

NON-CONSOLIDATED BALANCE SHEET

TOA CORPORATION
As of 31 March 2023 and 2024

ASSETS	Millions of Japanese Yen		Thousands of U.S. Dollars
	31 March 2023	31 March 2024	31 March 2024
Current assets:			
Cash and bank deposits	¥ 26,148	¥ 53,498	\$ 354,295
Notes receivable (Note 5)	1,014	3,295	21,826
Accounts receivable - trade (Note 5)	120,490	120,204	796,057
Accounts receivable - other (Note 5)	2,652	3,416	22,626
Cost on construction contracts in progress	2,781	4,383	29,030
Cost on other contracts	61	144	953
Real estate for sale	1,270	1,224	8,106
Advanced money	7,904	11,801	78,152
Other (Note 5)	6,725	6,756	44,742
Allowance for doubtful accounts	(3)	(3)	(21)
Total current assets	169,046	204,721	1,355,771
Fixed assets:			
Property, plant and equipment:			
Buildings	7,560	7,235	47,919
Structures	1,889	1,976	13,087
Machinery and equipment	4,069	4,469	29,600
Vessels	10,011	17,415	115,337
Vehicles	421	559	3,707
Tools, furniture and fixtures	2,627	2,756	18,255
Land	15,229	14,981	99,215
Leased assets	2,668	2,697	17,863
Construction in progress	6,429	293	1,946
Total property, plant and equipment	50,908	52,387	346,933
Less: Accumulated depreciation	(21,674)	(23,811)	(157,692)
Property, plant and equipment - net	29,234	28,575	189,241
Intangible assets:	767	665	4,406
Investments and other assets:			
Investments in securities (Note 5)	9,655	12,908	85,489
Stock of subsidiaries and affiliates (Note 5 and 7)	2,366	2,905	19,239
Long-term loans to subsidiaries and affiliates (Note 5)	1,357	1,229	8,139
Prepaid Pension Cost	244	1,279	8,474
Deferred tax assets (Note 2 and 8)	1,928	3,167	20,978
Other (Note 5)	1,537	1,511	10,013
Allowance for doubtful accounts	(531)	(525)	(3,477)
Total investments and other assets	16,559	22,477	148,857
Total fixed assets	46,561	51,718	342,505
Total assets	¥ 215,608	¥ 256,439	\$ 1,698,277

The accompanying notes are an integral part of these financial statements.

NON-CONSOLIDATED BALANCE SHEET

TOA CORPORATION
As of 31 March 2023 and 2024

LIABILITIES	Millions of Japanese Yen		Thousands of U.S. Dollars
	31 March 2023	31 March 2024	31 March 2024
Current liabilities:			
Notes payable (Note 5)	¥ 1,674	¥ 2,102	\$ 13,926
Electronically recorded obligations - operating (Note 5)	8,563	11,486	76,067
Accounts payable - trade (Note 5)	31,538	37,152	246,040
Short-term borrowings (Note 5)	30,602	29,790	197,288
Commercial papers	6,000	8,000	52,980
Lease obligation	514	506	3,354
Accrued income taxes	1,494	6,650	44,039
Advances received on construction contracts in progress	10,313	22,246	147,326
Advances received on other contracts	310	237	1,572
Deposits received	24,917	32,791	217,161
Reserve for indemnity on completed contracts	894	912	6,042
Reserve for loss on construction works	1,321	2,214	14,662
Reserve for director's bonuses (Note 1)	28	79	524
Other current liabilities	6,797	8,363	55,387
Total current liabilities	124,970	162,532	1,076,374
Long-term liabilities:			
Long-term debt	10,321	9,798	64,891
Lease obligation	1,050	584	3,873
Deferred tax liabilities on revaluation of land (Note 8)	2,232	2,144	14,205
Provision for board benefit trust (Note 1)	111	277	1,840
Provision for employee stock ownership plan trust	-	527	3,492
Other long-term liabilities	189	151	1,004
Total long-term liabilities	13,905	13,485	89,309
Total liabilities	138,876	176,018	1,165,682
NET ASSETS:			
Shareholders' equity:			
Common stock	18,976	18,976	125,673
Capital surplus			
Legal capital surplus	4,744	4,744	31,418
Other capital surplus	14,274	14,579	96,555
Total capital surplus	19,018	19,323	127,973
Retained earnings			
Other retained earnings			
General reserves	14,000	14,000	92,715
Retained earnings brought forward	21,098	29,194	193,339
Total retained earnings	35,098	43,194	286,054
Treasury stock	(1,741)	(8,662)	(57,364)
Total shareholders' equity	71,352	72,832	482,336
Valuation and translation adjustments:			
Net unrealized gains (losses) on securities	1,922	4,309	28,540
Net deferred gains (losses) on hedges	(3)	1	11
Revaluation reserve for land	3,460	3,277	21,705
Total valuation and translation adjustments	5,379	7,589	50,258
Total net assets	76,732	80,421	532,594
Total liabilities and net assets	¥ 215,608	¥ 256,439	\$ 1,698,277

The accompanying notes are an integral part of these financial statements.

NON-CONSOLIDATED STATEMENT OF INCOME

TOA CORPORATION

For the years ended 31 March 2023 and 2024

	Millions of Japanese Yen		Thousands of U.S. Dollars
	From 1 April 2022 To 31 March 2023	From 1 April 2023 To 31 March 2024	From 1 April 2023 To 31 March 2024
Net sales			
Net sales of completed construction contracts	¥ 198,496	¥ 265,434	\$ 1,757,847
Net sales in development business and other	3,541	4,687	31,042
Net sales in real estate business and other	1,198	894	5,923
Total net sales	203,236	271,016	1,794,812
Cost of sales			
Cost of sales of completed construction contracts	183,583	239,796	1,588,057
Cost of sales in development business and other	2,712	3,875	25,664
Cost of sales in real estate business and other	622	524	3,476
Total cost of sales	186,918	244,196	1,617,198
Gross profit			
Gross profit on completed construction contracts	14,913	25,638	169,790
Gross profit on development business and other	828	812	5,377
Gross profit on real estate business and other	576	369	2,446
Total gross profit	16,318	26,819	177,614
Selling, general and administrative expenses			
Remuneration for directors	263	331	2,198
Employees' salaries and allowances	4,323	5,049	33,442
Retirement benefit expenses	125	337	2,235
Legal welfare expenses	635	749	4,966
Welfare expenses	455	436	2,891
Stationery expenses	492	642	4,251
Communication and transportation expenses	382	452	2,997
Research study expenses	1,006	1,070	7,087
Advertising expenses	139	169	1,119
Provision of allowance for doubtful accounts	0	0	0
Bad debt losses	0	-	-
Entertainment expenses	148	180	1,194
Donations	30	29	194
Rent expenses on land and buildings	717	789	5,227
Depreciation	395	423	2,802
Taxes and dues	483	654	4,331
Miscellaneous expenses	945	933	6,182
Total selling, general and administrative expenses	10,545	12,249	81,124
Operating income	5,772	14,570	96,490
Non-operating income:			
Interest income (Note 6)	40	56	374
Interest on securities	0	-	-
Dividend income	390	304	2,013
Exchange gain	134	450	2,986
Other	36	25	166
Total non-operating income	601	836	5,540
Non-operating expenses:			
Interest expense	310	363	2,408
Guarantee fee	138	201	1,334
Commission fee	59	158	1,050
Other	8	1	12
Total non-operating expenses	516	725	4,806
Ordinary profit	5,857	14,680	97,224

The accompanying notes are an integral part of these financial statements.

NON-CONSOLIDATED STATEMENT OF INCOME

TOA CORPORATION

For the years ended 31 March 2023 and 2024

	Millions of Japanese Yen		Thousands of U.S. Dollars	
	From 1 April 2022 To 31 March 2023	From 1 April 2023 To 31 March 2024	From 1 April 2023 To 31 March 2024	
Extraordinary income:				
Gain on sale of fixed assets (Note 6)	¥ 27	¥ 71	\$ 475	
Gain on sale of investment in securities	478	149	987	
Subsidy income/Government grant income (Note 5)	14	15	104	
Other	0	-	-	
Total extraordinary income	521	236	1,566	
Extraordinary losses:				
Loss on sale of fixed assets (Note 6)	0	1	9	
Loss on disposal of fixed assets (Note 6)	4	17	116	
Loss on reduction of fixed assets	14	15	104	
Loss on impairment of fixed assets (Note 2)	3	315	2,088	
Other	10	3	22	
Total extraordinary losses	32	353	2,340	
Profit before income taxes	6,347	14,564	96,451	
Income taxes:				
Current	1,281	7,025	46,528	
Deferred	640	(2,382)	(15,778)	
Total income taxes	1,922	4,643	30,749	
Profit	¥ 4,424	¥ 9,920	\$ 65,701	

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COST OF COMPLETED CONTRACTS

TOA CORPORATION

For the years ended March 31, 2023 and 2024

Millions of Japanese Yen						Thousands of U.S. Dollars
	Notes No	31 March 2023		31 March 2024		31 March 2024
		Amount	Composition Ratio %	Amount	Composition Ratio %	Amount
Material cost		32,576	17.7	57,028	23.8	377,670
Labor cost		702	0.4	997	0.4	6,602
(Subcontract labor cost included)		(0)	(0)	(-)	(-)	(-)
Subcontract cost		111,624	60.8	135,023	56.3	894,193
Expenses		38,679	21.1	46,748	19.5	309,590
(Personnel expenses included)		(12,670)	(6.9)	(13,482)	(5.6)	(89,290)
Total		¥183,583	100.0	¥239,796	100.0	\$1,588,057

The Company's cost accounting method is based on specific cost accounting, where the actual cost of each construction project is categorized and aggregated according to the elements of material cost, labor cost, subcontracting cost and expenses.

STATEMENT OF COST OF SALES IN DEVELOPMENT BUSINESS AND OTHERS AND REAL ESTATE AND OTHERS

TOA CORPORATION

For the years ended March 31, 2023 and 2024

Millions of Japanese Yen						Thousands of U.S. Dollars
	Notes No	31 March 2023		31 March 2024		31 March 2024
		Amount	Composition Ratio %	Amount	Composition Ratio %	Amount
Cost of sales in development business and other						
Cost of sales in design services and other		2,712	100.0	3,875	100.0	25,664
Cost of sales in development business		-	-	-	-	-
Total		¥2,712	100.0	¥3,875	100.0	\$25,664
Cost of sales in real estate business and other						
Cost of sales in real estate for sale		305	49.2	69	13.2	460
Cost of sales in rentals		316	50.8	455	86.8	3,016
Total		¥622	100.0	¥524	100.0	\$3,476

The Company's cost accounting method is based on specific cost accounting.

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

TOA CORPORATION

For the years ended March 31, 2023 and 2024

Millions of Japanese Yen

	Shareholders' equity								Valuation and translation adjustments					Total Net Assets
	Common stock	Capital surplus			Retained earnings			Treasury stock, at cost	Total shareholders' equity	Net unrealized gains (losses) on securities	Net deferred gains (losses) on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total Retained Earnings							
					General Reserves	Retained earnings brought forward								
Balance at March 31, 2022	¥18,976	¥4,744	¥14,349	¥19,094	¥14,000	¥18,448	¥32,448	(¥1,040)	¥69,478	¥2,108	¥5	¥3,659	¥5,774	¥75,252
Cash dividends						(1,973)	(1,973)		(1,973)					(1,973)
Profit						4,424	4,424		4,424					4,424
Acquisition of treasury stock								(3,042)	(3,042)					(3,042)
Sale of treasury stock			152	152				1,063	1,216					1,216
Revaluation reserve for land						199	199		199					199
Conversion of convertible bond			(228)	(228)				1,278	1,050					1,050
Net changes in items other than shareholders' equity										(185)	(9)	(199)	(394)	(394)
Balance at March 31, 2023	¥18,976	¥4,744	¥14,274	¥19,018	¥14,000	¥21,098	¥35,098	(¥1,741)	¥71,352	¥1,922	(¥3)	¥3,460	¥5,379	¥76,732
Cash dividends						(2,008)	(2,008)		(2,008)					(2,008)
Profit						9,920	9,920		9,920					9,920
Acquisition of treasury stock								(7,469)	(7,469)					(7,469)
Sale of treasury stock			305	305				549	854					854
Revaluation reserve for land						182	182		182					182
Conversion of convertible bond									-					-
Net changes in items other than shareholders' equity										2,387	5	(182)	2,209	2,209
Balance at March 31, 2024	¥18,976	¥4,744	¥14,579	¥19,323	¥14,000	¥29,194	¥43,194	(¥8,662)	¥72,832	¥4,309	¥1	¥3,277	¥7,589	¥80,421

Thousands of U.S. Dollars (Note1)

	Shareholders' equity									Valuation and translation adjustments				Total Net Assets
	Common stock	Capital surplus			Retained earnings			Treasury stock, at cost	Total shareholders' equity	Net unrealized gains (losses) on securities	Net deferred gains (losses) on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total Retained Earnings							
					General Reserves	Retained earnings brought forward								
Balance at March 31, 2023	\$125,673	\$31,418	\$94,532	\$125,950	\$92,715	\$139,728	\$232,443	(\$11,531)	\$472,535	\$12,731	(\$21)	\$22,916	\$35,625	\$508,161
Cash dividends						(13,301)	(13,301)		(13,301)					(13,301)
Profit						65,701	65,701		65,701					65,701
Acquisition of treasury stock								(49,469)	(49,469)					(49,469)
Sale of treasury stock			2,022	2,022				3,636	5,659					5,659
Revaluation reserve for land						1,210	1,210		1,210					1,210
Conversion of convertible bond									-					-
Net changes in items other than shareholders' equity										15,809	33	(1,210)	14,632	14,632
Balance at March 31, 2024	\$125,673	\$31,418	\$96,555	\$127,973	\$92,715	\$193,339	\$286,054	(\$57,364)	\$482,336	\$28,540	\$11	\$21,705	\$50,258	\$532,594

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

1. Significant accounting policies

I. Basis of valuation for securities

- 1) Held-to-maturity debt securities
Held-to-maturity debt securities are carried at amortized cost.
- 2) Stock of subsidiaries and affiliates
Stock of subsidiaries and affiliates is stated at moving average cost method.
- 3) Other securities
Other non-marketable securities other than shares, etc. are stated at fair value. Net unrealized gains or losses on these securities are included directly in the net assets and cost of securities sold is computed by the moving average method.
Other non-marketable shares, etc. are stated at moving average cost method.

II. Basis of valuation for derivatives

With changes in fair value included in net income or loss for the period in which they arise, derivatives are stated at fair value.

III. Basis of valuation for inventories

- 1) Cost on construction contracts in progress and cost on other contracts are stated at specific cost method for each contract.
- 2) Real estate for sale are stated at specific cost method for each contract.
- 3) Materials and supplies are stated at moving average cost method.
However, in the case that net selling value falls below the acquisition cost at the end of the period, inventories except for cost on construction contracts in progress are carried at the net selling value on the balance sheet, regarded as decreased profitability of assets.

IV. Depreciation for property, plant and equipment and other

- 1) Property, plant and equipment and other excluding leased assets
Except for leased assets, depreciation is principally computed by the declining-balance method at rates based on the estimated useful lives. However, depreciation of buildings which the Company acquired on or after April 1, 1998, and facilities attached to buildings and other non-building structures acquired on or after April 1, 2016, are computed on a straight-line basis over the estimated period. Useful lives and residual value are in conformity with the provisions of the Corporation Tax Law of Japan.
- 2) Intangible fixed assets excluding leased assets and long-term prepaid expenses
As for intangible fixed assets excluding leased assets and long-term prepaid expenses, amortization is computed by the straight-line method and the useful lives are in conformity with the provisions of the Corporation Tax Law of Japan.
- 3) Leased assets
As for leased assets related to finance lease, other than those which are deemed to transfer ownership of the leased assets to the lessee, depreciation is principally computed by the straight-line method over the useful lives equivalent to lease term and residual value is equal to zero.

V. Reserve and allowance

- 1) Allowance for doubtful accounts
Allowance for general receivables are established in amounts considered to be appropriate based upon credit loss experience. For specific receivables such as doubtful accounts, allowance for these are established in amounts considered to be uncollectible based upon an evaluation of possibility of collection in each outstanding receivable.
- 2) Reserve for indemnity on completed contracts
Reserve for indemnity on completed contracts is provided for the future liabilities for non-conformity of contracts based upon the estimated indemnity amount for net sales for the year.
- 3) Reserve for loss on construction works
Reserve for loss on construction works is provided for the amount equivalent to cover future loss by evaluating individual construction from which loss is assumed and estimated.
- 4) Reserve for bonuses for board of directors
Reserve for bonuses for board of directors is provided for the amount estimated to be paid to the members of the Board of Directors and the Executive Officers.
- 5) Liability for retirement benefits
Retirement benefits is provided for the amount equivalent to cover future retirement benefits expenses based upon the estimate of retirement benefit obligations and employee's pension plan assets.
 - a) Liabilities for retirement benefits has been provided on an accrual basis as of the balance sheet date based on an estimate of the projected benefit obligation and the employees' pension plan assets.
To calculate projected benefit obligation, the benefit formula method is used to allocate expected retirement benefit payments to the each period through current fiscal year-end.
 - b) Actuarial gain or loss is amortized by the straight-line method over a defined period (11 years), not exceeding the average remaining service period of the employees from the next fiscal year after the incurrence.
- 6) Provision for board benefit trust
Provision for board benefit trust is provided for the amount equivalent to cover future benefit obligations for members of the Board of Directors and the Executive Officers in accordance with the regulations of the board benefit trust.
- 7) Provision for employee stock ownership plan trust
Provision for employee stock ownership plan trust is provided for the amount equivalent to cover future benefit obligations for employees in accordance with the regulations of the employee benefit trust for the current fiscal year.

VI. Recognition of revenue and expenses

The Company is primarily engaged in construction work in three segments: Domestic civil engineering businesses, domestic building businesses, and overseas construction businesses.
The revenue from each contract is recognized by estimating the fulfillment of the performance obligations over a certain period of time. The progress in the fulfillment of the performance obligations is estimated by the ratio of the costs incurred to the estimated total costs for each contract. However, the cost recovery method is applied where the progress cannot be estimated

but the costs incurred are expected to be recovered. For the contracts completed within a short period of time, the revenue is recognized when the performance obligations are fully satisfied.

VII. Deferred assets

Bond issuance costs are expensed in full when incurred.

VIII. Hedge accounting

- 1) Method
Gains or losses arising from changes in fair value of the derivatives designated as "hedging instruments" are deferred as a component of net assets and included in net income or loss in the same period during which the gains and losses on the hedged items or transactions are recognized.
For interest rate swaps, if certain hedging criteria are met, interest rate swaps are not recognized at their fair values but an alternative (short-cut) method under Japanese accounting standards is applied by which the amounts received or paid for such interest swap arrangements are recognized as interest over the life of each of the arrangements.
- 2) Hedging instruments and hedged items
 - a) Hedging instruments
The derivatives designated as hedging instruments by the Company are principally interest swaps and forward exchange contracts.
 - b) Hedged items
The related hedged items are bank loans, foreign currency monetary liabilities and forecasted transactions.
- 3) Hedge policy
The Company has a policy to utilize the above hedging instruments in order to reduce the Company's exposure to the risk of interest rate fluctuation and foreign exchange fluctuation.

IX. Retirement benefits

The accounting method of outstanding amounts of unrecognized actuarial gains / losses for retirement benefits is different from that applied in the consolidated financial statements.

X. Accounting principles and procedures adopted when the relevant accounting standards are not clearly defined.

Accounting methods used for joint ventures (JV) in construction projects
The Company recognizes assets, liabilities, income and expenses mainly in proportion to the percentage of investment by the JV members.

XI. U.S. Dollar amounts

The dollar amounts included in the financial statements and notes thereto represent the arithmetical results of translating yen to dollars at rate of ¥151=US\$1, the approximated rate of exchange prevailing on March 31, 2024. The inclusion of such dollar amounts is solely for the convenience of readers outside of Japan and is not intended to imply that yen and assets and liabilities originating in Yen have been or could be readily converted, realized or settled in dollars at this or any other rates.
Amounts less than one thousand have been rounded down to the nearest thousand dollars.

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

2. Significant accounting estimates

I. Accounting Standard for Revenue Recognition

1) Amount recorded in the consolidated financial statements for the current fiscal year

The amount of contract revenue accounted for by estimating the progress in the fulfillment of the performance obligation over a certain period of time:

Previous Fiscal Year

¥196,295 million

Current Fiscal Year

¥264,452 million (US\$1,751,341 thousand)

2) Information on significant accounting estimates for identified items

Same as stated in the Significant accounting estimates of Notes to Consolidated Financial Statements.

II. Impairment loss on fixed assets

1) Amount recorded in the consolidated financial statements for the current fiscal year Impairment loss:

Previous Fiscal Year

¥3 million

Current Fiscal Year

¥315 million (US\$2,088 thousand)

2) Information on significant accounting estimates for identified items

Same as stated in the Significant accounting estimates of Notes to Consolidated Financial Statements.

III. Recoverability of deferred tax assets

1) Amounts recognized in the consolidated financial statements for the current fiscal year Deferred tax assets:

Previous Fiscal Year

¥1,928 million

Current Fiscal Year

¥3,167 million (US\$20,978 thousand)

2) Information on significant accounting estimates for identified items

Same as stated in the Significant accounting estimates of Notes to Consolidated Financial Statements.

3. Changes in Presentation

The Company has changed the presentation of items in the statement of income as follows:

“Loss on valuation of stocks of subsidiaries and affiliates,” which was presented separately under “Extraordinary losses” in the previous fiscal year, was not recognized in the current fiscal year. Therefore, the financial statements for the previous fiscal year were reclassified.

Consequently, the ¥10 million of “Loss on valuation of stocks of subsidiaries and affiliates” under “Extraordinary losses” in the previous fiscal year has been reclassified as ¥10 million in “Others.”

4. Additional information

(J-ESOP for the Company's employees)

As information in these notes related to J-ESOP for the Company's employees is identical to the information in “Notes to consolidated financial statements, 5. Additional information, (J-ESOP for the Company's employees)” the disclosure in these notes have been omitted.

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

5. Notes to Balance Sheet

I . Receivables and payables

The aggregate amounts corresponding to affiliates as of March 31, 2023 and 2024, are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Notes receivable, Accounts receivable - trade, and Accounts receivable - other	¥2,211	¥2,530	\$16,755
Notes payable, Electronically recorded obligations - operating, and Accounts payable - trade	4,671	6,134	40,628

II . Assets pledged as collateral and secured liabilities

Assets pledged as collateral and secured liabilities as of March 31, 2023 and 2024, are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Assets pledged as collateral:			
Current assets			
Other current assets	¥18	¥18	\$125
Investment and other assets			
Investment in securities	1,864	3,082	20,410
Stock of subsidiaries and affiliates	273	284	1,886
Long-term loans to subsidiaries and affiliates	107	89	589
Total	¥2,264	¥3,474	\$23,012

As of March 31, 2024, the assets listed above are pledged as collateral to secure contingent liabilities amounting to ¥2,392million (US\$15,846 thousand) and liabilities based on the loan agreements with credit line between affiliated companies including PFI projects and financial institutions.

III . Government Subsidies

Because of government subsidies, etc. that were received, the reduction entry amount indicated below was deducted from the acquisition cost of property, plant and equipment as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Building	¥14	¥15	\$104

IV . Securities lent

Among investments in securities, securities lent to a financial institution under the security lending agreement at March 31, 2023 and 2024 were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2023	2024	2024
¥163	¥235	\$1,561

V . Commitments and contingent liabilities

The Company is contingently liable for the following as of March 31, 2023 and 2024

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Employees (Loan guarantee to bank)	¥12	¥11	\$77
National Federation of Promotion for Fishing Ports and Villages	11		
Fisheries Cooperative Association (Loan guarantee)			
Total	¥23	¥11	\$77

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

VI . Short-term borrowings

The Company had commitment lines for efficient financing from 7 banks at March 31, 2023 and 2024, as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Total amount of contracts of commitment lines	¥25,000	¥25,000	\$165,562
Outstanding borrowings	-	-	-
Balance	¥25,000	¥25,000	\$165,562

VII . Notes receivable and notes payable

March 31, 2024, was a holiday for financial institutions in Japan, and therefore the following notes receivable and payable maturing on that date were included in the balance sheet and were settled on the next business day.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Notes receivable	-	¥1	\$9
Notes payable	-	¥700	\$4,640

6. Notes to Statement of Income

I . Interest income from affiliates was as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2023	2024	2024
¥18	¥16	\$111

II . Gain on sale of fixed assets

The breakdown of the gain on sale of fixed assets was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Land and buildings	¥27	¥69	\$461
Other	-	2	13
Total	¥27	¥71	\$475

III . Loss on sale of fixed assets

The breakdown of the loss on disposition of fixed assets was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Buildings	-	¥0	\$0
Machinery, vehicles and tools, furniture and fixtures	0	1	8
Total	¥0	¥1	\$9

IV . Loss on disposal of fixed assets

The breakdown of the loss on retirement of fixed assets was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Buildings	¥4	¥14	\$93
Equipment	0	2	\$15
Others	0	1	\$6
Total	¥4	¥17	\$116

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

7. Securities

Since the stock of subsidiaries and affiliates have no market price and it is extremely difficult to determine fair value, the fair value of stock of subsidiaries and affiliates is not included in the financial statements.

The amounts on the balance sheet, which are extremely difficult to determine fair value, are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Stock of subsidiaries	¥2,074	¥2,601	\$17,230
Stock of affiliates	291	303	\$2,009
Total	¥2,366	¥2,905	\$19,239

8. Tax Effect Accounting

I . The significant components of deferred tax assets and liabilities at March 31, 2023 and 2024, were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2023	2024	2024
Deferred Tax Assets:			
Net liability for retirement benefits	¥848	¥813	\$5,385
Reserve for loss on construction works	404	677	4,489
Accrued bonus to employees	691	1,029	6,815
Loss on valuation of utility rights	228	224	1,489
Loss on valuation of investment in securities	129	129	855
Loss on impairment of fixed assets	265	218	1,444
Deferred gains (losses) on hedges	1	-	0
Foreign tax credit	-	1,423	9,423
Others	889	1,175	7,784
Total gross deferred tax assets	¥3,458	¥5,690	\$37,688
Valuation allowance for tax loss carried forward	-	-	-
Valuation allowance for deductible temporary differences	(¥759)	(¥698)	(4,625)
Total valuation allowance	(¥759)	(¥698)	(4,625)
Total deferred tax assets	¥2,698	¥4,992	\$33,063
Deferred Tax Liabilities:			
Unrealized gains on securities	(770)	(1,823)	(12,079)
Deferred gains (losses) on hedges	-	(0)	(5)
Total deferred tax liabilities	(770)	(1,824)	(12,084)
Net Deferred Tax Assets	¥1,928	¥3,167	\$20,978

II . The reconciliation for 2023 and 2024 is omitted, because the difference between the statutory tax rate and the effective tax rate after the adoption of tax-effect accounting is less than 5% of the statutory tax rate.

9. Revenue Recognition

Basic information to understand the revenue from contracts with customers is omitted because it is shown in the consolidated financial statements, "II. Basis of accounting treatment, (5) Recognition of significant revenue and expenses."

10. Significant subsequent events

(Stock split and changes in a portion of the Articles of Incorporation due to the stock split)

As information regarding stock split and changes in a portion of the Articles of Incorporation due to the stock split is identical to the information in the "Notes to consolidated financial statements, 23. Significant subsequent events, (Stock split and changes in a portion of the Articles of Incorporation due to the stock split)" the disclosure in these notes has been omitted.

(Cancellation of treasury stock)

As information regarding cancellation of treasury stock is identical to the information in the "Notes to consolidated financial statements, 23. Significant subsequent events, (Cancellation of treasury stock)," the disclosure in these notes has been omitted.

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

Supplementary Information

Details of securities

【Stock】			Millions of Japanese Yen		Thousands of U.S. Dollars
Security name			Number of shares	Amount on balance sheet	Amount on balance sheet
Investments in securities	Other securities	Mizuho Financial Group, Inc.	437,022	¥1,331	\$8,815
		Hulic Company, Limited	799,359	1,256	8,319
		Keikyu Corporation	739,813	1,030	6,824
		Concordia Financial Group, Ltd.	1,168,560	899	5,957
		Sompo Holdings, Inc.	87,500	837	5,545
		Taiheiyo Cement Corporation	236,697	832	5,516
		NAGAWA CO., Ltd	81,600	646	4,279
		The Chiba Bank, Ltd.	504,261	636	4,212
		NIPPON HUME CORPORATION	488,000	418	2,769
		Fuyo General Lease Co., Ltd.	30,000	412	2,733
		TAKACHIHO KOHEKI CO.,LTD.	107,000	406	2,692
		MS&AD Insurance Group Holdings, Inc.	49,555	403	2,669
		ENEOS Holdings, Inc.	541,732	396	2,623
		SAN-AI OBBLI CO., LTD.	173,050	361	2,392
		The Ehime Bank, Ltd.	275,200	312	2,070
		WATANABE SATO CO., LTD.	62,900	242	1,603
		Kansai International Airport Land Company,Ltd.	4,300	215	1,423
		Metropolitan Intercity Railway Company	4,000	200	1,324
		Yokohama Bayside Marina Co.,Ltd.	4,000	200	1,324
		Mitsubishi UFJ Financial Group, Inc.	124,330	193	1,281
		Other(52 security names)	920,797	1,677	11,107
		Total	6,839,677	¥12,908	\$85,489

Details of fixed assets

Type of assets	Millions of Japanese Yen						
	Beginning balance	Increase	Decrease	Closing balance	Accumulated depreciation	Depreciation (Current term)	Balance(①-②)
Property, plant and equipment :				①	②		
Buildings	¥7,560	¥79	¥404	¥7,235	¥4,655	¥156	¥2,579
			(27)				
Structures	1,889	102	15	1,976	1,470	31	505
			(1)				
Machinery and equipment	4,069	580	180	4,469	3,797	497	672
Vessels	10,011	7,406	1	17,415	9,443	1,278	7,972
Vehicles	421	173	35	559	332	103	227
Tools, furniture and fixtures	2,627	195	66	2,756	2,393	191	363
			(0)				
Land	15,229	51	299	14,981	-	-	14,981
			(285)				
	[5,692]		[270]	[5,422]			
Leased assets	2,668	32	3	2,697	1,717	474	979
Construction in progress	6,429	1,632	7,768	293	-	-	293
Total property, plant and equipment	¥50,908	¥10,254	¥8,776	¥52,387	¥23,811	¥2,733	¥28,575
			(¥315)				
Intangible assets:	-	-	-	3,385	¥2,719	¥302	¥665
Long-term prepaid expenses	¥3	¥8	¥6	¥5	-	-	¥5
Deferred tax assets	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

Type of assets	Thousands of U.S. Dollars						
	Beginning balance	Increase	Decrease	Closing balance	Accumulated depreciation	Depreciation (Current term)	Balance((①-②))
Property, plant and equipment :				①	②		
Buildings	\$50,069	\$526	\$2,676	\$47,919	\$30,833	\$1,033	\$17,085
Structures	12,516	676	105	13,087	9,737	210	3,349
Machinery and equipment	26,953	3,845	1,198	29,600	25,149	3,292	4,451
Vessels	66,298	49,048	9	115,337	62,542	8,470	52,795
Vehicles	2,794	1,150	236	3,707	2,203	687	1,504
Tools, furniture and fixtures	17,402	1,291	438	18,255	15,850	1,270	2,404
			(3)				
Land	100,855	341	1,981	99,215	-	-	99,215
			(1,891)				
	37,700		[1,789]	35,910			
Leased assets	17,673	216	25	17,863	11,375	3,139	6,488
Construction in progress	42,581	10,813	51,449	1,946	-	-	1,946
Total property, plant and equipment	\$337,145	\$67,911	\$58,122	\$346,934	\$157,692	\$18,104	\$189,241
			(\$2,088)				
Intangible assets:	-	-	-	\$22,418	\$18,011	\$2,000	\$4,406
Long-term prepaid expenses	\$26	\$56	\$44	\$38	-	-	\$38
Deferred tax assets	-	-	-	-	-	-	-

Notes: 1. The amount in parentheses of "Decrease" is the amount of loss on impairment of fixed assets.

2. The amount in square brackets of "Beginning balance", "Decrease" and "Closing balance" is the amount of "Revaluation reserve for land" revalued in accordance with the "Act on Revaluation of Land" (Act No.34 promulgated on March 31, 1998) and the "Act on Partial Revision of the Act on Revaluation of Land" (Act No.19 promulgated on March 31, 2001)

3. The main items in the "Increase" are as follows.

Vessels ¥7,032 million

4. The "Beginning balance", "Increase" and "Decrease" in the intangible assets are omitted, because the closing book value is less than 1% of the aggregate amount of assets.

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

Details of allowances or reserves

Description	Millions of Japanese Yen				
	Beginning balance	Increase	Decrease (Intended use)	Decrease (Other)	Closing balance
Allowance for doubtful accounts (Note 1)	¥534	¥0	-	¥6	¥528
Reserve for indemnity on completed contracts (Note 2)	894	912	-	894	912
Reserve for loss on construction works	1,321	1,935	1,042	-	2,214
Reserve for director's bonuses	28	79	28	-	79
Reserve for retirement benefits (Note 3)	(244)	600	1,635	-	(1,279)
Provision for board benefit trust	111	185	19	-	277
Provision for employee stock ownership plan trust	-	527	-	-	527

Description	Thousands of U.S. Dollars				
	Beginning balance	Increase	Decrease (Intended use)	Decrease (Other)	Closing balance
Allowance for doubtful accounts (Note 1)	\$3,538	\$3	-	\$41	\$3,499
Reserve for indemnity on completed contracts (Note 2)	5,922	6,042	-	5,922	6,042
Reserve for loss on construction works	8,748	12,814	6,900	-	14,662
Reserve for director's bonuses	189	524	189	-	524
Reserve for retirement benefits (Note 3)	(1,621)	3,978	10,831	-	(8,474)
Provision for board benefit trust	738	1,230	127	-	1,840
Provision for employee stock ownership plan trust	-	3,492	-	-	3,492

- Notes: 1. The "Decrease(Other)" of the allowance for doubtful accounts amounting to ¥6 million is reduced the amount because of the collection of credits.
2. The "Decrease(Other)" of the reserve for indemnity on completed contracts amounting to ¥894 million is the reversal of the reserve for indemnity.
3. Reserve for retirement benefits is shown as "Prepaid pension cost" in "Investments and other assets" of the Balance Sheet. The amount of decrease in the current business year (purpose of use) of ¥1,635 million is the premium contributed by the Company.

(2) Details of main assets and liabilities

They are omitted because the consolidated financial statements are provided separately.

(3) Other

Not applicable

Independent Auditor's Report

The Board of Directors
TOA CORPORATION

The Audit of the Non-Consolidated Financial Statements

Opinion

We have audited the accompanying non-consolidated financial statements of TOA CORPORATION (the Company), which comprise the non-consolidated balance sheet as at March 31, 2024, and the non-consolidated statements of income, changes in net assets, and notes to the non-consolidated financial statements.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of TOA CORPORATION as at March 31, 2024, and its non-consolidated financial performance in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of the audit of the non-consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue as performance obligations are satisfied over time in construction contracts

TOA CORPORATION (the "Company") is engaged in the construction business and other businesses related to construction. The Company recorded net sales for completed construction work of 264,452 million yen using the method of recognizing revenue as performance obligations are satisfied over time, which accounted for 97.6% of net sales. Related disclosures are included in "6 Recognition of revenue and expenses" under "1. Significant accounting policies" and "1 Accounting Standard for Revenue Recognition" under "2. Significant accounting estimates."

The “Description of Key Audit Matter” and “Auditor’s Response” for this matter are omitted because they are the same as those stated in the independent auditor’s report for the consolidated financial statements.

Other Information

Other information comprises the information included in disclosure document that contains audited non-consolidated financial statements, but does not include the non-consolidated financial statements and our auditor’s report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to other information.

Responsibilities of Management, the Audit and Supervisory Committee for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the non-consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2024 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the non-consolidated financial statements.

Fee-related Information

Fee-related information is included in the audit report of the consolidated financial statements.



Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 9, 2024

/s/ 原 秀敬

Hidenori Hara
Designated Engagement Partner
Certified Public Accountant

/s/ 結城 洋治

Yoji Yuki
Designated Engagement Partner
Certified Public Accountant