

# TODA CORPORATION

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# FINANCIAL STATEMENTS 2024

Year ended March 31, 2024



## Independent Auditor's Report

The Board of Directors

Toda Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of Toda Corporation and its consolidated subsidiaries (“the Group”), which comprise the consolidated balance sheet as of March 31, 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024, and its consolidated financial performance and its consolidated cash flows 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Estimates of total construction costs	
Key Audit Matters Description	How the Key Audit Matters Were Addressed in the Audit
<p>In the building construction and civil engineering, etc., which are the Group's principal business, the Group has the performance obligations to construct buildings or structures, etc. and deliver the outcomes to customers based on construction contracts as described in Note 2.8) . The Group has applied the method based on the percentage of costs incurred by the end of each reporting period to the total expected costs as a method of estimating the progress of construction works to the satisfaction of performance obligations. The portion of work completed by the method based on the percentage of costs were 449,898 million yen. In addition, the Group records a provision for losses on construction contracts that have not yet been delivered, for which losses are expected to be incurred as of the end of the current fiscal year and for which the amount can be reasonably estimated as described in Note 2.6).</p> <p>The method based on the percentage of costs is used to record portion of work completed and provision for losses on construction contracts, which is affected by estimates of total construction costs. Estimating total construction costs is highly individualized for each contract, and facts that become known after the start of the construction contract may exist or conditions at the site may change, making timely and appropriate review of total construction costs complex. As a result,</p>	<p>To evaluate the reasonableness of estimates of total construction costs, we mainly performed the following audit procedures.</p> <ul style="list-style-type: none"> <li>• We understood the revenue and expenditure management system and the construction progress management system for each unit of construction revenue recognition developed by the Group, and evaluated the status of related internal control development and operation, including the approval of the execution budget at the time of formulation and update, which is the basis for estimating total construction costs.</li> <li>• As for the construction costs in the unit of construction revenue recognition selected based on certain criteria, we examined whether the total construction costs reflect the actual situation by examining whether there is any abnormality in the status of cost accrual and examining the appropriateness of deviation from the execution budget.</li> <li>• We examined the total construction costs to see if any unusual adjustment items were included in the total construction costs.</li> <li>• By inspecting the process control materials and asking questions, we identified important estimation factors</li> </ul>

<p>estimates of total construction costs are highly uncertain and management's judgment has a significant impact.</p> <p>Based on the above, we have determined estimates of total construction costs to be a key audit matter.</p>	<p>related to specifications, construction period, etc. , and evaluated the manager's judgment regarding the effects of uncertainty in the estimation factors.</p> <ul style="list-style-type: none"> <li>• As for particularly important projects, we performed on-site observations and additional questioning to examine whether the progress of construction was consistent with the estimate of total construction costs and the progress toward completion of construction.</li> </ul>
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Impairment of fixed assets related to the floating offshore wind power generation project	
Key Audit Matters Description	How the Key Audit Matters Were Addressed in the Audit
<p>As for the floating offshore wind power generation project, in which the Group has made and plans to make large investment as Environment and Energy segment, the business market itself is new and uncertain, and there is a risk that impairment of fixed assets will not be properly assessed depending on achievement of the business plan.</p> <p>The company is constructing a floating offshore wind farm off the coast of Goto City, Nagasaki Prefecture, as one of its businesses. Due to the discovery of defects in facilities under construction, and the recoverable amount calculated based on the future value in use, including response costs, was lower than the book value, an impairment loss was recorded in the previous consolidated fiscal year.</p> <p>In the current consolidated fiscal year, the fact that additional measures were required to address the defects discovered in the previous consolidated fiscal year was discovered. and as a result of estimating the recoverable amount, including the additional costs, an impairment loss of 4,545 million yen was recorded as an extraordinary loss, as described in Note 7.8).</p> <p>The estimates of future value in use are subject to uncertainty and require management's judgment, therefore, we have determined this matter to be a key audit matter.</p>	<p>In our audit of the impairment of fixed assets related to the floating offshore wind power generation project, we principally performed the following audit procedures.</p> <ul style="list-style-type: none"> <li>• We reviewed internal documents related to the defects and questioned relevant personnel to confirm the fact that additional action was required regarding the defects and the details of the additional measures.</li> <li>• We examined whether the key assumptions including additional measures used in recording impairment losses reflect actual conditions.</li> <li>• We reviewed contracts or quotations and conducted questions to the person in charge in order to verify consistency with the income plan.</li> <li>• Regarding construction costs with approved execution budgets, we evaluated the maintenance and operation of internal controls in the formulation of execution budgets as the basis for estimates, and then verified the consistency between the approved execution budgets and the expenditure plans.</li> <li>• Regarding construction costs not yet approved in the execution budget (including costs for handling defects), we interviewed the person in charge regarding the process and handling method, and verified the consistency between the cost estimate basis documents and the contract conditions in the approved execution budget.</li> <li>• Regarding operating expenses, we reviewed the quotations from prospective order recipients and verified consistency with the expenditure plan.</li> <li>• We verified that the discount rate is consistent with the rate of return on the business plan.</li> </ul>

**Other Information**

The other information comprises the information included in the disclosure document that contains audited consolidated financial statements but does not include the consolidated financial statements and our auditor's report thereon.

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

## ***Responsibilities of Management and Corporate auditors and the board of corporate auditors for the Consolidated Financial Statements***

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 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 Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors 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 corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters that were of the most significance in the audit of the 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.

***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 Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

***Convenience Translation***

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

FUJIMI AUDIT CORPORATION  
Chuo-ku, Tokyo, Japan  
June 26, 2024

Toshio Saito  
Representative Partner  
Engagement Partner  
Certified Public Accountant

Takeshi Morinaga  
Partner  
Engagement Partner  
Certified Public Accountant

**Notes to the Reader of Independent Auditor's Report:**

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and FUJIMI AUDIT CORPORATION.

# Independent Auditor's Report

The Board of Directors  
Toda Corporation

## ***Opinion***

We have audited the accompanying non-consolidated financial statements of Toda Corporation ("the Company"), which comprise the non-consolidated balance sheet as of March 31, 2024, and the non-consolidated statement of income and non-consolidated statement of changes in equity for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as of March 31, 2024, 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 provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. 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 judgement, 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 our audit of the non-consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

《Estimates of total construction costs》

The description is omitted because the contents are the same as key audit matters (estimates of total construction costs) stated in the Independent Auditor's report of the consolidated financial statements.

《Impairment of fixed assets related to the floating offshore wind power generation project》

The description is omitted because the contents are the same as key audit matters (Impairment of fixed assets related to the floating offshore wind power generation project) stated in the Independent Auditor's report of the consolidated financial statements.

## ***Other Information***

The other information comprises the information included in the 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 the other information does not exist. Accordingly, we have not performed any work related to the other information.

## ***Responsibilities of Management and Corporate auditors and the board of corporate auditors 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 designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the 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, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' execution of

duties relating to the design and operating effectiveness of the controls over 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. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of 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 whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as 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.

We communicate with corporate auditors and the board of corporate auditors 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 corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters that were of the 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.

### ***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.

### ***Convenience Translation***

We have reviewed the translation of these non-consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying non-consolidated financial statements have been properly translated on the basis described in Note 1.

FUJIMI AUDIT CORPORATION  
Chuo-ku, Tokyo, Japan  
June 26, 2024

Toshio Saito  
Representative Partner  
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Takeshi Morinaga  
Partner  
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**Notes to the Reader of Independent Auditor's Report:**

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and FUJIMI AUDIT CORPORATION.



# Consolidated Balance Sheets

Toda Corporation and consolidated Subsidiaries - As of March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and deposits (Notes 10)	¥ 96,840	¥ 113,810	\$ 751,670
Notes and accounts receivable - trade (Note 6.1), 5), 12 and 20)	282,828	222,602	1,470,196
Short-term investment securities (Notes 12 and 13)	700	600	3,962
Real estate for sale (Notes 6.10))	15,616	35,890	237,038
Costs on uncompleted construction contracts (Note 6.3) and 9))	12,102	13,273	87,668
Other inventories (Notes 6.10))	2,709	12,054	79,613
Other	23,807	25,837	170,643
Allowance for doubtful accounts	(3,032)	(2,143)	(14,156)
Total current assets	431,573	421,924	2,786,638
<b>Noncurrent assets:</b>			
Property, plant and equipment:			
Buildings and structures, net (Notes 6.3), 5) and 10))	54,240	47,088	310,999
Machinery, vehicles, tools, furniture and fixtures, net (Notes 6.3), 5) and 10))	11,256	10,961	72,394
Land (Notes 6.3), 5), 8) and 10))	87,187	81,416	537,720
Lease assets, net	205	354	2,340
Construction in progress (Notes 6.3) and 10))	25,785	70,492	465,576
Total property, plant and equipment (Notes 6.2), 18 and 19)	178,675	210,313	1,389,031
Intangible assets:			
Goodwill	1,375	941	6,218
Other	10,689	11,912	78,677
Total intangible assets (Notes 6.3))	12,065	12,854	84,896
Investments and other assets:			
Investment securities (Notes 6.4), 5), 12 and 13)	185,072	208,268	1,375,523
Long-term loans receivable (Notes 6.5) and 12)	795	6,549	43,256
Net defined benefit assets (Note 15)	1,953	5,548	36,647
Deferred tax assets (Note 16)	921	864	5,709
Other	4,581	5,855	38,674
Allowance for doubtful accounts	(81)	(118)	(781)
Total investments and other assets	193,243	226,967	1,499,029
Total noncurrent assets	383,983	450,135	2,972,956
<b>Total assets</b>	<b>¥ 815,556</b>	<b>¥ 872,060</b>	<b>\$ 5,759,594</b>

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Notes and accounts payable - trade (Note 12)	¥ 111,283	¥ 97,140	\$ 641,571
Short-term loans payable (Notes 6.5) and 12)	81,568	74,103	489,425
Current portion of bonds payable (Notes 6.5) and 12)	5,050	30	198
Income taxes payable (Note 12)	6,329	7,695	50,824
Advances received on uncompleted construction contracts (Note 6.1) and 20)	33,408	38,142	251,913
Provision for bonuses	5,115	6,238	41,201
Provision for warranties for completed construction	3,305	3,672	24,254
Provision for loss on construction contracts (Note 6.9))	9,434	4,061	26,822
Deposits received	36,486	38,732	255,812
Other	18,034	25,659	169,473
Total current liabilities	310,016	295,476	1,951,498
<b>Noncurrent liabilities:</b>			
Bonds payable (Notes 6.5) and 12)	50,195	63,165	417,178
Long-term loans payable (Notes 6.5) and 12)	74,724	89,272	589,607
Deferred tax liabilities (Note 16)	19,244	31,546	208,348
Deferred tax liabilities for land revaluation (Note 16)	6,069	5,831	38,514
Provision for directors' retirement benefits	98	109	720
Provision for stock payments for directors	465	676	4,467
Provision for loss on liquidation of subsidiaries and affiliates	1,141	13	89
Provision for loss on business of environment and energy	—	821	5,428
Net defined benefit liability (Note 15)	22,932	22,000	145,304
Asset retirement obligations (Note 18)	2,242	2,114	13,968
Other	5,165	5,508	36,378
Total noncurrent liabilities	182,278	221,059	1,460,006
Total liabilities	492,295	516,536	3,411,505
<b>NET ASSETS</b>			
<b>Shareholders' equity:</b>			
Capital stock	23,001	23,001	151,915
Capital surplus	26,786	26,786	176,914
Retained earnings	200,996	208,849	1,379,365
Treasury stock	(7,625)	(12,599)	(83,217)
Total shareholders' equity	243,159	246,037	1,624,978
<b>Accumulated other comprehensive income</b>			
Valuation difference on available-for-sale securities	72,790	92,805	612,943
Deferred gains on hedges	111	424	2,804
Revaluation reserve for land (Note 6.8))	3,087	2,741	18,107
Foreign currency translation adjustments	(1,567)	3,152	20,818
Remeasurements of defined benefit plans	(327)	3,357	22,172
Total accumulated other comprehensive income (Note 8)	74,094	102,481	676,846
<b>Non-controlling interests</b>	6,007	7,004	46,264
Total net assets	323,261	355,524	2,348,089
<b>Total liabilities and net assets</b>	¥ 815,556	¥ 872,060	\$ 5,759,594

# Consolidated Statements of Income

Toda Corporation and Consolidated Subsidiaries - For the years of March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
<b>Net sales:</b>			
Net sales of construction contracts	¥ 518,426	¥ 487,656	\$ 3,220,766
Net sales of investment development business and other	28,729	34,778	229,696
Total net sales (Note 7.1))	547,155	522,434	3,450,463
<b>Cost of sales:</b>			
Cost of sales of construction contracts (Notes 7.2) and 5))	469,076	430,847	2,845,568
Cost of sales of investment development business and other	20,755	26,003	171,743
Total cost of sales (Notes 7.3))	489,831	456,851	3,017,311
<b>Gross profit:</b>			
Gross profit on construction contracts	49,349	56,808	375,198
Gross profit on investment development business and other	7,973	8,774	57,953
Total gross profit	57,323	65,583	433,151
<b>Selling, general and administrative expenses (Notes 7.4 and 5))</b>	43,188	47,675	314,875
<b>Operating income</b>	14,135	17,908	118,276
<b>Non-operating income:</b>			
Interest income	413	2,211	14,603
Dividend income	4,017	4,182	27,622
Dividend income of insurance	238	238	1,578
Share of profit of entities accounted for using equity method	149	—	—
Exchange gain	1,046	1,996	13,188
Other	896	929	6,137
Total non-operating income	6,762	9,558	63,131
<b>Non-operating expenses:</b>			
Interest expenses	1,042	1,349	8,911
Commission fee	637	258	1,708
Other	178	374	2,476
Total non-operating expenses	1,858	1,983	13,097
<b>Ordinary income</b>	19,039	25,483	168,310
<b>Extraordinary income:</b>			
Gain on step acquisitions	1,908	—	—
Gain on sales of investment securities (Note 13)	8,083	10,258	67,752
Other	406	788	5,209
Total extraordinary income	10,399	11,047	72,961
<b>Extraordinary loss:</b>			
Loss on abandonment of noncurrent assets (Note 7.7))	419	578	3,820
Impairment loss (Note 7.8))	10,345	5,185	34,247
Provision for loss on liquidation of subsidiaries and affiliates	255	—	—
Loss on sale of shares of subsidiaries and affiliates	—	1,419	9,372
Provision for loss on business of environment and energy	—	821	5,428
Other	519	256	1,692
Total extraordinary losses	11,540	8,261	54,562
<b>Profit before income taxes and non-controlling interests</b>	17,897	28,269	186,710
<b>Income taxes-current</b>	10,352	10,054	66,404
<b>Income taxes-deferred</b>	(366)	1,400	9,246
<b>Total income taxes (Note 16)</b>	6,690	11,454	75,650
<b>Profit for the year</b>	11,207	16,815	111,059
<b>Loss attributable to non-controlling interests</b>	211	713	4,713
<b>Profit for the year attributable to owners of the parent (Note 24)</b>	¥ 10,995	¥ 16,101	\$ 106,345

# Consolidated Statements of Comprehensive Income

Toda Corporation and Consolidated Subsidiaries - For the years of March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
<b>Profit for the year</b>	¥ 11,207	¥ 16,815	\$ 111,059
<b>Other comprehensive income</b>			
Valuation difference on available-for-sale securities	(643)	20,015	132,195
Deferred gains or losses on hedges	(273)	272	1,796
Foreign currency translation adjustment	(533)	5,138	33,939
Remeasurements of defined benefit plans	(153)	3,651	24,119
Share of other comprehensive income of entities accounted for using equity method	(614)	40	268
Total other comprehensive income (Note 8)	(2,219)	29,118	192,318
<b>Comprehensive income</b>	8,987	45,934	303,378
Comprehensive income attributable to			
Owners of the parent	8,653	44,834	296,114
Non-controlling interests	¥ 333	¥ 1,099	\$ 7,263

# Consolidated Statements of Changes in Net Assets

Toda Corporation and consolidated subsidiaries - For the years ended March 31, 2023 and 2024

Millions of yen													
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2022	¥23,001	¥26,457	¥199,155	¥(8,462)	¥240,152	¥73,435	¥385	¥3,073	¥(391)	¥(81)	¥76,421	¥2,467	¥319,042
Changes during period													
Dividends from surplus	—	—	(9,139)	—	(9,139)	—	—	—	—	—	—	—	(9,139)
Profit for the year attributable to owners of the parent	—	—	10,995	—	10,995	—	—	—	—	—	—	—	10,995
Disposal of treasury stock	—	172	—	1,128	1,301	—	—	—	—	—	—	—	1,301
Purchase of treasury stock	—	—	—	(1,293)	(1,293)	—	—	—	—	—	—	—	(1,293)
Increase by share exchanges	—	156	—	1,001	1,157	—	—	—	—	—	—	—	1,157
Reversal of revaluation reserve for land	—	—	(14)	—	(14)	—	—	—	—	—	—	—	(14)
Net changes of items other than shareholders' equity	—	—	—	—	—	(645)	(273)	14	(1,175)	(246)	(2,327)	3,539	1,212
Total changes of items during the period	—	328	1,841	837	3,007	(645)	(273)	14	(1,175)	(246)	(2,327)	3,539	4,219
Balance at March 31, 2023	¥23,001	¥26,786	¥200,996	¥(7,625)	¥243,159	¥72,790	¥111	¥3,087	¥(1,567)	¥(327)	¥74,094	¥6,007	¥323,261
Changes during period													
Dividends from surplus	—	—	(8,595)	—	(8,595)	—	—	—	—	—	—	—	(8,595)
Profit for the year attributable to owners of the parent	—	—	16,101	—	16,101	—	—	—	—	—	—	—	16,101
Disposal of treasury stock	—	—	—	39	39	—	—	—	—	—	—	—	39
Purchase of treasury stock	—	—	—	(5,014)	(5,014)	—	—	—	—	—	—	—	(5,014)
Increase by share exchanges	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	345	—	345	—	—	—	—	—	—	—	345
Net changes of items other than shareholders' equity	—	—	—	—	—	20,015	312	(345)	4,719	3,684	28,386	997	29,384
Total changes of items during the period	—	—	7,852	(4,974)	2,878	20,015	312	(345)	4,719	3,684	28,386	997	32,262
Balance at March 31, 2024	¥23,001	¥26,786	¥208,849	¥(12,599)	¥246,037	¥92,805	¥424	¥2,741	¥3,152	¥3,357	¥102,481	¥7,004	¥355,524

Thousands of U.S. dollars													
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2023	\$151,915	\$176,914	\$1,327,501	\$ (50,361)	\$1,605,969	\$480,748	\$739	\$20,392	\$ (10,353)	\$ (2,163)	\$489,363	\$39,676	\$2,135,009
Changes during period													
Dividends from surplus	—	—	(56,766)	—	(56,766)	—	—	—	—	—	—	—	(56,766)
Profit for the year attributable to owners of the parent	—	—	106,345	—	106,345	—	—	—	—	—	—	—	106,345
Disposal of treasury stock	—	—	—	260	260	—	—	—	—	—	—	—	260
Purchase of treasury stock	—	—	—	(33,116)	(33,116)	—	—	—	—	—	—	—	(33,116)
Increase by share exchanges	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	2,284	—	2,284	—	—	—	—	—	—	—	2,284
Net changes of items other than shareholders' equity	—	—	—	—	—	132,195	2,064	(2,284)	31,171	24,336	187,483	6,587	194,071
Total changes of items during the period	—	—	51,864	(32,855)	19,008	132,195	2,064	(2,284)	31,171	24,336	187,483	6,587	213,079
Balance at March 31, 2024	\$151,915	\$176,914	\$1,379,365	\$ (83,217)	\$1,624,978	\$612,943	\$2,804	\$18,107	\$20,818	\$22,172	\$676,846	\$46,264	\$2,348,089

# Consolidated Statements of Cash Flows

Toda Corporation and consolidated subsidiaries - For the years ended March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
<b>Net cash provided by (used in) operating activities:</b>			
Profit before income taxes and non-controlling interests	¥ 17,897	¥ 28,269	\$ 186,710
Depreciation and amortization	6,296	6,881	45,450
Impairment loss	10,345	5,185	34,247
Amortization of goodwill	340	587	3,883
Increase (decrease) in allowance for doubtful accounts	164	(981)	(6,482)
Increase (decrease) in provision for loss on liquidation of subsidiaries and affiliates	(53)	(1,128)	(7,453)
Increase (decrease) in net defined benefit liability	52	1,021	6,743
Decrease (increase) in net defined benefit asset	436	(221)	(1,463)
Increase (decrease) in other provision	5,335	(2,817)	(18,605)
Loss (gain) on valuation of investment securities	285	97	645
Loss (gain) on sales of investment securities	(8,039)	(10,237)	(67,613)
Loss (gain) on sale of shares of subsidiaries and affiliates	—	1,419	9,372
Loss (gain) on sales of property, plant and equipment	101	(71)	(471)
Loss on abandonment of noncurrent assets	419	578	3,820
Loss on step acquisitions	(1,908)	—	—
Share of loss (profit) of entities accounted for using equity method	(149)	68	454
Interest and dividend income	(4,431)	(6,393)	(42,226)
Interest expenses	1,042	1,349	8,911
Decrease (increase) in notes and accounts receivable-trade	(57,398)	61,936	409,063
Decrease (increase) in costs on uncompleted construction contracts	2,644	(895)	(5,914)
Decrease (increase) in real estate for sale	2,640	658	4,351
Decrease (increase) in costs on real estate business	2,543	(8,704)	(57,490)
Decrease (increase) in other current assets	2,114	(1,396)	(9,223)
Increase (decrease) in notes and accounts payable-trade	7,129	(15,063)	(99,490)
Increase (decrease) in advances received on uncompleted construction contracts	(2,004)	4,325	28,566
Increase (decrease) in other current liabilities	(8,046)	2,399	15,847
Other, net	(1,691)	(1,023)	(6,761)
Subtotal	(23,930)	65,843	434,871
Interest and dividend income received	4,433	6,365	42,040
Interest expenses paid	(916)	(1,300)	(8,592)
Income taxes paid	(10,431)	(8,759)	(57,851)
Net cash provided by (used in) operating activities	(30,845)	62,149	410,468
<b>Net cash provided by (used in) investing activities:</b>			
Payments into time deposits	(158)	(669)	(4,424)
Proceeds from withdrawal of time deposits	552	1,010	6,671
Proceeds from sales and redemption of securities	300	600	3,962
Purchase of property, plant and equipment	(35,874)	(55,076)	(363,754)
Proceeds from sales of property, plant and equipment	1,688	161	1,066
Payments from retirement of property, plant and equipment	(389)	(123)	(818)
Purchase of intangible assets	(1,344)	(1,311)	(8,659)
Purchase of investment securities	(2,649)	(2,484)	(16,409)
Proceeds from sales and redemption of investment securities	12,053	17,859	117,957
Payments of loans receivable	(32)	(6,178)	(40,808)
Collection of loans receivable	20	454	3,000
Payments for lease and guarantee deposits	(18)	(305)	(9,503)
Purchase of shares of subsidiaries resulting in change in scope of consolidation (Note 10)	(918)	(1,438)	(7,050)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation (Note 10)	—	(1,067)	(2,019)
Other, net	667	(283)	(1,874)
Net cash provided by (used in) investing activities	(26,102)	(48,854)	(322,666)
<b>Net cash provided by (used in) financing activities:</b>			
Net increase (decrease) in short-term loans payable	23,184	(17,158)	(113,325)
Increase (decrease) in commercial paper	(20,000)	—	—
Proceeds from long-term loans payable	40,630	29,341	193,789
Repayments of long-term loans payable	(6,942)	(5,293)	(34,963)
Proceeds from issuance of bonds	10,000	13,000	85,859
Redemption of bonds	(15,190)	(5,050)	(33,353)
Cash dividends paid	(9,139)	(8,595)	(56,766)
Cash dividends paid to non-controlling interests	(2)	(108)	(718)
Purchase of treasury stock	(0)	(5,014)	(33,116)
Other, net	(3)	(86)	(568)
Net cash provided by (used in) financing activities	22,534	1,035	6,836
<b>Effect of exchange rate change on cash and cash equivalents</b>	977	2,917	19,270
<b>Net increase (decrease) in cash and cash equivalents</b>	(33,435)	17,247	113,909
<b>Cash and cash equivalents at the beginning of current period</b>	129,301	95,866	633,157
<b>Cash and cash equivalents at the end of current period (Note 10)</b>	95,866	113,113	747,067

# Notes to Consolidated Financial Statements

## Toda Corporation and Consolidated Subsidiaries

### 1. Basis of Presenting Consolidated Financial Statements

The consolidated financial statements presented herein of Toda Corporation (the "Company") and its consolidated subsidiaries (together, the "Companies") are prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law of Japan, and in conformity with accounting principles generally accepted in Japan.

These consolidated financial statements incorporate certain modifications in format so as to make the financial statements more meaningful to readers outside Japan.

These modifications have no effect on total assets, net sales, retained earnings or profit for the year.

(U.S. Dollar Amounts)

The accounts of consolidated financial statements presented herein are expressed in Japanese yen by rounding down to nearest million.

The U.S. dollar amounts are included solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of ¥151.41 = US\$1, the exchange rate prevailing on the Tokyo foreign exchange market on March 31, 2024, and have been then rounded down to the nearest thousand. This translation should not be construed as a representation that the yen amounts actually represent, have been or could be converted into U.S. dollars at this or any other rate.

### 2. Summary of Significant Accounting Policies

#### 1) Scope of consolidation

The accompanying consolidated financial statements include the accounts of Toda Corporation and 43 subsidiaries, namely APEC Engineering Co., Ltd., Sato kogyo Co., Ltd., Showa Construction Co., Ltd., Toda Bldg. Partners Co., Ltd., Toda Finance Co., Ltd., TODA Farm LLC, Toda Road Co., Ltd., Towa Kanko Kaihatsu Co., Ltd., Thai Toda Corporation Ltd., Tobic Co., Ltd., Toda America, Inc., Toda Asia Pacific Pte. Ltd., Toda Vietnam Co., Ltd., PT Tatamulia Nusantara Indah, PT Toda Group Indonesia, Goto Floating Wind Farm LLC, Goto Floating Wind Power LLC, Offshore Wind Farm Construction Co., Ltd., TODA Investimentos do Brasil Ltda., Toda Solar Energy Fukaya LLC and other 23 companies.

Other subsidiaries were not consolidated, as they were not significant in terms of the effect on total assets, net sales, profit for the year or retained earnings of the consolidated financial statements.

#### 2) Application of the equity method

The affiliate to which the equity method is applied is as follows: Jack-up Wind Farm Construction Co., Ltd. and other 2 companies.

As of April 1, 2024, Jack-up Wind Farm Construction Co., Ltd. changed its trade name to Japan Wind Farm Construction Co., Ltd.

#### 3) Fiscal year of consolidated subsidiaries

Of the consolidated subsidiaries, Goto Floating Wind Farm LLC, Thai Toda Corporation Ltd., Tobic Co., Ltd., Toda America, Inc., Toda Asia Pacific Pte. Ltd., TODA Investimentos do Brasil Ltda., Toda Vietnam Co., Ltd., PT Tatamulia Nusantara Indah, PT Toda Group Indonesia and other 16 companies close their fiscal year on December 31 each year.

In preparing the consolidated financial statements, the Company used financial statements as of December 31 of all these subsidiaries. However, adjustments necessary for the purpose of consolidation have been made for fiscal year-end (March 31).

The fiscal year-end of all other consolidated subsidiaries is the same as the consolidated fiscal year-end (March 31).

#### 4) Standards and evaluation methods for significant assets

##### (a) Short term investment securities and investment securities

Held-to-maturity debt securities

Amortized cost method (straight-line method)

Available-for-sale securities

• Other than equity securities without market prices:

Stated at fair value (the difference between the book value and the fair value is recorded as a component of net assets, while the cost of securities sold is computed using the moving-average method)

• Equity securities without market prices:

Stated at cost, determined by the moving-average method

In addition, the valuations for investments in investment business limited partnerships and similar partnerships (those deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Law of Japan) are based on recent financial statements available according to the settlement closing dates stipulated in the partnership contracts, and are recorded in the net amounts equivalent to their equity.

The accounting methods are as follows:

In the case of investment for the main business purpose, the equity-equivalent profit and loss to be attributable is recorded in "operating profit and loss" and added to or subtracted from "investment securities".

In the case of investment for purposes other than the main business purpose, the equity-equivalent profit and loss to be attributable is recorded as "non-operating profit and loss" and added to or subtracted from "short-term investment securities" or "investment securities".

##### (b) Inventories

Costs on uncompleted construction contracts

Stated at cost, determined by the specific identification cost method

Real estate for sale

Stated at cost, determined by the specific identification cost method (The book value on the consolidated balance sheets is presented after write-down for decline in profitability.)

##### (c) Other inventories

Raw materials and supplies

Stated at cost, determined by the weighted average method (The book value on the consolidated balance sheets is presented after write-down for decline in profitability.)

Costs on real estate business

Stated at cost, determined by the specific identification cost method (The book value on the consolidated balance sheets is presented after write-down for decline in profitability.)

#### 5) Methods of depreciation and amortization depreciable assets

##### (a) Property, plant and equipment (excluding lease assets)

The declining-balance method is primarily used. However, the straight-line method is used for buildings (excluding building fixtures) acquired on and after April 1, 1998 and building fixtures and other structures acquired on and after April 1, 2016.

In addition, the straight-line method is used for Machinery, vehicles, tools, furniture and fixtures in some of the consolidated subsidiaries.

Standards identical to regulations in the Corporate Income Tax Law are utilized to determine expected lifetime and residual value.

##### (b) Intangible fixed assets (excluding lease assets)

The straight-line method is used.

Standards identical to regulations in the Corporate Income Tax Law are utilized to determine expected lifetime and residual value.

However, the amortization of software used by the Companies is computed using the straight-line method based on the estimated useful life.

- (c) Lease assets  
Leased assets under finance leases other than those that are deemed to transfer ownership to lessees  
Depreciation is based on the straight-line method over the lease term of the leased assets with no residual value.

## 6) Allowances and provisions

- (a) Allowance for doubtful accounts  
The allowance for doubtful trade receivables and loans has been provided based on historic loss experience for general accounts and also includes the aggregate amount of the estimated loss for the accounts for which concern actually exists for collectability.
- (b) Provision for bonuses  
This is provided for the payment of bonuses for employees, based on expected payment amount.
- (c) Provision for warranties to completed construction  
This is provided based on the estimated amount of compensation in the future for the work completed during the current consolidated fiscal year to cover expenses and others required to cure the non-conformity of performance on the grounds of non-conformity with the terms of the contract.
- (d) Provision for loss on construction contracts  
The provision for loss on construction contracts is provided at the estimated amount for the future losses on contract backlog at the current consolidated fiscal year-end which will be probably incurred and which can be reasonably estimated.
- (e) Provision for directors' retirement benefits  
To prepare for the payment of retirement benefits for executive officers and subsidiaries' directors, the provision is provided at the amount to be paid according to internal regulations if they had retired at the current consolidated fiscal year-end.
- (f) Provision for loss on liquidation of subsidiaries and affiliates  
The provision for loss on liquidation of subsidiaries and affiliates is provided at the estimated amount for a possible future loss arising from liquidation.
- (g) Provision for stock payments to directors  
The provision for stock payments to directors is provided for stock award debt based on predetermined regulations for awarding stock, which is prepared for future awards of the Company's shares to its directors and executive officers.
- (h) Provision for loss on business of environment and energy  
The provision for loss on business of environment and energy is provided at the estimated amount for the future losses on project in process at the current consolidated fiscal year-end which will be probably incurred and which can be reasonably estimated.

## 7) Accounting Policies of retirement benefits

The provision for retirement benefits to employees is calculated based on estimated amounts of retirement benefit obligations and pension assets as of the consolidated fiscal year-end. Regarding lump-sum severance indemnity plan for some of the consolidated subsidiaries, the amount is calculated based on simplified method (method to assume required payment amount based on voluntary termination of employment on the closing date as retirement benefit obligations).

The estimated amount of retirement benefit is allocated to periods of service based on the benefit formula.

Actuarial differences are amortized commencing the following year after the difference is recognized respectively by the straight-line method over a period of five years. Prior service costs are amortized commencing the year in which the difference is recognized primarily by the straight-line method over a period of five years.

## 8) Recognition of net sales from construction contracts and related costs

In the building construction and civil engineering, etc., which are the Companies' principal business, the Companies have the performance obligations to construct buildings or structures, etc. and deliver the outcomes to customers based on construction contracts.

The construction contracts are a transaction in which performance obligations are satisfied over time, and the Companies recognize revenue according to the progress in the satisfaction of performance obligations.

The Companies have applied the method based on the percentage of costs incurred by the end of each reporting period to the total expected costs as a method of estimating the progress of construction works to the satisfaction of performance obligations.

In addition, revenue is recognized by the cost recovery method when the progress in the satisfaction of performance obligations cannot be reasonably estimated, but the costs incurred are recoverable.

For construction contracts with a very short term between the commencement date of the transaction in the construction contract and the date when the performance obligations are expected to be fully satisfied, the Companies apply alternative treatment and do not recognize revenue over time.

In this case, the Companies recognize revenue when the performance obligations are fully satisfied. When certain refund obligations to customers are expected to arise, such as compensation for damages incurred in association with performance of contracts, the Companies reduce revenue to the extent of the estimated refund liability.

The Companies estimate a financing component of each individual construction contract and determine whether it is significant because the timing of receipt of the consideration for the transaction of the construction contracts varies depending on the terms of each individual construction contract.

As a result, the Companies determined that there are no construction contracts with a significant financing component.

## 9) Translation of foreign currency assets and liabilities

All monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the consolidated fiscal year-end. The resulting gains and losses are included in net income or loss for the consolidated fiscal year.

Assets and liabilities accounts of foreign consolidated subsidiaries are translated into Japanese yen at the exchange rate prevailing at the fiscal year-end. Income and expense accounts of foreign consolidated subsidiaries are translated into Japanese yen at the average annual exchange rate. The resulting translation adjustments are included in foreign currency translation adjustment and minority interests in the net assets of the consolidated balance sheets.

## 10) Hedge Accounting

The Companies apply hedge accounting as follows:

- (a) Method of hedge accounting adopted  
Deferral hedge accounting  
If the interest rate swap contracts are used as hedge and meet certain hedging criteria, net amounts to be paid or received under the interest rate swap contracts are added to or deducted from the interest or liabilities for which the swap contract were executed ("special treatment").
- (b) Measure and objects
  - 1 Measures: Forward foreign exchange contracts and foreign currency deposits  
Objects: Transactions to be paid in foreign currencies in cases of overseas construction of work and overseas procurement of materials
  - 2 Measures: Interest rate swap  
Objects: Loans
- (c) Hedging principles:  
Based on internal regulations which stipulate the execution authority regarding on derivative transactions and those for transaction limits, the Companies utilize hedges to minimize the risk of currency exchange rate and interest rate fluctuations associated with the hedge objects.
- (d) Evaluation method of effectiveness of hedging:  
During the period from the time when the hedging first started until the current consolidated fiscal year-end, the Companies have been assessing the hedge effectiveness primarily by comparing, in terms of variation amounts, (1)cumulative cash flow changes or exchange rate changes of the hedge objects and (2)cumulative cash flow changes or exchange rate changes of the hedge measures.  
However, the evaluation of hedge effectiveness is omitted for interest swaps as they meet certain hedging criteria for the special treatment.



### 11) Goodwill

Goodwill is amortized by the straight-line method over a period of up to 10 years in which it is effective. However, goodwill that is immaterial is charged to expense in the period.

### 12) Cash and cash equivalents

For the consolidated statements of cash flows, cash and cash equivalents are defined as cash on hand, deposits that can be withdrawn at any time and highly liquid short-term investments with a maturity date within three months after acquisition.

### 13) Other significant matters for preparing consolidated financial statements

Principles and procedures of accounting treatment adopted when the provisions of related accounting standards, etc. are not clear

The accounting method for joint venture (JV) in the construction industry is mainly based on the method of recognizing assets, liabilities, income and expenses according to the investment ratio of the members.

## 3. Significant Accounting Estimates

### 1) Estimates for the method of recognizing revenue over time (the so-called old percentage of completion method)

(a) Amount recorded in the consolidated financial statements

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Net sales of construction contracts	¥ 477,357	¥ 449,898	\$ 2,971,392

(b) Information about the content of significant accounting estimates for the identified item

In applying the method of recognizing revenue over time (the so-called old percentage of completion method), in principle, the Companies make the best estimate for all construction works based on the information obtained, regarding the total construction revenue, the total construction cost and the progress of construction on the fiscal closing date.

In the calculation of the total construction revenue, if there is an uncontracted increase or decrease construction, the construction price estimated based on the negotiation status with the ordering party is recorded.

In the calculation of the total construction cost, the Companies are continuously reviewing the estimate according to the progress of the construction, based on the negotiation situation with the partner company and the assumption of various conditions.

Accordingly, if the total construction revenue and total construction cost are different from the estimates, it may affect the consolidated financial statements for the next consolidated fiscal year.

### 2) Estimates for impairment loss on fixed assets

(a) Amount recorded in the consolidated financial statements

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Impairment loss	¥ 10,345	¥ 5,185	\$ 34,247

(b) Information about the content of significant accounting estimates for the identified item

Asset grouping method is based on management accounting classification, and business assets used by the Companies are grouped by business establishment, and rental assets and idle assets are grouped by individual property.

As a result of examining the necessity of recognition of impairment loss, if it is determined that it should be recognized, the carrying amount is reduced to the recoverable amount and the reduced amount is recorded as an impairment loss.

The recoverable value is calculated based on net selling price and future value in use.

However, since the estimate of the recoverable value is uncertain, if the preconditions for the estimate change due to economic conditions or deterioration of market conditions, it may affect the consolidated financial statements for the next consolidated fiscal year and thereafter.

## 4. Change in presentation methods

(Notes to consolidated statements of income)

"Gain on sales of noncurrent assets" under "Extraordinary income" described separately in the fiscal year ended March 31 2023, is included in "Other" of "Extraordinary income" because of decrease in materiality from the fiscal year ended March 31, 2024. In addition, "Loss on valuation of investment securities" under "Extraordinary loss", is included in "Other" of "Extraordinary loss" for the same reason. To reflect this change in presentation, the consolidated financial statements for the fiscal year ended March 31, 2023 have been reclassified.

As a result, "Gain on sales of noncurrent assets" of ¥28 million and "Other" of ¥378 million under "Extraordinary income" for consolidated statements of income have been reclassified as "Other" of ¥406 million. Furthermore, "Loss on valuation of investment securities" of ¥285 million and "Other" of ¥233 million under "Extraordinary loss" for consolidated statements of income have been reclassified as "Other" of ¥519 million.

## 5. Additional Information

(Performance-linked stock compensation plan for directors and executive officers)

### 1) Outline of the Plan

Based on the resolution of the Board of Directors held on May 13, 2016 and the Company's 93th annual general meeting of Shareholders held on June 29, 2016, the Company introduced the performance-linked stock compensation plan for its directors and executive officers (the "Directors"). The plan is with the goal of increasing management consciousness to further enhancing the corporate value, performance over the medium-to-long-term and shareholders emphasis. The plan is incentive for the Directors. The Company's shares are acquired through the Board Incentive Plan Trust ("BIP Trust") and the Employee Stock Ownership Plan Trust ("ESOP Trust") and awarded to the Directors in accordance with achievement degree of performance targets.

Additionally, the resolution was passed at the Company's 99th annual general Meeting of Shareholders held on June 29, 2022 to revise the plan by increasing the ratio of stock compensation. After the revision, outside directors are also eligible for non-performance-linked stock compensation.

In response to the above resolution, based on the resolution of the Board of Directors held on August 10, 2022, the Company made an additional contribution to the trust and acquired the Company's shares.

### 2) The Company's own stock in the Trust

The Company's own stock in the Trust is recorded in treasury stock under net assets based on the value in the Trust (excluding ancillary expenses). The book value and the number of these treasury stocks in the Trust as of March 31, 2023 were ¥1,559 million and 2,435,810 shares (BIP Trust), ¥98 million and 184,717 shares (ESOP Trust). The book value and the number of these treasury stocks in the Trust as of March 31, 2024 were ¥1,520 million (US\$10,039 thousand) and 2,374,231 shares (BIP Trust), ¥98 million (US\$652 thousand) and 184,717 shares (ESOP Trust).

## 6. Notes to Consolidated Balance Sheets

- 1) The amount of receivables arising from contracts with customers and contract assets, among notes and accounts receivable - trade, and the amount of contract liabilities among advances received on uncompleted construction contracts are described in the consolidated financial statements "Notes (20. Revenue Recognition, (a) Balances, etc. of contract assets and contract liabilities)".

As of March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
2) Accumulated depreciation of property, plant and equipment	¥ 40,343	¥ 34,917	\$ 230,617
3) Advanced depreciation:			
Buildings and structures	¥ 133	¥ 135	\$ 892
Machinery, vehicles, tools, furniture and fixtures	7,597	7,602	50,208
Land	24	242	1,600
Construction in progress	22	—	—
Intangible assets	8	8	56
Total	¥ 7,785	¥ 7,988	\$ 52,758
4) Investments in Non-consolidated subsidiaries and affiliates included in investment securities	¥ 1,916	¥ 2,087	\$ 13,785
5) Pledged assets and Secured debt			
① Pledged assets and Secured debt are as follows:			
Notes and accounts receivable - trade	¥ 14,033	¥ 16,759	\$ 110,689
Costs on uncompleted construction contracts	1,187	644	4,253
Buildings and structures	747	645	4,266
Machinery, vehicles, tools, furniture and fixtures	510	162	1,075
Land	1,601	1,709	11,287
Investment securities	—	7	47
Total	¥ 18,080	¥ 19,928	\$ 131,620
Short-term loans payable	¥ 11	¥ 4	\$ 27
Current portion of bonds payable	50	30	198
Bonds payable	195	165	1,089
Long-term loans payable	3	—	—
Total	¥ 260	¥ 199	\$ 1,315
② Assets pledged as collateral for long-term loans payable of unconsolidated subsidiaries and affiliated companies:			
Investment securities	¥ 415	¥ 384	\$ 2,542
Long-term loans receivable	597	184	1,218
Total	¥ 1,012	¥ 569	\$ 3,760
6) Contingent liabilities (guarantee liabilities)	¥ 153	¥ 138	\$ 916
7) Loan commitment agreement:			
Maximum limit under the agreement	¥ 30,000	¥ 30,000	\$ 198,137
Loan balance outstanding	—	—	—
Difference (unused portion)	¥ 30,000	¥ 30,000	\$ 198,137

### 8) Land revaluation

Based on the Land Revaluation Law, the Company has revalued land held for business use and has recorded any discrepancies in the consolidated balance sheets as revaluation reserve for land.

### 9) Provision for loss on construction contracts included in costs on uncompleted construction contracts

As of March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Costs on uncompleted construction contracts	¥ 890	¥ 218	\$ 1,444

### 10) Change in holding purpose of assets

The following noncurrent assets were reclassified as real estate for sale and other inventories due to change in holding purpose.

As of March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Buildings and structures	¥ 1,819	¥ 12,972	\$ 85,681
Machinery, vehicles, tools, furniture and fixture	3	5	49,011
Land	8,051	7,420	33
Construction in progress	0	30	201

## 7. Notes to Consolidated Statements of Income

### 1) Revenue from contracts with customers

Net sales are not stated separately for revenue from contracts with customers and other revenue. The amount of revenue from contracts with customers is described in the consolidated financial statements "Notes (20. Revenue Recognition, 1) Disaggregation of revenue from contracts with customers)".

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
2) Provision (reversal) for loss on construction contracts included in costs of sales	¥ 6,767	¥ (5,373)	\$ (35,486)
3) Valuation loss on inventories included in costs of sales	¥ 163	¥ 4,387	\$ 28,977
4) Principal components of selling, general and administrative expenses:			
Employees' salaries and allowances	¥ 14,668	¥ 16,375	\$ 108,154
Provision for bonuses	3,558	4,462	29,470
Retirement benefit expenses	984	1,238	8,181
Provision for stock payments for directors	233	250	1,652
Provision (reversal) of allowance for doubtful accounts	336	(356)	(2,354)
5) Research and development expenditures included in selling, general and administrative expenses and construction costs	¥ 3,224	¥ 3,888	\$ 25,685
6) Gain on sales of noncurrent assets:			
Buildings and structures	¥ 15	¥ 43	\$ 287
Land	8	—	—
Other	4	27	183
Total	¥ 28	¥ 71	\$ 471

**7) Loss on abandonment of noncurrent assets:**

Buildings and structures	¥ 0	¥ 80	\$ 528
Other	16	460	3,038
Dismantlement cost	402	38	253
Total	¥ 419	¥ 578	\$ 3,820

**8) Impairment loss on fixed assets**

The group puts its assets for business purposes, primarily into main office and branch office. And other assets are put each properties. In addition, from the consolidated fiscal year ended March 31, 2024, the Companies change the reportable segments and the actual figures for the consolidated fiscal year ended March 31, 2023 are restated to reflect the changes in reportable segments.

Impairment loss on fixed assets is as follows:

For the fiscal year ended March 31, 2023

Location	Purpose	Type	Impairment loss (Millions of yen)
Matsudo City, Chiba Pref, Japan	Assets for businesses (Building Construction Business)	Building and structure	¥ 46
Goto City, Nagasaki Pref, Japan	Assets for businesses (Environment and Energy Business)	Construction in progress	¥ 9,534
Koto Ward, Tokyo Pref, Japan	Assets for businesses (Environment and Energy Business)	Machinery, transportation equipment and tools, furniture and fixtures, construction in progress, and intangible assets	¥ 288
Goto City, Nagasaki Pref, Japan	Assets for businesses (Environment and Energy Business)	Machinery, transportation equipment and tools, furniture and fixtures	¥ 476 (Note)

Note: The impairment loss recorded by the Company's consolidated subsidiary.

For the fiscal year ended March 31, 2024

Location	Purpose	Type	Impairment loss (Millions of yen)	(Thousands of U.S. dollars)
Kyoto City, Kyoto Pref, Japan	Assets for businesses (Domestic Group Companies Business)	Building and structure, Machinery, transportation equipment and tools, furniture and fixtures, and land	¥ 216 (Note)	\$ 1,430
Goto City, Nagasaki Pref, Japan	Assets for businesses (Environment and Energy Business)	Construction in progress	¥ 4,545	\$ 30,024
Ageo City, Saitama Pref, Japan	Assets for businesses (Whole Company)	Building and structure	¥ 310	\$ 2,051
Osaka City, Osaka Pref, Japan	Assets for businesses (Whole Company)	Building and structure, and Machinery, transportation equipment and tools, furniture and fixtures	¥ 112	\$ 740

Note: The impairment loss recorded by the Company's consolidated subsidiary.

Calculation method of recoverable amount:

The recoverable value is set at zero for assets that the Companies has decided to dismantle, remove, make effective use of and abolish due to office relocation, etc. owned assets. For assets whose profitability is expected to decline based on future income and expenditure projections, the future cash flows expected to result from their continued use and disposal after use are discounted to present value at 2.250% for the Company and 5.590% or 6.0% for the consolidated subsidiaries.

**8. Notes to Consolidated Statements of Comprehensive Income**

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Reclassification and tax effect of comprehensive income for the years ended March 31			
Valuation difference on available-for-sale securities:			
Accrual	¥ 6,978	¥ 39,141	\$ 258,512
Reclassification	(7,905)	(10,228)	(67,552)
Before adjust tax effect	(927)	28,913	190,960
Tax effect	283	(8,897)	(58,764)
Valuation difference on available-for-sale securities	¥ (643)	¥ 20,015	\$ 132,195
Deferred gains (losses) on hedges:			
Accrual	¥ (222)	¥ 1,434	\$ 9,473
Reclassification	(172)	(1,042)	(6,884)
Before adjust tax effect	(394)	391	2,588
Tax effect	120	(119)	(792)
Deferred gains (losses) on hedges	¥ (273)	¥ 272	\$ 1,796
Foreign currency translation adjustments:			
Accrual	¥ (533)	¥ 3,819	\$ 25,226
Reclassification	—	1,319	8,712
Foreign currency translation adjustments	¥ (533)	¥ 5,138	\$ 33,939
Remeasurements of defined benefit plans:			
Accrual	¥ (337)	¥ 4,946	\$ 32,668
Reclassification	116	359	2,375
Before adjust tax effect	(221)	5,306	35,044
Tax effect	67	(1,654)	(10,925)
Remeasurements of defined benefit plans	¥ (153)	¥ 3,651	\$ 24,119
Share of other comprehensive income of entities accounted for using equity method:			
Accrual	¥ 591	¥ 40	268
Reclassification	(1,206)	—	—
Share of other comprehensive income of entities accounted for using equity method	(614)	40	268
Total of other comprehensive income	¥ (2,219)	¥ 29,118	\$ 192,318

## 9. Notes to Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2023	Class of shares	Number of shares			March 31, 2023
		April 1, 2022	Increase	Decrease	
Issued stock	Common stock	322,656,796	—	—	322,656,796
Treasury stock	Common stock	14,440,349	1,898,863	3,608,716	12,730,496

For the fiscal year ended March 31, 2024	Class of shares	Number of shares			March 31, 2024
		April 1, 2023	Increase	Decrease	
Issued stock	<b>Common stock</b>	<b>322,656,796</b>	—	—	<b>322,656,796</b>
Treasury stock	<b>Common stock</b>	<b>12,730,496</b>	<b>5,507,389</b>	<b>61,579</b>	<b>18,176,306</b>

For the fiscal year ended March 31, 2023	Class of shares	Number of shares			
		Total Dividends	Dividends per share	Record date	Effective date
June 29, 2022 Resolution by Annual General Meeting of Shareholders	Common stock	¥4,943 million	¥16.00	March 31, 2022	June 30, 2022
November 11, 2022 Resolution by Board of Directors	Common stock	¥4,196 million	¥13.50	September 30, 2022	December 9, 2022
June 29, 2023 Resolution by Annual General Meeting of Shareholders	Common stock	¥4,219 million	¥13.50	March 31, 2023	June 30, 2023

For the fiscal year ended March 31, 2024	Class of shares	Number of shares			
		Total Dividends	Dividends per share	Record date	Effective date
June 29, 2023 Resolution by Annual General Meeting of Shareholders	<b>Common stock</b>	<b>¥4,219 million</b> (\$27,867 thousand)	<b>¥13.50</b>	<b>March 31, 2023</b>	<b>June 30, 2023</b>
November 13, 2023 Resolution by Board of Directors	<b>Common stock</b>	<b>¥4,375 million</b> (\$28,899 thousand)	<b>¥14.00</b>	<b>September 30, 2023</b>	<b>December 8, 2023</b>
June 26, 2024 Resolution by Annual General Meeting of Shareholders	<b>Common stock</b>	<b>¥4,298 million</b> (\$28,390 thousand)	<b>¥14.00</b>	<b>March 31, 2024</b>	<b>June 27, 2024</b>

## 10. Notes to Consolidated Statements of Cash Flows

Reconciliation between cash and deposits on the consolidated balance sheets and cash and cash equivalents at the fiscal year-end:	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Cash and deposits of the consolidated balance sheets	¥ 96,840	¥ 113,810	\$ 751,670
(Less) time deposits with maturities of more than three months	(973)	(696)	(4,602)
Cash and cash equivalents of the consolidated statements of cash flows	¥ 95,866	¥ 113,113	\$ 747,067

The information about assets acquired, liabilities assumed, acquisition cost and payment for purchase as of the date of consolidation regarding the Companies which newly became consolidated subsidiaries through acquisitions is as follows:

For the year ended March 31, 2023	Millions of yen			Millions of yen		Thousands of U.S. dollars	
	2023			2024		2024	
(PT Tatamulia Nusantara Indah)			(Usina Eolica Casqueira A Ltda.)				
Current assets	¥	21,752	Current assets	¥	—	\$	—
Noncurrent assets		6,029	Noncurrent assets		31		210
Goodwill		1,112	Contractual intangible assets		756		4,996
Current liabilities		(13,685)	Current liabilities		(11)		(73)
Noncurrent liabilities		(1,155)	Noncurrent liabilities		—		—
Non-controlling interests		(4,387)	Acquisition cost of shares	¥	777	\$	5,133
Acquisition cost of shares	¥	9,665	Previously held equity interest before obtaining control		(52)		(344)
Previously held equity interest before obtaining control		(3,863)	Cash and cash equivalents		—		—
Gain on step acquisitions		(1,908)	Payment for purchase	¥	725	\$	4,789
Additional acquisition cost of shares	¥	3,893					
Cash and cash equivalents		(2,975)					
Payment for purchase	¥	918					

The information about assets, liabilities, selling cost and payment for sales as of the date of sale regarding the Companies excluded from consolidated subsidiaries through sales is as follows:

For the year ended March 31, 2023  
None

For the year ended March 31, 2024	Millions of yen	Thousands of U.S. dollars
(Construtora Toda do Brasil S/A)	<b>2024</b>	<b>2024</b>
Current assets	¥ 1,102	\$ 7,278
Noncurrent assets	2	18
Current liabilities	(96)	(636)
Noncurrent liabilities	(991)	(6,548)
Foreign currency translation adjustments	1,405	9,279
Loss on sale of shares of subsidiaries and affiliates	(1,419)	(9,372)
Incidental costs of sales of shares	(2)	(18)
Selling cost of shares	¥ 0	\$ 0
Cash and cash equivalents	1,064	7,031
Incidental costs of sales of shares	2	18
Payment for sales	¥ 1,067	\$ 7,050

## 11. Lease Transactions

As of March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Future minimum lease payments under non-cancelable operating leases:			
Due within one year	¥ 1,152	¥ 1,142	\$ 7,546
Due after one year	2,577	2,002	13,223
Total	¥ 3,729	¥ 3,144	\$ 20,769
Future minimum lease income under non-cancelable operating leases:			
Due within one year	¥ 4,026	¥ 4,472	\$ 29,542
Due after one year	18,846	26,304	173,728
Total	¥ 22,872	¥ 30,777	\$ 203,271

## 12. Financial Instrument

### Fair value of financial instrument

As of March 31, 2023	Millions of yen		
	Book value	Fair value	Difference
1) Notes and accounts receivable - trade	¥ 282,828		
Allowance for doubtful accounts (Note 2)	(1,483)		
Subtotal	¥ 281,345	¥ 281,331	¥ (13)
2) Short-term investment securities, investment securities (Note 3)	172,195	172,158	(36)
3) Long-term loans receivable	795	821	25
Assets total	¥ 454,335	¥ 454,311	¥ (24)
1) Notes and accounts payable - trade	¥ 111,283	¥ 111,283	¥ —
2) Short-term loans payable	81,568	81,568	—
3) Current portion of bonds payable	5,050	5,049	(0)
4) Income taxes payable	6,329	6,329	—
5) Bonds payable	50,195	49,341	(853)
6) Long-term loans payable	74,724	74,028	(695)
Liabilities total	¥ 329,150	¥ 327,600	¥ (1,549)
Derivative transactions (Note 4)	¥ (91)	¥ (91)	¥ —

Note:1 "Cash and deposits" are not shown because these financial instruments are in cash or have a short maturity and these values approximate these book values.

2 Allowance for doubtful accounts individually accrued to accounts receivable from completed construction contracts are omitted.

3 Equity securities without market prices and investments in partnerships for which equity interests are recorded on a net basis are not included in "2) Short-term investment securities and investment securities".

These financial instruments recorded in the consolidated balance sheets are as follows:

As of March 31, 2023	Millions of yen
Equity securities without market prices	
Stocks of subsidiaries	¥ 55
Stocks of affiliated companies	631
Unlisted stocks	6,667
Investments in Limited Liability Company	305
Unlisted preferred equity securities	140
Others	9
Investments in partnerships for which equity interests are recorded on a net basis	
Investments in silent partnerships	¥ 1,674
Others	4,093

4 Net receivables/payables arising from derivatives are shown. Items that are net payables are shown in parenthesis.

As of March 31, 2024	Millions of yen			Thousands of U.S. dollars		
	Book value	Fair value	Difference	Book value	Fair value	Difference
1) Notes and accounts receivable - trade	¥ 222,602			\$ 1,470,196	\$ —	\$ —
Allowance for doubtful receivables (Note 2)	(952)			(6,290)	—	—
Subtotal	¥ 221,650	¥ 221,515	¥ (134)	1,463,906	1,463,015	(890)
2) Short-term investment securities, investment securities (Note 3)	194,475	194,344	(130)	1,284,427	1,283,564	(862)
3) Long-term loans receivable	6,549	6,523	(26)	43,256	43,082	(173)
Assets total	¥ 422,674	¥ 422,382	¥ (291)	\$ 2,791,589	\$ 2,789,663	\$ (1,926)
1) Notes and accounts payable - trade	¥ 97,140	¥ 97,140	¥ —	\$ 641,571	\$ 641,571	\$ —
2) Short-term loans payable	74,103	74,103	—	489,425	489,425	—
3) Current portion of bonds payable	30	30	0	198	198	0
4) Income taxes payable	7,695	7,695	—	50,824	50,824	—
5) Bonds payable	63,165	62,000	(1,164)	417,178	409,490	(7,687)
6) Long-term loans payable	89,272	87,870	(1,402)	589,607	580,346	(9,260)
Liabilities total	¥ 331,407	¥ 328,840	¥ (2,566)	\$ 2,188,805	\$ 2,171,857	\$ (16,948)
Derivative transactions (Note 4)	¥ 465	¥ 465	¥ —	\$ 3,074	\$ 3,074	\$ —

Note: 1 "Cash and deposits" are not shown because these financial instruments are in cash or have a short maturity and these values approximate these book values

2 Allowance for doubtful accounts individually accrued to accounts receivable from completed construction contracts are omitted.

3 Equity securities without market prices and investments in partnerships for which equity interests are recorded on a net basis are not included in "2) Short-term investment securities and investment securities".

These financial instruments recorded in the consolidated balance sheets are as follows:

As of March 31, 2024	Millions of yen	Thousands of U.S. dollars
Equity securities without market prices		
Stocks of subsidiaries	¥ 55	\$ 368
Stocks of affiliated companies	1,006	6,644
Unlisted stocks	6,508	42,987
Investments in Limited Liability Company	393	2,598
Others	9	64
Investments in partnerships for which equity interests are recorded on a net basis		
Investments in silent partnerships	¥ 1,844	\$ 12,183
Others	4,574	30,211

4 Net receivables/payables arising from derivatives are shown.

#### Fair value information of financial instruments by level of inputs

The fair values of financial instruments are categorized into the following three levels based on the observability and materiality of the inputs used to measure fair values.

Level 1 fair value: The fair values which are measured by using observable inputs that reflect the quoted market prices for identical assets or liabilities in active markets

Level 2 fair value: The fair values which are measured by using observable inputs that are not included in level 1

Level 3 fair value: The fair values which are measured by using unobservable inputs

If multiple inputs that have significant impact on measurement of fair values are used, the fair values are categorized in the lowest priority level in measurement of fair values among the levels to which these inputs belong.

#### 1) Financial assets and liabilities of which fair value is recognized in the consolidated balance sheets

As of March 31, 2023	Millions of yen				Total	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Fair value		Level 1	Level 2	Level 3	Fair value
Short-term investment securities, investment securities									
Other investment securities									
Stocks	¥ 153,491	¥ —	¥ —	¥ 153,491	\$ 1,162,747	\$ —	\$ —	\$ 1,162,747	
Bonds	—	697	—	697	—	4,606	—	4,606	
Others	—	12,868	—	12,868	—	87,813	—	87,813	
Assets total	¥ 153,491	¥ 13,566	¥ —	¥ 167,057					
Derivative Transactions									
Currency-related transactions	¥ —	¥ 91	¥ —	¥ 91	—	3,074	—	3,074	
Liabilities total	¥ —	¥ 91	¥ —	¥ 91					
As of March 31, 2024	Millions of yen				Total	Thousands of U.S. dollars			
	Level 1	Level 2	Level 3	Fair value		Level 1	Level 2	Level 3	Fair value
Short-term investment securities, investment securities									
Other investment securities									
Stocks	¥ 176,051	¥ —	¥ —	¥ 176,051	\$ 1,162,747	\$ —	\$ —	\$ 1,162,747	
Bonds	—	697	—	697	—	4,606	—	4,606	
Others	—	13,295	—	13,295	—	87,813	—	87,813	
Derivative Transactions									
Currency-related transactions	—	465	—	465	—	3,074	—	3,074	
Assets total	¥ 176,051	¥ 14,458	¥ —	¥ 190,510	\$ 1,162,747	\$ 95,494	\$ —	\$ 1,258,241	

## 2) Financial assets and liabilities of which fair value is not recognized in the consolidated balance sheets

As of March 31, 2023	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade	¥ —	¥ 281,331	¥ —	¥ 281,331
Short-term investment securities, investment securities				
Held-to-maturity debt securities				
Bonds	—	5,100	—	5,100
Long-term loans receivable	—	821	—	821
<b>Assets total</b>	<b>¥ —</b>	<b>¥ 287,253</b>	<b>¥ —</b>	<b>¥ 287,253</b>
Notes and accounts payable - trade	¥ —	¥ 111,283	¥ —	¥ 111,283
Short-term loans payable and Current portion of bonds payable	—	81,568	—	81,568
Income taxes payable	—	5,049	—	5,049
Bonds payable	—	6,329	—	6,329
Long-term loans payable	—	49,341	—	49,341
Liabilities total	¥ —	¥ 74,028	¥ —	¥ 74,028
	¥ —	¥ 327,600	¥ —	¥ 327,600

As of March 31, 2024	Millions of yen				Thousands of U.S. dollars			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Notes and accounts receivable - trade	¥ —	¥ 221,515	¥ —	¥ 221,515	\$ —	\$ 1,463,015	\$ —	\$ 1,463,015
Short-term investment securities, investment securities								
Held-to-maturity debt securities								
Bonds	—	4,299	—	4,299	—	28,397	—	28,397
Long-term loans receivable	—	6,523	—	6,523	—	43,082	—	43,082
<b>Assets total</b>	<b>¥ —</b>	<b>¥ 232,338</b>	<b>¥ —</b>	<b>¥ 232,338</b>	<b>\$ —</b>	<b>\$ 1,534,496</b>	<b>\$ —</b>	<b>\$ 1,534,496</b>
Notes and accounts payable - trade	¥ —	¥ 97,140	¥ —	¥ 97,140	\$ —	\$ 641,571	\$ —	\$ 641,571
Short-term loans payable	—	74,103	—	74,103	—	489,425	—	489,425
Current portion of bonds payable	—	30	—	30	—	198	—	198
Income taxes payable	—	7,695	—	7,695	—	50,824	—	50,824
Bonds payable	—	62,000	—	62,000	—	409,490	—	409,490
Long-term loans payable	—	87,870	—	87,870	—	580,346	—	580,346
Liabilities total	¥ —	¥ 328,840	¥ —	¥ 328,840	\$ —	\$ 2,171,857	\$ —	\$ 2,171,857

Note: Description of the valuation techniques and inputs used to measure fair value

### Assets

#### Notes and accounts receivable - trade

The fair values are based on the present value of discounted cash flows using the interest rate determined by the factors of the estimated collection terms, period to maturity and credit risks, with respect to each receivable categorized by collection terms. These financial instruments are classified as Level 2.

#### Short-term investment securities, investment securities

Listed stocks and Bonds are based on the prices of exchange and the prices presented by the dealing financial institutions. Listed stocks are classified as Level 1 because these financial instruments are traded in active markets.

Bonds held by some consolidated subsidiaries are classified as Level 2 because these financial instruments are not traded in the market frequently and are not recognized as quoted market prices in active markets.

Investment trusts are classified as Level 2 because these fair values are based on net asset value per unit or net asset method.

#### Long-term loans receivable

These financial instruments are categorized by collection terms and made into credit risk categories for credit management. The fair values of these are based on the present value of discounted cash flows at the Companies' assumed corporate discount rate by adding the credit spread to the appropriate indexes, such as the yield of government bonds. These financial instruments are classified as Level 2.

### Liabilities

#### Notes and accounts payable - trade, Short-term loans payable, Income taxes payable

These financial instruments are classified as Level 2 because these have a short maturity and these value approximates these book value.

#### Current portion of bonds payable and Bonds payable

The fair values of the Company's bonds payable are based on the market prices and classified as Level 2.

However, the fair values of some consolidated subsidiaries' bonds payable are classified as Level 2 because there is no market price. The fair values are based on the present value of discounted cash flows using the interest rate assumed for a similar new loan, with respect to the total amount of principal and interest.

#### Long-term loans payable

The fair values of these financial instruments with fixed interest rate are based on the present value of discounted cash flows using the interest rate assumed for a similar new loan, with respect to the total amount of principal and interest, and are classified as Level 2. The fair values of these financial instruments with floating interest rate and reflecting market interest rates within a short period of time are classified as Level 2 because these reflect market interest rates within a short period of time. The fair values of these financial instruments with floating interest rate and the other than above financial instruments are based on the present value using the same method as for fixed interest rates, and are classified as Level 2.

However, some long-term loans payable are subject to exceptional treatment of interest rate swaps. The fair values of these financial instruments are based on the present value of discounted cash flows using the interest rate assumed for a similar new loan, with respect to the total amount of principal and interest recorded in combination with interest rate swaps.

#### Derivative Transactions

The fair values of interest rate swaps to which the exceptional treatment is applied are included in the fair values of long-term loans payable because these financial instruments are accounted for as an integral part of long-term loans payable that are hedged (referred to "Liabilities" above).

The fair values of forward foreign exchange contracts are based on the prices presented by the dealing financial institutions, and classified as Level 2.

### 13. Marketable Securities and Investment Securities

#### Held-to-maturity debt securities:

As of March 31, 2023	Millions of yen		
	Book value	Fair value	Difference
Securities with a fair value that exceeds the book value	¥ 2,324	¥ 2,409	¥ 85
Securities with a fair value that does not exceed the book value	2,813	2,691	(122)
<b>Total</b>	<b>¥ 5,137</b>	<b>¥ 5,100</b>	<b>¥ (36)</b>

#### Available-for-sale securities with a fair value:

As of March 31, 2023	Millions of yen		
	Book value	Acquisition cost	Difference
Securities with a book value that exceeds the acquisition cost:			
Stocks	¥ 148,213	¥ 43,966	¥ 104,246
Bonds	207	200	7
Others	12,433	10,625	1,808
Subtotal	160,853	54,792	106,061
Securities with a book value that does not exceed the acquisition cost:			
Stocks	5,278	6,391	(1,113)
Bonds	490	500	(9)
Others	434	486	(51)
Subtotal	6,203	7,378	(1,174)
<b>Total</b>	<b>¥ 167,057</b>	<b>¥ 62,171</b>	<b>¥ 104,886</b>

For the fiscal year ended March 31, 2023	Millions of yen		
	Sales amount	Total gain on sales	Total loss on sales
Available-for-sale securities sold	¥11,676	¥ 8,083	44

Note: The Companies recognized losses on write-down of ¥285 million for securities (¥137 million for other than equity securities without market prices and ¥147 million for equity securities without market prices).

#### Held-to-maturity debt securities:

As of March 31, 2024	Millions of yen			Thousands of U.S. dollars		
	Book value	Fair value	Difference	Book value	Fair value	Difference
Securities with a fair value that exceeds the book value	¥ 2,119	¥ 2,178	¥ 58	\$ 13,998	\$ 14,384	\$ 386
Securities with a fair value that does not exceed the book value	2,310	2,121	(189)	15,261	14,012	(1,249)
<b>Total</b>	<b>¥ 4,430</b>	<b>¥ 4,299</b>	<b>¥ (130)</b>	<b>\$ 29,260</b>	<b>\$ 28,397</b>	<b>\$ (862)</b>

#### Available-for-sale securities with a fair value:

As of March 31, 2024	Millions of yen			Thousands of U.S. dollars		
	Book value	Acquisition cost	Difference	Book value	Acquisition cost	Difference
Securities with a book value that exceeds the acquisition cost:						
Stocks	¥ 175,153	¥ 43,267	¥ 131,885	\$ 1,156,814	\$ 285,763	\$ 871,050
Bonds	204	200	4	1,349	1,320	28
Others	12,757	10,772	1,985	84,260	71,150	13,110
Subtotal	188,115	54,240	133,875	1,242,424	358,234	884,189
Securities with a book value that does not exceed the acquisition cost:						
Stocks	898	1,009	(111)	5,932	6,670	(737)
Bonds	493	500	(6)	3,256	3,302	(45)
Others	537	561	(23)	3,553	3,705	(152)
Subtotal	1,929	2,070	(141)	12,742	13,677	(935)
<b>Total</b>	<b>¥ 190,044</b>	<b>¥ 56,311</b>	<b>¥ 133,733</b>	<b>\$ 1,255,167</b>	<b>\$ 371,912</b>	<b>\$ 883,254</b>

For the fiscal year ended March 31, 2024	Millions of yen			Thousands of U.S. dollars		
	Sales amount	Total gain on sales	Total loss on sales	Sales amount	Total gain on sales	Total loss on sales
Available-for-sale securities sold	17,084	¥ 10,258	¥ 21	\$ 112,838	\$ 67,752	\$ 138

Note: The Companies recognized losses on write-down of ¥97 million (US\$645 thousand) for securities (¥97 million (US\$645 thousand) for equity securities without market prices).

Write-down losses are recognized in each of following cases.

Case of other than equity securities without market prices

- Fair value of fiscal year end and quarter settlement day in a row decline more than 30% compared to book value in succession.
- Fair value declined more than 50% compared to book value.

Case of equity securities without market prices

- Net worth of equivalent of Equity declines more than 50% compared to acquisition cost.

### 14. Derivative Transactions

For the year ended March 31, 2023

Derivative transactions to which the hedge accounting method is not applied:

#### 1) Currency-related transactions

Measures	Millions of yen			
	Contract amount	more than 1 year	Estimated fair value	Loss (gain) on valuation
Non-market transactions				
Forward foreign exchange contracts				
Buy EUR	¥ 633	¥ —	¥ 84	¥ 84
Buy USD	¥ 324	¥ —	¥ 95	¥ 95
<b>Total</b>	<b>¥ 958</b>	<b>¥ —</b>	<b>¥ 179</b>	<b>¥ 179</b>



2) Interest-related transactions  
None

Derivative transactions to which the hedge accounting method is applied:

1) Currency-related transactions

Method of processing	Measures	Objects	Millions of yen		
			Contract amount	more than 1 year	Estimated fair value
Method in principle	Forward foreign exchange contracts				
	Buy EUR	Forecasted purchasing transaction	¥ 1,011	¥ 658	¥ 24
	Buy USD	Forecasted purchasing transaction	¥ 3,025	¥ 2,860	¥ (163)
	Buy CNY	Forecasted purchasing transaction	¥ 2,323	¥ 1,258	¥ (131)
<b>Total</b>			<b>¥ 6,361</b>	<b>¥ 4,777</b>	<b>¥ (270)</b>

2) Interest-related transactions

Method of processing	Measures	Objects	Millions of yen		
			Contract amount	more than 1 year	Estimated fair value
Exceptional treatment of interest rate swaps	Interest rate swaps Payment fixed, Receive floating	Long-term loans payable	¥ 5,720	¥ 4,360	*

(\*) The fair value of interest rate swaps that qualify for special treatment is included in long-term loans payable.

For the year ended March 31, 2024

Derivative transactions to which the hedge accounting method is not applied:

1) Currency-related transactions

None

2) Interest-related transactions

None

Derivative transactions to which the hedge accounting method is applied:

1) Currency-related transactions

Method of processing	Measures	Objects	Millions of yen			Thousands of U.S. dollars		
			Contract amount	more than 1 year	Estimated fair value	Contract amount	more than 1 year	Estimated fair value
Method in principle	Forward foreign exchange contracts							
	Buy EUR	Forecasted purchasing transaction	¥ 658	¥ 658	¥ 100	\$ 4,349	\$ 4,349	\$ 660
	Buy USD	Forecasted purchasing transaction	¥ 3,654	¥ 3,115	¥ 329	\$ 24,135	\$ 20,574	\$ 2,176
	Buy CNY	Forecasted purchasing transaction	¥ 1,241	¥ 1,175	¥ 35	\$ 8,200	\$ 7,764	\$ 237
<b>Total</b>			<b>¥ 5,554</b>	<b>¥ 4,949</b>	<b>¥ 465</b>	<b>\$ 36,684</b>	<b>\$ 32,688</b>	<b>\$ 3,074</b>

2) Interest-related transactions

Method of processing	Measures	Objects	Millions of yen			Thousands of U.S. dollars		
			Contract amount	more than 1 year	Estimated fair value	Contract amount	more than 1 year	Estimated fair value
Exceptional treatment of interest rate swaps	Interest rate swaps Payment fixed, Receive floating	Long-term loans payable	¥ 4,360	¥ 4,000	*	\$ 28,795	\$ 26,418	*

(\*) The fair value of interest rate swaps that qualify for special treatment is included in long-term loans payable.

## 15. Retirement Benefits

The Company has a defined benefit plan that consists of a defined benefit pension plan and a lump-sum benefit plan and has also a corporate defined contribution pension plan since April 2020.

Some of the consolidated subsidiaries have a defined benefit pension plan or a defined contribution pension plan. In addition, the other consolidated subsidiaries have lump-sum benefit plans based on the simplified method.

The schedule of the defined benefit obligation

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Balance at the beginning of the fiscal year	¥ 43,588	¥ 44,785	\$ 295,788
Service cost	2,245	2,237	14,775
Interest cost	111	151	998
Actuarial gain and loss	48	(5,364)	(35,429)
Benefit paid	(2,088)	(1,371)	(9,057)
Prior service costs	(39)	1,052	6,950
Other	919	77	509
<b>Balance at the end of the fiscal year</b>	<b>¥ 44,785</b>	<b>¥ 41,567</b>	<b>\$ 274,536</b>

The schedule of the pension assets

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Balance at the beginning of the fiscal year	¥ 23,867	¥ 23,806	\$ 157,233
Expected return on pension assets	276	252	1,665
Actuarial gain and loss	(302)	738	4,878
Contributions by the employer	916	1,086	7,175
Benefit paid	(991)	(771)	(5,097)
Other	39	3	23
<b>Balance at the end of the fiscal year</b>	<b>¥ 23,806</b>	<b>¥ 25,115</b>	<b>\$ 165,879</b>

The reconciliation of the defined benefit obligations and pension assets to the liabilities and assets on retirement benefits recognized in the consolidated balance sheets	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Retirement benefit obligation of funded plan	¥ 22,746	¥ 20,896	\$ 138,011
Pension assets	(23,806)	(25,115)	(165,879)
	(1,060)	(4,219)	(27,867)
Retirement benefit obligation of unfunded plan	22,038	20,671	136,524
Net amount of liabilities and assets recognized in consolidated balance sheets	20,978	16,451	108,656
Net defined benefit liability	22,932	22,000	145,304
Net defined benefit asset	(1,953)	(5,548)	(36,647)
Net amount of liabilities and assets recognized in consolidated balance sheets	¥ 20,978	¥ 16,451	\$ 108,656

The breakdown of items in retirement benefit costs	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Service cost	¥ 2,245	¥ 2,237	\$ 14,775
Interest cost	111	151	998
Expected return on pension assets	(276)	(277)	(1,832)
Amortization of actuarial differences	116	197	1,305
Amortization of prior service costs	(39)	161	1,069
other	(28)	—	—
Retirement benefit costs	¥ 2,128	¥ 2,470	\$ 16,317

Remeasurements of defined benefit plans	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Prior service costs	¥ —	¥ (890)	\$ (5,880)
Actuarial gain and loss	(222)	6,292	41,556
Total	¥ (222)	¥ 5,401	\$ 35,675

Unrecognized remeasurements of defined benefit plans	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Unrecognized prior service costs	¥ —	¥ 890	\$ 5,880
Unrecognized actuarial (gain) loss	472	(5,819)	(38,437)
Total	¥ 472	¥ (4,929)	\$ (32,557)

The breakdown of pension assets by major category	2023	2024
	Bonds	25%
Equities	8%	14%
General account	59%	57%
other	8%	8%
Total	100%	100%

The items of actuarial assumptions	2023	2024
	Discount rate	0.2%
Expected long-term return on pension assets	1.2%	1.2%
Expected rate of salary raise	5.6%	5.5%

Required amount of contribution to the corporate defined contribution pension plan	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
	¥ 494	¥ 525	\$ 3,470

## 16. Deferred Tax Accounting

The tax effects of temporary differences which gave rise to deferred tax assets and liabilities at March 31, 2023 and 2024 are as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Deferred tax assets:			
Real estate for sale	¥ 171	¥ 120	\$ 795
Property, plant and equipment	5,042	6,771	44,720
Investment securities	264	261	1,724
Allowance for doubtful receivables	533	435	2,876
Provision for bonuses	1,597	1,951	12,886
Provision for loss on construction contracts	2,898	1,246	8,231
Net defined benefit liability	6,775	6,486	42,842
Tax loss carryforwards	1,638	820	5,419
Other	5,328	5,020	33,158
Subtotal	24,250	23,113	152,655
Less: valuation allowance	(7,739)	(7,840)	(51,784)
Deferred tax assets	¥ 16,511	¥ 15,272	\$ 100,871
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	(32,035)	(40,932)	(270,342)
Net defined benefit asset	(598)	(1,698)	(11,220)
Other	(2,199)	(3,323)	(21,948)
Deferred tax liabilities	(34,834)	(45,954)	(303,511)
Net deferred tax assets (liabilities)	¥ (18,323)	¥ (30,681)	\$ (202,639)

In addition to the above, the Companies recognized deferred tax liabilities of ¥6,069 million and ¥5,831 million (US\$38,514 thousand) related to revaluation reserve for land at March 31, 2023 and 2024, respectively.

Reconciliation between the statutory tax rate and the effective tax rate	2023	2024
Statutory tax rate	30.6%	30.6%
Expenses not deductible for income tax purposes	2.6%	2.1%
Non-taxable income	(1.3)%	(0.8)%
Inhabitant taxes (per capita levy)	1.1%	0.7%
Valuation allowance	7.2%	5.2%
Tax credit	(1.4)%	(1.0)%
Other	(1.4)%	3.7%
Effective tax rate	37.4%	40.5%

## 17. Business Combinations

(Third-tier subsidiaries through stock acquisition)

TODA Energia 2 Ltda., the Company's second-tier subsidiary in the Federal Republic of Brazil, signed the share transfer agreement and acquired the two companies that held development interests of onshore wind power generation business. Therefore, the two companies are the Company's third-tier subsidiaries. In addition, TODA Energia 2 Ltda. has been continuously increasing capital in the two companies. If their capital increase is completed, the capital of the two companies will each correspond to more than 10/100 of the amount of capital of the Company, thus making them specified subsidiaries.

### 1) Outline of the Business Combination

#### ① Name and business of the acquired companies

Name: Usina Eolica Casqueira A Ltda., Usina Eolica Casqueira B Ltda.

Business: Onshore wind power generation business

#### ② Principal reason for business combination

As one of the priority management businesses, the Companies have been developing the environment and energy business, and established TODA Investimentos do Brasil Ltda., a consolidated subsidiary in the Federal Republic of Brazil, in fiscal year 2019 to develop onshore wind power generation business. As a second project, the Companies established TODA Energia 2 Ltda., a subsidiary of TODA Investimentos do Brasil Ltda., in fiscal year 2022 to expand our new onshore wind power generation business. The Companies have now decided to acquire the two companies that hold development interests to change the business development to a favorable location and conditions.

#### ③ Date of the business combination

December 11, 2023 (Date of contract for share transfer)

December 31, 2023 (Deemed date of acquisition)

#### ④ Legal form of business combination

Acquisition of stock for cash

#### ⑤ Name after the business combination

There is no change

#### ⑥ Ratio of voting rights acquired

100%

#### ⑦ Principal basis for determination of the acquiring companies

TODA Energia 2 Ltda., the Company's second-tier subsidiary, acquired the stock for cash.

### 2) Period of the operating results of the acquired company included in the accompanying consolidated financial statements

The operating results of the acquired business are not included in the accompanying consolidated financial statements. This is because the deemed acquisition date is December 31, 2023 and only the balance sheet as of that date was consolidated. In addition, Usina Eolica Casqueira A Ltda. and Usina Eolica Casqueira B Ltda. close their fiscal year on December 31 each year, thus this is 3 months different from the consolidated fiscal year-end (March 31).

### 3) Acquisition cost of the acquired company and details of the type of consideration

Consideration for acquisition	Cash*	Usina Eolica Casqueira A Ltda.	¥777 million (US\$5,133 thousand)
		Usina Eolica Casqueira B Ltda.	¥777 million (US\$5,133 thousand)
Acquisition cost			¥1,554 million (US\$10,267 thousand)

(\* The above amount includes accounts payable - other.

### 4) Major acquisition-related costs and nature

Due diligence costs, etc. ¥2 million (US\$14 thousand)

### 5) Amount of goodwill generated, reason for generation of goodwill, method of amortization and amortization period

None

### 6) Amount of assets acquired and liabilities assumed as of the date of business combination and major breakdown

Usina Eolica Casqueira A Ltda.	Millions of yen	Thousands of U.S. dollars	Usina Eolica Casqueira B Ltda.	Millions of yen	Thousands of U.S. dollars
Current assets	¥0	\$0	Current assets	¥—	\$—
Noncurrent assets	32	211	Noncurrent assets	31	210
Total assets	¥32	211	Total assets	¥31	\$210
Current liabilities	¥11	\$74	Current liabilities	¥11	\$73
Noncurrent liabilities	—	—	Noncurrent liabilities	—	—
Total liabilities	¥11	\$74	Total liabilities	¥11	\$73

### 7) Amount of identifiable intangible assets other than goodwill, its details and amortization period

	Amount	Item	Amortization period
Usina Eolica Casqueira A Ltda.	¥756 million (US\$4,996 thousand)	Contractual intangible assets*	30 years
Usina Eolica Casqueira B Ltda.	¥756 million (US\$4,996 thousand)	Contractual intangible assets*	30 years

(\* The above assets includes development interests.

### 8) Estimated amount of the effect on the consolidated statement of income for the current fiscal year assuming that the business combination was completed at the beginning of the fiscal year, and the calculation method

Since the estimated amount of the effect on the consolidated statement of income for the current fiscal year is immaterial, details are omitted. However, the note has not been audited.

## 18. Asset Retirement Obligations

The asset retirement obligations in the consolidated balance sheets

The Companies chose not to describe the detail in the report due to its immateriality.

## 19. Investment and Rental Properties

As of March 31, 2023	Millions of yen		Thousands of U.S. dollars	
	Book Value	Fair Value	Book Value	Fair Value
Real estate for rent	¥ 124,483	¥ 236,154		

  

As of March 31, 2024	Millions of yen		Thousands of U.S. dollars	
	Book Value	Fair Value	Book Value	Fair Value
Real estate for rent	¥125,215	¥ 207,518	\$ 826,996	\$ 1,370,574

## 20. Revenue Recognition

From the consolidated fiscal year ended March 31, 2024, the Companies change the reportable segments and the actual figures for the consolidated fiscal year ended March 31, 2023 are restated to reflect the changes in reportable segments.

### 1) Disaggregation of revenue from contracts with customers

For the year ended March 31, 2023	Millions of yen						Total
	Reporting segments						
	Building Construction	Civil Engineering	Domestic Investment Development	Domestic Group Companies	Overseas Group Companies	Environment and Energy	
Goods or services transferred over time	¥ 300,263	¥ 124,247	¥ —	¥ 18,247	¥ 34,600	¥ —	¥ 477,357
Goods or services transferred at a point in time	20,335	1,676	14,369	23,378	643	1,527	61,930
Revenue from contracts with customers	320,598	125,923	14,369	41,626	35,243	1,527	539,288
Other revenue	24	—	4,361	871	2,594	14	7,866
Sales on third parties	¥ 320,623	¥ 125,923	¥ 18,731	¥ 42,498	¥ 37,837	¥ 1,541	¥ 547,155

For the year ended March 31, 2024	Millions of yen						Total
	Reporting segments						
	Building Construction	Civil Engineering	Domestic Investment Development	Domestic Group Companies	Overseas Group Companies	Environment and Energy	
Goods or services transferred over time	¥ 266,631	¥ 110,833	¥ —	¥ 27,304	¥ 45,128	¥ —	¥ 449,898
Goods or services transferred at a point in time	21,308	1,678	17,219	21,252	658	1,348	63,465
Revenue from contracts with customers	287,939	112,511	17,219	48,557	45,787	1,348	513,364
Other revenue	14	—	5,202	967	2,885	—	9,070
Sales on third parties	¥ 287,954	¥ 112,511	¥ 22,421	¥ 49,524	¥ 48,673	¥ 1,348	¥ 522,434

For the year ended March 31, 2024	Thousands of U.S. dollars						Total
	Reporting segments						
	Building Construction	Civil Engineering	Domestic Investment Development	Domestic Group Companies	Overseas Group Companies	Environment and Energy	
Goods or services transferred over time	\$ 1,760,989	\$ 732,009	\$ —	\$ 180,334	\$ 298,058	\$ —	\$ 2,971,392
Goods or services transferred at a point in time	140,733	11,084	113,727	140,364	4,351	8,903	419,165
Revenue from contracts with customers	1,901,723	743,093	113,727	320,699	302,409	8,903	3,390,557
Other revenue	98	—	34,359	6,390	19,057	—	59,906
Sales on third parties	\$ 1,901,822	\$ 743,093	\$ 148,087	\$ 327,089	\$ 321,467	\$ 8,903	\$ 3,450,463

### 2) Information as a basis to understand revenue from contracts with customers

Information as a basis to understand revenue from contracts with customers is described in the consolidated financial statements "Notes (2. Summary of Significant Accounting Policies, 8) Recognition of net sales from construction contracts and related costs)".

### 3) Information related to the relationship between the satisfaction of performance obligations based on contracts with customers and the cash flows resulting from such contracts, and the amounts and timing of revenue expected to be recognized in or after the next consolidated fiscal year from contracts with customers that existed at the current consolidated fiscal year-end

#### (a) Balances, etc. of contract assets and contract liabilities

	Millions of yen		Millions of yen		Thousands of U.S. dollars
	Balance as of April 1, 2022	Balance as of March 31, 2023	Balance as of April 1, 2023	Balance as of March 31, 2024	Balance as of March 31, 2024
Receivables from contracts with customers	71,821	106,156	¥ 106,156	¥ 74,932	\$ 494,897
Contract assets	136,657	176,190	176,190	141,500	934,549
Contract liabilities	28,369	33,408	33,408	37,985	250,877

Contract assets are rights of the Companies to the unbilled consideration for performance obligations satisfied or partially satisfied as of closing date, with respect to performance obligations related to the construction, etc. of buildings or structures, etc. based on construction contracts. Contract assets are transferred to receivables from contracts with customers when the rights of the Companies to the consideration become unconditional upon invoicing or delivery. In addition, there is no clear link between the timing of satisfaction of performance obligations and the timing of receipt of the consideration for transaction because payment terms for construction contracts vary.

Contract liabilities consist primarily of advances received from customers based on payment terms stipulated for individual construction contracts, with respect to construction contracts for which revenue is recognized over time. In addition, contract liabilities are reversed upon recognition of revenue.

The amounts of contract liabilities recognized as revenue of the balance of contract liabilities at the beginning are ¥24,659 million and ¥29,009 million (US\$191,595 thousand) for 2023 and 2024, respectively. Furthermore, the amounts of revenue recognized in the current consolidated fiscal year for performance obligations that were satisfied or partially satisfied in the past consolidated fiscal years is not material, nor is it material in the past consolidated fiscal year.

(b) Transaction price allocated to the remaining performance obligations

The total transaction price allocated to unsatisfied or partially unsatisfied performance obligations is ¥821,404 million and ¥934,329 million (US\$6,170,854 thousand) in the Companies on March 31, 2023 and 2024, respectively.

The remaining performance obligations are related to construction, etc. of buildings or structures, etc. in "Building Construction" and "Civil Engineering", etc., sales of real estate in "Domestic Investment Development" and "Overseas Group Companies", and building management services in "Domestic Group Companies".

In the past consolidated fiscal year, building management services were expected to be recognized as revenue within 1 year, construction, etc. of buildings or structures, etc. was expected to be recognized as revenue within approximately 4 years, and sales of real estate were expected to be recognized as revenue within 5 years. In the current consolidated fiscal year, building management services are expected to be recognized as revenue within 1 year, construction, etc. of buildings or structures, etc. is expected to be recognized as revenue within approximately 5 years, and sales of real estate are expected to be recognized as revenue within 4 years.

## 21. Segment Information

### Changes in Reportable Segments

From the consolidated fiscal year ended March 31, 2024, the Companies change the reportable segments to match the segment categories reorganized due to changes in the organizational structure to promote the priority management businesses specified in the "Medium-Term Management Plan 2024 - Rolling Plan" and the segment categories in the monthly report materials of the Board of Directors. In addition, from the consolidated fiscal year ended March 31, 2024, the Companies change the method of allocating administrative department costs, etc. to more appropriately evaluate the performance of reportable segments.

Accordingly, the actual figures for the consolidated fiscal year ended March 31, 2023 are restated to reflect the changes in reportable segments and in the method of allocating administrative department costs, etc.

For the year ended March 31, 2023	Millions of yen							Total	Adjustments	Consolidated
	Reporting segments									
	Building Construction	Civil Engineering	Domestic Investment Development	Domestic Group Companies	Overseas Group Companies	Environment and Energy				
Net sales:										
Customers	¥ 320,623	¥ 125,923	¥ 18,731	¥ 42,498	¥ 37,837	¥ 1,541	¥ 547,155	¥ —	¥ 547,155	
Inter-segment	11,783	15,688	770	9,880	133	—	38,257	(38,257)	—	
Total	332,406	141,611	19,502	52,378	37,971	1,541	585,412	(38,257)	547,155	
Segment profit (loss)	¥ (1,487)	¥ 11,067	¥ 3,305	¥ 1,982	¥ 1,923	¥ 48	¥ 16,839	¥ (2,704)	¥ 14,135	
Depreciation and amortization	¥ 2,072	¥ 891	¥ 1,427	¥ 287	¥ 907	¥ 711	¥ 6,296	¥ —	¥ 6,296	
Amortization of goodwill	¥ —	¥ —	¥ 69	¥ 70	¥ 168	¥ 32	¥ 340	¥ —	¥ 340	
Impairment loss on fixed assets	¥ 46	¥ —	¥ —	¥ —	¥ —	¥ 10,298	¥ 10,345	¥ —	¥ 10,345	

For the year ended March 31, 2024	Millions of yen							Total	Adjustments	Consolidated
	Reporting segments									
	Building Construction	Civil Engineering	Domestic Investment Development	Domestic Group Companies	Overseas Group Companies	Environment and Energy				
Net sales:										
Customers	¥ 287,954	¥ 112,511	¥ 22,421	¥ 49,524	¥ 48,673	¥ 1,348	¥ 522,434	¥ —	¥ 522,434	
Inter-segment	37,585	7,444	860	4,226	185	26	50,327	(50,327)	—	
Total	325,540	119,956	23,282	53,750	48,858	1,374	572,762	(50,327)	522,434	
Segment profit (loss)	¥ 6,517	¥ 7,515	¥ 3,943	¥ 1,927	¥ 1,481	¥ (445)	¥ 20,940	¥ (3,032)	¥ 17,908	
Depreciation and amortization	¥ 2,005	¥ 813	¥ 1,718	¥ 411	¥ 1,244	¥ 688	¥ 6,881	¥ —	¥ 6,881	
Amortization of goodwill	¥ —	¥ —	¥ 69	¥ 126	¥ 356	¥ 35	¥ 587	¥ —	¥ 587	
Impairment loss on fixed assets	¥ —	¥ —	¥ —	¥ 216	¥ —	¥ 4,545	¥ 4,762	¥ 422	¥ 5,185	

For the year ended March 31, 2024	Millions of yen							Total	Adjustments	Consolidated
	Reporting segments									
	Building Construction	Civil Engineering	Domestic Investment Development	Domestic Group Companies	Overseas Group Companies	Environment and Energy				
Net sales:										
Customers	\$ 1,901,822	\$ 743,093	\$ 148,087	\$ 327,089	\$ 321,467	\$ 8,903	\$ 3,450,463	\$ —	\$ 3,450,463	
Inter-segment	248,235	49,165	5,685	27,912	1,223	171	332,394	(332,394)	—	
Total	2,150,057	792,259	153,773	355,001	322,690	9,075	3,782,858	(332,394)	3,450,463	
Segment profit (loss)	\$ 43,048	\$ 49,638	\$ 26,047	\$ 12,731	\$ 9,783	\$ (2,943)	\$ 138,306	\$ (20,029)	\$ 118,276	
Depreciation and amortization	\$ 13,242	\$ 5,374	\$ 11,350	\$ 2,714	\$ 8,219	\$ 4,549	\$ 45,450	\$ —	\$ 45,450	
Amortization of goodwill	\$ —	\$ —	\$ 457	\$ 838	\$ 2,352	\$ 234	\$ 3,883	\$ —	\$ 3,883	
Impairment loss on fixed assets	\$ —	\$ —	\$ —	\$ 1,430	\$ —	\$ 30,024	\$ 31,455	\$ 2,792	\$ 34,247	

Note: 1 Adjustments of segment profit (loss) is negative ¥2,704 million and negative ¥3,032 million (US\$20,029 thousand) elimination of inter-segment transactions.

2 Segment profit (loss) is adjusted in accordance with operating income as recorded in the consolidated statements of income.

3 Impairment loss on fixed assets that don't belong to the reporting segments are ¥422 million (US\$2,792 thousand) and are described in the adjustments.

The Companies operate in the following 6 reporting segments:

Building Construction .....	Contracting of building construction work and related business conducted by the Company
Civil Engineering .....	Contracting of civil engineering work and related business conducted by the Company
Domestic Investment Development .....	Domestically real estate development, sale and rent by Company
Domestic Group Companies .....	Business conducted by domestic consolidated subsidiaries (building construction business, civil engineering business, real estate business mainly for building management, hotel business, worker dispatching business mainly for the Companies, and finance and leasing business)
Overseas Group Companies .....	Business conducted by Overseas consolidated subsidiaries (construction work and related business overseas, and business related to real estate development, sale and rent)
Environment and Energy.....	Business related to power generation and electricity sales conducted by the Companies

## 22. Related Party Transactions

### Non-consolidated subsidiaries and affiliated companies

For the year ended March 31, 2023

Category	Related Party	Address	Capital or Investment (Millions of Yen)	Type of Business	Percentage of voting rights held (Held by others)	Relationship	Nature of Transaction	Amounts of Transaction (Millions of Yen)	Account	Balance at the end of the year (Millions of Yen)
Affiliated companies	Yokohama Shinko Partners Co., Ltd.	Yokohama City, Kanagawa Pref	50	Facility development, maintenance and management operation, Welfare service operation business, etc.	Direct: 39%	Order acknowledgement of constructions, Loans	Order acknowledgement of constructions	13,184	Accounts receivable from completed construction contracts	16,416
							Loans	—	Accounts receivable - other	57
							Interest income	2	Long-term loans receivable	400

Note: 1 Order acknowledgement of constructions is determined in the same method as for general transactions after price negotiation.

2 Transaction conditions are determined reasonably, taking market interest rates into consideration.

For the year ended March 31, 2024

None

### Directors and principal shareholders (only individual shareholders), etc., of the Company

For the year ended March 31, 2023

Category	Related Party	Address	Capital or Investment (Millions of Yen)	Type of Business	Percentage of voting rights held (Held by others)	Relationship	Nature of Transaction	Amounts of Transaction (Millions of Yen)	Account	Balance at the end of the year (Millions of Yen)
Officer (equivalent to officer)	Morimichi Toda	—	—	Executive officer vice president (Former director)	Direct: 1.36% (Note 1)	—	Share exchanges	893	—	—

Note: 1 This describes percentage of held by others.

2 The purpose of the share exchanges is to make Toda Bldg. Partners Co., Ltd. and Toda Road Co., Ltd. of the Company's consolidated subsidiary wholly owned subsidiaries. The share value for determining share exchanges ratio and transaction amounts is calculated using Market Price Method for the Company, Toda Bldg. Partners Co., Ltd. and Toda Road Co., Ltd. are calculated using Discounted Cash Flow method by YAMADA Consulting Group Co., Ltd. that is an independent third party.

For the year ended March 31, 2024

None

## 23. Special Purpose Entities Subject to Disclosure

- 1) Overview of special purpose entities subject to disclosure and of transactions using special purpose entities subject to disclosure  
For the diversification of funding sources, the Companies promoted liquidation of real estate. In the liquidation, the Companies transferred the real estate to the special purpose entity (meaning a special purpose entity based on Act on the Securitization of Assets (Act No. 105 of 1998)) and received funds that the special purpose entity obtained through loans backed by the transferred real estate as proceeds of the sales. In addition, the Companies held unlisted preferred equity securities in the special purpose entity.  
However, the special purpose entity was liquidated during the current consolidated fiscal year, and unlisted preferred equity securities have been fully recovered.

For the years ended March 31	2023	2024
Number of special purpose entities	1 company	— company
Total assets as of the latest fiscal year-end	¥2,802 million	¥— million (US\$— thousand)
Total liabilities as of the latest fiscal year-end	¥157 million	¥— million (US\$— thousand)

- 2) Amount of transactions, etc. with special purpose entities subject to disclosure

For the year ended March 31, 2023

	Amount of main transactions or balance at the end of the consolidated fiscal year	Main profit and loss	
		Item	Amount
Unlisted preferred equity securities	¥140 million	Dividend	¥2,505 million

For the year ended March 31, 2024

None

## 24. Per Share Information

As of March 31	Yen		U.S. dollars
	2023	2024	2024
Net assets per share of common stock	¥ 1,023.64	¥ 1,144.64	\$ 7.559
Profit for the year per share of common stock	35.64	52.19	0.344
	Millions of yen		Thousands of U.S. dollars
For the years ended March 31	2023	2024	2024
Basis for calculation of net assets per share:			
Total net assets	¥ 323,261	¥ 355,524	\$ 2,348,089
Amount attributable to items other than common stock	6,007	7,004	46,264
Net assets attributable to common stock	¥ 317,254	¥ 348,519	\$ 2,301,825
Number of shares of common stock outstanding at fiscal year-end	309,926,300 shares	304,480,490 shares	
Basis for calculation of profit for the year per share:			
Profit for the year attributable to owners of the parent	¥ 10,995	¥ 16,101	\$ 106,345
Profit for the year attributable to owners of the parent attributable to common stock	¥ 10,995	¥ 16,101	\$ 106,345
Average number of shares of common stock outstanding during the fiscal year	308,484,939 shares	308,524,954 shares	

## 25. Significant Subsequent Events

(Second-tier subsidiary through stock acquisition)

Toda Asia Pacific Pte. Ltd., the Company's subsidiary in the Republic of Singapore, acquired the shares on May 15, 2024 based on the share subscription agreement, Coherent Hotel Ltd., a hotel company, has become a subsidiary (a second-tier subsidiary of the Company). As a result of this transaction, the capital of Coherent Hotel Ltd. corresponded to more than 10/100 of the amount of capital of the Company, thus making it a specified subsidiary.

### 1) Outline of the business combination

#### ① Name and business of the acquired company

Name: Coherent Hotel Ltd.

Business: Hotel

#### ② Principal reason for business combination

As one of the priority management businesses, the Companies have been developing the overseas business, and have positioned the Asia and Oceania region as a cornerstone of its business. The Companies aim to secure a stable revenue base in the region by expanding our business in New Zealand, a developed country that is expected to continue to grow in the future.

#### ③ Date of the business combination

May 15, 2024

#### ④ Legal form of business combination

Acquisition of stock for cash

#### ⑤ Name after the business combination

There is no change

#### ⑥ Ratio of voting rights acquired

51.00%

### 2) Acquisition cost of the acquired company and details of the type of consideration

Consideration for acquisition	Cash	NZ\$60 million (approx. ¥5,496 million) (US\$36,299 thousand)
Acquisition cost		NZ\$60 million (approx. ¥5,496 million) (US\$36,299 thousand)

Note: The conversion to Japanese yen is based on 1NZD = ¥90.5 (as of the end of March 2024).

### 3) Major acquisition-related costs and nature

Not confirmed at this time

### 4) Amount of goodwill generated, reason for generation of goodwill, method of amortization and amortization period

Not confirmed at this time

### 5) Amount of assets acquired and liabilities assumed as of the date of business combination and major breakdown

Not confirmed at this time

(Acquisition of treasury stock)

At the Board of Directors held on May 15, 2024, the Company has resolved the matters related to acquisition of its treasury stock in accordance with Article 156 of the Companies Act, applicable pursuant to Article 165, paragraph 3 of said Act.

### 1) Reason of acquisition of treasury stock

To enhance shareholder returns and implement flexible capital policy

### 2) Details relating to the acquisition

① Type of stock to be acquired: The Company's common stock

② Number of stocks to be acquired: 7,000,000 shares (upper limit) (2.3% of total number of shares issued excluding treasury stock)

③ Total amount of acquisition: ¥5,000 million (US\$33,022 thousand) (upper limit)

④ Acquisition period: May 16, 2024 to December 31, 2024

⑤ Acquisition method: Market purchase on the Tokyo Stock Exchange

# Non-consolidated Balance Sheets

Toda Corporation - As of March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and deposits	¥62,310	<b>¥77,809</b>	\$ 513,897
Notes receivable - trade	118	<b>2,628</b>	17,358
Electronically recorded monetary claims - operating	1,030	<b>1,735</b>	11,459
Accounts receivable from completed construction contracts	252,077	<b>186,056</b>	1,228,827
Real estate for sale (Notes 5.5))	8,295	<b>28,438</b>	187,827
Costs on uncompleted construction contracts	13,457	<b>19,041</b>	125,759
Costs on real estate business (Notes 5.5))	1,525	<b>10,242</b>	67,650
Raw materials and supplies	861	<b>1,031</b>	6,813
Accounts receivable - other	1,878	<b>2,063</b>	13,630
Advanced paid	17,690	<b>17,753</b>	117,255
Other	2,284	<b>4,308</b>	28,453
Allowance for doubtful accounts	(1,508)	<b>(1,144)</b>	(7,559)
Total current assets	360,022	<b>349,964</b>	2,311,371
<b>Noncurrent assets:</b>			
Property, plant and equipment			
Buildings	60,011	<b>46,361</b>	306,198
Accumulated depreciation	(18,163)	<b>(15,859)</b>	(104,743)
Buildings, net (Notes 5.1) and 5))	41,847	<b>30,502</b>	201,454
Structures	2,442	<b>2,578</b>	17,027
Accumulated depreciation	(957)	<b>(1,003)</b>	(6,630)
Structures, net (Notes 5.1) and 5))	1,485	<b>1,574</b>	10,397
Machinery and equipment	7,234	<b>6,314</b>	41,702
Accumulated depreciation	(5,438)	<b>(4,885)</b>	(32,269)
Machinery and equipment, net	1,795	<b>1,428</b>	9,432
Vehicles	89	<b>74</b>	490
Accumulated depreciation	(73)	<b>(68)</b>	(453)
Vehicles, net	16	<b>5</b>	36
Tools, furniture and fixtures	2,071	<b>2,097</b>	13,855
Accumulated depreciation	(1,733)	<b>(1,740)</b>	(11,495)
Tools, furniture and fixtures, net (Notes 5.1))	337	<b>357</b>	2,360
Land (Notes 5.1) and 5))	76,030	<b>68,751</b>	454,076
Lease assets	146	<b>259</b>	1,712
Accumulated depreciation	(44)	<b>(64)</b>	(423)
Lease assets, net	101	<b>195</b>	1,289
Construction in progress (Notes 5.1) and 5))	19,359	<b>46,826</b>	309,266
Total property, plant and equipment	140,974	<b>149,640</b>	988,313
Intangible assets			
Leasehold right	5,123	<b>5,123</b>	33,841
Software (Notes 5.1))	4,309	<b>3,747</b>	24,752
Goodwill	311	<b>242</b>	1,601
Other	387	<b>558</b>	3,689
Total intangible assets	10,132	<b>9,672</b>	63,885



	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Investments and other assets:			
Investment securities (Notes 5.2))	175,786	<b>199,297</b>	1,316,277
Stocks of subsidiaries and affiliates (Notes 5.2) and 7)	39,583	<b>45,990</b>	303,751
Investments in other securities of subsidiaries and affiliates (Notes 7)	1,228	<b>1,025</b>	6,771
Investments in capital	3	<b>2</b>	14
Long-term loans receivable	103	<b>103</b>	682
Long-term loans receivable from employees	1	<b>1</b>	6
Long-term loans receivable from subsidiaries and affiliates (Notes 5.2))	11,742	<b>24,019</b>	158,637
Long-term prepaid expenses	159	<b>1,048</b>	6,924
Long-term non-operating accounts receivable	3	<b>20</b>	137
Prepaid pension cost	2,138	<b>2,361</b>	15,593
Other	2,953	<b>3,056</b>	20,187
Allowance for doubtful accounts	(143)	<b>(218)</b>	(1,445)
Total investments and other assets	233,561	<b>276,707</b>	1,827,540
 Total noncurrent assets	 384,667	 <b>436,021</b>	 2,879,739
<b>Total assets</b>	<b>¥744,689</b>	<b>¥785,986</b>	<b>\$ 5,191,111</b>

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Notes payable - trade	¥ 2,016	¥ 847	\$ 5,600
Electronically recorded obligations - operating	24,559	25,994	171,684
Accounts payable for construction contracts	68,796	54,655	360,975
Short-term loans payable	77,001	68,588	452,999
Current portion of bonds payable	5,000	—	—
Lease obligations	19	32	214
Accounts payable - other	3,440	3,990	26,358
Income taxes payable	5,528	6,454	42,627
Advances received on uncompleted construction contracts	27,555	37,711	249,071
Deposits received	35,714	39,473	260,703
Provision for bonuses	4,587	5,670	37,448
Provision for warranties for completed construction	3,128	3,161	20,880
Provision for loss on construction contracts	9,195	4,001	26,428
Deposits received from employees	11,605	11,472	75,769
Other	1,263	3,714	24,531
Total current liabilities	279,412	265,769	1,755,295
<b>Noncurrent liabilities:</b>			
Bonds payable	50,000	63,000	416,088
Long-term loans payable	72,486	84,435	557,659
Lease obligations	91	182	1,205
Deferred tax liabilities (Notes 8)	18,126	27,658	182,675
Deferred tax liabilities for land revaluation (Notes 8)	6,069	5,831	38,514
Provision for retirement benefits	20,665	21,716	143,427
Provision for stock payments for directors	465	676	4,467
Provision for loss on business of subsidiaries and affiliates	1,706	4	31
Provision for loss on business of environment and energy	—	2,825	18,658
Asset retirement obligations	446	300	1,984
Other	3,936	4,191	27,683
Total noncurrent liabilities	173,995	210,822	1,392,395
Total liabilities	453,408	476,591	3,147,691
<b>NET ASSETS</b>			
<b>Shareholders' equity:</b>			
Capital stock	23,001	23,001	151,915
Capital surplus			
Legal capital surplus	25,573	25,573	168,900
Other capital surplus	574	574	3,792
Total capital surplus	26,147	26,147	172,692
Retained earnings			
Legal retained earnings	5,750	5,750	37,978
Other retained earnings			
Reserve for construction	50,000	50,000	330,229
General reserve	109,774	109,774	725,016
Retained earnings brought forward	8,250	11,542	76,235
Total retained earnings	173,775	177,067	1,169,460
Treasury stock	(7,625)	(12,599)	(83,217)
Total shareholders' equity	215,299	213,616	1,410,851
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	72,782	92,651	611,925
Deferred gains on hedges	111	383	2,535
Revaluation reserve for land	3,087	2,741	18,107
Total valuation and translation adjustments	75,981	95,777	632,568
Total net assets	291,281	309,394	2,043,420
<b>Total liabilities and net assets</b>	<b>¥ 744,689</b>	<b>¥ 785,986</b>	<b>\$ 5,191,111</b>

# Non-consolidated Statements of Income

Toda Corporation - For the years of March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
<b>Net sales:</b>			
Net sales of construction contracts	¥446,563	<b>¥400,493</b>	\$ 2,645,094
Net sales of investment development business and other	18,888	<b>22,638</b>	149,516
Total net sales	465,451	<b>423,132</b>	2,794,611
<b>Cost of sales:</b>			
Cost of sales of construction contracts	405,903	<b>354,440</b>	2,340,933
Cost of sales of investment development business and other	13,267	<b>16,794</b>	110,922
Total cost of sales	419,170	<b>371,235</b>	2,451,856
<b>Gross profit:</b>			
Gross profit on construction contracts	40,659	<b>46,053</b>	304,161
Gross profit on investment development business and other	5,621	<b>5,843</b>	38,594
Total gross profit	46,280	<b>51,896</b>	342,755
<b>Selling, general and administrative expenses</b>			
Directors' compensations	302	<b>304</b>	2,012
Provision for stock payments for directors	233	<b>250</b>	1,652
Employees' salaries and allowances	11,923	<b>12,658</b>	83,605
Provision for bonuses	3,269	<b>4,236</b>	27,977
Retirement benefit expenses	996	<b>1,126</b>	7,442
Legal welfare expenses	1,888	<b>1,975</b>	13,045
Welfare expenses	706	<b>726</b>	4,797
Repair and maintenance	197	<b>164</b>	1,088
Stationery expenses	1,864	<b>2,006</b>	13,254
Correspondence and transportation expenses	1,111	<b>1,252</b>	8,269
Power utilities expenses	103	<b>109</b>	721
Research study expenses	3,495	<b>4,159</b>	27,472
Advertising expenses	302	<b>723</b>	4,781
Provision of allowance for doubtful accounts	360	<b>(365)</b>	(2,411)
Entertainment expenses	954	<b>1,109</b>	7,325
Contribution	108	<b>87</b>	579
Rents	2,071	<b>2,218</b>	14,651
Depreciation	2,178	<b>2,169</b>	14,330
Amortization of goodwill	69	<b>69</b>	457
Taxes and dues	2,459	<b>1,806</b>	11,931
Insurance expenses	41	<b>40</b>	269
Miscellaneous expenses	2,117	<b>2,128</b>	14,057
Total selling, general and administrative expenses	36,755	<b>38,960</b>	257,315
<b>Operating income</b>	9,524	<b>12,936</b>	85,440
<b>Non-operating income:</b>			
Interest income (Notes 6.1))	62	<b>324</b>	2,142
Interest on securities	0	<b>—</b>	—
Dividend income (Notes 6.1))	4,459	<b>4,915</b>	32,465
Dividend income of insurance	238	<b>238</b>	1,578
Exchange gain	498	<b>122</b>	808
Miscellaneous income (Notes 6.1))	508	<b>751</b>	4,965
Total non-operating income	5,767	<b>6,353</b>	41,959
<b>Non-operating expenses:</b>			
Interest expenses	730	<b>884</b>	5,844
Interest on bonds	229	<b>239</b>	1,579
Commission fee	637	<b>245</b>	1,624
Miscellaneous expenses	104	<b>230</b>	1,523
Total non-operating expenses	1,702	<b>1,600</b>	10,571
<b>Ordinary income</b>	13,589	<b>17,688</b>	116,828
<b>Extraordinary income:</b>			
Gain on sales of noncurrent assets (Notes 6.2))	0	<b>6</b>	40
Gain on sales of investment securities	8,058	<b>10,222</b>	67,514
Other	438	<b>32</b>	215
Total extraordinary income	8,497	<b>10,261</b>	67,770

**Extraordinary loss:**

Loss on abandonment of noncurrent assets (Notes 6.3))	419	77	514
Impairment loss	9,868	4,969	32,824
Loss on valuation of investment securities	284	97	645
Loss on valuation of stocks of subsidiaries and affiliates	345	721	4,764
Provision for loss on business of subsidiaries and affiliates	135	—	—
Provision for loss on business of environment and energy	—	2,825	18,658
Other	199	536	3,545
Total extraordinary losses	11,253	9,228	60,951
<b>Profit before income taxes and non-controlling interests</b>	<b>10,833</b>	<b>18,721</b>	<b>123,647</b>
<b>Income taxes-current</b>	<b>8,089</b>	<b>6,827</b>	<b>45,092</b>
<b>Income taxes-deferred</b>	<b>(3,878)</b>	<b>352</b>	<b>2,327</b>
<b>Total income taxes (Notes 8)</b>	<b>4,210</b>	<b>7,179</b>	<b>47,420</b>
<b>Profit for the year</b>	<b>¥ 6,623</b>	<b>¥11,541</b>	<b>\$ 76,227</b>

## Non-consolidated Statements of Changes in Net Assets

Toda Corporation - For the years ended March 31, 2023 and 2024

Millions of yen																
Shareholders' equity											Valuation and translation adjustments				Total net assets	
Capital stock	Capital surplus			Retained earnings			Treasury stock	Total share-holders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments				
	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings									
					Reserve for construction	General reserve	Retained earnings brought forward									
Balance at March 31, 2022	¥23,001	¥25,573	¥198	¥25,771	¥5,750	¥50,000	¥101,774	¥18,780	¥176,305	¥(8,462)	¥216,617	¥73,419	¥385	¥3,073	¥76,878	¥293,495
Changes during period																
Provision of general reserve	—	—	—	—	—	—	8,000	(8,000)	—	—	—	—	—	—	—	—
Dividends from surplus	—	—	—	—	—	—	—	(9,139)	(9,139)	—	(9,139)	—	—	—	—	(9,139)
Profit for the year	—	—	—	—	—	—	6,623	6,623	6,623	—	6,623	—	—	—	—	6,623
Disposal of treasury stock	—	—	172	172	—	—	—	—	1,128	1,301	—	—	—	—	—	1,301
Purchase of treasury stock	—	—	—	—	—	—	—	—	(1,293)	(1,293)	—	—	—	—	—	(1,293)
Increase by share exchanges	—	—	203	203	—	—	—	—	1,001	1,204	—	—	—	—	—	1,204
Reversal of revaluation reserve for land	—	—	—	—	—	—	—	(14)	(14)	—	(14)	—	—	—	—	(14)
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	(636)	(273)	14	(896)	(896)	
Total changes of items during the period	—	—	375	375	—	—	8,000	(10,530)	(2,530)	837	(1,317)	(636)	(273)	14	(896)	(2,214)
Balance at March 31, 2023	¥23,001	¥25,573	¥574	¥26,147	¥5,750	¥50,000	¥109,774	¥8,250	¥173,775	¥(7,625)	¥215,299	¥72,782	¥111	¥3,087	¥75,981	¥291,281
Changes during period																
Provision of general reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends from surplus	—	—	—	—	—	—	—	(8,595)	(8,595)	—	(8,595)	—	—	—	—	(8,595)
Profit for the year	—	—	—	—	—	—	—	11,541	11,541	—	11,541	—	—	—	—	11,541
Disposal of treasury stock	—	—	—	—	—	—	—	—	39	39	—	—	—	—	—	39
Purchase of treasury stock	—	—	—	—	—	—	—	—	(5,014)	(5,014)	—	—	—	—	—	(5,014)
Increase by share exchanges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	—	—	—	—	345	345	—	345	—	—	—	—	345
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	19,869	272	(345)	19,795	19,795	
Total changes of items during the period	—	—	—	—	—	—	—	3,292	3,292	(4,974)	(1,682)	19,869	272	(345)	19,795	18,113
Balance at March 31, 2024	¥23,001	¥25,573	¥574	¥26,147	¥5,750	¥50,000	¥109,774	¥11,542	¥177,067	¥(12,599)	¥213,616	¥92,651	¥383	¥2,741	¥95,777	¥309,394

Thousands of U.S. dollars																
Shareholders' equity											Valuation and translation adjustments				Total net assets	
Capital stock	Capital surplus			Retained earnings				Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments			
	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings										
					Reserve for construction	General reserve	Retained earnings brought forward									
Balance at March 31, 2023	\$151,915	\$168,900	\$3,792	\$172,692	\$37,978	\$330,229	\$725,016	\$54,489	\$1,147,714	\$ (50,361)	\$1,421,961	\$480,698	\$739	\$20,392	\$501,829	\$1,923,790
Changes during period																
Provision of general reserve	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends from surplus	—	—	—	—	—	—	—	(56,766)	(56,766)	—	(56,766)	—	—	—	—	(56,766)
Profit for the year	—	—	—	—	—	—	—	76,227	76,227	—	76,227	—	—	—	—	76,227
Disposal of treasury stock	—	—	—	—	—	—	—	—	—	260	260	—	—	—	—	260
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	(33,116)	(33,116)	—	—	—	—	(33,116)
Increase by share exchanges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of revaluation reserve for land	—	—	—	—	—	—	—	2,284	2,284	—	2,284	—	—	—	—	2,284
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—	—	—	131,227	1,796	(2,284)	130,739	130,739
Total changes of items during the period	—	—	—	—	—	—	—	21,745	21,745	(32,855)	(11,110)	131,227	1,796	(2,284)	130,739	119,629
Balance at March 31, 2024	\$151,915	\$168,900	\$3,792	\$172,692	\$37,978	\$330,229	\$725,016	\$76,235	\$1,169,460	\$ (83,217)	\$1,410,851	\$611,925	\$2,535	\$18,107	\$632,568	\$2,043,420

# Notes to Non-consolidated Financial Statements

## Toda Corporation

### 1. Basis of Presenting Non-consolidated Financial Statements

The non-consolidated financial statements presented herein of Toda Corporation (the "Company") are prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law of Japan, and in conformity with accounting principles generally accepted in Japan.

These non-consolidated financial statements incorporate certain modifications in format so as to make the financial statements more meaningful to readers outside Japan.

These modifications have no effect on total assets, net sales, retained earnings or profit for the year.

(U.S. Dollar Amounts)

The accounts of non-consolidated financial statements presented herein are expressed in Japanese yen by rounding down to nearest million.

The U.S. dollar amounts are included solely for convenience and have been translated, as a matter of arithmetical computation only, at the rate of ¥151.41 = US\$1, the exchange rate prevailing on the Tokyo foreign exchange market on March 31, 2024, and have been then rounded down to the nearest thousand. This translation should not be construed as a representation that the yen amounts actually represent, have been or could be converted into U.S. dollars at this or any other rate.

### 2. Summary of Significant Accounting Policies

#### 1) Standards and evaluation methods for significant assets

##### (a) Short term investment securities and investment securities

Stocks of subsidiaries and affiliates

Stated at cost, determined by the moving-average method

Available-for-sale securities

- Other than equity securities without market prices:

Stated at fair value (the difference between the book value and the fair value is recorded as a component of net assets, while the cost of securities sold is computed using the moving-average method.)

- Equity securities without market prices:

Stated at cost, determined by the moving-average method

In addition, the valuations for investments in investment business limited partnerships and similar partnerships (those deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Law of Japan) are based on recent financial statements available according to the settlement closing dates stipulated in the partnership contracts, and are recorded in the net amounts equivalent to their equity.

The accounting methods are as follows:

In the case of investment for the main business purpose, the equity-equivalent profit and loss to be attributable is recorded in "operating profit and loss" and added to or subtracted from "investment securities" or "investments in other securities of subsidiaries and affiliates".

In the case of investment for purposes other than the main business purpose, the equity-equivalent profit and loss to be attributable is recorded as "non-operating profit and loss" and added to or subtracted from "investment securities" or "investments in other securities of subsidiaries and affiliates".

##### (b) Inventories

Costs on uncompleted construction contracts

Stated at cost, determined by the specific identification cost method

Real estate for sale

Stated at cost, determined by the specific identification cost method (The book value on the non-consolidated balance sheets is presented after write-down for decline in profitability.)

- (c) Other inventories
  - Raw materials and supplies  
Stated at cost, determined by the weighted average method (The book value on the non-consolidated balance sheets is presented after write-down for decline in profitability.)
  - Costs on real estate business  
Stated at cost, determined by the specific identification cost method (The book value on the non-consolidated balance sheets is presented after write-down for decline in profitability.)

## 2) Methods of depreciation and amortization depreciable assets

- (a) Property, plant and equipment (excluding lease assets)  
The declining-balance method is used. However, the straight-line method is used for buildings (excluding building fixtures) acquired on and after April 1, 1998 and building fixtures and other structures acquired on and after April 1, 2016.  
Standards identical to regulations in the Corporate Income Tax Law are utilized to determine expected lifetime and residual value.
- (b) Intangible fixed assets (excluding lease assets)  
The straight-line method is used.  
Standards identical to regulations in the Corporate Income Tax Law are utilized to determine expected lifetime and residual value.  
However, the amortization of software used by the Company is computed using the straight-line method based on the estimated useful life.
- (c) Lease assets  
Leased assets under finance leases other than those that are deemed to transfer ownership to lessees  
Depreciation is based on the straight-line method over the lease term of the leased assets with no residual value.

## 3) Allowances and provisions

- (a) Allowance for doubtful accounts  
The allowance for doubtful trade receivables and loans has been provided based on historic loss experience for general accounts and also includes the aggregate amount of the estimated loss for the accounts for which concern actually exists for collectability.
- (b) Provision for bonuses  
This is provided for the payment of bonuses for employees, based on expected payment amount.
- (c) Provision for warranties for completed construction  
This is provided based on the estimated amount of compensation in the future for the work completed during the current fiscal year to cover expenses and others required to cure the non-conformity of performance on the grounds of non-conformity with the terms of the contract.
- (d) Provision for retirement benefits  
To prepare for retirement benefits to employees, the provision for retirement benefits is calculated based on estimated amounts of retirement benefit obligations and pension assets as of the fiscal year-end.
  - 1 Period attribution method for estimated retirement benefits  
The estimated amount of retirement benefit is allocated to periods of service based on the benefit formula.
  - 2 Accounting methods for actuarial differences and prior service costs  
Actuarial differences are amortized commencing the following year after the difference is recognized primarily by the straight-line method over a period of five years.  
Prior service costs are amortized commencing the year in which the difference is recognized primarily by the straight-line method over a period of five years.
- (e) Provision for loss on construction contracts  
The provision for loss on construction contracts is provided at the estimated amount for the future losses on contract backlog at the fiscal year-end which will be probably incurred and which can be reasonably estimated.
- (f) Provision for loss on business of subsidiaries and affiliates  
To prepare for the loss of investment in subsidiaries and affiliates, the amount that is expected to be borne beyond the investment and loans to subsidiaries and affiliates is estimated.
- (g) Provision for stock payments to directors  
The provision for stock payments to directors is provided for stock award debt based on predetermined regulations for awarding stock, which is prepared for future awards of the Company's shares to its directors and executive officers.
- (h) Provision for loss on business of environment and energy  
The provision for loss on business of environment and energy is provided at the estimated amount for the future losses on project in process at the fiscal year-end which will be probably incurred and which can be reasonably estimated.

## 4) Recognition of net sales from construction contracts and related costs

In the building construction and civil engineering, etc., which are the Company's principal business, the Company has the performance obligations to construct buildings or structures, etc. and deliver the outcomes to customers based on construction contracts. The construction contracts are a transaction in which performance obligations are satisfied over time, and the Company recognizes revenue according to the progress in the satisfaction of performance obligations. The Company has applied the method based on the percentage of costs incurred by the end of each reporting period to the total expected costs as a method of estimating the progress of construction works to the satisfaction of performance obligations.

In addition, revenue is recognized by the cost recovery method when the progress in the satisfaction of performance obligations cannot be reasonably estimated, but the costs incurred are recoverable. For construction contracts with a very short term between the commencement date of the transaction in the construction contract and the date when the performance obligations are expected to be fully satisfied, the Company applies alternative treatment and do not recognize revenue over time.

In this case, the Company recognizes revenue when the performance obligations are fully satisfied.

When certain refund obligations to customers are expected to arise, such as compensation for damages incurred in association with performance of contracts, the Company reduces revenue to the extent of the estimated refund liability.

The Company estimates a financing component of each individual construction contract and determine whether it is significant because the timing of receipt of the consideration for the transaction of the construction contracts varies depending on the terms of each individual construction contract. As a result, the Company determined that there are no construction contracts with a significant financing component.

## 5) Hedge Accounting

The Company applies hedge accounting as follows:

- (a) Method of hedge accounting adopted  
Deferral hedge accounting  
If the interest rate swap contracts are used as hedge and meet certain hedging criteria, net amounts to be paid or received under the interest rate swap contracts are added to or deducted from the interest or liabilities for which the swap contract were executed ("special treatment").
  - (b) Measure and objects
    - 1 Measures: Forward foreign exchange contracts and foreign currency deposits  
Objects: Transactions to be paid in foreign currencies in cases of overseas construction of work and overseas procurement of materials
    - 2 Measures: Interest rate swap  
Objects: Loans
  - (c) Hedging principles:  
Based on internal regulations which stipulate the execution authority regarding on derivative transactions and those for transaction limits, the Company utilizes hedges to minimize the risk of currency exchange rate and interest rate fluctuations associated with the hedge objects.
  - (d) Evaluation method of effectiveness of hedging:  
During the period from the time when the hedging first started until the fiscal year-end, the Company has been assessing the hedge effectiveness primarily by comparing, in terms of variation amounts, (1)cumulative cash flow changes or exchange rate changes of the hedge objects and (2)cumulative cash flow changes or exchange rate changes of the hedge measures.  
However, the evaluation of hedge effectiveness is omitted for interest swaps as they meet certain hedging criteria for the special treatment.
- ## 6) Other significant matters for preparing non-consolidated financial statements
- (a) Accounting for retirement benefits  
The method of accounting for unrecognized items to retirement benefits is different from the method of accounting for consolidated financial statements.
  - (b) Principles and procedures of accounting treatment adopted when the provisions of related accounting standards, etc. are not clear  
The accounting method for joint venture (JV) in the construction industry is mainly based on the method of recognizing assets, liabilities, income and expenses according to the investment ratio of the members.

### 3. Significant Accounting Estimates

#### 1) Estimates for the method of recognizing revenue over time (the so-called old percentage of completion method)

(a) Amount recorded in the non-consolidated financial statements

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Net sales of construction contracts	¥ 424,510	¥ 377,465	\$ 2,492,999

(b) Information about the content of significant accounting estimates for the identified item

The information is the same as the content described in the consolidated financial statements "Notes (3. Significant Accounting Estimates, 1) Estimates for the method of recognizing revenue over time (the so-called old percentage of completion method)".

#### 2) Estimates for impairment loss on fixed assets

(a) Amount recorded in the non-consolidated financial statements

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Impairment loss	¥ 9,868	¥ 4,969	\$ 32,824

(b) Information about the content of significant accounting estimates for the identified item

The information is the same as the content described in the consolidated financial statements "Notes (3. Significant Accounting Estimates, 2) Estimates for impairment loss on fixed assets)".

### 4. Additional Information

(Performance-linked stock compensation plan for directors and executive officers)

Since the same content is described in the consolidated financial statements "Notes (5. Additional Information)", the notes are omitted.

### 5. Notes to Non-consolidated Balance Sheets

As of March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
<b>1) Advanced depreciation:</b>			
Buildings	¥ 130	¥ 132	\$ 875
Structures	2	2	17
Tools, furniture and fixtures	7	11	78
Land	24	242	1,600
Construction in progress	22	—	—
Software	8	8	56
Total	¥ 195	¥ 397	\$ 2,628
<b>2) Pledged assets:</b>			
Investment securities	¥ —	¥ 7	\$ 47
Stocks of subsidiaries and affiliates	415	384	2,542
Long-term loans receivable from subsidiaries and affiliates	597	184	1,218
Total	¥ 1,012	¥ 576	\$ 3,808
<b>3) Contingent liabilities (guarantee liabilities)</b>	¥ 10,058	¥ 11,308	\$ 74,691
<b>4) Loan commitment agreement:</b>			
Maximum limit under the agreement	¥ 30,000	¥ 30,000	\$ 198,137
Loan balance outstanding	—	—	—
Difference (unused portion)	¥ 30,000	¥ 30,000	\$ 198,137

#### 5) Change in holding purpose of assets

The following noncurrent assets were reclassified as real estate for sale and costs on real estate business due to change in holding purpose.

As of March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Buildings	¥ 819	¥ 11,946	\$ 78,899
Structures	2	302	1,997
Land	5,066	7,303	48,237
Construction in progress	—	30	201

### 6. Notes to Non-consolidated Statements of Income

For the years ended March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
<b>1) Non-operating income from subsidiaries and affiliates:</b>			
Interest income	¥ 60	¥ 323	\$ 2,133
Dividend income	519	819	5,411
Miscellaneous income	29	331	2,189
Total	¥ 609	¥ 1,473	\$ 9,734
<b>2) Gain on sales of noncurrent assets:</b>			
Machinery and equipment	¥ —	¥ 5	\$ 39
Vehicles	0	0	0
Total	¥ 0	¥ 6	\$ 40
<b>3) Loss on abandonment of noncurrent assets:</b>			
Buildings and structures	¥ 0	¥ 1	\$ 13
Other	16	37	247
Dismantlement cost	402	38	253
Total	¥ 419	¥ 77	\$ 514

## 7. Securities

The book value of the stocks of subsidiaries and affiliates is as follows:

For the year ended March 31, 2023	Millions of yen	
	2023	
Stocks of subsidiaries	¥ 39,282	
Stocks of affiliated companies	300	
Investments in Limited Liability Company	305	
Investments in silent partnerships	923	
<b>Total</b>	<b>¥ 40,812</b>	

  

For the year ended March 31, 2024	Millions of yen	Thousands of U.S. dollars
	2024	2024
Stocks of subsidiaries	¥ 45,740	\$ 302,095
Stocks of affiliated companies	250	1,656
Investments in Limited Liability Company	285	1,882
Investments in silent partnerships	740	4,889
<b>Total</b>	<b>¥47,016</b>	<b>\$ 310,523</b>

Note: 1 The stocks of subsidiaries and affiliates are not shown because they are equity securities without market prices.

2 The stocks of subsidiaries and affiliates includes in the investments in partnerships for which equity interests are recorded on a net basis. In addition, the fair value of the investments are omitted.

## 8. Deferred Tax Accounting

The tax effects of temporary differences which gave rise to deferred tax assets and liabilities at March 31, 2023 and 2024 are as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2023	2024	2024
Deferred tax assets:			
Real estate for sale	¥ 171	¥ 120	\$ 795
Property, plant and equipment	4,057	5,699	37,645
Investment securities	2,376	1,922	12,699
Allowance for doubtful receivables	632	526	3,476
Provision for bonuses	1,407	1,746	11,531
Provision for loss on construction contracts	2,813	1,224	8,087
Provision for retirement benefits	6,323	6,645	43,888
Other	3,267	3,964	26,181
Subtotal	21,049	21,849	144,306
Less: valuation allowance	(5,961)	(7,487)	(49,452)
Deferred tax assets	¥ 15,088	¥ 14,361	\$ 94,854
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	¥ (31,985)	¥ (40,806)	\$ (269,509)
Prepaid pension cost	(654)	(722)	(4,771)
Other	(575)	(491)	(3,248)
Deferred tax liabilities	(33,215)	(42,020)	(277,529)
Net deferred tax assets (liabilities)	¥ (18,126)	¥ (27,658)	\$ (182,675)

In addition to the above, the Company recognized deferred tax liabilities of ¥6,069 million and ¥5,831 million (US\$38,514 thousand) related to revaluation reserve for land at March 31, 2023 and 2024, respectively.

Reconciliation between the statutory tax rate and the effective tax rate	2023	2024
Statutory tax rate	30.6%	30.6%
Expenses not deductible for income tax purposes	4.1%	2.7%
Non-taxable income	(3.6)%	(2.5)%
Inhabitant taxes (per capita levy)	1.7%	1.0%
Valuation allowance	9.9%	8.1%
Tax credit	(2.3)%	(1.5)%
Other	(1.5)%	(0.0)%
Effective tax rate	38.9%	38.4%

## 9. Revenue Recognition

Information as a basis to understand revenue from contracts with customers is described in non-consolidated financial statements "Notes (2. Summary of Significant Accounting Policies, 4) Recognition of net sales from construction contracts and related costs)".

## 10. Significant Subsequent Events

(Acquisition of treasury stock)

Since the same content is described in the consolidated financial statements "Notes (25. Significant Subsequent Events)", the notes are omitted.