

TODA CORPORATION Group

Medium-Term Management Plan 2027

(FY2025-FY2027) - Executive Summary

“Identify and Connect”

From Diffusion to Unity: Maximizing Value

May 15, 2025

TODA CORPORATION

**Build
the
Culture.**



人がつくる。人でつくる。

Promotion of Future Vision CX150/Phase 2 “Value Restructuring”

— Identifying and leveraging our key strengths and creating distinctive value —



Future Vision CX150

Phase 1

Access to sources of value

(2022-2024)
Medium-Term
Management Plan 2024
- Rolling Plan

Realization of CX150/Strengthening of
business portfolio

Phase 2

Value restructuring

(2025-2027)
**Medium-Term Management
Plan 2027**

Identify and Connect
From Diffusion to Unity:
Maximizing Value

Identifying and leveraging
our key strengths

Phase 3

Realizing a society of collaborative creation

(2028-2030)
Next Medium-Term Management Plan



Creating distinctive value

150th
anniversary
of company
founding

Identify and Connect

Identify

Our key strengths

- Strengthen the business foundation through the combination of **human capital**, **digital technology**, and **convergence knowledge**, and select areas and fields where we can use our **manufacturing and solutions** strengths to the fullest extent
- Optimization of the business portfolio through **growth investments** and **accelerated profit generation** to achieve sustainable growth

*Convergence knowledge is the creation of “knowledge vitality” where diverse knowledge converges to generate new value. (Japan Cabinet Office)

From Diffusion to Unity: Maximizing Value

Connect

Combine vertical and horizontal expansion

- Maximize customer value and address social issues on the **frontlines (such as sales and construction site offices)** by repositioning personnel and strengthening value chains (vertical expansion)
- Create value and expand into the construction lifecycle through the **strengthening of collaboration between construction and strategic businesses** (horizontal expansion)

Distinctive value/
high profitability

Group-wide strategy | (3) Financial targets (performance/financial KPIs)

Driving revenue growth and enhancing capital efficiency by optimizing management resources

Growth potential

(Fiscal year ending
March 2028)

Consolidated net sales
Approx. **800** billion yen

Profitability

(Fiscal year ending
March 2028)

Operating income
43.5 billion yen or more

Net income attributable to
owners of the parent
35.0 billion yen or more

Capital efficiency

(Fiscal year ending
March 2028)

ROE of **10.0%** or higher

Financial discipline

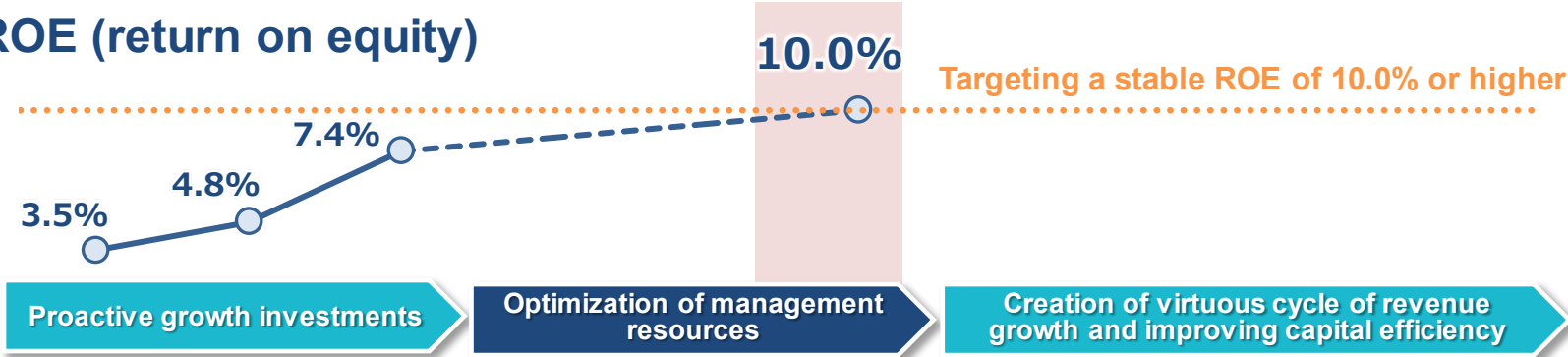
D/E ratio of **0.8x** or lower

Shareholder return

DOE of **3.5%** or higher
Total payout ratio of approx. **70.0%**

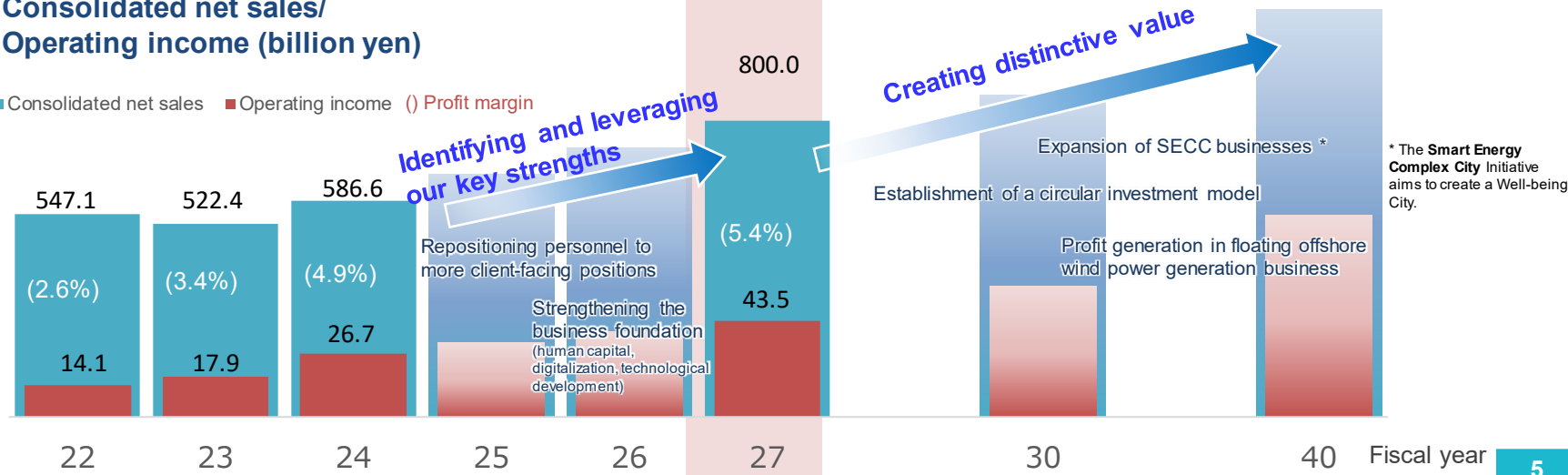
Group-wide strategy | (4) Performance target roadmap

ROE (return on equity)



Consolidated net sales/ Operating income (billion yen)

■ Consolidated net sales ■ Operating income () Profit margin



Group-wide strategy | (5) Performance targets by business

Boosting operating income through construction revenue growth and strategic activities

		Net sales (Billion yen)			Operating income (Billion yen)			
		FY2024 Results	FY2027 Forecasts	% change compared to FY2024	FY2024 Results	FY2027 Forecasts	Operating profit margin	% change compared to FY2024
construction business	Architectural construction	359.1	430.0	19.7%	16.6	22.0	5.1%	31.9%
	Civil engineering	125.9	150.0	19.1%	7.2	9.0	6.0%	23.3%
Strategic businesses	Domestic investments	47.8	50.0	4.4%	6.0	6.0	12.0%	(1.6)%
	Global	57.6	90.0	56.0%	1.8	3.5	3.9%	86.2%
	GX (Green transformation)	1.4	7.0	368.1%	(0.9)	0.5	7.1%	-
	Domestic Group companies	59.2	80.0	35.1%	3.4	3.5	4.4%	2.7%
Consolidated total		586.6	800.0	36.4%	26.7	43.5	5.4%	62.4%

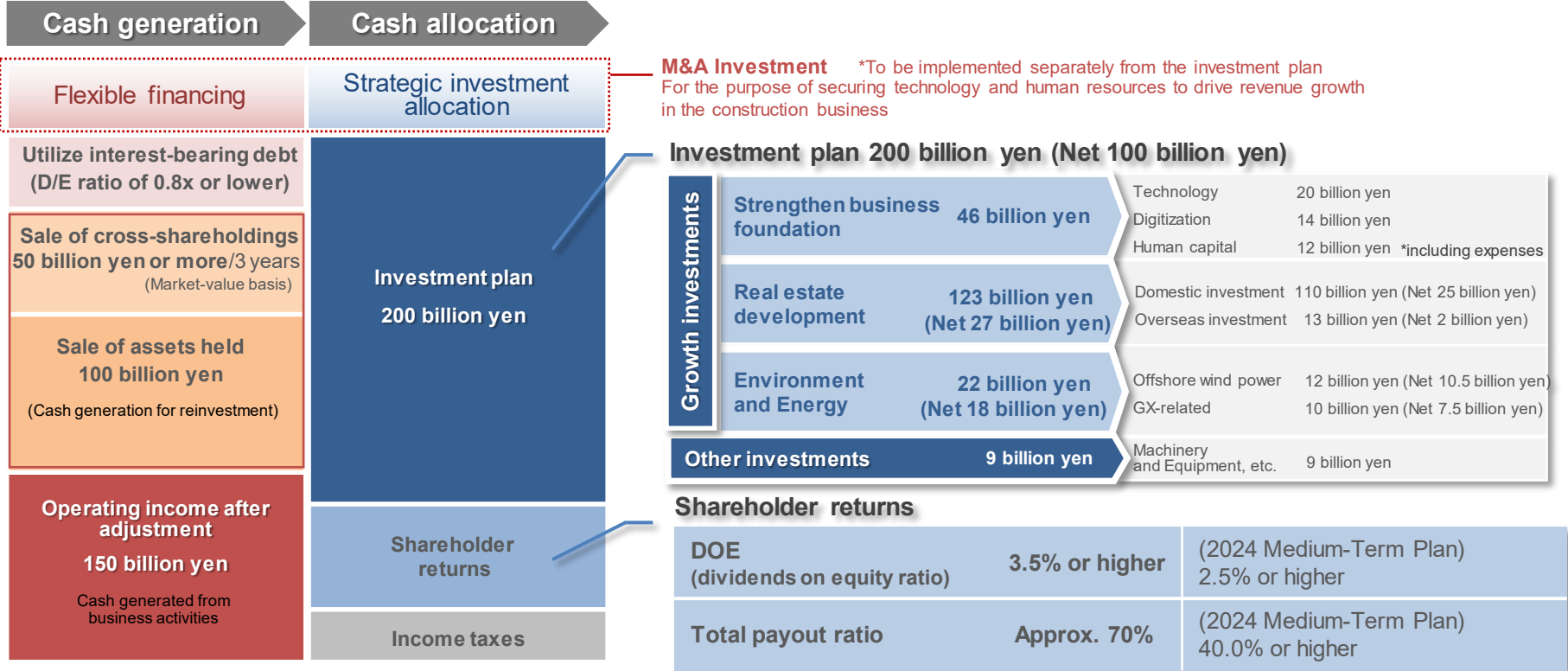
■ Expansion of the construction business through strategic project selection and concentration, talent acquisition (approx. a 10% increase), and the repositioning of personnel into more client-facing roles.

■ Securing revenue from strategic businesses fueled by the growth of domestic and overseas subsidiaries (such as in Indonesia) and the renewable energy sector.

* Eliminations are included in consolidated total

Group-wide strategy | (6) Cash allocation (3-year total)

Strengthening cash generation, growth investments, and shareholder returns through the sale of cross-shareholdings and assets



M&A Investment *To be implemented separately from the investment plan
For the purpose of securing technology and human resources to drive revenue growth in the construction business

Investment plan 200 billion yen (Net 100 billion yen)

Growth investments	Strengthen business foundation	46 billion yen	Technology	20 billion yen
	Real estate development	123 billion yen (Net 27 billion yen)	Digitization	14 billion yen
	Environment and Energy	22 billion yen (Net 18 billion yen)	Human capital	12 billion yen *including expenses
Other investments	9 billion yen		Domestic investment	110 billion yen (Net 25 billion yen)
			Overseas investment	13 billion yen (Net 2 billion yen)
			Offshore wind power	12 billion yen (Net 10.5 billion yen)
			GX-related	10 billion yen (Net 7.5 billion yen)
			Machinery and Equipment, etc.	9 billion yen

Shareholder returns

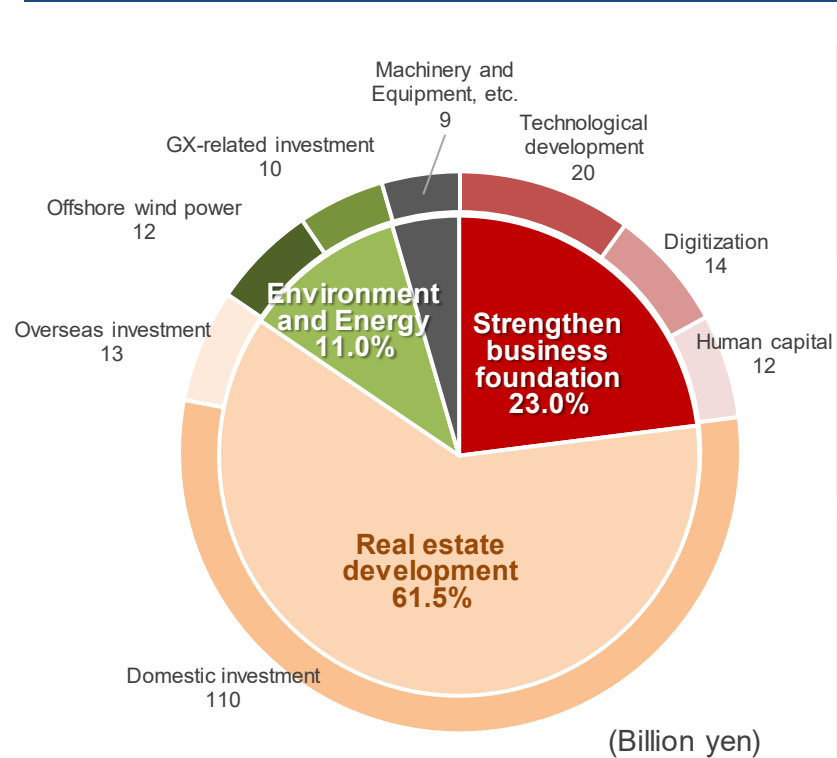
DOE (dividends on equity ratio)	3.5% or higher	(2024 Medium-Term Plan) 2.5% or higher
Total payout ratio	Approx. 70%	(2024 Medium-Term Plan) 40.0% or higher

*Operating income after adjustment = Operating income - real estate for sale gross profit + Depreciation + Investments in business foundation (expenses)
DOE = Total dividends / Shareholders' equity; Total payout ratio = (Total dividends + Total share buybacks) / Net income

Group-wide strategy | (7) Investment plan (3-year total)

Further investing in our business foundation (human capital/ digitization/ technological development)

Investment plan (3-year total) 200 billion yen (Net 100 billion yen)



Lower section represents 2024 Medium-Term Plan results

Strengthen business foundation

46 billion yen *including expenses
25.5 billion yen

- Strengthen investments in human capital, digitization, and technological development
- Investments in human capital include initiatives aimed at enhancing employee benefits and overall well-being

Real estate development

123 billion yen (Net 27 billion yen)
184 billion yen (Net 119.8 billion yen)

- Create synergies between the construction business and Group company businesses
- Develop projects and facilitate sales to private REIT and funds to realize the “circular investment model (net zero)”

Environment and Energy

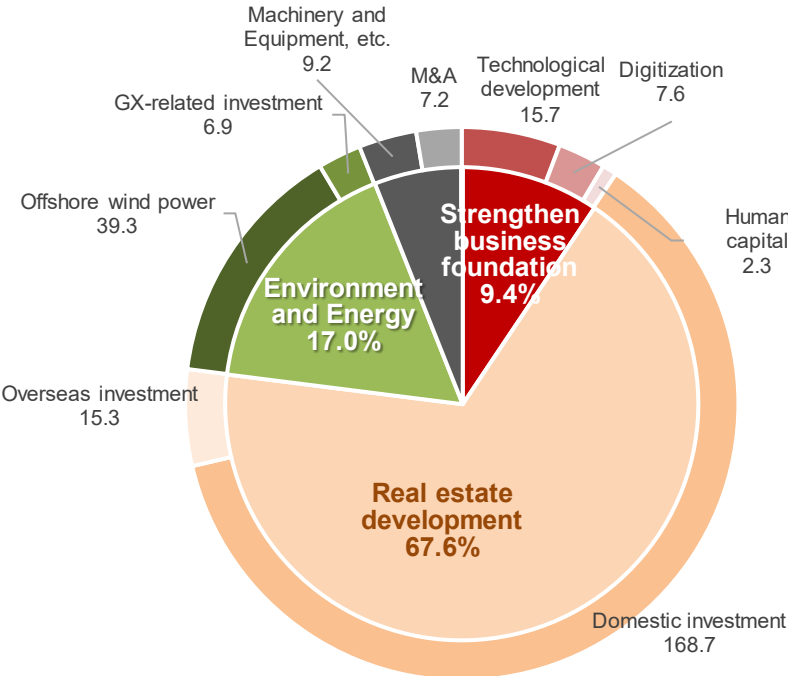
22 billion yen (Net 18 billion yen)
46.2 billion yen (Net 46 billion yen)

- Launch operations for the Floating Wind Power Generation Project off the Coast of Goto City from January 2026
- GX-related investments will be made in onshore wind power in Brazil, biomass power generation, and more

Reference: Investment plan (comparison with 2024 Medium-Term Plan)

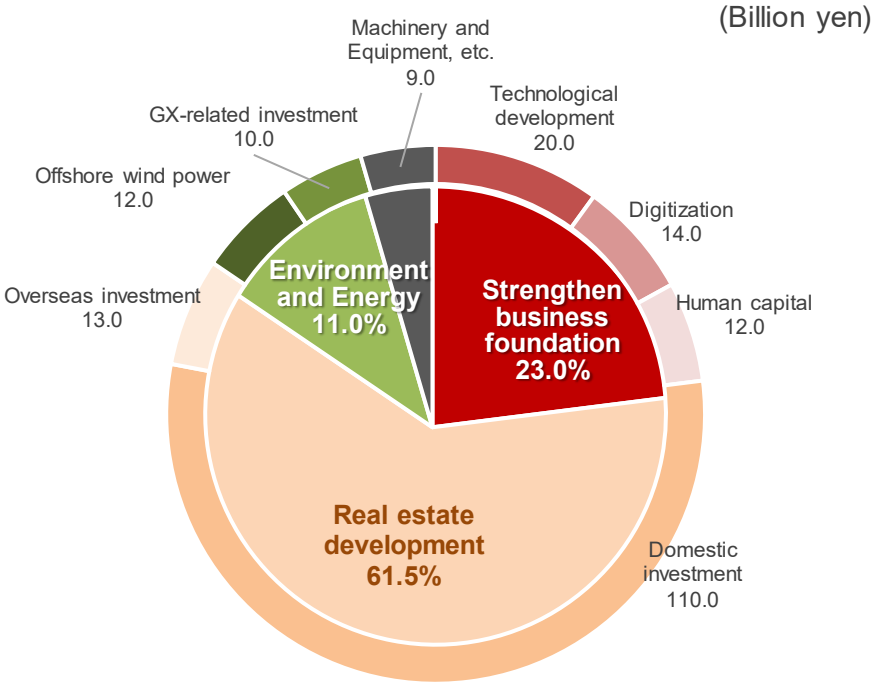
2024 Medium-Term Plan results

272.3 billion yen (Net 207.8 billion yen)

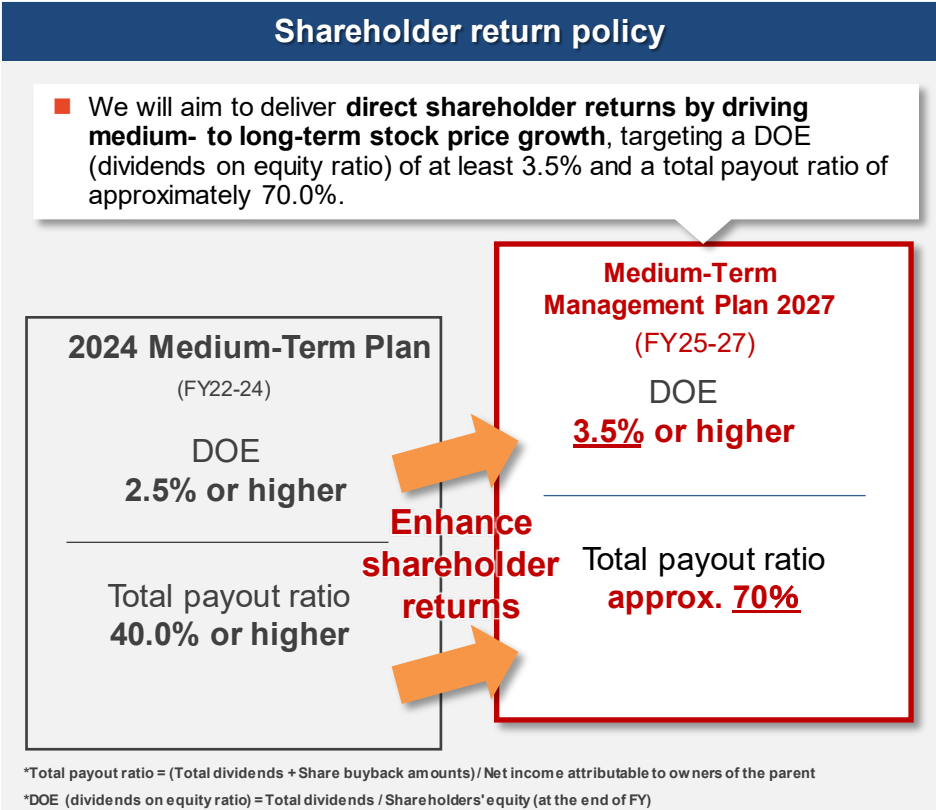


Medium-Term Management Plan 2027

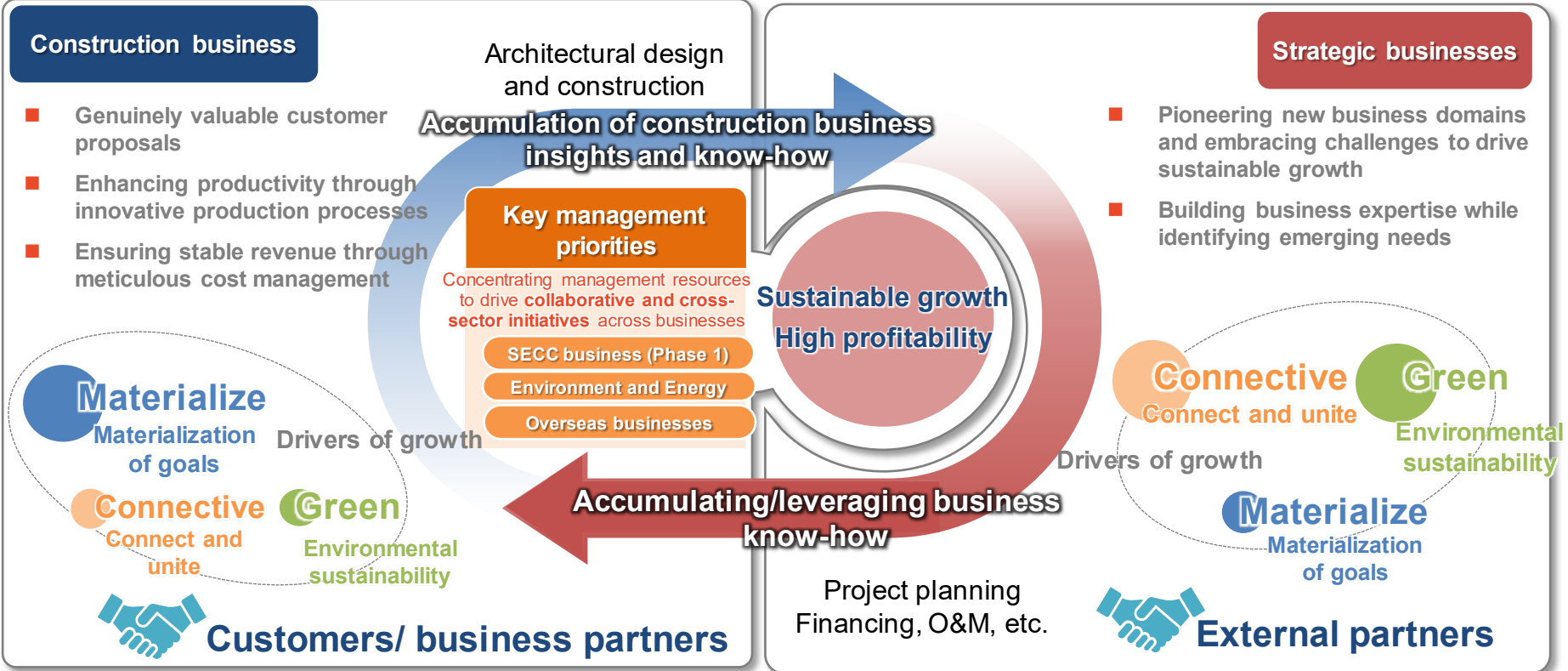
200 billion yen (Net 100 billion yen)



Strengthening shareholder returns and enhancing capital efficiency



Strengthening each business's core advantages while fostering new value creation through collaboration and cross-sector initiatives (key management priorities)





TODA CORPORATION