

Results Briefing for the Second Quarter Ended September 30, 2022

November 16, 2022

TODA CORPORATION

This material contains forward-looking statements regarding Toda Corporation and the Group's corporate plans, strategies, and earnings forecasts.

These statements are Toda Corporation's forecasts based on information available as of the date of the material, which are subject to potential risks and uncertainties.

The actual results or developments may differ from the forward-looking statements due to changes in various factors.

Today's Program

1. Results Briefing

General Manager of Corporate Administration Group
Toshihiro Yamazaki

2. Progress of the Management Plan

President and Representative Director
Seisuke Otani

1. Results Briefing

General Manager
of Corporate Administration Group

Toshihiro Yamazaki



1-1. Results Overview

Financial Highlights

- **Consolidated Net Sales:**

¥239.8 billion (+1.8% YoY)

Consolidated net sales increased 1.1% YoY to ¥239.8 billion, mainly due to increase in domestic group companies business.

- **Operating Income:**

¥0.4 billion (△94.6% YoY)

Operating income decreased 94.6% YoY to ¥0.4 billion. The material prices such as steel frames, etc. have risen due to changes in the market environment. As a result, the Company's domestic construction business was recorded a provision for losses on construction contracts.

- **Orders received (non-consolidated):**

¥182.9 billion (+3.4% YoY)

Mainly due to increase in domestic architectural construction orders from the public sector, overall orders increased 3.4% to ¥182.9 billion.

Results Overview

(Billions of yen)	Apr-Sep FY2021	Apr-Sep FY2022		
		Results	% (YoY)	Amount (YoY)
Consolidated net sales	235.5	239.8	+1.8%	+4.2
Operating income	8.5	0.4	△94.6%	△8.1
Ordinary income	10.7	3.7	△65.0%	△6.9
Net profit attributable to owners of the parent	7.5	3.2	△57.6%	△4.3
Orders received (non-consolidated)	176.9	182.9	+3.4%	+5.9

[Consolidated] Results for Each Segment

(Billions of yen)

Apr-Sep FY2021	Architectural Construction	Civil Engineering	Domestic Investment and Development	Domestic Group Companies	Overseas Investment and Development	Environment and Energy	Adjustment	Total
Net sales	148.9	67.7	11.7	15.0	1.1	0	△9.1	235.5
Segment income(loss) (Profit margin)	3.7 (2.5%)	3.9 (5.9%)	1.0 (8.8%)	0.3 (2.3%)	0.4 (33.9%)	△0.5 (-)	△0.4	8.5 (3.7%)

Apr-Sep FY2022	Architectural Construction	Civil Engineering	Domestic Investment and Development	Domestic Group Companies	Overseas Investment and Development	Environment and Energy	Adjustment	Total
Net sales	148.2	67.7	12.5	21.3	1.3	0.7	△12.2	239.8
Segment income(loss) (Profit margin)	△4.7 (-)	4.7 (7.1%)	0.8 (6.5%)	0.3 (1.6%)	0.3 (29.6%)	△0.2 (-)	△0.8	0.4 (0.2%)

Main Orders Received

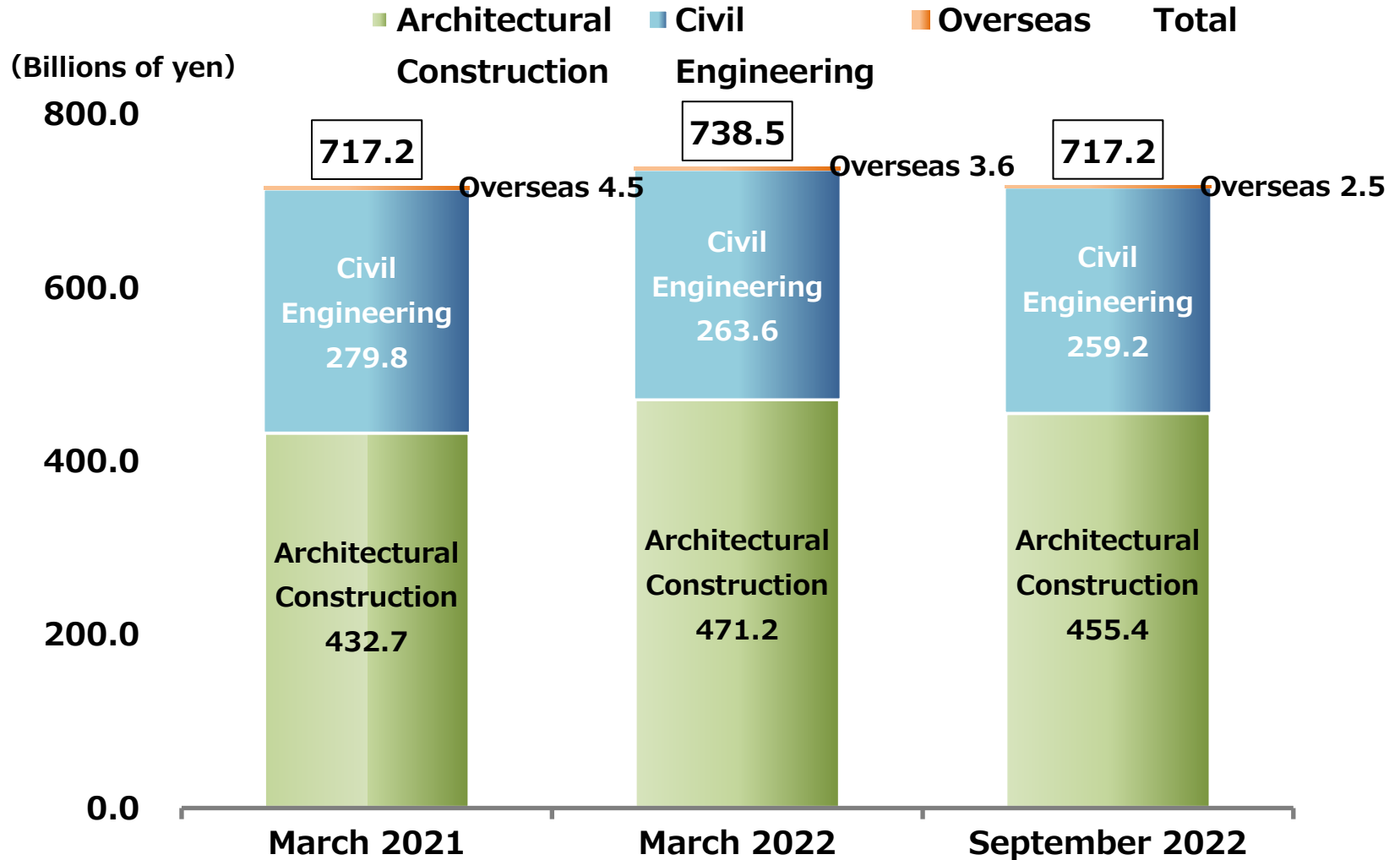
	Ordering Parties	Name of Works
Building Construction	Maishima Development Specified Purpose Company	(Tentative name) DPL Osaka Maishima construction work
	Lam Specified Purpose Company	ESR OS1 Data Center construction work
	National Printing Bureau	Oji Plant new business building construction work and other works (construction)
	The Kitasato Institute	Kitasato University Sagamihara Campus for Faculty of Future Technology construction work
	Tokyo University of Agriculture	The First High School, Tokyo University of Agriculture, Secondary School building rebuilding and development work Phase I
Civil Engineering	Central Nippon Expressway Company Limited	Shin-Meishin Expressway Kirigataki Bridge and other one bridge widening works (PC upper work)
	Ministry of Land, Infrastructure, Transport and Tourism Chubu Regional Development Bureau	Susami Kushimoto road Higashiji tunnel and other works
	Ministry of The Environment	Iitate Village temporary storage site restoration work, etc. for 2022 through 2024
	Ministry of Land, Infrastructure, Transport and Tourism, Kanto Regional Development Bureau	2022 National Route 20 Hachioji South Bypass Yakata No.2 Tunnel work 2

Main Carryover Works

	Ordering Parties	Name of Works
Building Construction	Shibuya Station Sakuragaoka Exit District Redevelopment Association	Shibuya Station Sakuragaoka Exit District Type 1 Urban Redevelopment Project
	St. Marianna University School of Medicine	St. Marianna University School of Medicine Sugao Campus Renewal Plan
	JAPANET HOLDINGS Co., Ltd	Nagasaki Stadium City Project (II and III sections)
	Yokohama Shinko Partners Co., Ltd.	(Tentative name) Yokohama District Government Office Complex maintenance and other works
	Takashimaya South Area Redevelopment Project	Takashimaya South Area Type 1 Urban Redevelopment Facility and Building Construction Work
Civil Engineering	Ministry of Land, Infrastructure, Transport and Tourism, Kanto Regional Development Bureau	Yokohama Shonan Road tunnel works
	Central Nippon Expressway Company Limited	Tokyo Outer Ring Road Main Line Tunnel (north bound) Tomei North works
	West Nippon Expressway Company Limited	Shin-Meishin Expressway Ujitawara Tunnel East Works
	Tokyo Metropolitan Government	Johoku Chuo Park retention reservoir (Phase 1)work2

* Honorifics are omitted. Work names are abbreviated.

[Non-consolidated] Carryover Works



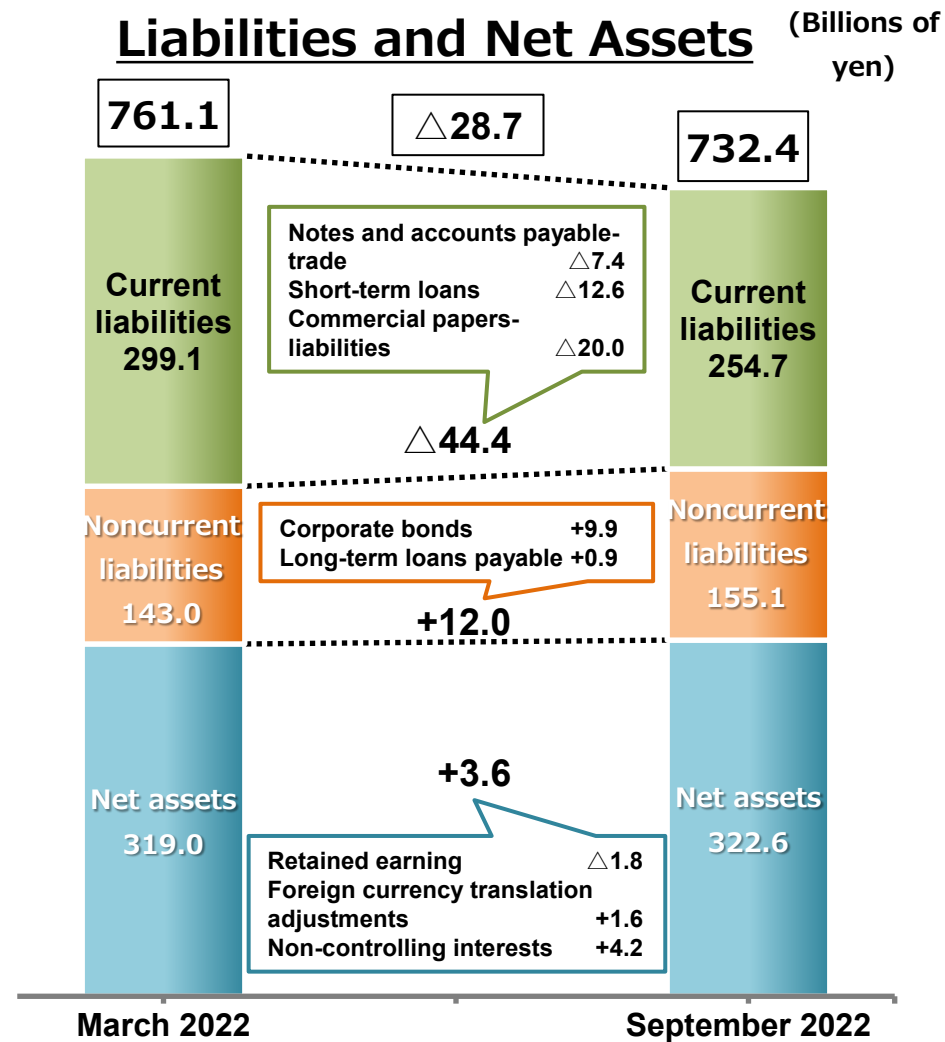
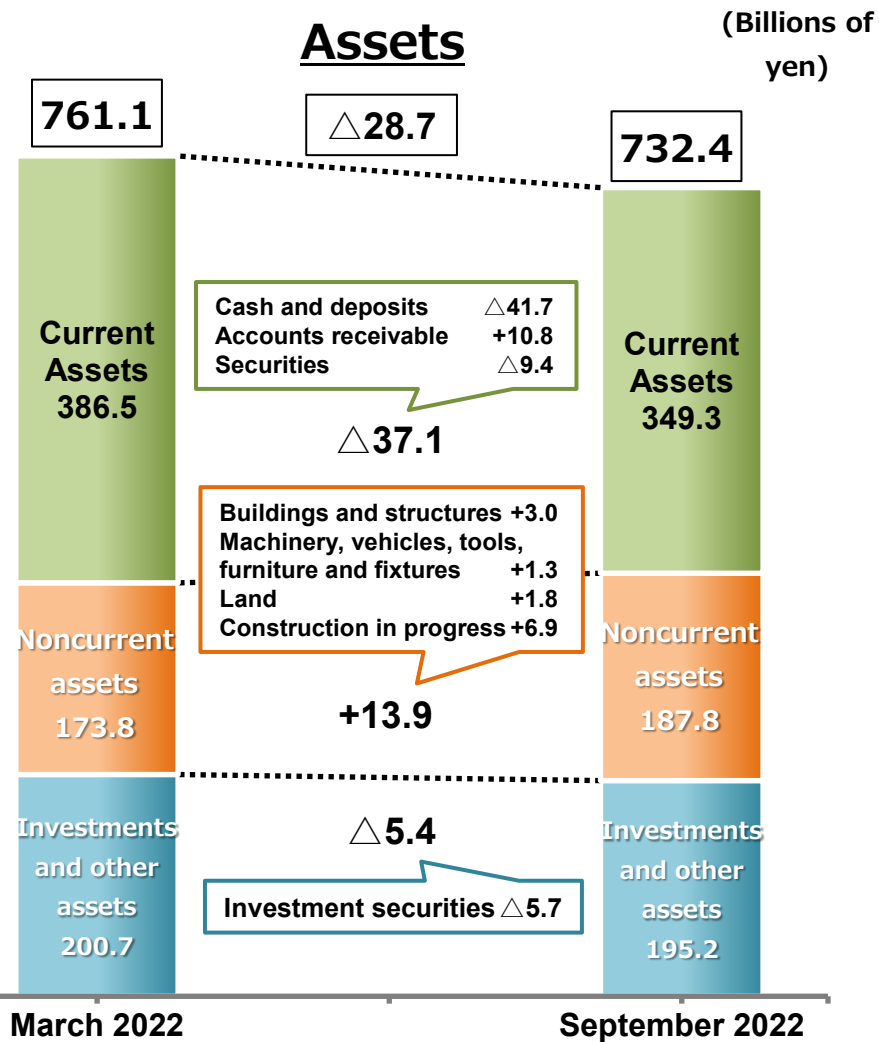


1-2. Details of Financial Results

[Consolidated] Toda Group

Business	Subsidiaries in Japan	Overseas Subsidiaries	38 companies
Construction	<p>APEC Engineering Co., Ltd.</p> <p>Chiyoda Kenkou Co., Ltd.</p> <p>Toda Road Co., Ltd.</p> <p>Sato Kogyo Co., Ltd.</p> <p>Showa Construction Co. , Ltd.</p> <p>3 other companies</p>	<p>Construtora Toda do Brasil S/A</p> <p>PT Tatamulia Nusantara Indah</p> <p>Thai Toda Corporation Ltd.</p> <p>Toda Vietnam Co., Ltd.</p> <p>11 other companies</p>	23 companies
Real estate	<p>Toda Bldg. Partners Co., Ltd.</p>	<p>PT Toda Group Indonesia</p> <p>Toda America, Inc.</p> <p>1 other companies</p>	4 companies
Other	<p>Toda Finance Co., Ltd.</p> <p>Toda Staff Service Co., Ltd.</p> <p>Towa Kanko Kaihatsu Co., Ltd.</p> <p>Goto Floating Wind Power LLC.</p> <p>Offshore Windfarm Construction Co., Ltd.</p> <p>Toda Noubou Inc.</p> <p>3 other companies</p>	<p>Toda Investimento do Brasil Ltda.</p> <p>Toda Energia do Brasil Ltda.</p> <p>Architectural Construction</p> <p>Domestic Group Companies</p> <p>Overseas Investment and Development</p> <p>Environment and Energy</p>	11 companies

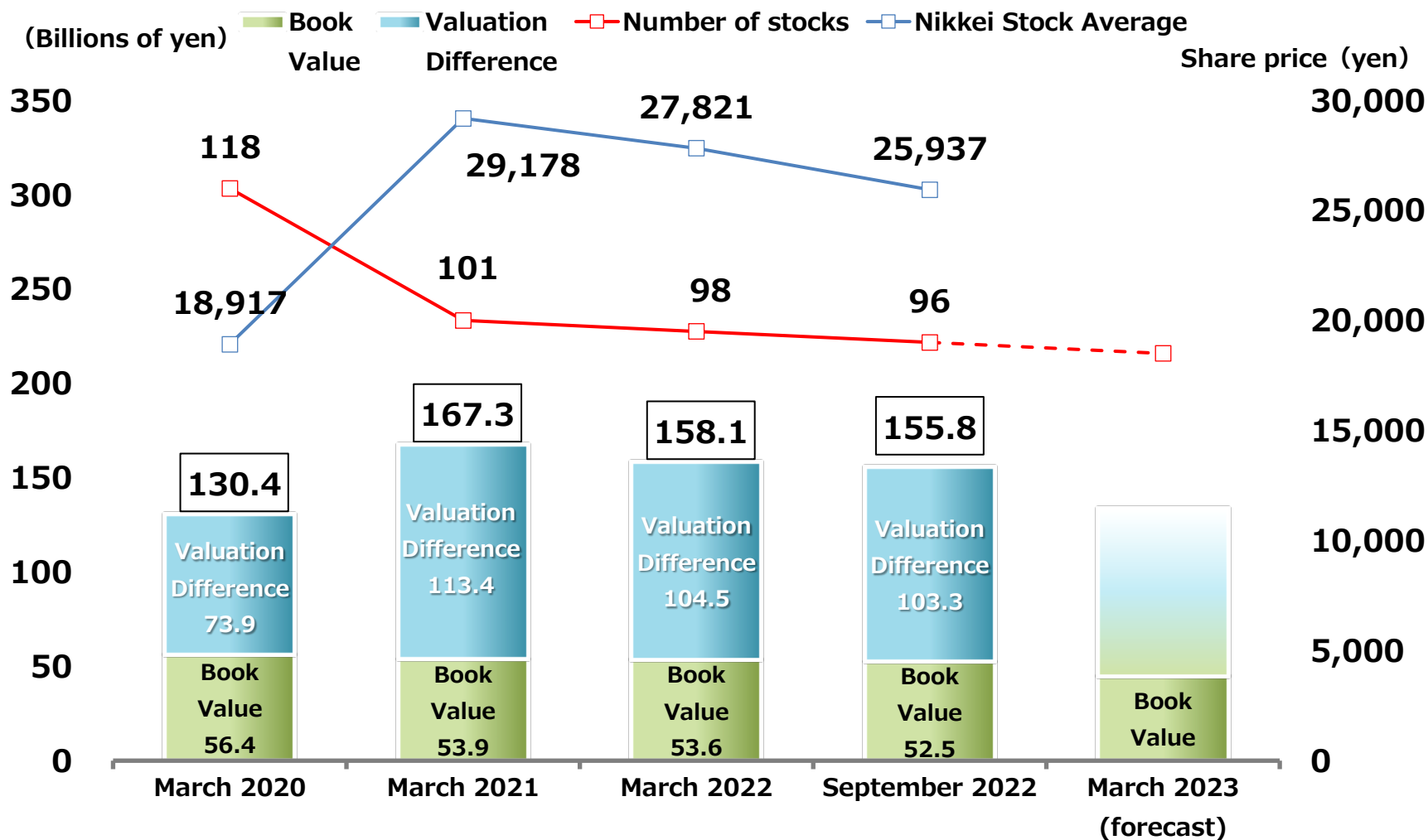
[Consolidated] Balance Sheets



129.2%	Current Ratio	137.1%
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41.6%	Equity Ratio	43.1%
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[Consolidated] Change in Cross-Shareholdings



Decreased number of stocks

11

21

12

6

13

Sales amount (Billions of yen)

2.8

5.7

4.5

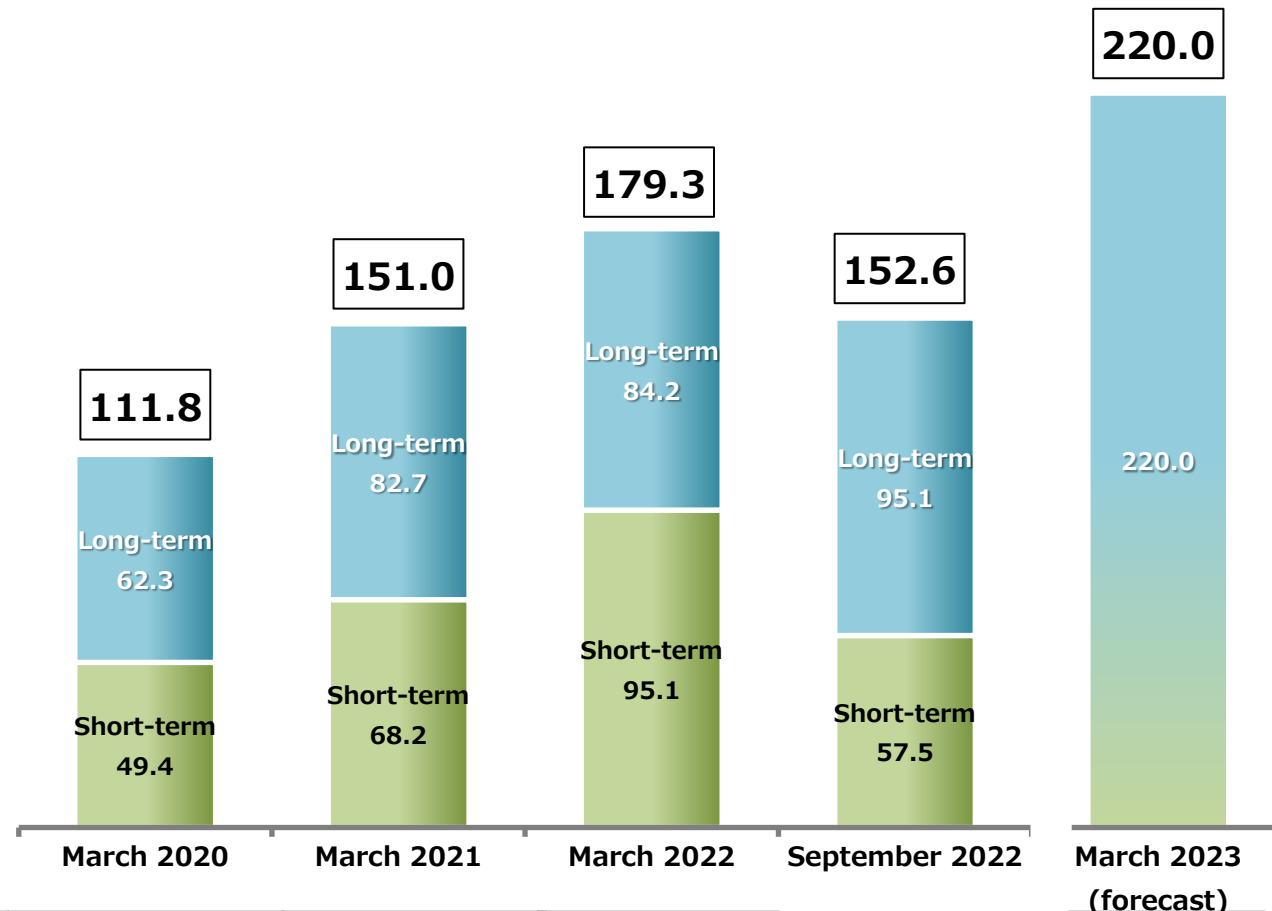
1.4

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[Consolidated] Change in Interest-Bearing Liabilities

■ Short-term ■ Long-term

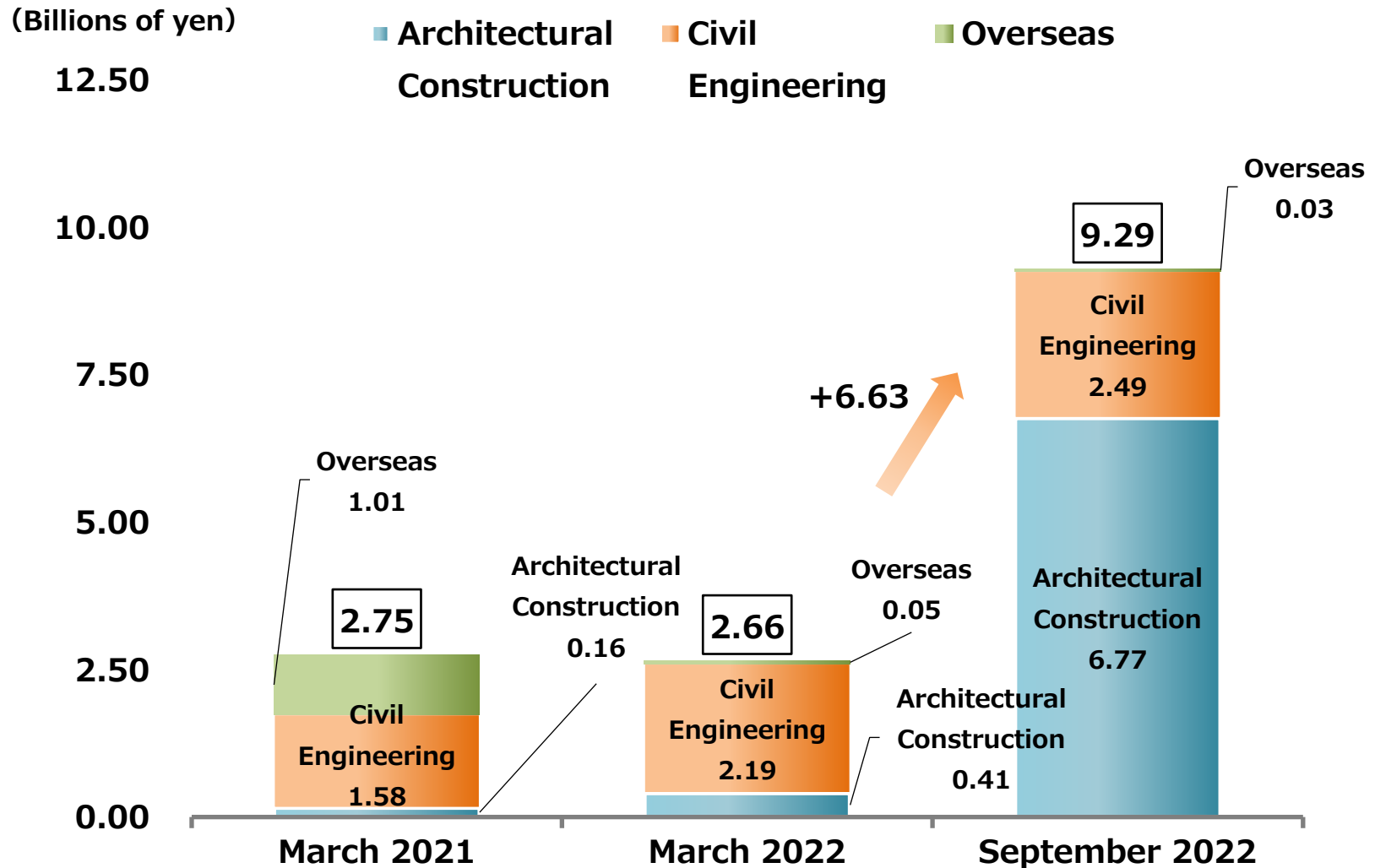
(Billions of yen)



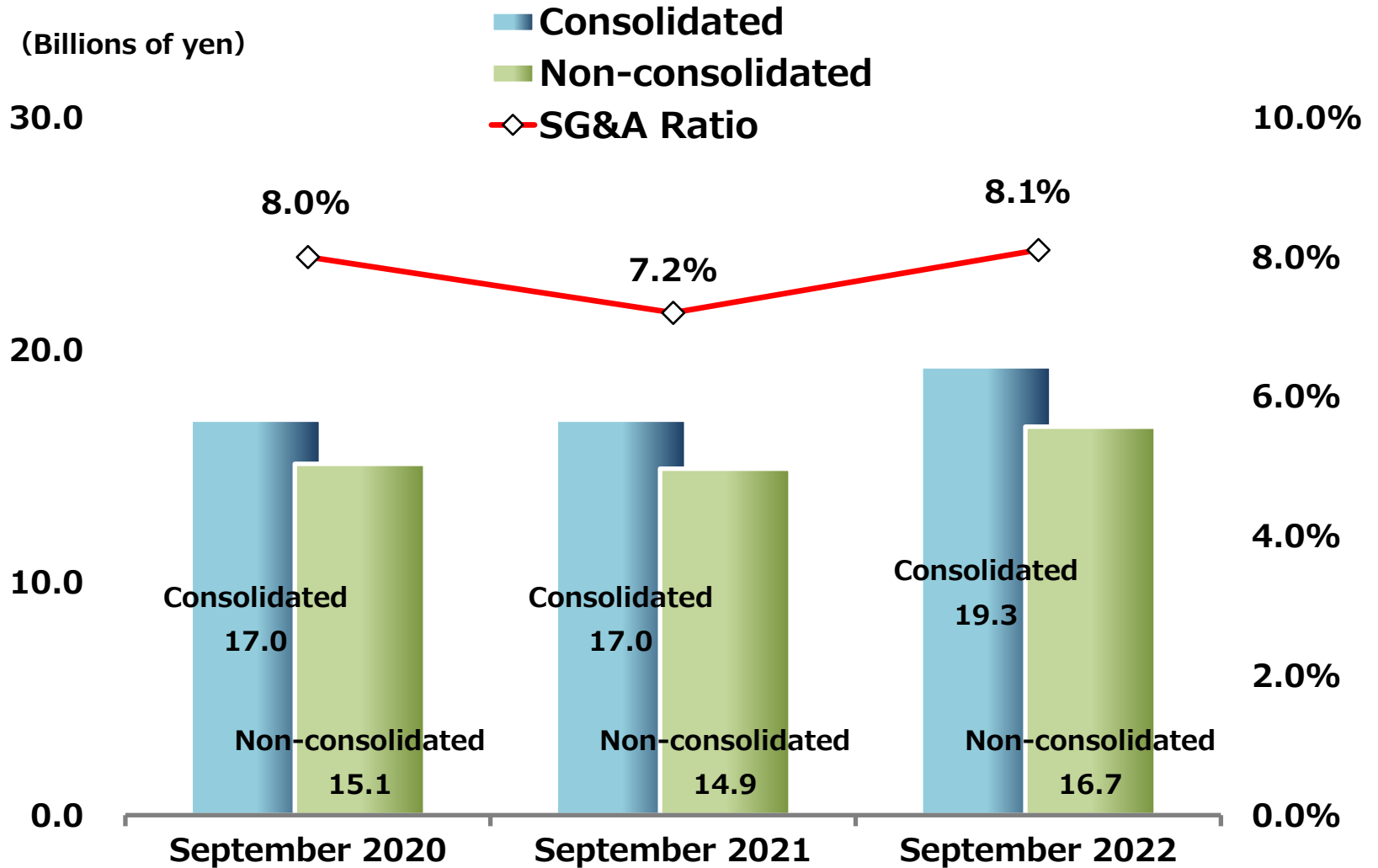
D/E ratio	0.41X	0.49X	0.57X	0.48X	—
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(D/E ratio = Interest-bearing debt/Equity)

[Consolidated] Change in Provision for Loss in Construction Contracts

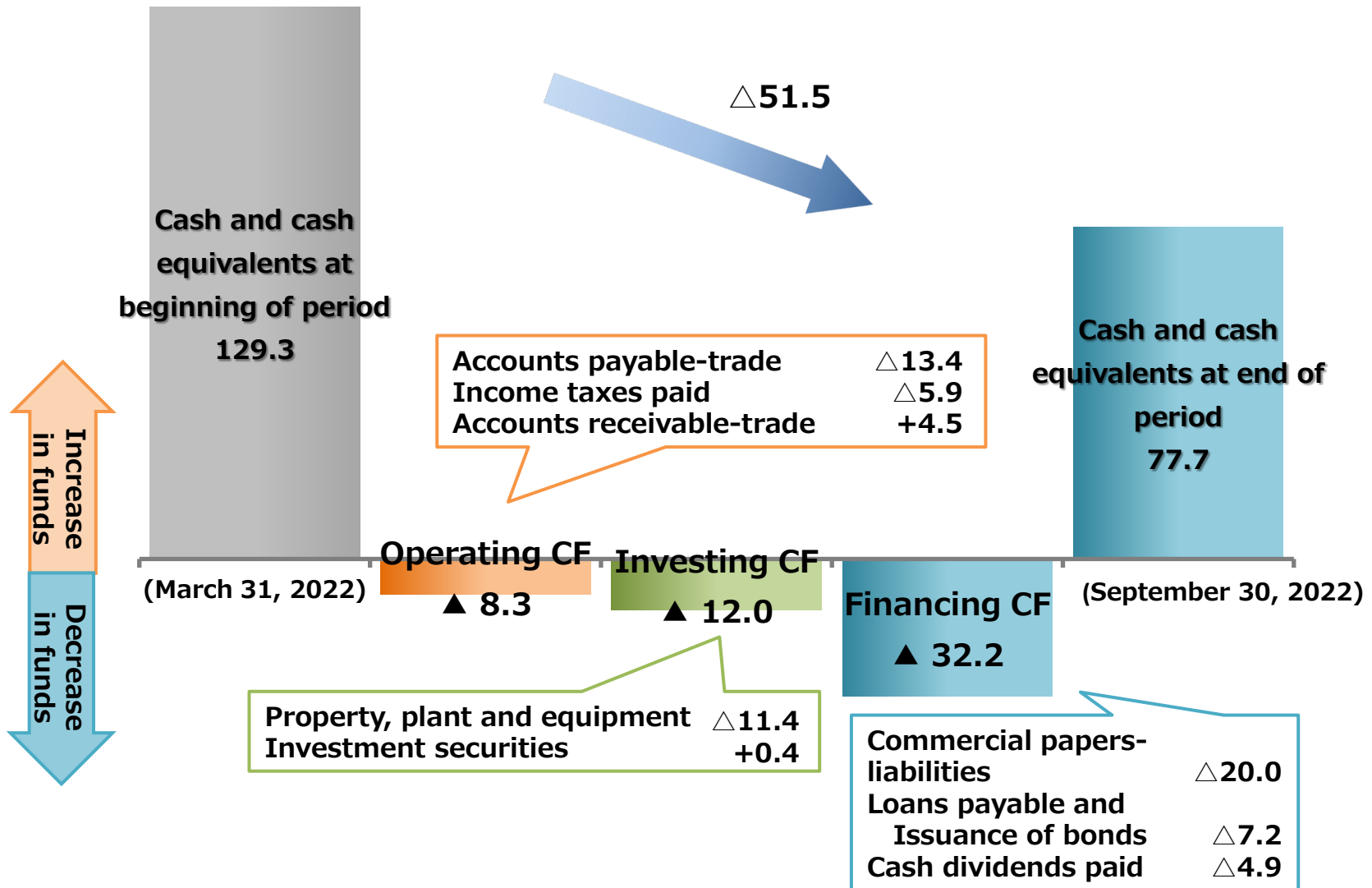


[Consolidated] Change in SG&A



[Consolidated] Statement of Cash Flow

(Billions of yen)





1-3. Earnings Forecasts

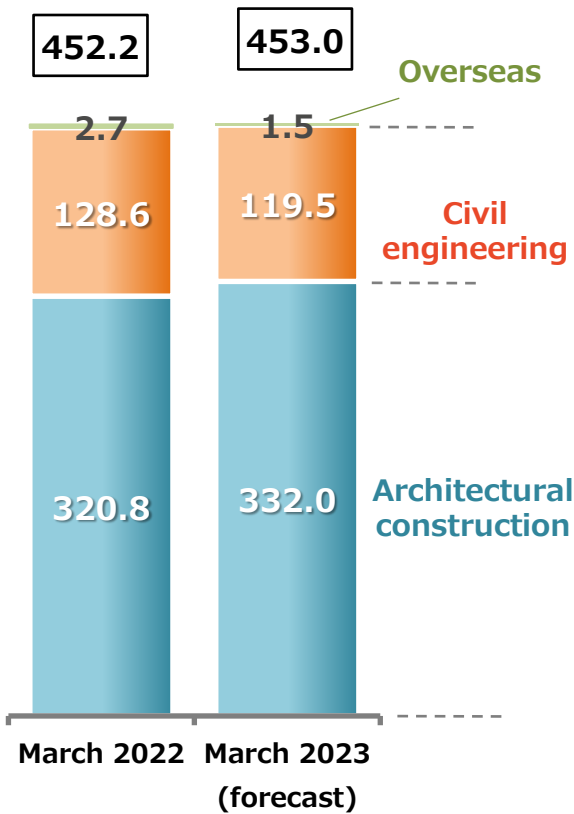
FY2022 Earnings Forecasts

(Billions of yen)	FY2021	FY2022		
		(Forecasts)	Change (YoY)	
Consolidated net sales	501.5	540.0	7.7%	+38.4
Operating income	24.3	12.6	△48.3%	△11.7
Ordinary income	28.1	16.7	△40.6%	△11.4
Profit attributable to owners of the parent Net Income	18.5	14.7	△20.8%	△3.8
Orders received (non-consolidated)	452.2	453.0	0.2%	+0.7

[Non-consolidated] Earnings Forecast for Construction Business

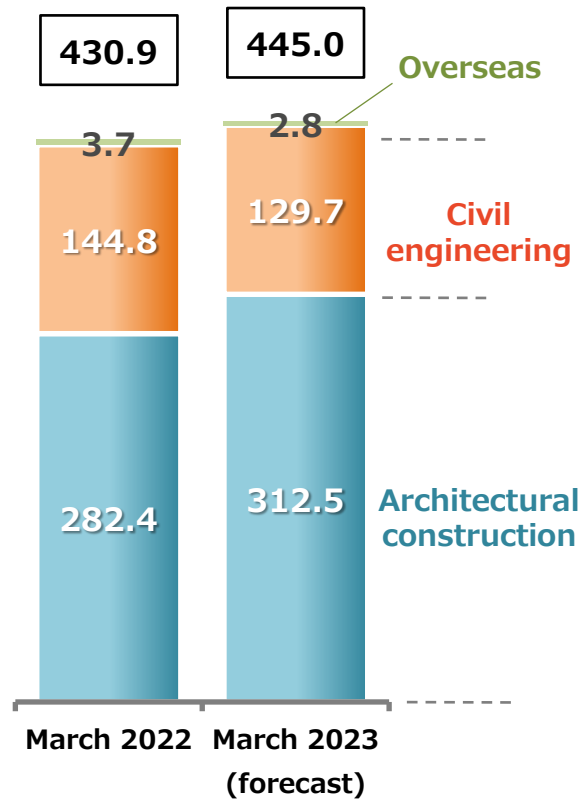
(Billions of yen)

Orders Received for Construction



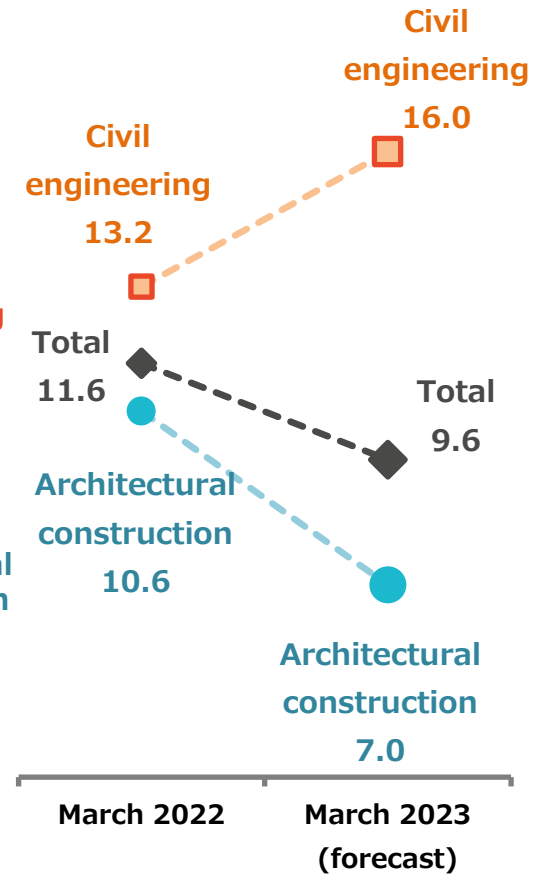
(Billions of yen)

Net Sales of Completed Construction Contracts



(%)

Gross Profit Margin on Completed Construction Contracts



FY2022 Non-consolidated Earnings Forecasts

	Amount (billions of yen)	Profit margin (%)
Net sales	463.5	
Gross Profit	47.6	10.3
Profits in the construction business	42.8	9.6
[Domestic architectural construction]	(21.8)	(7.0)
[Domestic civil engineering]	(20.8)	(16.0)
[Overseas]	(0.2)	(7.1)
Profits in investment development business and other	4.8	25.9
Selling, general and administrative expenses	38.3	
Operating income	9.3	2.0
Ordinary income	13.0	2.8
Income taxes	5.7	
Profit	12.3	2.7



1-4. Shareholder Returns

Shareholder Returns

■ Dividend forecast

◆ From the perspective maintaining of for dividend on equity (DOE) at 2.5% or more, the Company plans to keep a dividend of 27 yen per share (including an interim dividend 13.5 yen per share) for the fiscal year ending March 31, 2023.

	Shareholder Return Policy	FY2021 Actual (As of March 31, 2022)	FY2022 Forecast (As of March 31, 2023)
DOE	2.5% or more	2.6%	2.6%
Total return ratio	40.0% or more	43.0%	57.1%

Note : The Company will flexibly acquire treasury stock after comprehensively considering the stock price situation, improvement of capital efficiency, changes in the business environment, etc.

◆ In order to strengthen the Company's management base and improve the Company's return on equity (ROE), the Company will continue to retain the necessary internal reserves for growth investment , aiming for shareholder returns through direct profit returns and medium- to long-term share price increases.

2. Progress of the Management Plan

**President and Representative Director
Seisuke Otani**



2-1. Earnings outlook

Earnings Outlook

		FY2021 Results	FY2022		FY2024 Target
			Forecast at beginning of the term	Current forecast	
Profitability	Consolidated net sales	¥501.5 billion	¥520.0 billion	¥540.0 billion	¥600.0 billion
	Operating income	¥24.3 billion	¥20.5 billion	¥12.6 billion	¥33.0 billion
	Operating margin	4.9%	3.9%	2.3%	5.5%
Capital efficiency	Profit	¥18.5 billion	¥18.8 billion	¥14.7 billion	¥26.0 billion
	ROE	5.9%	6.0%	4.7%	8.0%
Productivity	Labor productivity (non-consolidated)	¥14.58 million	¥13.50 million	¥11.40 million	¥15.0 million
Shareholder return	DOE	2.6%	2.6%	2.6%	2.5%
	Total return ratio	43.0%	44.1%	57.1%	40.0%
	(Annual dividend)	(26.0 yen)	(27.0 yen)	(27.0 yen)	

*Labor productivity = Added value (operating profit + total labor cost) / Number of employees (yearly average, including temporary workers, etc.)

*DOE (dividend on equity) = Dividend per share / Net assets per share at end of term

*Total return ratio = Total shareholder return (total dividends + total shares buyback amount) / Net income attributable to owners of the parent

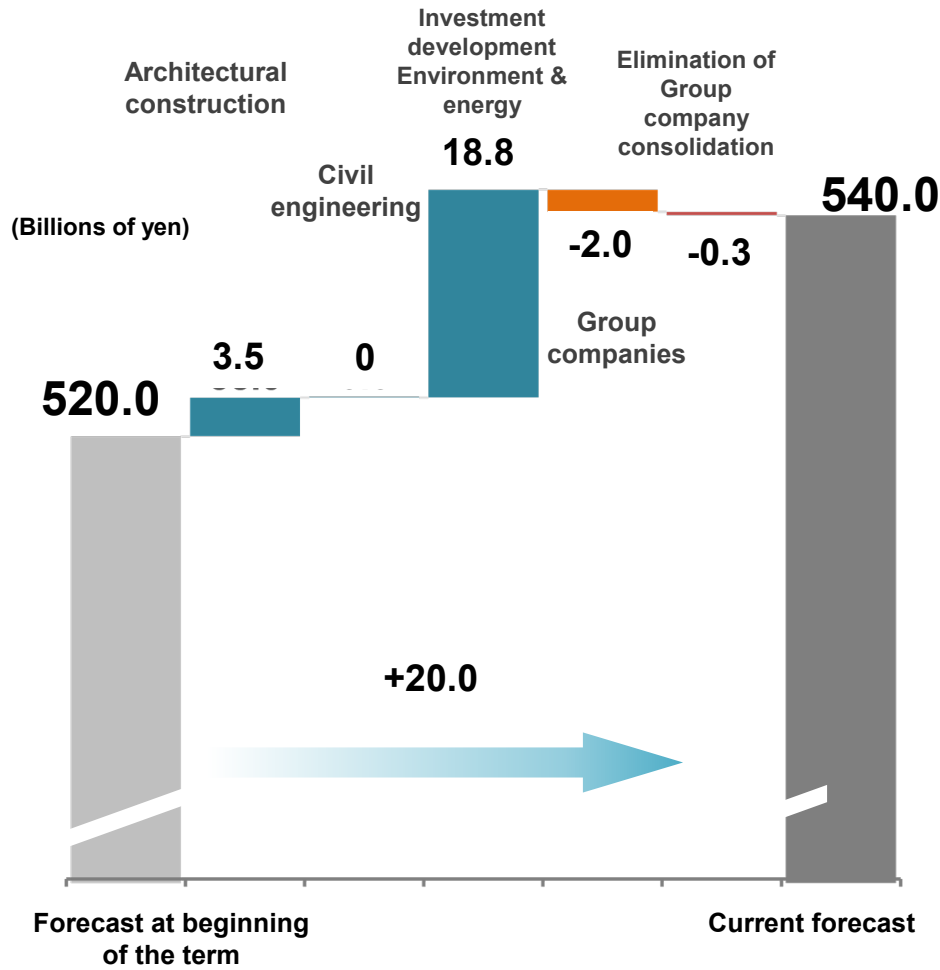
Net Sales / Operating Income by Business Segment

	FY2021 Actual	FY2022		FY2024 Target
		Forecast at beginning of the term	Current forecast	
Consolidated net sales	¥501.5 billion	¥520.0 billion	¥540.0 billion	¥600.0 billion
Architectural construction	¥304.6 billion	¥322.0 billion	¥325.5 billion	¥360.0 billion
Civil engineering	¥147.9 billion	¥130.0 billion	¥130.0 billion	¥145.0 billion
Strategic Investment development/Environment & energy	¥24.4 billion	¥23.2 billion	¥42.0 billion	¥50.0 billion
Group companies	¥45.1 billion	¥54.0 billion	¥52.0 billion	¥55.0 billion
Operating income	¥24.3 billion	¥20.5 billion	¥12.6 billion	¥33.0 billion
Architectural construction	¥7.8 billion	¥5.1 billion	¥-2.1 billion	¥10.0 billion
Civil engineering	¥11.9 billion	¥11.1 billion	¥10.5 billion	¥14.2 billion
Strategic Investment development/Environment & energy	¥3.8 billion	¥2.1 billion	¥3.0 billion	¥5.3 billion
Group companies	¥1.9 billion	¥2.2 billion	¥1.2 billion	¥3.5 billion

*Consolidated net sales and operating income reflects elimination of intragroup transactions

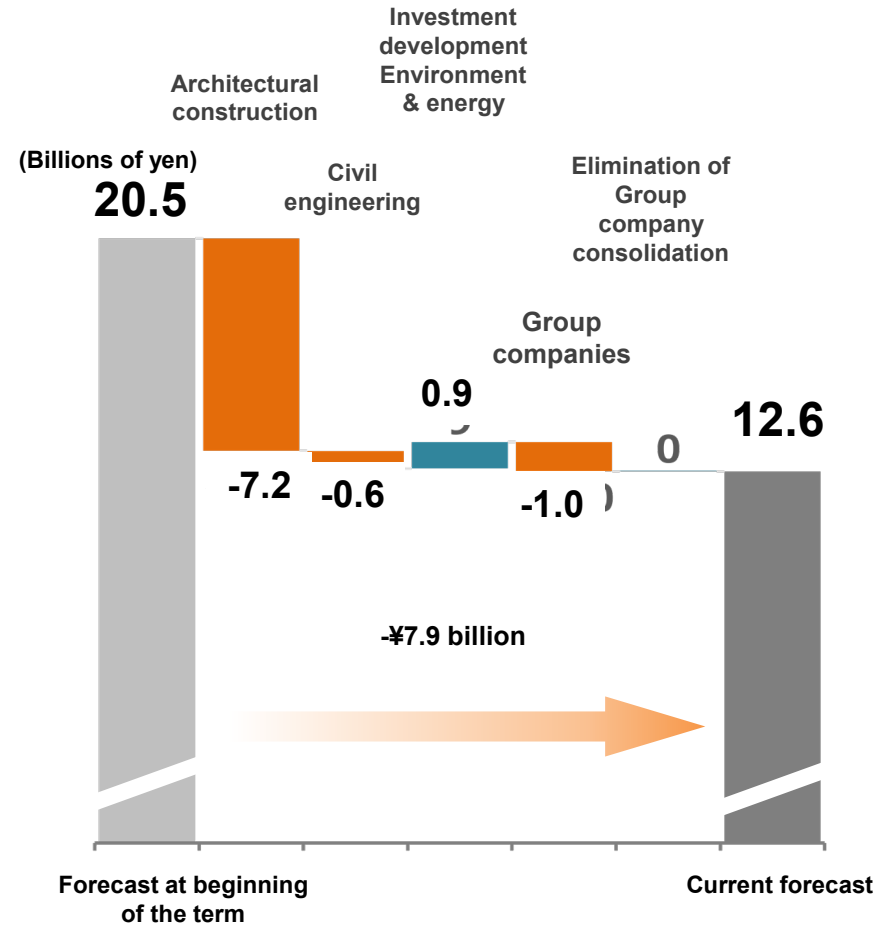
Reason for revision of forecast (difference with initial forecast)

Consolidated Net Sales



Upward revision of ¥20.0 billion due to increase in investment development and net sales from TATA becoming full subsidiary.

Operating Income



Downward revision of ¥7.9 billion due to reporting provision for loss in architectural construction contracts and increase in SG&A expenses (R&D expenses, etc.)

Measures against deteriorating net income

Background of downward revision

- Construction costs increased in several projects in the architectural construction business due to the rise in material prices caused by changes in the market environment
- Recorded a provision for losses on architectural construction contracts in preparing working budget; resolved impact on finances

Measures

(Secure additional/revised works)

Continue discussion on additional contract for price increase and VE (value engineering) proposal

(Central management of cost information)

Cost Control Center established (August 1, 2022) to centrally manage estimate and procurement information, and implement stricter screening

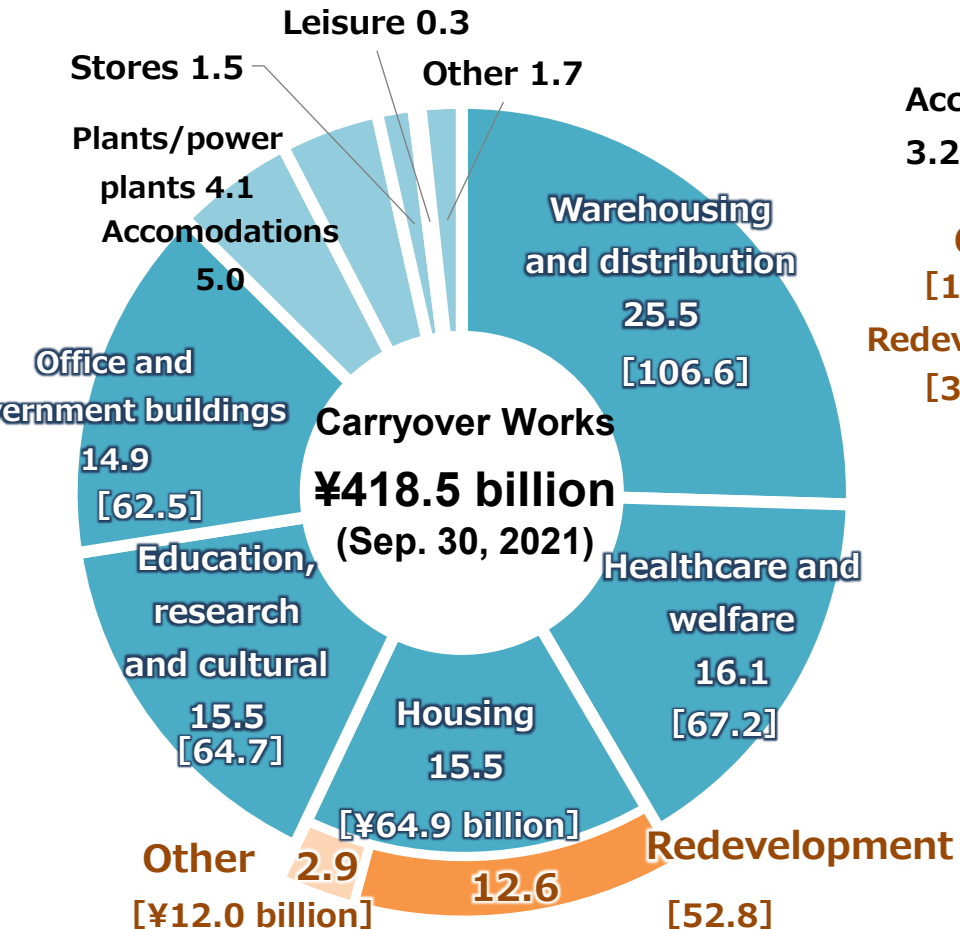
(Correction of review process)

Strengthen cost control before start of architectural construction, early appointment of Pm/work manager

Architectural construction: carryover works

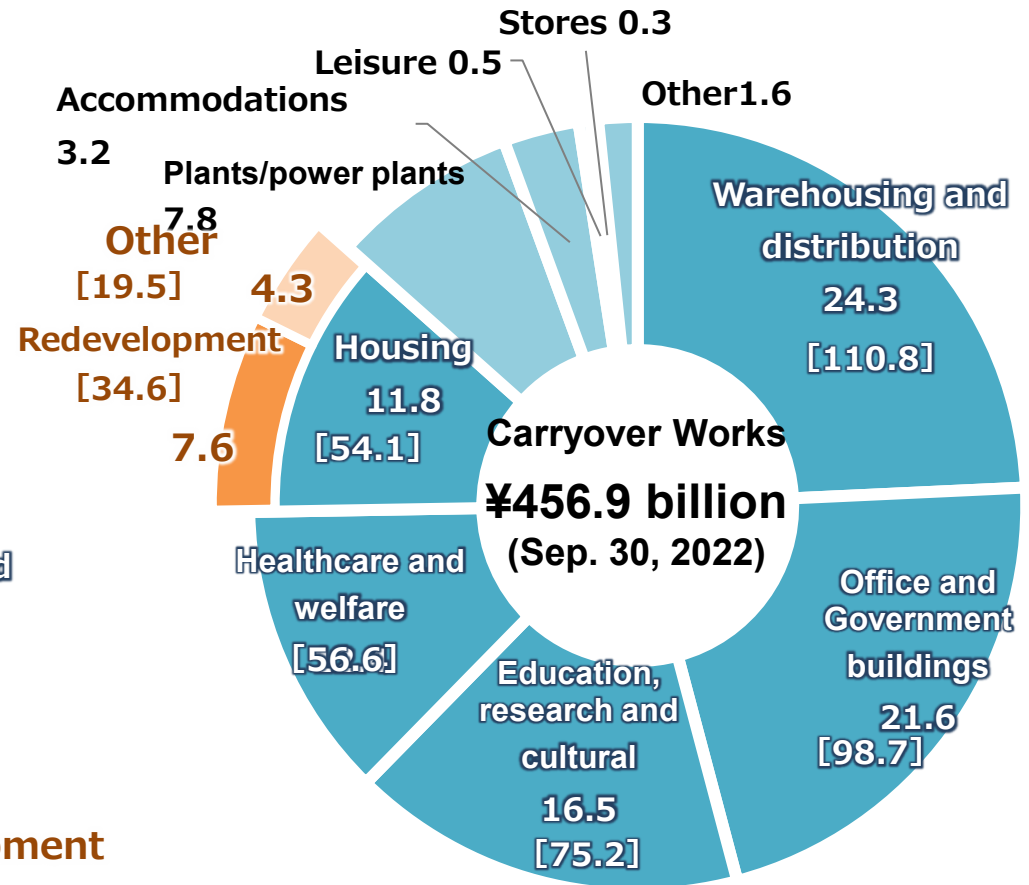
2Q FY2021

(Unit: % *[contract amount])



2Q FY2022

(Unit: % *[contract amount])

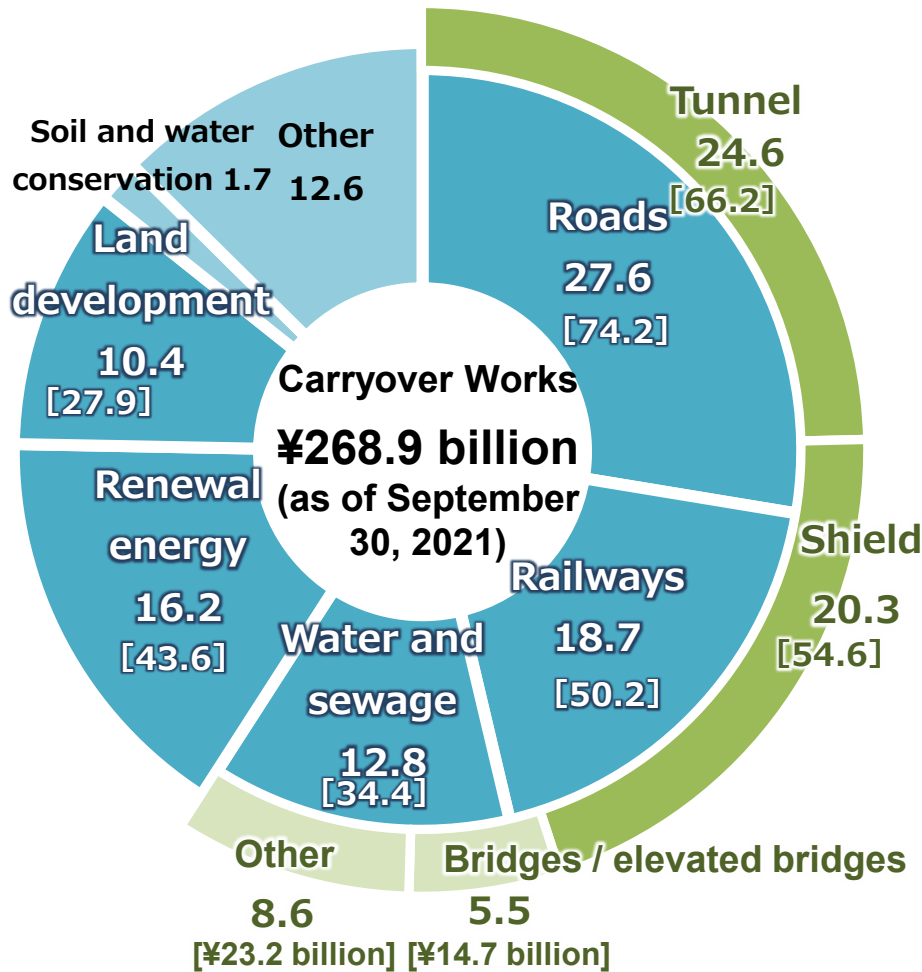


*Above graph does not include proprietary construction contract (2Q FY2021: approx. ¥57.0 billion, 2Q FY2022: approx. ¥57.0 billion)

Civil engineering: carryover works

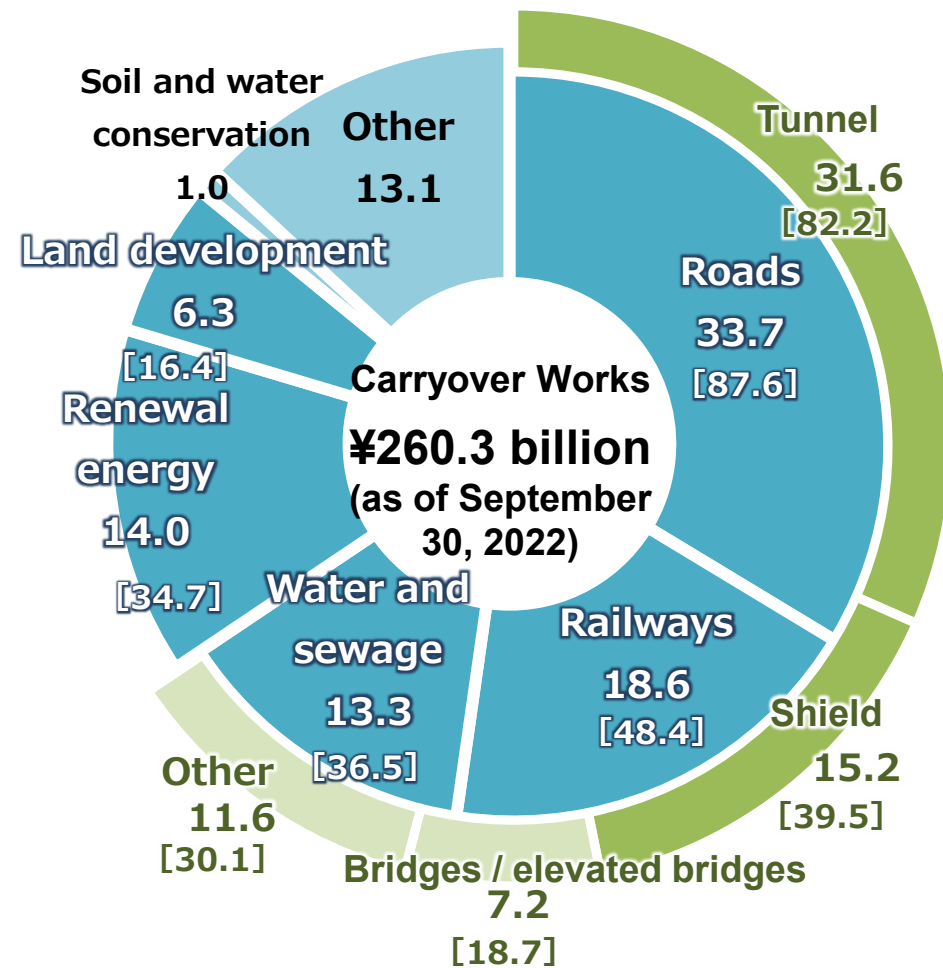
2Q FY2021

(Unit: % *[contract amount])



2Q FY2022

(Unit: % *[contract amount])



*Above graph does not include proprietary construction contract (2Q FY2021: approx. ¥1.0 billion, 2Q FY2022: approx. ¥18.0 billion)

Non-financial Targets

(Quantitative evaluation Indicators)			FY2021 Actual	FY2022 Forecast (Actual)	FY2024 Target
E	CO2 emissions Scopes 1+2	Reduction rate (vs FY2020)	-0.4	-20.2	-16.8 %
		Basic unit (100 mil yen)	16.5	15.5	11.2 t-CO2
	CO2 emissions Scope 3	Reduction rate (vs FY2020)	-0.7	—	-10.0%
		Category 1 basic unit (100 mil yen)	739.6	—	540.7 t-CO2
		Category 11 basic unit (sqm)	3.4	—	3.5 t-CO2
	S	Total accident frequency rate *as of September 30	2.88	4.98	1.00
Accident frequency rate *as of September 30		0.35	0.48	0.10	
G	Labor productivity per hour	6,884	5,450	7,500 yen	

* Scope 1: Direct CO2 emissions from the use of diesel, etc.

Scope 2: Indirect CO2 emissions by power plants for use of purchased electricity/heat

Scope 3: Indirect emissions other than Scopes 1 and 2

Category 1: Emission at time of construction material manufacturing, Category 11: Emission during period of operation of constructed buildings

Basic unit: Scopes 1 + 2: Emission per ¥100 million net sales

* Category 1: Emission per ¥100 million transaction amount, Category 11: Emission per 1 m2 completed gross floor area

Total accident frequency rate = Total occupational accidents/total working hours (million hours)

* Accident frequency rate = Number of occupational accidents requiring 4 or more days of leave / total working hours (million hours)

Labor productivity per hour = Amount of added value (operating income + total human resources expenses) / Number of employees / average total working hour



2-2. Investment Plan Progress

Cash Allocation Policy (FY2022 - FY2024 aggregated amount)

Utilize interest-bearing debt

*Maintain financial soundness
D/E ratio

0.8 or less

Sales of shares held for strategic reasons

¥10.0 billion+ p.a.
(Market value basis)

Sale of Assets

(Cash generation and reinvestment)
¥67.0 billion

Increased interest-bearing debt

Sale of shares held for strategic reasons
¥30.0 billion +

Sale of Assets
¥67.0 billion

Operating income
¥80.0 billion +

Cash generation

Income taxes

Investment Plan
¥225.0 billion

Growth investment
¥190.0 billion
Intangible assets
¥32.0 billion
Machinery & equipment
¥3.0 billion

Shareholder return
(Cash dividends/share buyback)

Cash allocation

Investments for growth
Business area expansion/ increase value of assets

Real estate development	¥160.0 billion
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Environment/energy etc.	¥30.0 billion
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Investment in intangible assets
Strengthen business platform/enhance non-financial assets

HR	¥3.0 billion
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Technology R&D	¥20.0 billion
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Digitalization	¥9.0 billion
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*SG&A + assets

Machinery & equipment

Machinery & equipment	¥3.0 billion
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Shareholder return

DOE	2.5% or more
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Total return ratio	40.0% or more
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(Source of investment capital)

*Operating income after considering proceeds from real estate for sale, depreciation and amortization, etc.

Investments for growth

Real estate development Environment/energy, etc. M&A, etc.

Promote growth investment towards business area expansion and revenue stability

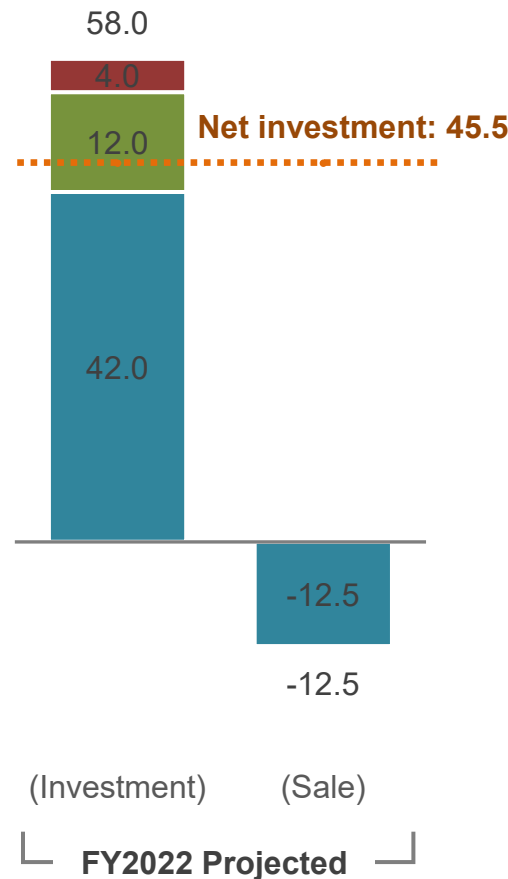
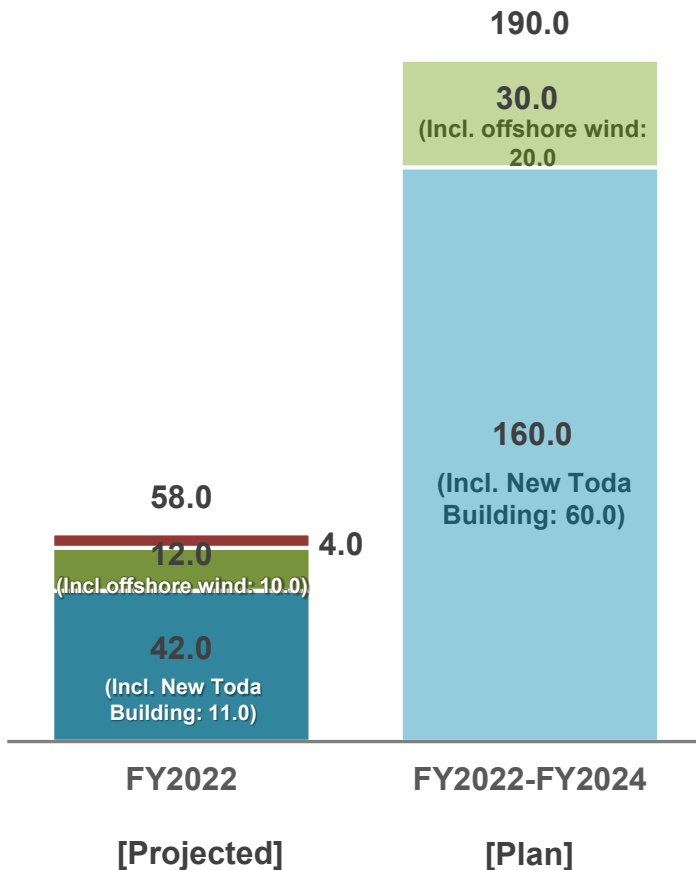
Growth Investment

Investment/Sale

Major investments (FY2022 actual/scheduled)

(Billions of yen)

(Billions of yen)



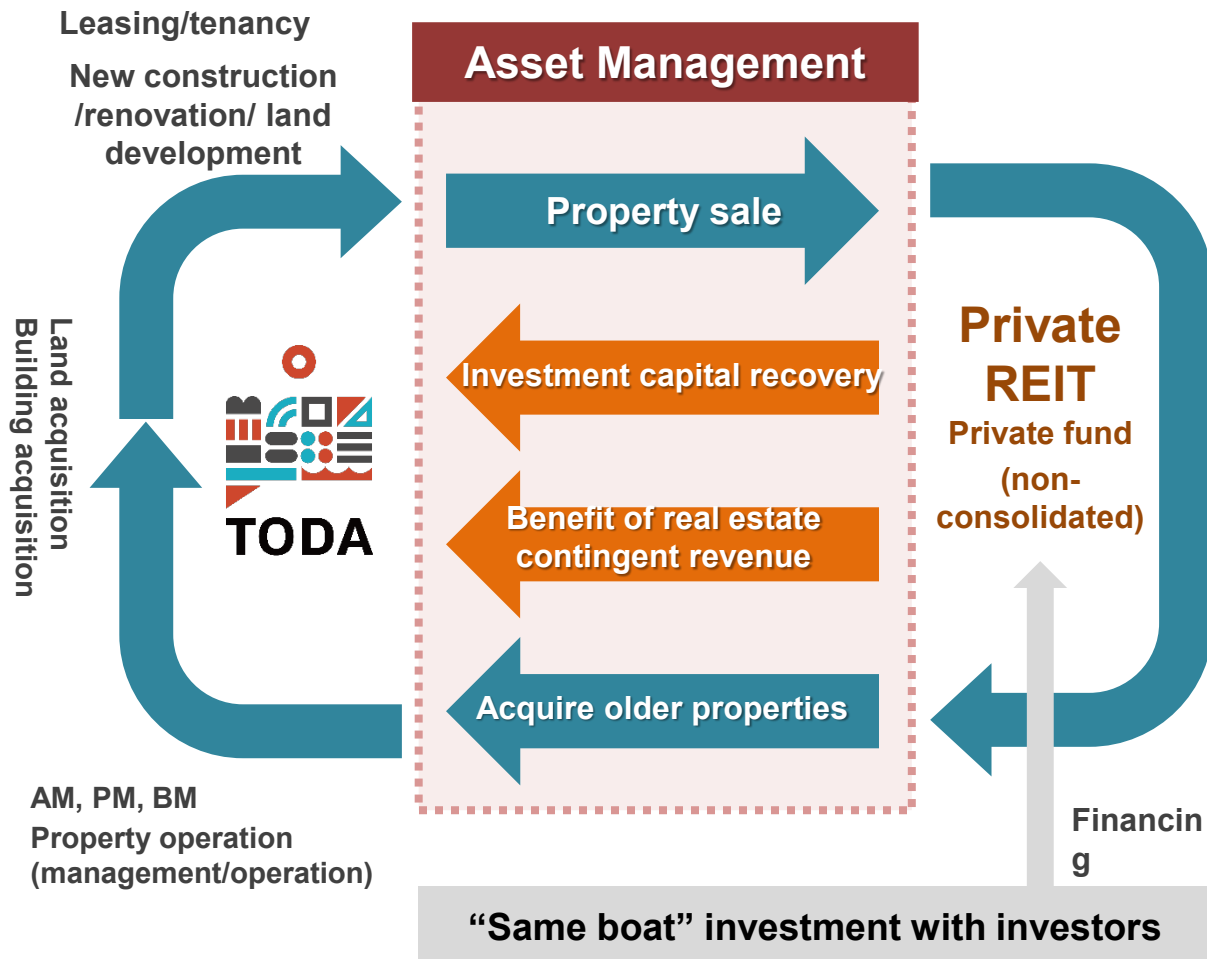
Brazil onshore wind (Phase 2) scheduled to start construction in May 2023, start operation in August 2024

Net investment = Investment amount - Collected amount

Enter private REIT/asset management business

Promote capital efficiency and real estate business growth

Originate private REIT by 2025 and aim early achievement of ¥100.0 billion AUM



- Promote capital efficiency and real estate business growth through circular model
- Expansion of cooperation among the three businesses: Construction, Civil Engineering, and Investment & Development

(Medium-Term Target)

8%+ ROE

Investment in intangible assets

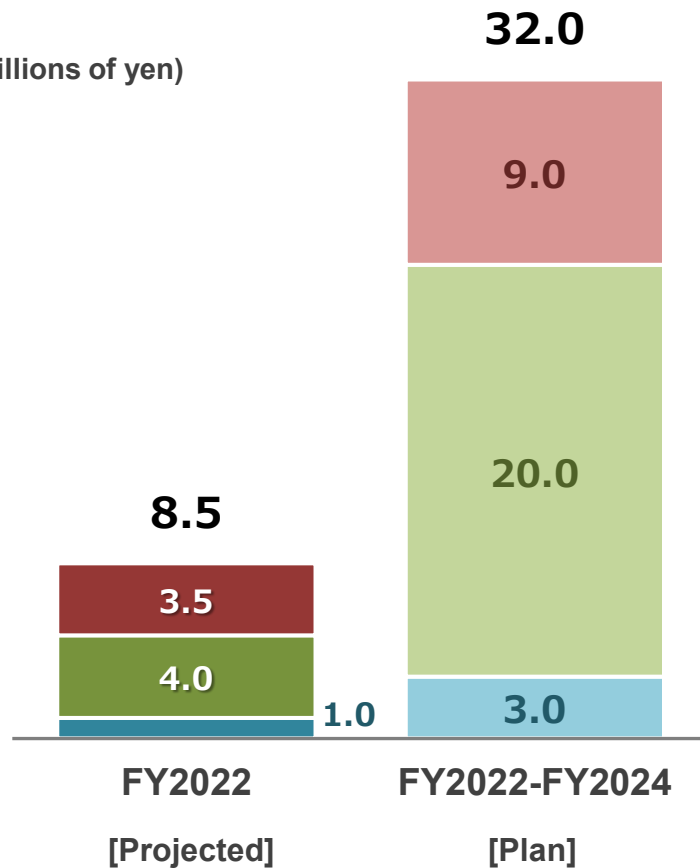
Technology R&D

Digitalization

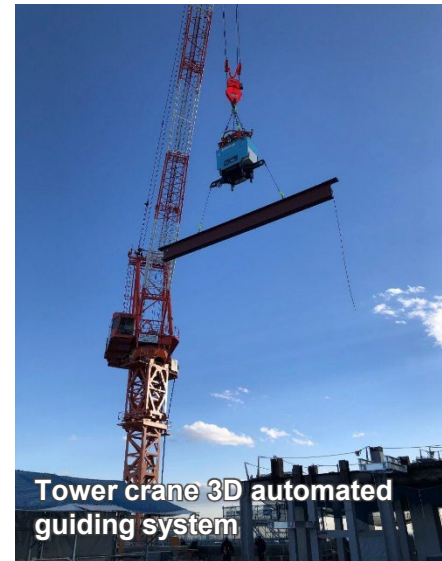
Enhance initiatives to strengthen business platform/enhance non-financial assets

Intangible Asset Investment

(Billions of yen)



Main Technology R&D (FY2022 News Release)



Worker safety monitoring system



SORABITO



HATALUCK

DX service/store management DX tool for construction machinery leasing industry (CVC)

*Figures are total of SG&A and assets

Reestablishment of Evaluation/Remuneration System

Rebuild evaluation/remuneration system that promotes job satisfaction reform

- Redefine roles and realize flexible treatment
- Eliminate seniority elements (evaluation / treatment based on work / roles / contribution)
- Promotion of younger/female employees to key positions, recruitment, and retention of external resources
- Realize allocation/treatment as “investment” for contribution/expectation
- Secure transparency/confirm own positioning

Evaluation/treatment based on job / roles / contribution

Appropriate treatment of superior talent

Open wage system

Framework renewal

(Scheduled for implementation from FY2023)

Respond to internal / external change in environment/employment views

Market competitive treatment

- Response to new/strategic businesses and new jobs/roles
- Response to diversity (human resource/workstyle/values, etc.)
- Flexible response to organizational reform and number of positions

- Secure appropriate level compared with industry peers and other industries
- Build model annual salary according to life plan



2-3. Priority Area Initiatives

New Toda Building

Overseas business

Renewable energy

Strategy road map

Promote focus areas towards revenue contribution from FY2025 onwards

		Phase1			Phase2	Phase3	150th anniversary	
		(FY)	2022	-	2024	To 2027	To 2030	2031
Core Business (Architectural Construction/ Civil Engineering/ Strategic Business)		Promote Smart Innovation					Realize CO- Creation society	
		Enhance experiential value (customer experience)						
Priority Business	New Toda Building	New building construction		Completion	Full-scale operation/reach profitability			
	Overseas business	Enhance local business/ strengthen alliances			Create stable growth/synergies			
	Renewable energy business	Floating offshore wind power generation	Build wind farm 2,100 kW×8 turbines		Start operation	Stable operation/deploy to new areas		
		Floating complex	Initiatives to realize floating complex					

Technology Strategy for New Toda Building

Building Size: 3 basement floors, 28 above-ground floors, 1 penthouse floor.

Building Height: 165m

Structure: Earthquake-resistant core-wall structure, RC-SRC-S structure

Gross Floor Area: 94,813m²

Site Area: 6,147m²



Artist's Impression

Visualize the whole building to communicate our technology

Structure

Deploy highest level earthquake resistance

Construction

Labor saving/use of safety improvement technologies

Environment

Promote environmental load reduction/decarbonization

Contribute to future orders

16 patents

P06310648 P06888944 P06879786 P06875155
 P06684616 P06971895 P06208448 P06345024
 P2021-042582 P2021-152326 P2020-138303
 P2022-050977 P2020-159080 PA2021-118816
 PA 2022-016656 PA 2021-118833

3 technologies with performance evaluation

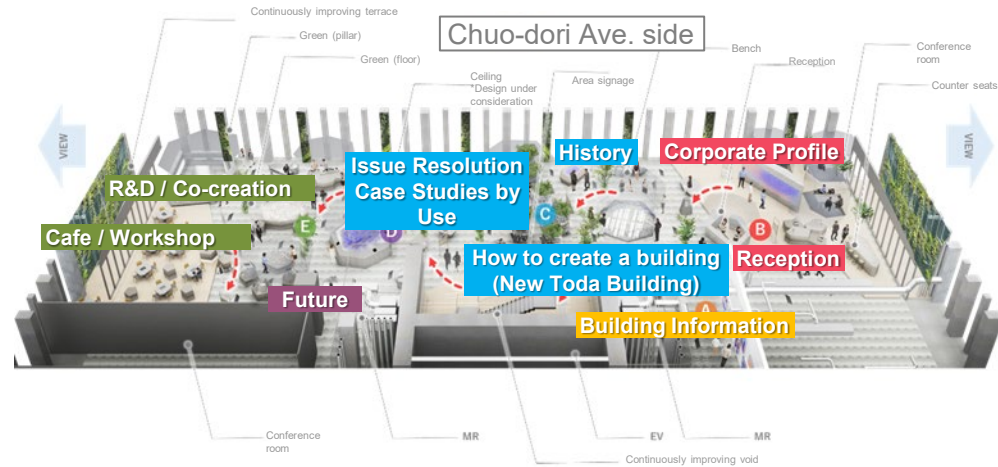
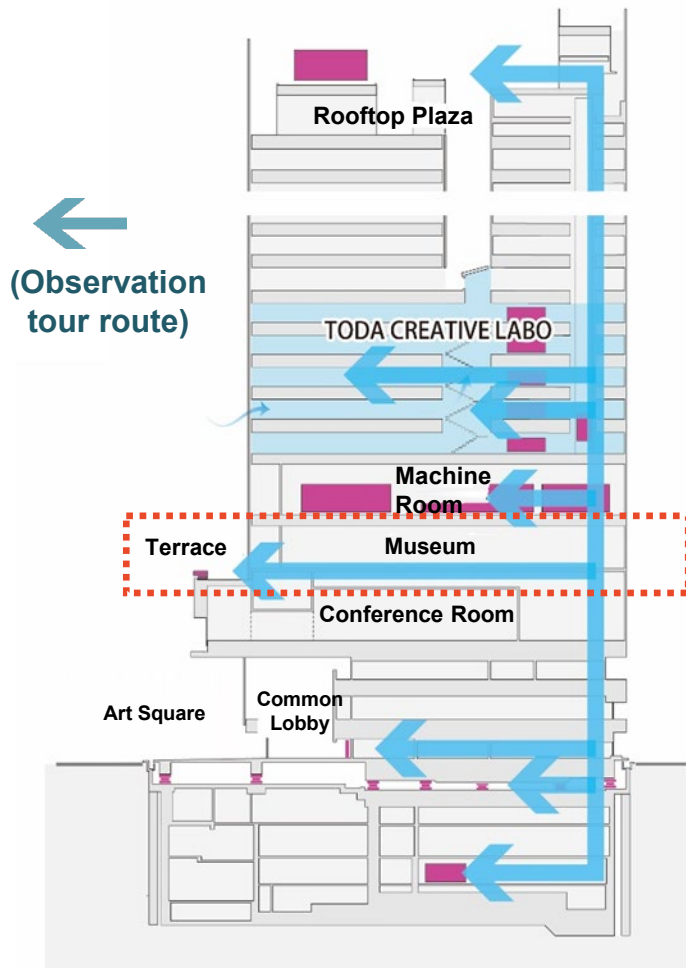
SuperCFT : URABAN HOUSING EVALUATION CENTER Structural evaluation (S17007)
 TO-RCSB: General Building Research Corporation (GBRC) Performance Evaluation Certificate No. 13-15
 TO-BRB: The Building Center of Japan (BCJ Evaluation) - ST0272-01

Visualization of Entire Building

Use as a place for resolving customers' issues

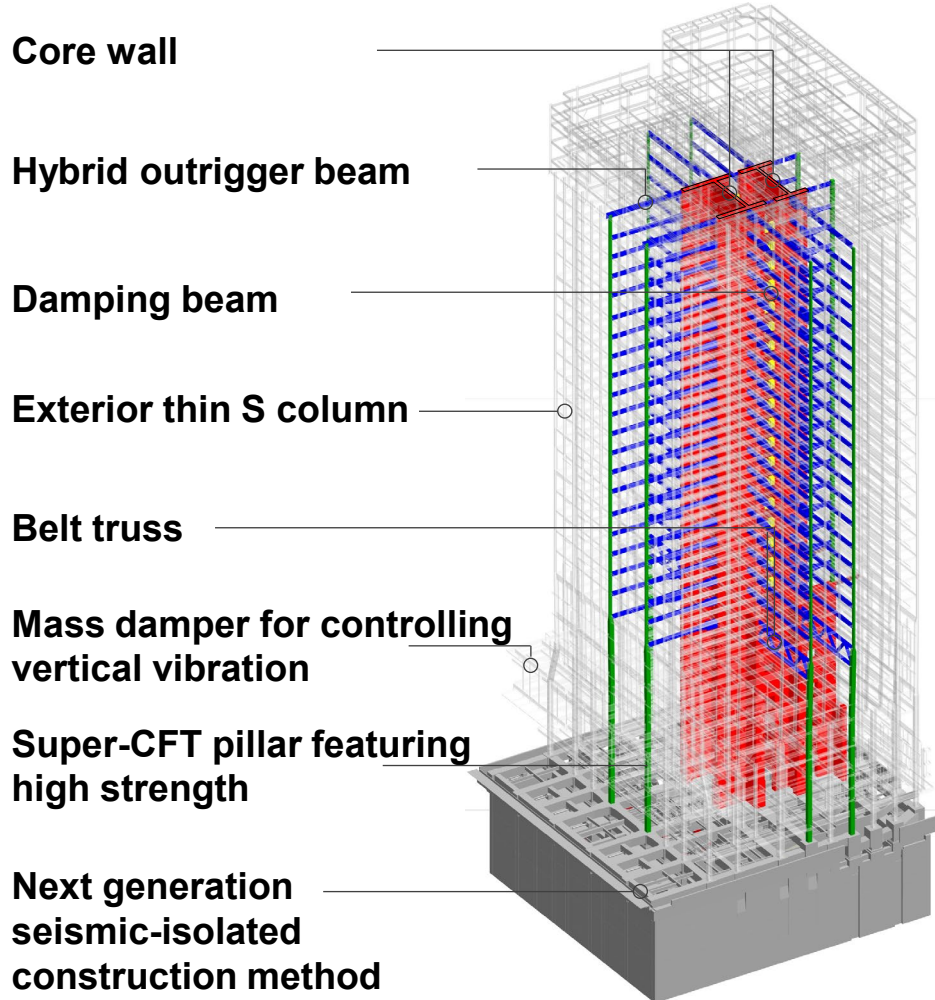
Secure a tour route to observe our unique technology

Establish technology show room/museum



Structural Technology

Utilize “highest level earthquake resistance” achieved for the next-generation design



Core-wall



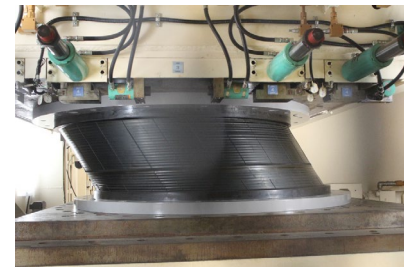
Becomes an axle that secures rigidity and share the earthquake force

Mass damper for controlling vertical vibration



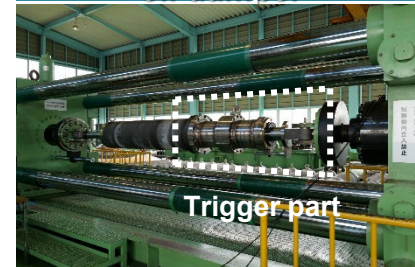
Rooftop greening mass damper

Laminated natural rubber



Φ1800 Laminated natural rubber

Large earthquake-ready oil damper



Oil damper with automatic restoration trigger mechanism

Construction technology

Promote safety and labor saving in construction by deploying automated construction technologies

Use of drones for construction progress and quality control

Remotely monitor the climbing action of the self-climbing formwork

- Automated tower crane operation
- Automatic measurement of collapse and control of steel columns during erection
- Easy temporary fixing of steel columns and large beam steel frames
- Control rotation of materials lifted by a crane
- Automate mounting and dismantling of loads
- Automated steel frame welding

Automated steel frame

Tower crane 3D automated guiding system



Automatic steel column measuring/collapse adjustment system



Temporary bolt-free joining (Gachanto Pin)



Rotation control for lifted material



Automated mounting/dismounting



Automated indoor inspection with drones



Automated welding robot



Climbing framework (DOKA) Monitoring system



System for temporary use of permanent elevator

Waterproof masking (Temporary deck)

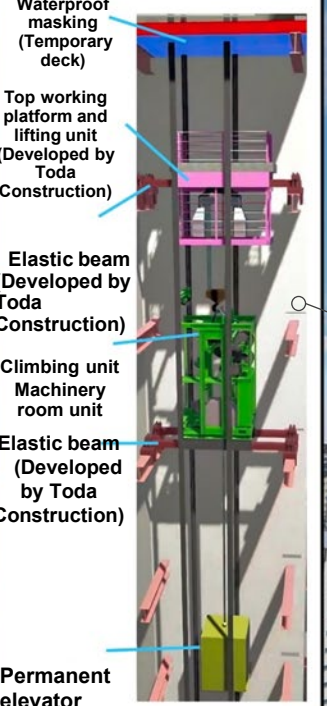
Top working platform and lifting unit (Developed by Toda Construction)

Elastic beam (Developed by Toda Construction)

Climbing unit Machinery room unit

Elastic beam (Developed by Toda Construction)

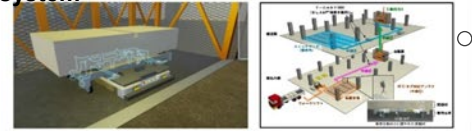
Permanent elevator



Early installation of permanent elevator to be used as construction work elevator

Deliver materials and equipment to position with automated guided vehicle (AGV)

Vertical/horizontal automated delivery system



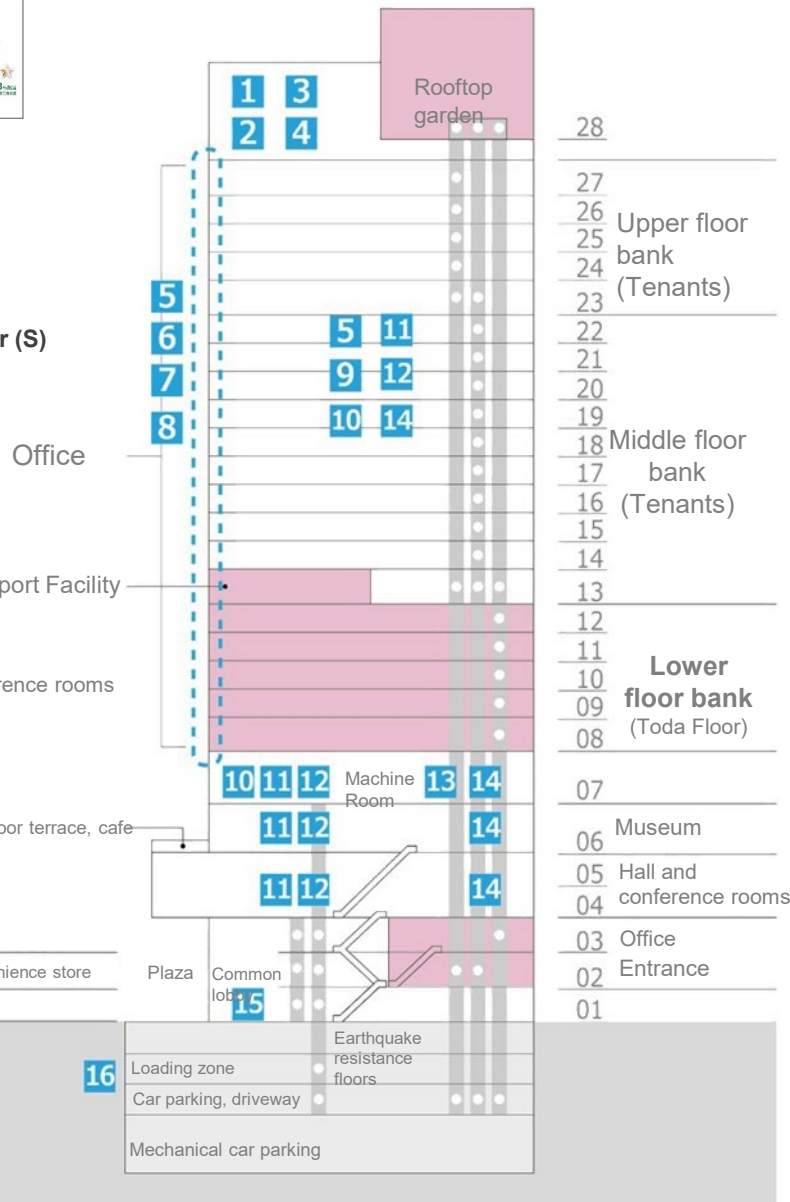
Environment-Friendly Technology



“ZEB Ready” certification



CASBEE Superior (S) grading

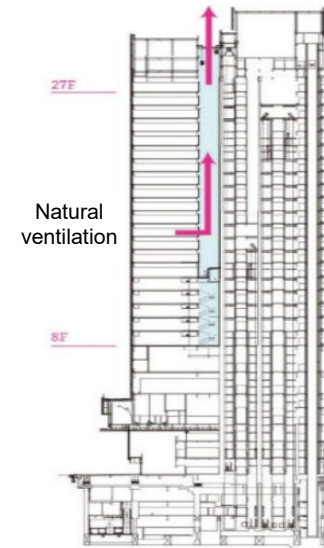


Achieve both environment-friendliness and high functionality

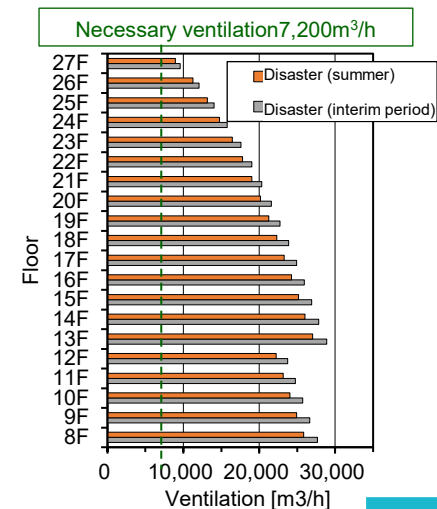
(Typical environment-friendly technologies)

1	Solar power	9	Latent/sensible heat separation air conditioning system
2	Hydrogen storage system	10	Cogeneration system
3	Inverter cooling tower fan	11	Highly efficient LED lighting
4	Green wall heat control	12	Daylight sensor automatic dimming
5	Eco-void natural ventilation	13	Efficient operation with ESP business
6	Daylight shield with exterior fins	14	Highly efficient equipment
7	Exterior high-insulation glass	15	Wall and floor hybrid radiant heat transfer air conditioning
8	Electric blinds	16	Geothermal HP chiller system

(Natural ventilation)



(Simulated ventilation)





Full view of the construction site (as of September 28, 2022)

Positioning of Overseas Business in Toda Group

**Sustainable development of society /
improvement of corporate value**

(Social value x Economic value)

-Significance-

Improve customer loyalty

Seamless domestic and overseas customer service

One-stop support for construction and maintenance of factories, etc., for overseas business development by Japanese companies (important customers)

Japanese companies

Capture overseas growth capacity

Investment of resources in sustainable growth
Expand business by entering growth markets, acquire new knowledge as well as revenue

Local
construction

Development /
Energy

ODA /
Overseas civil
engineering

Basic stance on strategies and measures

- Localization strategy adapted to the market/customers in each country / area (strategy, adaptation)
- Governance for managing diversity (visualize management, appointment / evaluation / remuneration of directors)

New Overseas Business Strategy

Realize growth through collaboration with overseas partners

Lesson of Brazil

Difficulty adjusting to change in the market

Started supporting overseas business development by an important customer

Decrease in investment by Japanese companies
(Stalling of new business development)
(From “new construction” to “maintenance and renovation”)

Business deterioration from cost competition with local general contractors

Corporate weakening

Avoid falling into the same pattern in Thailand and Vietnam businesses

Toda Corporation / Subsidiaries

Construction track record and customer platform in Japan

Provide quality and satisfaction

Credibility as a Japanese general contractor

Collaboration

Overseas Partners

(TATA / local general contractors, sub-contractors)

Understanding of local commercial customs/cultures

Strong local supplier network

Locally suited cost competitiveness

TATA collaboration as the leading model

Support Japanese companies entering business in Indonesia
Maintenance/renovation of buildings constructed by Japanese/other companies
Initiatives on non-Japanese and local construction

Apply to M&A/business affiliation strategy in Thailand, Vietnam, etc.

New Overseas Business Model

- Sustainable growth through localization -

Made TATA a consolidated subsidiary - Creating Synergies

By making TATA a consolidated subsidiary, promoting growth and revenue expansion as TODA Group



(Strategic needs and corporate abilities)

- Increase presence in growth market of Indonesia
- Acquire premium local partner for investment business (development/PPP)

Technology / expertise

Japanese customer platform

Expand development business

*TATA: PT Tatamulia Nusantara Indah

Promote business development utilizing TATA's corporate strength

(Cooperate in market cultivation and development business)

Promote business growth with Toda's technology and management

(Human resource exchange, customer referral)



(Strategic needs and corporate abilities)

- Capture construction investment/orders from Japanese companies
- Enhance technology/capital for entering civil engineering business

Local presence / network

Supply chain

Expand construction business

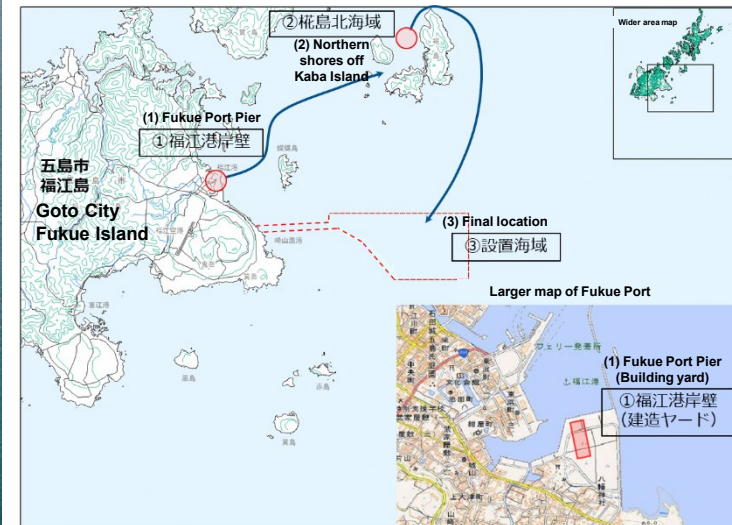
Commencement of Offshore Wind Turbine Assembly

Construction gaining full momentum towards start of commercial operation (January 2024)



Floating generator loading

- First of the eight floating generator was completed and loaded on the semi-submersible spud barge, “Float Raiser.”
- On October 8, 2022, it sailed out of Fukue Port towards the waters off Kaba Island to commence offshore assembly of the wind turbine.



Unit No.1 Float-Off to Raising

STEP1



STEP2



STEP3



STEP4



Increase revenue by expanding marine area and developing larger wind turbines

Offshore wind power (medium- to long-term installation potential)

Approx. 91 million kW

(Potential based on natural conditions by Japan Wind Power Association)

Approx. 34 million kW

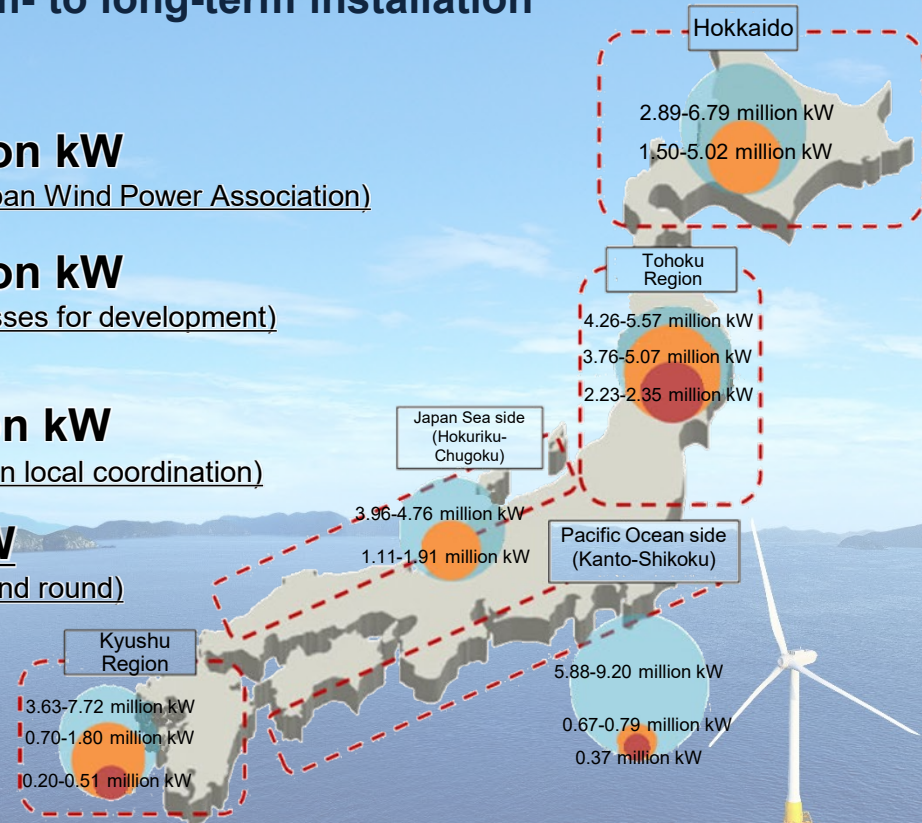
(Areas currently considered by businesses for development)

Approx. 7.7-15.0 million kW

(Areas where businesses have partially started on local coordination)

Approx. 2.8 million kW

(Promising areas for the first round and second round)



*Source: First Meeting of Public-Private Council on Enhancement of Industrial Competitiveness for Offshore Wind Power Generation, July 2020 (Ministry of Economy, Trade and Industry, Ministry of Land, Infrastructure, Transport and Tourism)
 Trial calculation based on research and interviews with major companies

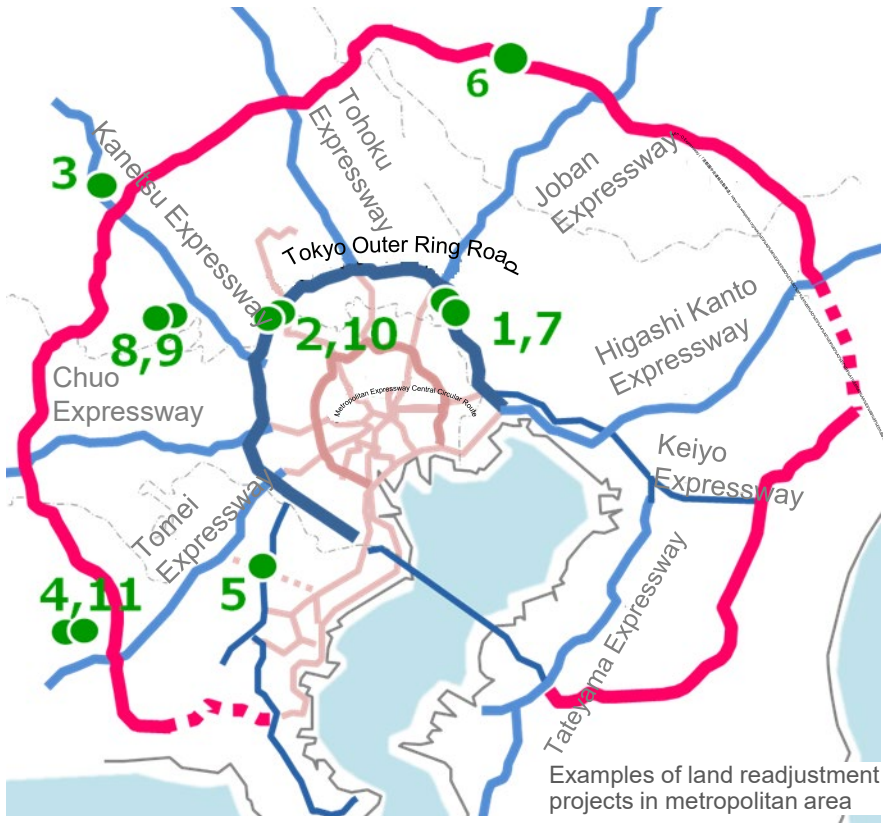




Initiatives on Creation of Regional Values

Sixth sector industrialization of agriculture

Development of New Business involving Investment and Development: Achieving Sixth Sector Industrialization of Agriculture



**Top-class track record in Japan
Deploy to land development, architectural
construction, investment/development
business**

- Resolve regional issues and create regional value
- Diverse business development including architectural construction and investment

⇒ **Build the TODA brand strength**

Examples of land readjustment projects in metropolitan area

1. Misato Interchange southern area land readjustment project (LRP)
2. Wako North Interchange area LRP
3. Nissai eastern area LRP
4. Atsugi City Morinosato east LRP
5. Kawamuko-cho south agricultural area LRP
6. Joso City Ken-O Expressway Joso Interchange surrounds development project
7. Misato Interchange southern area south LRP
8. Tokorozawa City, Kita-Akitsu/Kamiyasumatsu LRP
9. (Temporary name) Tokorozawa City, Wakamatsu-cho LRP
10. (Temporary name) Wako North Interchange Eastern area LRP
11. Atsugi City, Sakai LRP

**Covers 620ha
around Japan
(Including current
applications
for approval)**



Challenge Creating the Future for the Region around Sixth Sector Industrialization of Agriculture

Create the new Joso City brand

Primary industry
New agriculture model

Secondary industry
Production/logistics business

Tertiary industry
PPP for commerce

Use of renewable energy

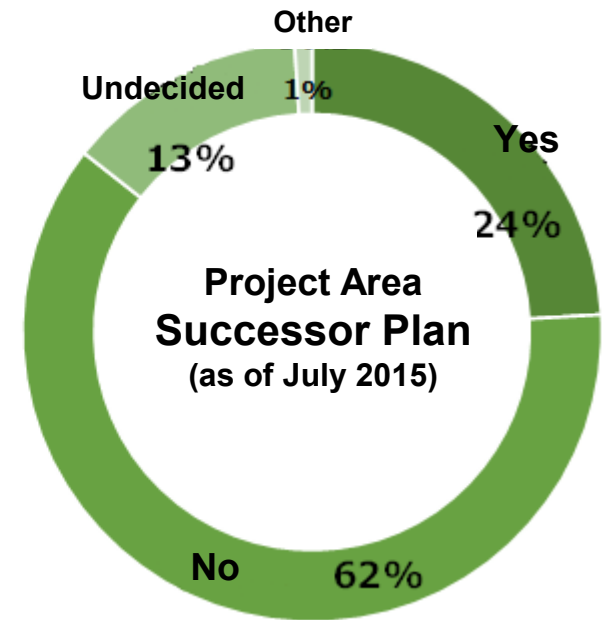
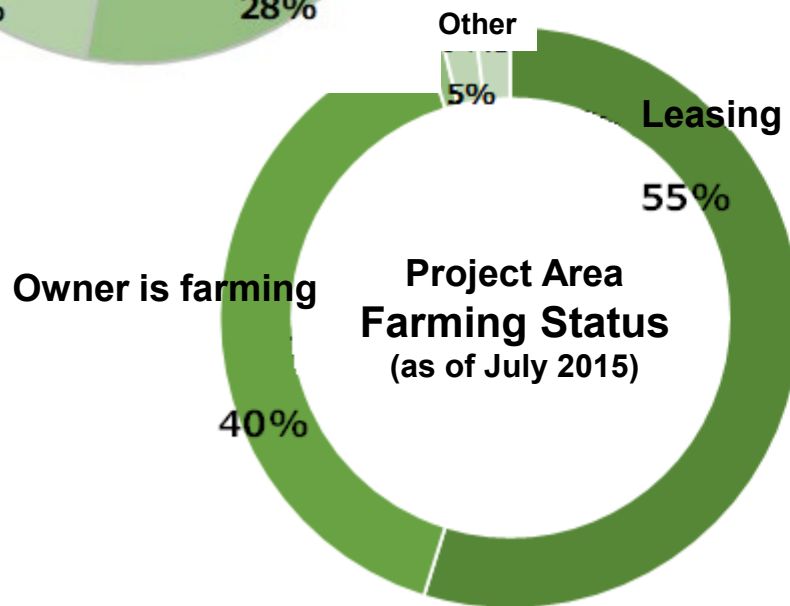
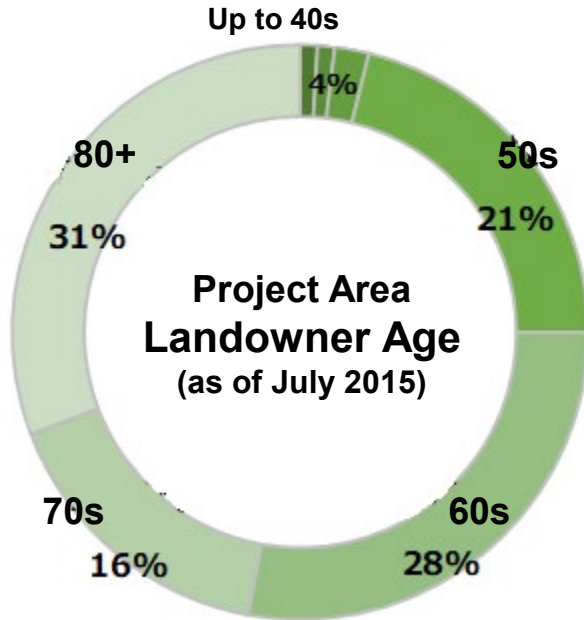
and Social contribution



Status of Non-Farmers with Land Ownership (Joso City, Ibaraki Prefecture)

Areas around Ken-O Expressway Joso Interchange

- Number of land owners: about 100
 - About 80% are aged 60 or above
 - Only 40% directly engage in farming
 - About 75% do not have successors
- Farmland that can become abandoned



*Based on interview in July 2015

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Collaborate with Municipal Government on Regional Revitalization Project to Resolve Regional Issues

Issues for Joso City

- 1 Promote agriculture
- 2 Promote agriculture
- 3 Flood recovery
- 4 Response to decreasing population

Agriscience valley concept




Agricultural

Large facility horticulture "Challenge Farm" Tourist Farm

- ✓ Create alternative crop for rice and next-generation agriculture suited to the area
- ✓ Support younger generation entering farming
- ✓ Utilize agricultural resources for tourism (example: experience farming)

Industrial park

Roadside direct produce sales, etc. Urban park Industrial facility (Multi-tenant logistics facility)

- ✓ Logistics facility leveraging on the location near expressway interchange for "wide area accessibility" and business development linked with surrounding agricultural production area (Roadside station)

Expected effect

- 1 Secure new farmers
- 2 Create regional employment
- 3 Inflow of people and goods
- 4 Stable tax income



Regional Contribution through New City Development

Employment creation: about 2,000 (estimate)
Tax revenue: About 500 million yen in Fixed Property Tax (estimate)



Distribution warehouse (investment business)

Tourist farm zone

Distribution warehouse

Urban park

Refrigerated warehouse

Large facility horticulture zone

Private sector visitor facilities

Roadside station

Toda Corporation sales: about 78 billion yen

Joso City Agriscience Valley Project
Artist's Impression