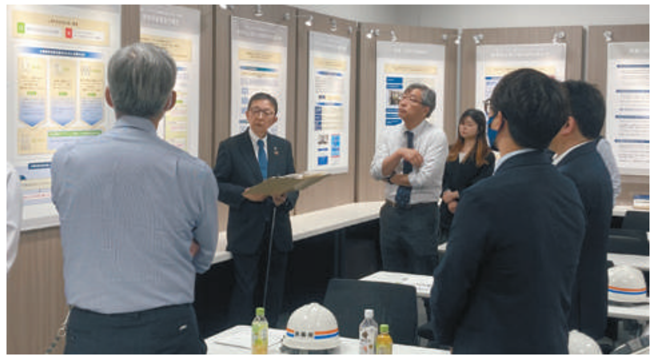
To enhance the effectiveness of our Recurrence Prevention Action Plan, we conduct annual revisions, addressing any issues that arise during the implementation of specific measures. In April 2025, we updated the plan to its 10th version, focusing on the following key strategies to rebuild trust:

1. **Shifting Perspectives for Management, Executives, and Employees**
   Ensuring that fulfilling social responsibilities is always a priority, the management team leads by example in deeply instilling our management philosophy.
2. **Improvement of Internal Control Systems**
   We continuously enhance our internal control system by ensuring timely and appropriate management, supervision, guidance, and decision-making in all business operations, and by continuously revising our governance, management systems, and internal regulations.
3. **Enhancement of Construction Management and Support**
   By consolidating and leveraging onsite information, we aim to enhance employee technical skills and improve construction quality, actively managing and supporting projects with high difficulty levels.
4. **Intensification of Development Technology Review**
   Through strict implementation of development technology review procedures, we increase the reliability and completeness of new methodologies, ensuring their proper application on sites.
5. **Technical Review of Owned Construction Methods**
   We conduct annual technical reviews of our construction methods to identify technical issues early, thereby preventing construction quality problems.
6. **Establishment of the Recurrence Prevention Measures Monitoring Committee**
   A monitoring committee, consisting of external experts, has been established to oversee recurrence prevention measures, with the aim of enriching these measures and enhancing their effectiveness.

Efforts to Prevent Forgetting and Sustain Memory

In October 2018, to prevent the fading of memories related to construction defects and false reporting incidents from the consciousness of our management, executives, and employees, and to ensure the transmission of our resolve to "never allow such incidents to recur," we established the Incident Prevention Archive Room within the TOA Research & Development Center.

This room showcases equipment and materials related to the incidents, relevant documents, and contemporary newspaper articles. It provides detailed explanations via panels and videos about the nature and sequence of the incidents, the causes behind them, the societal repercussions and performance impact on the Company, along with our current and future commitments to addressing these issues. The room is utilized for various internal training programs.



Explanation by the Responsible Director (At the time)

In fiscal 2024, in addition to covering why the misconduct occurred and how we are working to prevent recurrence, the program emphasized helping each employee recognize that insufficient support can isolate the workplace, lowering psychological safety and potentially leading to similar misconduct as in the past, which could also happen to oneself. Training sessions were held, led by the responsible director, utilizing the Incident Prevention Archive Room to prevent fading of awareness and ensure knowledge retention.

A total of eight sessions were held, with 130 employees participating. In the post-training survey, all respondents indicated that such initiatives should be continued, and based on this feedback, the program will also be conducted in fiscal 2025.

We will continue our efforts to prevent recurrence, helping all employees reaffirm their resolve to never allow such misconduct to occur again.

Recurrence Prevention Measures Implementation Plan, 10th Edition ▶ https://pdf.irpocket.com/C1885/KHnJ/dsKr/Acri.pdf (Japanese only)