

NON-CONSOLIDATED BALANCE SHEET

TOA CORPORATION
As of 31 March 2024 and 2025

ASSETS	Millions of Japanese Yen		Thousands of U.S. Dollars
	31 March 2024	31 March 2025	31 March 2025
Current assets:			
Cash and bank deposits	¥ 53,498	¥ 37,594	\$ 252,312
Notes receivable (Note 4)	3,295	190	1,279
Accounts receivable-trade (Note 4)	120,204	162,784	1,092,512
Accounts receivable-other (Note 4)	3,416	4,132	27,732
Cost on construction contracts in progress	4,383	4,545	30,507
Cost on other contracts	144	187	1,261
Real estate for sale	1,224	2,232	14,983
Advanced money	11,801	14,145	94,936
Other (Note 4)	6,756	6,726	45,143
Allowance for doubtful accounts	(3)	(3)	(24)
Total current assets	204,721	232,536	1,560,644
Fixed assets:			
Property, plant and equipment:			
Buildings	7,235	6,965	46,748
Structures	1,976	1,991	13,366
Machinery and equipment	4,469	4,489	30,128
Vessels	17,415	17,366	116,554
Vehicles	559	638	4,284
Tools, furniture and fixtures	2,756	2,742	18,407
Land	14,981	14,818	99,455
Leased assets	2,697	1,465	9,835
Construction in progress	293	88	594
Total property, plant and equipment	52,387	50,567	339,376
Less: Accumulated depreciation	(23,811)	(24,309)	(163,150)
Property, plant and equipment - net	28,575	26,257	176,226
Intangible assets:	665	746	5,011
Investments and other assets:			
Investments in securities (Note 4)	12,908	12,474	83,723
Stock of subsidiaries and affiliates (Note 4 and 6)	2,905	2,881	19,338
Long-term loans to subsidiaries and affiliates (Note 4)	1,229	1,102	7,400
Prepaid Pension Cost	1,279	1,692	11,359
Deferred tax assets (Note 2 and 7)	3,167	3,295	22,114
Other (Note 4)	1,511	1,655	11,112
Allowance for doubtful accounts	(525)	(524)	(3,521)
Total investments and other assets	22,477	22,577	151,527
Total fixed assets	51,718	49,581	332,764
Total assets	¥ 256,439	¥ 282,118	\$ 1,893,409

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

NON-CONSOLIDATED BALANCE SHEET

TOA CORPORATION
As of 31 March 2024 and 2025

LIABILITIES	Millions of Japanese Yen		Thousands of U.S. Dollars
	31 March 2024	31 March 2025	31 March 2025
Current liabilities:			
Notes payable (Note 4)	¥ 2,102	¥ 1,311	\$ 8,799
Electronically recorded obligations-operating (Note 4)	11,486	15,369	103,148
Accounts payable-trade (Note 4)	37,152	41,966	281,653
Short-term borrowings (Note 4)	29,790	29,404	197,344
Commercial papers	8,000	6,000	40,268
Lease obligation	506	205	1,381
Accrued income taxes	6,650	5,354	35,934
Advances received on construction contracts in progress	22,246	17,184	115,329
Advances received on other contracts	237	288	1,936
Deposits received	32,791	41,341	277,462
Reserve for indemnity on completed contracts	912	921	6,185
Reserve for loss on construction works	2,214	3,184	21,369
Reserve for director's bonuses (Note 1)	79	85	576
Other current liabilities	8,363	9,691	65,044
Total current liabilities	162,532	172,308	1,156,433
Long-term liabilities:			
Corporate bonds	-	5,000	33,557
Long-term debt	9,798	9,959	66,841
Lease obligation	584	379	2,544
Deferred tax liabilities on revaluation of land	2,144	2,208	14,818
Provision for board benefit trust (Note 1)	277	404	2,717
Provision for employee stock ownership plan trust	527	814	5,466
Other long-term liabilities	151	272	1,831
Total long-term liabilities	13,485	19,038	127,776
Total liabilities	176,018	191,347	1,284,210
NET ASSETS:			
Shareholders' equity:			
Common stock	18,976	18,976	127,360
Capital surplus			
Legal capital surplus	4,744	4,744	31,840
Other capital surplus	14,579	13,008	87,304
Total capital surplus	19,323	17,752	119,144
Retained earnings			
Other retained earnings			
General reserves	14,000	14,000	93,959
Retained earnings brought forward	29,194	39,457	264,816
Total retained earnings	43,194	53,457	358,776
Treasury stock	(8,662)	(7,057)	(47,366)
Total shareholders' equity	72,832	83,129	557,914
Valuation and translation adjustments:			
Net unrealized gains (losses) on securities	4,309	4,418	29,651
Net deferred gains (losses) on hedges	1	1	7
Revaluation reserve for land	3,277	3,222	21,625
Total valuation and translation adjustments	7,589	7,641	51,284
Total net assets	80,421	90,770	609,199
Total liabilities and net assets	¥ 256,439	¥ 282,118	\$ 1,893,409

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

NON-CONSOLIDATED STATEMENT OF INCOME

TOA CORPORATION

For the years ended 31 March 2024 and 2025

	Millions of Japanese Yen		Thousands of U.S. Dollars
	From 1 April 2023 To 31 March 2024	From 1 April 2024 To 31 March 2025	From 1 April 2024 To 31 March 2025
Net sales			
Net sales of completed construction contracts	¥ 265,434	¥ 311,979	\$ 2,093,824
Net sales in development business and other	4,687	5,283	35,458
Net sales in real estate business and other	894	606	4,071
Total net sales	271,016	317,869	2,133,354
Cost of sales			
Cost of sales of completed construction contracts	239,796	281,667	1,890,385
Cost of sales in development business and other	3,875	4,023	27,000
Cost of sales in real estate business and other	524	374	2,512
Total cost of sales	244,196	286,064	1,919,897
Gross profit			
Gross profit on completed construction contracts	25,638	30,312	203,438
Gross profit on development business and other	812	1,260	8,458
Gross profit on real estate business and other	369	232	1,559
Total gross profit	26,819	31,804	213,456
Selling, general and administrative expenses			
Remuneration for directors	331	299	2,008
Employees' salaries and allowances	5,049	5,589	37,516
Retirement benefit expenses	337	137	920
Legal welfare expenses	749	817	5,486
Welfare expenses	436	455	3,056
Stationery expenses	642	835	5,609
Communication and transportation expenses	452	500	3,358
Research study expenses	1,070	1,242	8,336
Advertising expenses	169	168	1,128
Provision of allowance for doubtful accounts	0	0	2
Entertainment expenses	180	206	1,385
Donations	29	39	266
Rent expenses on land and buildings	789	807	5,422
Depreciation	423	339	2,281
Taxes and dues	654	808	5,425
Miscellaneous expenses	933	975	6,544
Total selling, general and administrative expenses	12,249	13,223	88,748
Operating income	14,570	18,581	124,707
Non-operating income:			
Interest income (Note 5)	56	59	400
Dividend income	304	356	2,392
Exchange gain	450	-	0
Other	25	20	136
Total non-operating income	836	436	2,929
Non-operating expenses:			
Interest expense	363	471	3,163
Interest expenses on bonds	-	6	41
Bond issuance costs	-	37	249
Guarantee fee	201	178	1,196
Exchange loss	-	327	2,200
Commission fee	158	52	355
Other	1	2	14
Total non-operating expenses	725	1,076	7,221
Ordinary profit	14,680	17,941	120,415

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

NON-CONSOLIDATED STATEMENT OF INCOME

TOA CORPORATION

For the years ended 31 March 2024 and 2025

	Millions of Japanese Yen		Thousands of U.S. Dollars	
	From 1 April 2023 To 31 March 2024	From 1 April 2024 To 31 March 2025	From 1 April 2024 To 31 March 2025	From 1 April 2024 To 31 March 2025
Extraordinary income:				
Gain on sale of fixed assets (Note 5)	¥ 71	¥ 6	\$	43
Gain on sale of investment in securities	149	1,112		7,465
Subsidy income/Government grant income (Note 4)	15	7		47
Other	-	5		37
Total extraordinary income	236	1,131		7,593
Extraordinary losses:				
Loss on sale of fixed assets (Note 5)	1	-		0
Loss on disposal of fixed assets (Note 5)	17	150		1,009
Loss on reduction of fixed assets	15	7		47
Loss on impairment of fixed assets (Note 2)	315	75		509
Other	3	4		27
Total extraordinary losses	353	237		1,593
Profit before income taxes	14,564	18,835		126,415
Income taxes:				
Current	7,025	5,583		37,472
Deferred	(2,382)	(301)		(2,024)
Total income taxes	4,643	5,281		35,447
Profit	¥ 9,920	¥ 13,554	\$	90,967

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, 2024 and 2025

Millions of Japanese Yen						Thousands of U.S. Dollars
	Notes No	31 March 2024		31 March 2025		31 March 2025
		Amount	Composition Ratio %	Amount	Composition Ratio %	Amount
Material cost		57,028	23.8	57,846	20.5	388,229
Labor cost		997	0.4	1,078	0.4	7,237
(Subcontract labor cost included)		(-)	(-)	(-)	(-)	(-)
Subcontract cost		135,023	56.3	170,122	60.4	1,141,759
Expenses		46,748	19.5	52,620	18.7	353,158
(Personnel expenses included)		(13,482)	(5.6)	(16,032)	(5.7)	(107,598)
Total		¥239,796	100.0	¥281,667	100	\$1,890,385

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, 2024 and 2025

Millions of Japanese Yen						Thousands of U.S. Dollars
	Notes No	31 March 2024		31 March 2025		31 March 2025
		Amount	Composition Ratio %	Amount	Composition Ratio %	Amount
Cost of sales in development business and other						
Cost of sales in design services and other		3,875	100.0	4,021	99.9	26,992
Cost of sales in development business		-	-	1	0.0	8
Total		¥3,875	100.0	¥4,023	100.0	\$27,000
Cost of sales in real estate business and other						
Cost of sales in real estate for sale		69	13.2	40	10.8	272
Cost of sales in rentals		455	86.8	333	89.2	2,240
Total		¥524	100.0	¥374	100.0	\$2,512

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, 2024 and 2025

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, 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
Cancellation of treasury stock									-					-
Revaluation reserve for land						182	182		182					182
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
Cash dividends						(3,282)	(3,282)		(3,282)					(3,282)
Profit						13,554	13,554		13,554					13,554
Acquisition of treasury stock								(242)	(242)					(242)
Sale of treasury stock			92	92				183	275					275
Cancellation of treasury stock			(1,664)	(1,664)				1,664	-					-
Revaluation reserve for land						(7)	(7)		(7)					(7)
Net changes in items other than shareholders' equity										108	0	(55)	52	52
Balance at March 31, 2025	¥18,976	¥4,744	¥13,008	¥17,752	¥14,000	¥39,457	¥53,457	(¥7,057)	¥83,129	¥4,418	¥1	¥3,222	¥7,641	¥90,770

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, 2024	\$127,360	\$31,840	\$97,851	\$129,691	\$93,959	\$195,934	\$289,893	(\$58,134)	\$488,810	\$28,923	\$12	\$21,996	\$50,932	\$539,743
Cash dividends						(22,033)	(22,033)		(22,033)					(22,033)
Profit						90,967	90,967		90,967					90,967
Acquisition of treasury stock								(1,629)	(1,629)					(1,629)
Sale of treasury stock			620	620				1,230	1,851					1,851
Cancellation of treasury stock			(11,167)	(11,167)				11,167	-					-
Revaluation reserve for land						(51)	(51)		(51)					(51)
Net changes in items other than shareholders' equity										727	(4)	(371)	351	351
Balance at March 31, 2025	\$127,360	\$31,840	\$87,304	\$119,144	\$93,959	\$264,816	\$358,776	(\$47,366)	\$557,914	\$29,651	\$7	\$21,625	\$51,284	\$609,199

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 (Prepaid Pension Cost)
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 ¥149=US\$1, the approximated rate of exchange prevailing on March 31, 2025. 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

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

rounded down to the nearest thousand dollars.

2. Significant accounting estimates

I. Accounting Standard for Revenue Recognition

- 1) Amount recorded in the 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

¥264,452 million

Current Fiscal Year

¥311,848 million (US\$2,092,945 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 financial statements for the current fiscal year

Previous Fiscal Year

¥315 million

Current Fiscal Year

¥75 million (US\$509 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 financial statements for the current fiscal year

Previous Fiscal Year

¥3,167 million

Current Fiscal Year

¥3,295 million (US\$22,114 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 Accounting Policies

(Adoption of Accounting Standards for Current Income Taxes etc.)

As information regarding the adoption of Accounting Standard for Current Income Taxes etc. is identical to the information stated in the Changes in accounting policies of Notes to Consolidated Financial Statements, the notes have been omitted.

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

4. Notes to Balance Sheet

I . Receivables and payables

The aggregate amounts corresponding to affiliates as of March 31, 2024 and 2025 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2024	2025	2025
Notes receivable, Accounts receivable - trade, and Accounts receivable - other	¥2,530	¥2,624	\$17,616
Notes payable, Electronically recorded obligations - operating, and Accounts payable - trade	6,134	5,368	36,029

II . Assets pledged as collateral and secured liabilities

Assets pledged as collateral and secured liabilities as of March 31, 2024 and 2025 are as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2024	2025	2025
Assets pledged as collateral:			
Current assets			
Other current assets	¥18	¥16	\$112
Investment and other assets			
Investment in securities	3,082	2,929	19,664
Stock of subsidiaries and affiliates	284	308	2,072
Long-term loans to subsidiaries and affiliates	89	72	487
Total	¥3,474	¥3,328	\$22,336

As of March 31, 2025, the assets listed above are pledged as collateral to secure contingent liabilities amounting to ¥2,475 million (US\$16,611 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
	2024	2025	2025
Building	¥15	-	-
Structure	-	¥6	\$43

IV . Securities lent

Among investments in securities, securities lent to a financial institution under the security lending agreement at March 31, 2024 and 2025 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2024	2025	2025
	¥235	¥215	\$1,446

V . Commitments and contingent liabilities

The Company is contingently liable for the following as of March 31, 2024 and 2025

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2024	2025	2025
Employees (Loan guarantee to bank)	¥11	¥5	\$39
MORIMOTO Co., Ltd. (Deposit and the other guarantees)		341	2,293
Total	¥11	¥347	\$2,332

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

VI . Short-term borrowings

The Company had commitment lines for efficient financing from 7 banks at March 31, 2024 and 2025 as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2024	2025	2025
Total amount of contracts of commitment lines	¥25,000	¥25,000	\$167,785
Outstanding borrowings	-	-	-
Balance	¥25,000	¥25,000	\$167,785

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 Non consolidated balance sheet and were settled on the next business day.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2024	2025	2025
Notes receivable	¥1	-	-
Notes payable	700	-	-

5. Notes to Statement of Income

I . Interest income from affiliates was as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2024	2025	2025
¥16	¥15	\$103

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
	2024	2025	2025
Land and buildings	¥69	¥6	\$43
Other	2	0	0
Total	¥71	¥6	\$43

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
	2024	2025	2025
Buildings	¥0	-	-
Machinery, vehicles and tools, furniture and fixtures	1	-	-
Total	¥1	-	-

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
	2024	2025	2025
Buildings	¥14	¥149	\$1,006
Equipment	2	0	0
Others	1	0	3
Total	¥17	¥150	\$1,009

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

6. 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
	2024	2025	2025
Stock of subsidiaries	¥2,601	¥2,572	\$17,265
Stock of affiliates	303	308	\$2,072
Total	¥2,905	¥2,881	\$19,338

7. Tax Effect Accounting

I. The significant components of deferred tax assets and liabilities at March 31, 2024 and 2025 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2024	2025	2025
Deferred Tax Assets:			
Net liability for retirement benefits	¥813	¥753	\$5,055
Reserve for loss on construction works	677	990	6,645
Accrued bonus to employees	1,029	1,179	7,914
Loss on valuation of utility rights	224	234	1,574
Loss on valuation of investment in securities	129	46	314
Loss on impairment of fixed assets	218	239	1,604
Foreign tax credit	1,423	1,395	9,365
Others	1,175	1,134	7,612
Total gross deferred tax assets	¥5,690	¥5,972	\$40,086
Valuation allowance for tax loss carried forward	-	-	-
Valuation allowance for deductible temporary differences	(¥698)	(¥678)	(4,555)
Total valuation allowance	(¥698)	(¥678)	(4,555)
Total deferred tax assets	¥4,992	¥5,294	\$35,531
Deferred Tax Liabilities:			
Unrealized gains on securities	(1,823)	(1,998)	(13,413)
Deferred gains (losses) on hedges	(0)	(0)	(3)
Total deferred tax liabilities	(1,824)	(1,999)	(13,417)
Net Deferred Tax Assets	¥3,167	¥3,295	\$22,114

II. A reconciliation between the normal effective statutory tax rates for the years ended March 31, 2024 and 2025, and the actual effective tax rates reflected in the accompanying statements of income is as follows:

	2024	2025
Normal effective statutory tax rate	-	30.6%
Expenses not deductible for income tax purposes	-	1.1%
Non-taxable income	-	(0.2%)
Per capita levy of inhabitant taxes	-	0.6%
Change in valuation allowance	-	(0.2%)
Tax credits for research and development expenses	-	(0.3%)
Tax credits for salary increase	-	(1.8%)
Write-down of tax rate change for deferred tax assets	-	(0.2%)
Other-net	-	(1.6%)
Actual effective tax rates	-	28.0%

Notes: 1. In the previous fiscal year, notes are omitted due to the difference between the statutory tax rate and the effective income tax rate after the application of tax effect accounting being less than 5% of the statutory tax rate.

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

III . Revision of deferred tax assets and deferred tax liabilities due to changes in income tax rate

The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted by the Japanese National Diet on March 31, 2025, and the "Defense Special Corporation Tax" will be imposed from the consolidated fiscal years beginning on or after April 1, 2026.

Therefore, the effective statutory tax rate has been changed from 30.6% to 31.5% for deferred tax assets and deferred tax liabilities related to temporary differences expected to be eliminated in fiscal years beginning on April 1, 2026 and thereafter.

As a result, the amount of deferred tax assets (after deducting the amount of deferred tax liabilities) decreased ¥17 million(US\$118 thousand), income taxes-deferred decreased ¥39 million(US\$264 thousand), and valuation difference on available-for-sale securities decreased ¥57 million(US\$383 thousand) as of and for the fiscal year ended March 31, 2025.

Deferred tax liabilities on land revaluation increased by ¥63 million(US\$423 thousand) and land revaluation difference decreased by the same amount.

8. Revenue Recognition

As basic information to understand the revenue from contracts with customers is identical to the information in the consolidated financial statements, "18. Revenue Recognition," it has been omitted.

9. Significant Subsequent Events

(Acquisition of treasury stock)

As information regarding acquisition of treasury stock is identical to the information in the "Notes to consolidated financial statements, 22. Significant Subsequent Events" the disclosure in these notes has been omitted.

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	Other	Mizuho Financial Group, Inc.	437,022	¥1,770	\$11,881
in securities	securities	Hulic Company, Limited	799,359	1,148	7,709
		Concordia Financial Group, Ltd.	1,168,560	1,146	7,695
		NIPPON HUME CORPORATION	488,000	976	6,553
		Taiheiyo Cement Corporation	236,697	922	6,190
		The Chiba Bank, Ltd.	504,261	705	4,734
		Keikyu Corporation	446,489	675	4,533
		Sompo Holdings, Inc.	112,500	508	3,413
		NAGAWA CO., Ltd.	81,600	489	3,285
		TAKACHIHO KOHEKI CO.,LTD.	107,000	419	2,815
		Fuyo General Lease Co., Ltd.	30,000	347	2,330
		The Ehime Bank, Ltd.	275,200	295	1,981
		Kansai International Airport Land Company,Ltd.	4,300	215	1,442
		WATANABE SATO CO., LTD.	125,800	206	1,388
		Metropolitan Intercity Railway Company	4,000	200	1,342
		Yokohama Bayside Marina Co.,Ltd.	4,000	200	1,342
		PORT OF HAKATA DEVELOPMENT CO., LTD.	378,800	189	1,271
		Maruzen Showa Unyu Co., Ltd.	30,000	180	1,210
		Niigata Bandaijima Building Co.,Ltd.	3,600	180	1,208
		Hokuhoku Financial Group, Inc.	68,134	174	1,172
		Other(51 security names)		841,395	1,522
Total			6,146,718	¥12,474	\$83,721

Notes: 1. Due to a stock split (one share of common stock was split into three shares) with a record date of March 31, 2025 (effective date: April 1, 2025), the number of shares of Fuyo General Lease Co., Ltd. as of the date of submission is 90,000.

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

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	¥7,235	¥155	¥426	¥6,965	¥4,405	¥168	¥2,560
Structures	1,976	43	28	1,991	1,483	34	508
Machinery and equipment	4,469	287	268	4,489	3,910	380	578
Vessels	17,415	63	113	17,366	10,747	1,416	6,619
Vehicles	559	117	38	638	429	133	208
Tools, furniture and fixtures	2,756	209	223	2,742	2,389	147	353
			(71)				
Land	14,981	-	162	14,818	-	-	14,818
			(4)				
	[5,422]		[△7]	[5,430]			
Leased assets	2,697	9	1,241	1,465	943	366	521
Construction in progress	293	294	499	88	-	-	88
Total property, plant and equipment	¥52,387	¥1,183	¥3,003	¥50,567	¥24,309	¥2,648	¥26,257
			(75)				
Intangible assets:	-	-	-	3,564	2,817	231	746
Long-term prepaid expenses	¥5	¥38	¥20	¥23	-	-	¥23
Deferred tax assets	-	-	-	-	-	-	-

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	\$48,562	\$1,045	\$2,859	\$46,748	\$29,567	\$1,129	\$17,181
Structures	13,263	294	191	13,366	9,955	234	3,411
Machinery and equipment	29,998	1,932	1,802	30,128	26,245	2,555	3,882
Vessels	116,885	428	760	116,554	72,128	9,506	44,425
Vehicles	3,757	788	260	4,284	2,883	896	1,401
Tools, furniture and fixtures	18,500	1,409	1,501	18,407	16,037	992	2,370
			(481)				
Land	100,547	-	1,092	99,455	-	-	99,455
			(28)				
	[36,392]		[△51]	[36,444]			
Leased assets	18,103	66	8,334	9,835	6,332	2,458	3,503
Construction in progress	1,972	1,977	3,355	594	-	-	594
Total property, plant and equipment	\$351,591	\$7,943	\$20,157	\$339,376	\$163,150	\$17,773	\$176,226
			(\$509)				
Intangible assets:	-	-	-	\$23,923	\$18,912	\$1,553	\$5,011
Long-term prepaid expenses	\$38	\$259	\$137	\$160	-	-	\$160
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)

NOTES TO FINANCIAL STATEMENTS

TOA CORPORATION

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

Machinery and equipment ¥80 million (US\$ 539 thousand)

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.

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)	¥528	¥6	-	¥6	¥528
Reserve for indemnity on completed contracts (Note 2)	912	921	-	912	921
Reserve for loss on construction works	2,214	1,973	1,003	-	3,184
Reserve for director's bonuses	79	85	79	-	85
Reserve for retirement benefits (Note 3)	(1,279)	167	580	-	(1,692)
Provision for board benefit trust	277	156	29	-	404
Provision for employee stock ownership plan trust	527	303	16	-	814

Description	Thousands of U.S. Dollars				
	Beginning balance	Increase	Decrease (Intended use)	Decrease (Other)	Closing balance
Allowance for doubtful accounts (Note 1)	\$3,546	\$46	-	\$45	\$3,546
Reserve for indemnity on completed contracts (Note 2)	6,123	6,185	-	6,123	6,185
Reserve for loss on construction works	14,859	13,241	6,731	-	21,369
Reserve for director's bonuses	531	576	531	-	576
Reserve for retirement benefits (Note 3)	(8,587)	1,126	3,897	-	(11,359)
Provision for board benefit trust	1,865	1,049	197	-	2,717
Provision for employee stock ownership plan trust	3,539	2,038	111	-	5,466

- Notes: 1. The "Decrease (Other)" of the allowance for doubtful accounts amounting to ¥6 million (US\$45 thousand) is reduced the amount because of the collection of credits.
2. The "Decrease (Other)" of the reserve for indemnity on completed contracts amounting to ¥912 million (US\$6,123 thousand) 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 ¥580 million (US\$3,897 thousand) 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, 2025, 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 the Company as at March 31, 2025, and its non-consolidated financial performance for the year then ended 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 311,848 million yen using the method of recognizing revenue as performance obligations are satisfied over time, which accounted for 98.1% 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 documents that contain 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, 2025 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 8, 2025