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Fiscal year ended March 31, 2026

Financial Results Briefing Material

Ahead of the Curve
On Top of the Market



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**Summary of financial results
for the fiscal year ended March 31, 2026**

- Personal consumption has been gradually recovering, buoyed by an improving employment environment and growing inbound tourism demand. However, the outlook remains uncertain due to factors such as prolonged inflation, tensions in the Middle East, and effects of overseas economic conditions and monetary policies.
- Despite robust public investment in disaster prevention/mitigation and improvements to national resilience, the business environment has become extremely challenging due to fierce competition for contracts and the soaring costs of materials, labor, energy, and logistics.



Major initiatives in FY2025

1 Continue management strategies under the medium-term management plan announced in April 2024

In FY2024, we started the strategies, “shift to CSR-oriented management” and “establishment of a foundation for sustainable growth,” which are the outline of the medium-term management plan—TOA ROAD Sustainable Plan 2026. This fiscal year marks the second year of these initiatives.

2 Maintain strategies under previous medium-term management plan

Six strategies under the previous medium-term management plan, “build a firm foundation for profitability,” “expand the business domains,” “promote technology development,” “promote digital transformation (DX),” “improve engagement,” and “strengthen governance” will be maintained.

Financial results summary

(consolidated and non-consolidated)

(Millions of yen)

Consolidated	FY2024	FY2025	YoY change (Amount)	YoY change (%)	Initial forecast	Achievement ratio
Net sales	126,575	121,327	▲5,247	▲4.1%	127,000	95.5%
Gross profit	13,487	14,525	1,037	7.7%	—	—
Gross profit margin	10.7%	12.0%		1.3%		
SGA expenses	8,472	8,737	264	3.1%	—	—
Operating profit	5,015	5,788	773	15.4%	6,500	89.0%
Ordinary profit	5,206	5,997	790	15.2%	6,600	90.9%
Profit attributable to owners of parent	4,127	3,426	▲700	▲17.0%	4,100	83.6%
Dividends (yen)	90	90	-	-	90	100.0%

Non-consolidated	FY2024	FY2025	YoY change (Amount)	YoY change (%)	Initial forecast	Achievement ratio
Net sales	89,874	85,740	▲4,134	▲4.6%	—	—
Operating profit	1,863	2,735	872	46.8%	—	—
Ordinary profit	2,811	3,554	743	26.5%	—	—
Profit	2,935	2,134	▲801	▲27.3%	—	—

- Consolidated net sales totaled ¥121,327 million, falling 4.5% short of the plan and 4.1% versus the previous fiscal year. Major factors behind the decrease in net sales were that the pace of construction progress was behind the plan, and that profitability was the focus of our sales strategy in the Asphalt Products business, etc.
- Gross profit margin improved by 1.3% year on year, as the full rollout of the new project estimation system has enabled earlier identification of and action on unprofitable construction work.
- Operating profit outperformed the previous fiscal year but came short of the initial forecast of ¥6,500 million due to factors such as higher material prices and personnel costs in the construction division and a decrease in shipment volume in the Asphalt Products business.
- Although the previous fiscal year recorded gain on sale of non-current assets, profit attributable to owners of parent for this fiscal year dropped by 17.0% year on year to ¥3,426 million due to factors such as the recording of impairment loss on non-current assets, falling short of the initial forecast by 16.4%.

Results of net sales and profit/loss by segment

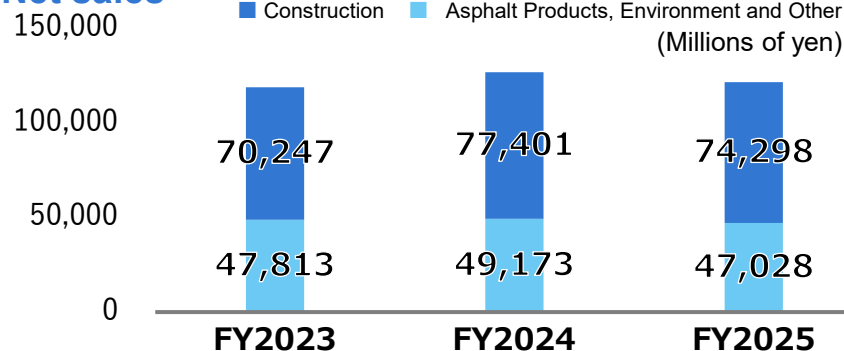
(consolidated)

(Millions of yen)

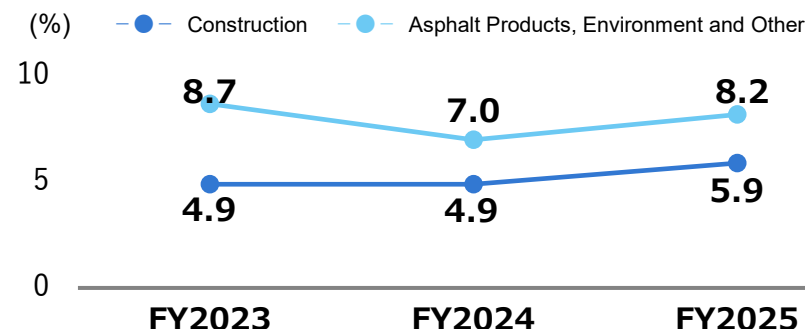
Net sales	FY2023	FY2024	FY2025	YoY change (Amount)	YoY change (%)	Initial forecast	Achievement ratio
Construction	70,247	77,401	74,298	▲3,102	▲4.0%	—	—
Asphalt Products, Environment and Other	47,813	49,173	47,028	▲2,144	▲4.4%	—	—
Total net sales	118,060	126,575	121,327	▲5,247	▲4.1%	127,000	95.5%

Segment profit	FY2023	FY2024	FY2025	YoY change (Amount)	YoY change (%)
Construction	3,468	3,816	4,413	596	15.6%
Asphalt Products, Environment and Other	4,162	3,464	3,835	370	10.7%
Total segment profit	7,631	7,281	8,248	966	13.3%

Net sales



Segment profit ratio



■ Construction

(1) Net sales decreased by 4.0% year on year. (2) Segment profit increased by ¥596 million year on year due in part to increased profit from completed construction despite surging material prices and personnel costs. (3) The amount of construction orders carried forward to FY2026 rose by 31.4% year on year to ¥36,867 million, driven by an increase in orders received.

■ Asphalt Products, Environment and Other

(1) Net sales fell by 4.4% year on year. (2) Segment profit climbed by ¥370 million year on year as a result of a commitment to price-setting aimed at ensuring reasonable profits.

Stability of sales base (orders, talent, etc.)

(Millions of yen)

Orders received	FY2024	FY2025	YoY change (Amount)	YoY change (%)
Construction				
Pavement construction	57,809	66,427	8,618	14.9
Civil engineering	12,659	16,677	4,018	31.7
Asphalt Products, Environment and Other	49,173	47,028	▲2,144	▲4.4
Total	119,642	130,134	10,491	8.8

(Millions of yen)

Net sales	FY2024	FY2025	YoY change (Amount)	YoY change (%)
Construction				
Pavement construction	59,757	58,559	▲1,197	▲2.0
Civil engineering	17,644	15,738	▲1,905	▲10.8
Asphalt Products, Environment and Other	49,173	47,028	▲2,144	▲4.4
Total	126,575	121,327	▲5,247	▲4.1

(Millions of yen)

Balance of orders carried forward	FY2024	FY2025	YoY change (Amount)	YoY change (%)
Construction				
Pavement construction	19,720	27,587	7,867	39.9
Civil engineering	8,337	9,276	938	11.3
Asphalt Products, Environment and Other	—	—	—	—
Total	28,057	36,864	8,806	31.4

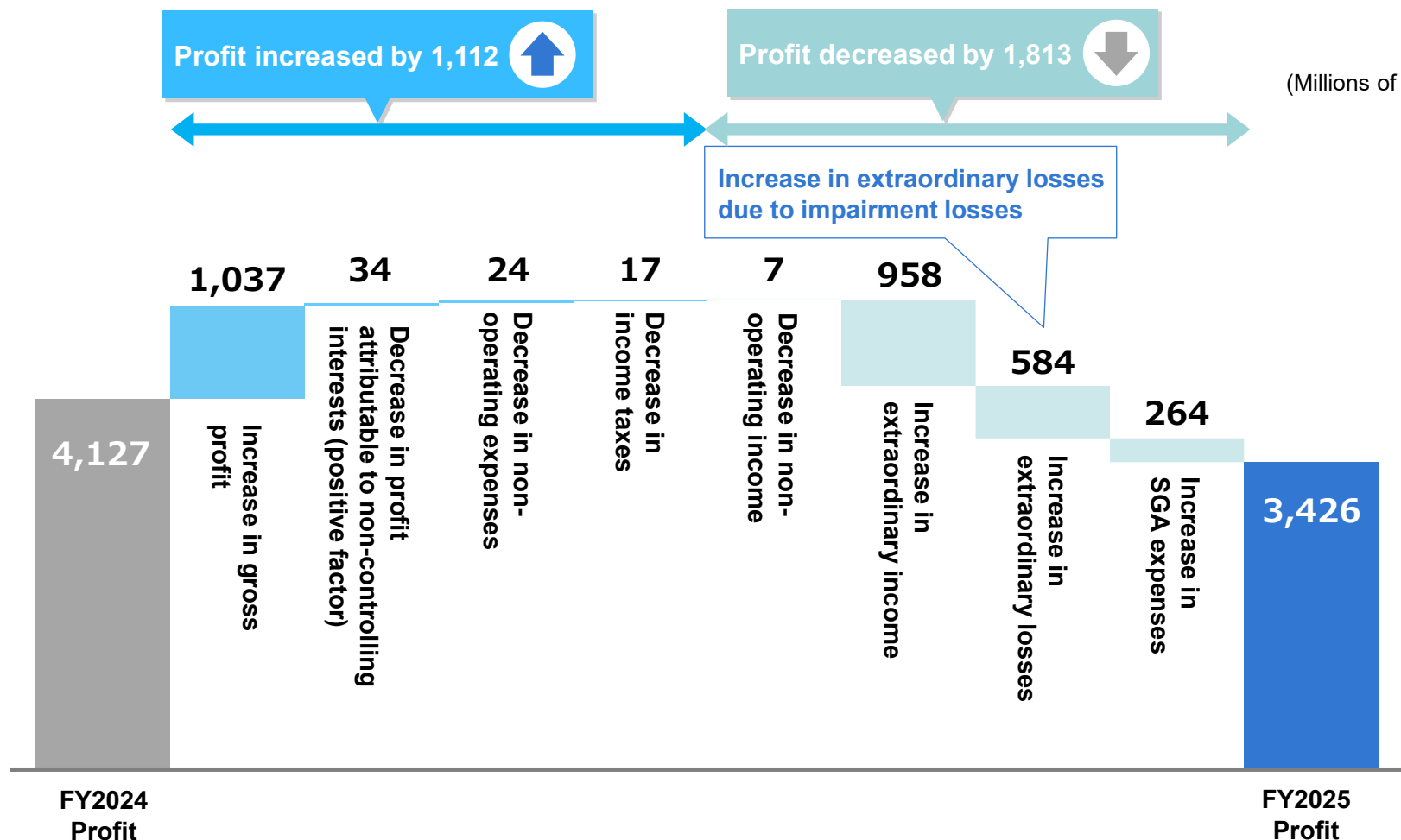
■ Securing and training talent who support stable sales

- We are implementing DX and leveraging generative AI to develop a positive work environment that empowers employees to improve their personal productivity.
- We have reduced working hours by utilizing construction industry-focused generative AI and safety-supporting AI app. Also, we have rewritten manuals to enable even young, less experienced personnel to draft outline construction plans, and thus achieved a roughly 50% reduction in the time spent on this task by site supervisors.
- We are continuing to proactively hire new graduates and mid-career professionals to secure the talent we need.
- We are also working to lower employee turnover through efforts to enhance employee workstyles and engagement.

Analysis of factors for changes in profit

(consolidated)

(Millions of yen)



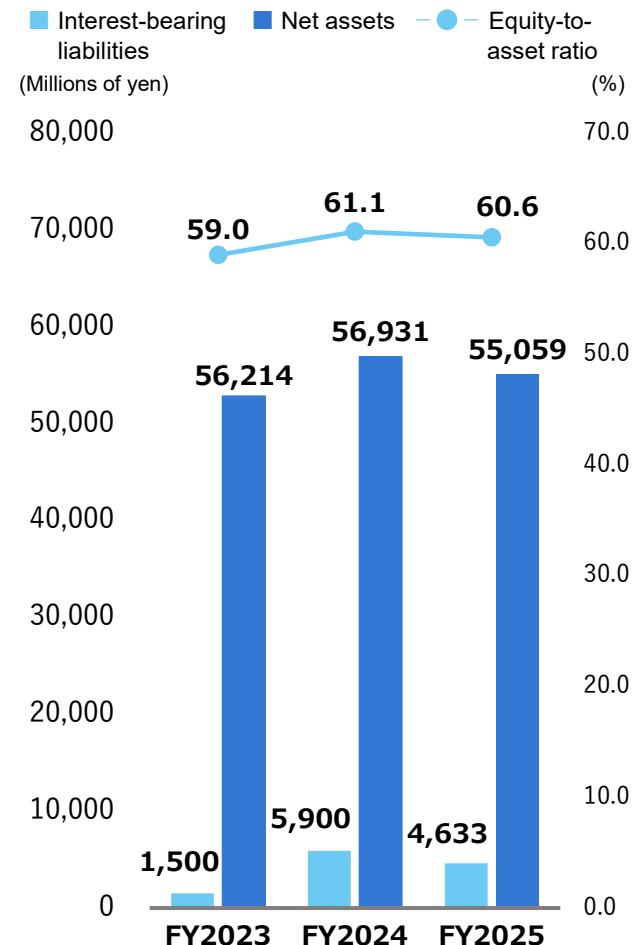
- [Main factors behind the increase in profit]
 - Mainly the increase in gross profit. Other contributors include the improvement of work styles in the Construction business through OJT support via manuals and DX tools, and the digitalization of worksites.
- [Main factors behind the decrease in profit]
 - Mainly the decrease in extraordinary income and the increase in extraordinary losses (recording of impairment losses)

Consolidated financial position and consolidated cash flows

Consolidated financial position

(Millions of yen)

	FY2023	FY2024	FY2025	YoY change (Amount)
Total assets	92,895	90,721	88,501	▲2,220
Total liabilities	36,680	33,790	33,441	▲349
Interest-bearing liabilities	1,500	5,900	4,633	▲1,266
(Short-term borrowings)	600	5,450	4,489	▲960
(Long-term borrowings)	900	450	143	▲306
Net assets	56,214	56,931	55,059	▲1,871
Equity-to-asset ratio	59.0%	61.1%	60.6%	▲0.5%



Consolidated cash flows

(Millions of yen)

	FY2023	FY2024	FY2025
Cash flows from operating activities	10,911	▲1,754	12,205
Cash flows from investing activities	▲3,955	▲1,222	▲2,331
Cash flows from financing activities	▲2,693	1,057	▲8,271
Net increase (decrease) in cash and cash equivalents	4,222	▲1,919	1,601
Cash and cash equivalents at end of period	14,227	12,308	13,909

- **Assets:** Total current assets declined by 6.2% year on year due to a decrease in notes receivable, accounts receivable from completed construction contracts and other, and increases in cash and deposits, electronically recorded monetary claims – operating, and costs on construction contracts in progress. Total non-current assets rose by 4.8% year on year due to increases in investment securities and retirement benefit asset. As a result, total assets decreased by 2.4% year on year.
- **Liabilities:** Total current liabilities decreased by 1.9% due to a decline in short-term borrowings. Total non-current liabilities climbed by 7.1% year on year due to an increase in deferred tax liabilities and a decrease in long-term borrowings. As a result, total liabilities decreased by 1.0% year on year.
- **Net assets:** Retained earnings were increased by profit attributable to owners of parent, but were decreased by dividends of surplus. As a result, total net assets fell by 3.3% year on year.
- **Consolidated cash flows:** Cash and cash equivalents at end of period increased by ¥1,601 million year on year to ¥13,909 million.

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Financial results forecasts for the fiscal year ending March 31, 2027

(Millions of yen)

Consolidated	FY2025	FY2026 (Forecast)	YoY change (Amount)	YoY change (%)
Net sales	121,327	130,000	8,672	7.1%
Operating profit	5,788	6,000	211	3.7%
Ordinary profit	5,997	6,100	102	1.7%
Profit attributable to owners of parent	3,426	4,200	773	22.6%

■ Full-year outlook (plan)

While material price trends for asphalt and other products remain uncertain and energy prices are expected to increase, the Construction business started the fiscal year with an increased amount of construction orders carried forward compared to the previous fiscal year. The amount of orders received remains firm, and Construction business and Asphalt Products, Environment and Other business that handles construction materials, etc. are expected to make progress as planned.

■ Initiatives to achieve the plan

[Construction]

Regarding orders received, we are starting the fiscal year without any contracted assets, such as the PPP projects secured in the previous fiscal year (secured with priority negotiation rights), and without any maintenance work orders on the books, but there are many large-scale construction projects that we anticipate we will be contracted for.

Also, we will seek to establish a sustainable growth foundation by focusing efforts on business expansion, including strengthening the overseas business and sport facility business.

For construction work, we will implement construction that focuses on productivity of completed work, which includes the assignment of technical personnel. In addition, we will gauge the progress and issues of large projects from the viewpoint of preventing poor quality and unprofitability of construction work, thereby aiming to prevent the occurrence of poor quality, unprofitable construction work, and seek to increase the gross profit margin of construction projects.

[Asphalt Products, Environment and Other]

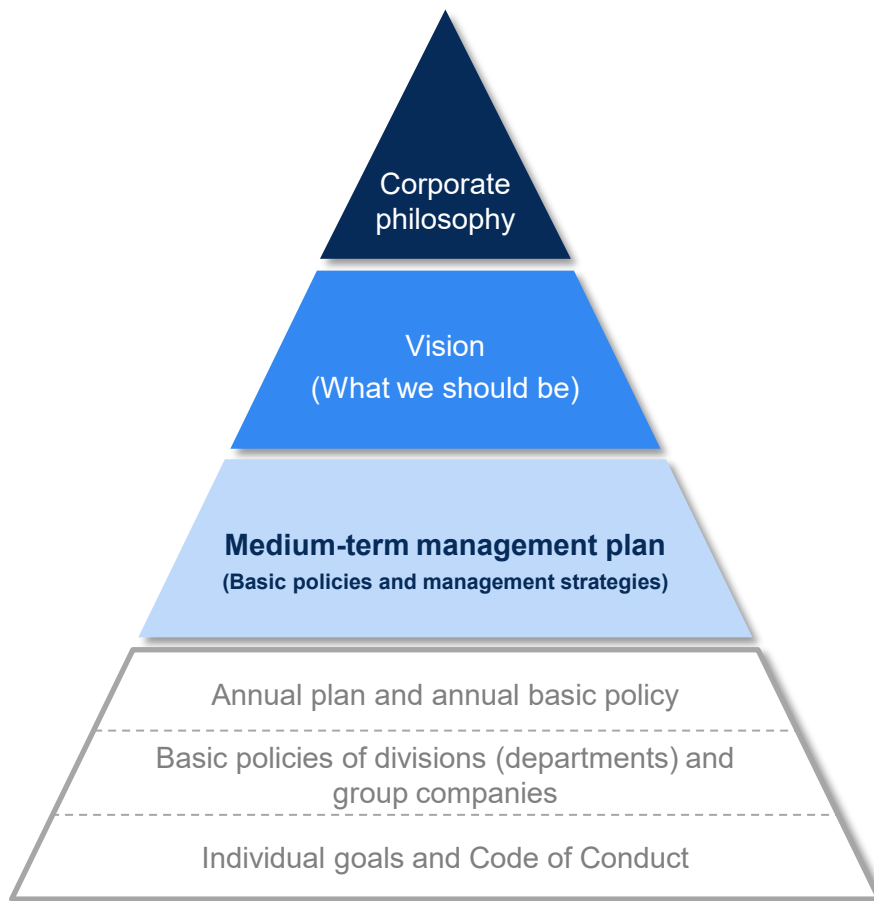
The prices of various materials have increased tremendously as petroleum-derived products have soared in price due to the recent deterioration of the situation in the Middle East, while the yen continues trending downward. The Asphalt Product Business will work to secure revenue and profits by implementing emergency price adjustments for all products it sells, including with regard to orders already received.

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Progress on the FY2024–FY2026 Medium-term Management Plan

Corporate philosophy, 100th anniversary vision and medium-term management plan

Since its founding, TOA ROAD CORPORATION has pursued an independent path, cultivating a free and open corporate culture that is unafraid of change. Under this culture, the Company has built its own unique value-creation approach **TOA Style** that responds to the needs of the times. Toward 2030, the year of its 100th anniversary, we have formulated our long-term vision, “TOA ROAD Vision 2030,” and all employees are working together toward a common direction. To realize this vision, our medium-term management plan, “TOA ROAD Sustainable Plan 2026,” positions the “Shift to CSR-oriented management” and “Establishment of a foundation for sustainable growth” as its two core pillars, strengthening relationships of trust with our stakeholders. By building a resilient corporate structure capable of responding to an era of high uncertainty, we are striving to maximize corporate value.



○Corporate philosophy




Support peoples' lives from the road they stand on with our own will and growth

○100th anniversary vision



Recognition of the business environment

Since the announcement of the previous medium-term management plan in May 2021, the international landscape has changed significantly. In Japan as well, issues related to the deterioration of infrastructure have become increasingly apparent.

 External environment Social and environmental outlook	 Internal environment 
<ul style="list-style-type: none"> ■ Declining population and aging society The construction industry is facing a severe labor shortage due to declining population and aging workforce. Leveraging a more diverse range of human resources has become indispensable. ■ Diversifying workstyles and values Digitalization is enabling more flexible workstyles and expanding opportunities for diverse talent. The construction industry needs reforms in compensation, workstyles, and human resource development. ■ Addressing aging infrastructure Aging infrastructure requires planned maintenance incorporating preventive maintenance. Furthermore, reconstruction efforts that account for population decline and increasing disaster risks are needed. ■ Increasing disaster risks and national resilience Growing risks of large-scale disasters and climate change have heightened social demands to strengthen disaster prevention, mitigation, and recovery systems. ■ Accelerating carbon neutrality and green transformation (GX) The construction industry is increasingly expected to address decarbonization, resource circulation, and biodiversity conservation. Technological innovation and business model transformation are essential. ■ Full-scale deployment of digital and AI technologies AI and digital technologies are improving productivity and safety at construction sites. Digitalization also directly contributes to workstyle reform and the utilization of diverse human resources. ■ Changes in the international community Rising geopolitical risks and expanding infrastructure demand in emerging economies are accelerating the international expansion of Japan's construction industry. 	<ul style="list-style-type: none"> ■ Independent innovation without a parent company A culture that encourages technological innovation through free thinking and agile responses. Employees are empowered to think and act proactively. ■ Dual strengths as both a materials manufacturer and a construction contractor Technological strengths arising from the fusion of chemistry and civil engineering. A portfolio of more than 200 products and construction methods. ■ Nationwide network rooted in local communities Seven branches; 40 branch offices and sales offices; 24 product factories; 43 asphalt mixing plants, 7 technical centers, Technical Research Institute, a machinery center, and 26 group companies. ■ Diverse business domains and extensive track record Road construction, product sales (emulsifiers, modifiers, mixtures), landscape/sport facilities, PPP, consulting, environmental (demolition, soil decontamination, underground reservoirs), civil engineering (railroad tracks, airports, ports), and other businesses ■ R&D and innovation Contributing to a sustainable society through the development of environmentally friendly pavement materials and infrastructure management technologies. Advancing next-generation infrastructure solutions such as solar power-generating pavements and wireless power transfer pavements.

As social infrastructure built during the period of rapid economic growth continues to age, demand for road renovation is expected to accelerate. Under our mission to support the safety and security of society, we are committed to addressing these needs sincerely and will continue to develop our “Value Creation Process” (see p.16).

Reason for revision of numerical targets

- ▶ Our Group formulated the current medium-term management plan and has been implementing it under our vision of “Refine the TOA Style to be the Only One Company always chosen by the society” and based on the two pillars of “Shift to CSR-oriented management” and “Establishment of a foundation for sustainable growth.”

In the meantime, geopolitical risks have grown due to tensions in the Middle East and other international developments, driving a rise in crude oil and energy prices that has further increased our cost burden. Consequently, our business environment has changed dramatically since the plan was drafted. For this reason, we have revised the numerical targets for FY2026, the final year of the current plan.

Revision of consolidated financial result targets for FY2026 (final year of medium-term management plan)

	Before revision	After revision
Net sales	¥130 billion	¥130 billion
Operating profit	¥7.5 billion	¥6.0 billion
ROE	over 9.0%	over 8.0%

*The resolution to revise the numerical targets of the medium-term management plan was made at the Board of Directors meeting held on May 11, 2026.

GOAL	“TOA ROAD Vision 2030,” the 100th anniversary vision		Consolidated financial result Net sales (target) ¥150.0 billion Operating profit (target) ¥10.0 billion
	Refine the TOA Style to be the Only One Company always chosen by the society		
STEP3	FY2027–FY2029	TOA ROAD Sustainable Plan 2029	Consolidated financial result Net sales (target) ¥130.0 billion Operating profit (target) ¥6.0 billion <small>(revision announced May 11, 2026)</small>
STEP2	FY2024–FY2026	TOA ROAD Sustainable Plan 2026	
	“Shift to CSR-oriented management” “Establishment of a foundation for sustainable growth”		
STEP1	FY2021–FY2023	TOA ROAD Sustainable Plan 2023	Consolidated financial result Net sales (result) ¥126.5 billion Operating profit (result) ¥5.0 billion

In 2021, we defined the “TOA ROAD Vision 2030,” which shows what we should be when we reach the 100th anniversary of the Company in 2030, and set it as our goal. In order to achieve this goal, we have developed and are implementing the medium-term management plan, “Ahead of the Curve, On Top of the Market–TOA ROAD Sustainable Plan.” The medium-term management plan, “TOA ROAD Sustainable Plan 2026,” is a continuum from the previous medium-term management plan, “TOA ROAD Sustainable Plan 2023,” and covers a three-year period to FY2026.

Progress of the business strategy toward “establishment of a foundation for sustainable growth”

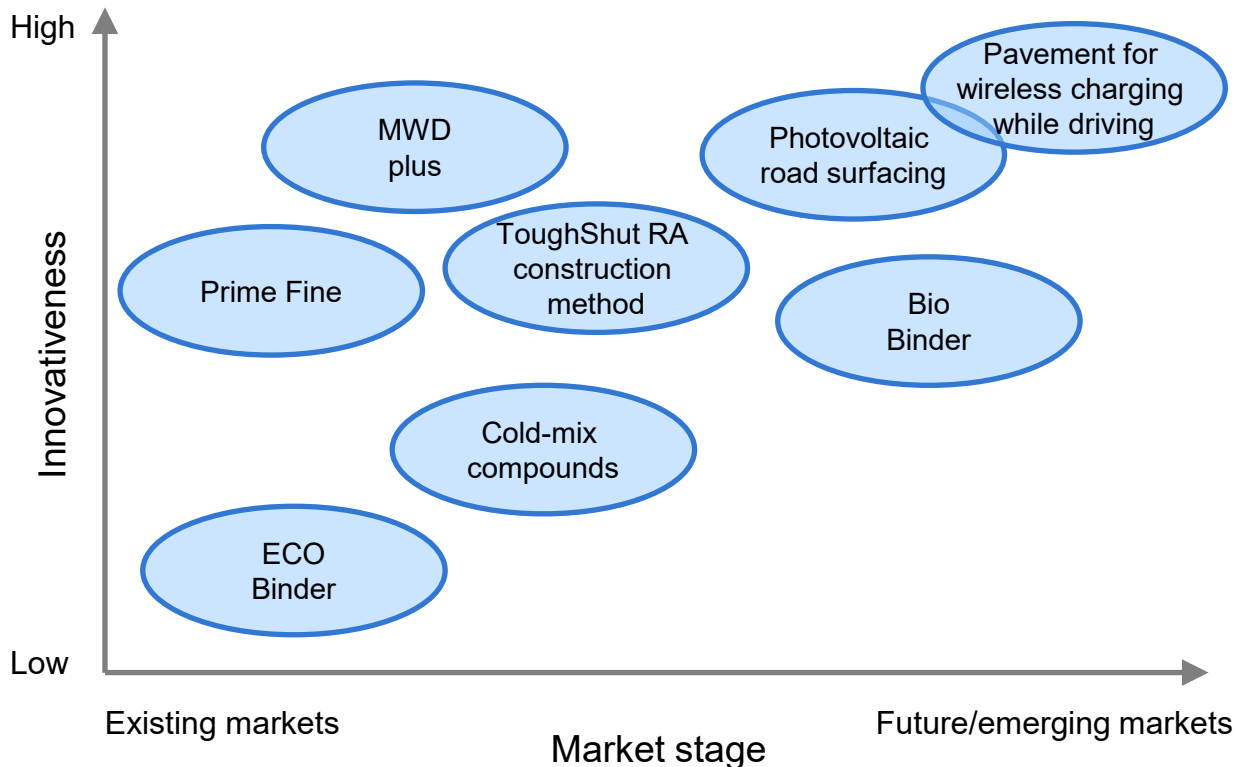
- ▶ We aim to establish “a foundation for sustainable growth” by deploying individual business strategies using the R&D strategies as a common platform and managing individual business strategies through the integrated business strategies.

Management strategies		Item	Progress (result)
Research and development (R&D)		<ul style="list-style-type: none"> ■ Management system incorporating digital technologies ■ Development for realizing a low-carbon society ■ Challenge to next generation and frontier technologies 	<ul style="list-style-type: none"> ■ Development and deployment of road condition-based pavement management system using MWD plus ■ Development of practical asphalt pavement materials using biomass-derived materials ■ Real-world testing of Wattway photovoltaic road surfacing system
Integrated business strategies		<ul style="list-style-type: none"> ■ Aggressive investment in businesses ■ Assessment and portfolio management of businesses and identification of/response to improvement drivers 	<ul style="list-style-type: none"> ■ ¥3.3 billion (cumulative) business investment ■ Identification of improvement drivers as well as study and discussion of assessment method
Management strategies with a keen eye on capital costs		<ul style="list-style-type: none"> ■ Aiming for ROE of at least 8% while being conscious of cost of capital (revision announced May 11, 2026) ■ Realizing stable shareholder return by maintaining PBR 1x ■ Accelerating proactive growth investments by continuously achieving returns exceeding capital cost 	<ul style="list-style-type: none"> ■ Improvement of PBR to 1.47x (1.2x in preceding year) ■ Maintaining dividend payout ratio of 100% and dividend amount of ¥90/share
Business strategies	Construction business Strategies	<ul style="list-style-type: none"> ■ Diversification of work styles ■ Improvement of operational efficiency and productivity through digitalization ■ Expansion of business domains 	<ul style="list-style-type: none"> ■ Development of manuals and knowledge base to help young workers quickly become contributing members ■ Use of AI to develop intellectual property from estimates, project estimation, and tacit knowledge ■ Improvement of productivity through adoption of ICT such as machine control and drone surveying ■ Launch of project for METI's Global South demonstration program
	Asphalt Product business strategies	<ul style="list-style-type: none"> ■ Aggressive capital investment (business continuation at the time of disasters) ■ Provision of mechanical warm-mix equipment to hot-mix asphalt plants 	<ul style="list-style-type: none"> ■ Implementation of new factory construction plan and equipment upgrades that are conscious of BCP and environmental protection ■ Installed at 11 plants nationwide as of March 31, 2026
	Consulting business strategies	<ul style="list-style-type: none"> ■ Management of stocked social capital ■ Operational solutions for global environmental issues and in material procurement 	<ul style="list-style-type: none"> ■ Establishment of measurement and analysis methods using MWD plus ■ Launch of road inspections using AI camera-equipped smartphones
	Back-office strategies	<ul style="list-style-type: none"> ■ Efficiency improvement and laborsaving of back-office operations through the introduction of DX and utilization of generative AI ■ Further strengthening and sophistication of BCP measures 	<ul style="list-style-type: none"> ■ Introduction and operation of expense reimbursement system and workflow-based system for submission and approval of internal procedural documents

We strategically pursue R&D along four axes: high durability, decarbonization, resilience, and technological fusion. Our focus is on achieving innovative value creation through the fusion of advanced technologies in sensing, materials, energy, and other areas.

We strive to support the setting of infrastructure standards for the future by putting into practice the TOS Style: Original ideas driven by synergy between construction and products (fusion of civil engineering technologies and chemical technologies) X free and open-minded culture of an independent company (innovation and solutions).

R&D portfolio



■ Advanced pavement inspection using MWD plus

This service provides data that supports the planning of maintenance/repair of national, prefectural, municipal, and other roads. It is regarded by road management authorities as a technological solution that contributes to efficient network-level inspection.


■ Wattway (photovoltaic road surfacing) for supporting disaster prevention, environmental, and GX needs

We have advanced discussions and feasibility studies with local governments and related organizations regarding deployment in places such as pedestrian spaces, parking lots, roadside stations, and event facilities.

See “Our new technologies” on p. 31 and “Our products” on p. 32 for more information.

Toa Road Corporation is striving to appropriately cooperate with its multi-stakeholders, understanding that collaborative value creation, not only with our shareholders, but also with our employees, business partners, customers, creditors, local communities and other various stakeholders, has become more important in the corporate management.

Initiatives aligned with the Multi-Stakeholders Policy

Return of the Benefits to our Employees	Raise salary Increase the average salary amount per employee by 3% or more YoY Improve engagement Conduct trainings by section as well as by job level Establish a workplace environment in which female workers can aim for career advancement
Taking account of our Business Partners	Compliance with the Declaration of Partnership Building 
Efforts for Other Stakeholders	Provide new value corresponding to the needs of the time based on the corporate philosophy

Value Creation Process

The Group strives to improve corporate value by responding to the needs of the times and society, contributing to the realization of a sustainable society through infrastructure development, promoting environmentally conscious technological innovation, pursuing value creation that emphasizes coexistence with local communities.



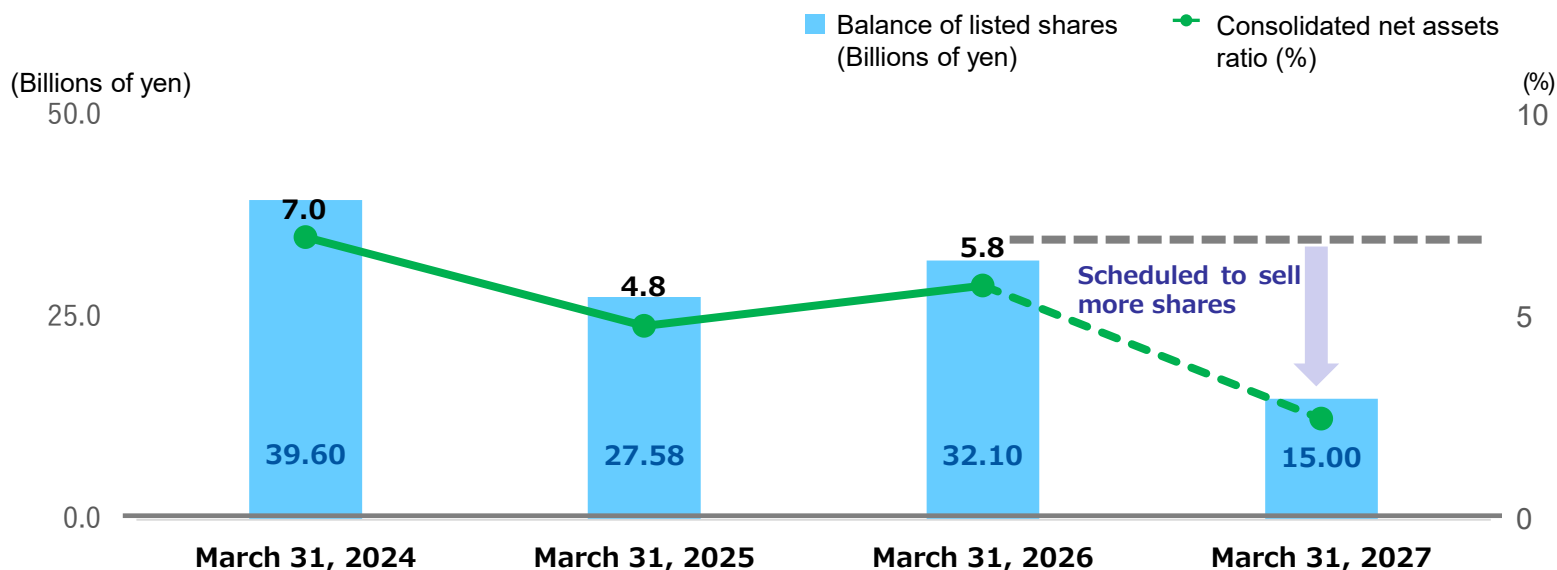
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**Action to implement
management that is conscious
of capital cost and stock price**

Reduction of cross-shareholdings

Target: Reduce cross-shareholding to around 1/3 of the fair value of the shares held as of March 31, 2024, which is ¥3.96 billion

Period: Three years starting from the current fiscal year (FY2024) to FY2026



The balance of cross-shareholdings held as of March 31, 2026 was ¥3.21 billion, a decrease of 18.9% from the level on March 31, 2025.

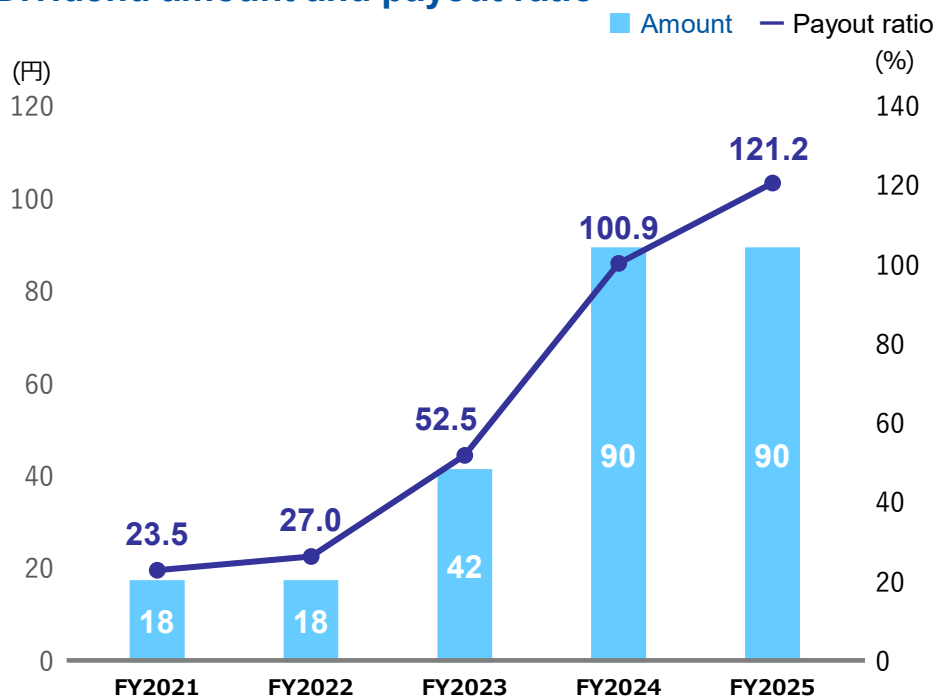
Cross-shareholdings were reduced by approx. ¥0.2 billion during FY2025. However, due to the recent rise of stock prices, the value of cross-shareholdings in terms of market value (as recorded on the balance sheet) of ¥3.21 billion as of March 31, 2026 exceeded the level of ¥2.76 billion as of March 31, 2025.

We will accelerate the sale of the shares to ensure achievement of the target.

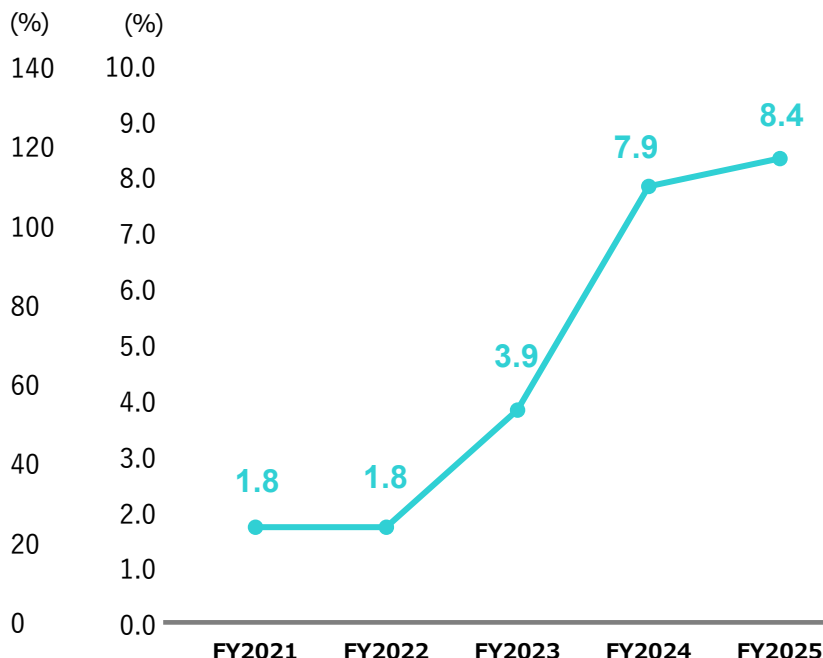
Shareholder returns: Target direction

Set a baseline of 100% dividend payout ratio and strive for **DOE 8%**

Dividend amount and payout ratio



DOE



On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. Dividend amount per share is calculated on the presumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021.

Mid- to long-term
investment in growth

Total investment amount target for 3 years ¥15 billion or more

A cumulative total of approx. ¥5.6 billion had been invested as of the end of FY2025,
the second year of the plan.

Current progress status is 37.2% of the total investment amount target for 3 years of ¥15 billion or more.

(Millions of yen)

Area of investment	Total investment amount for 3 years (target)	Area of investment	Details	Amount invested so far Mid-term first year (results)
Renewal of existing facilities	10,000	Existing facilities	Construction	1,826
			Asphalt Products, Environment and Other	2,512
			Common	394
			Sub total	4,732
Growth investments	5,000	DX, Environment, etc.		842
Total investment	15,000	Total investment		5,574
			Status against the three-year total investment target amount	37.2%

Having a precondition that we will ensure resilient management foundation to address the era of uncertainty, we will strive to improve our corporate value with a keen eye on capital cost, by setting a KPI for profitability on invested capital for each business. At the same time, in order to reduce capital costs, we will enhance engagement with shareholders and investors through dialog with them.

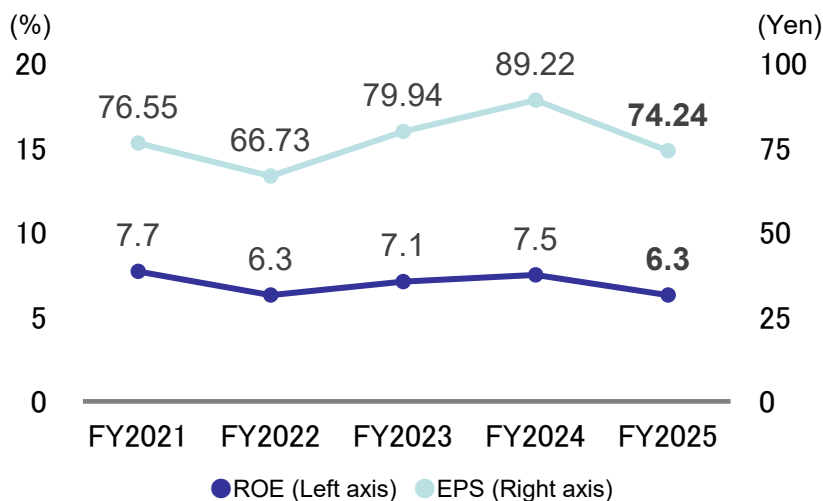
- Return on equity (ROE)

Our ROE as of March 31, 2026 was 6.3%, partially due to increased crude oil prices. In the medium-term management plan, we will work for continuous improvement aiming at an ROE of 8.0% or more.

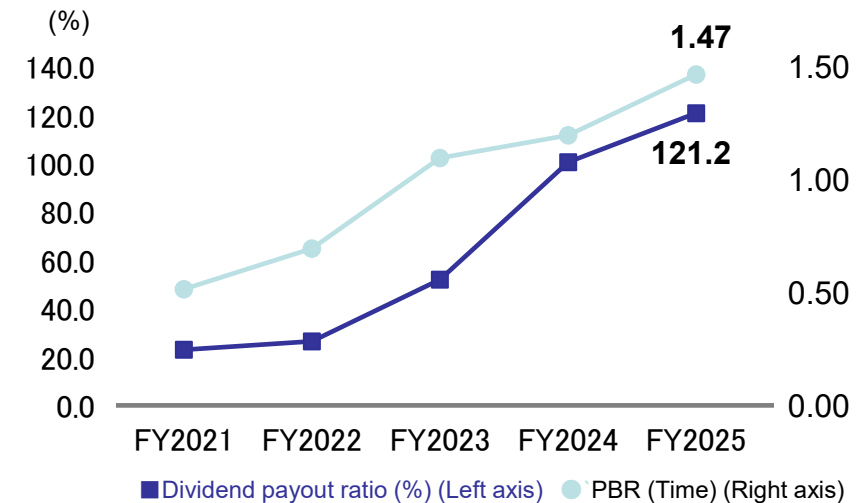
- Price book-value ratio (PBR)

Although our PBR is 1.47 in the fiscal year ended March 31, 2026 and is currently above the Tokyo Stock Exchange requirement of 1.0x, we will strive to achieve higher PBR, by providing shareholder returns with a baseline dividend payout ratio of 100% and with target DOE of 8.0%, on the precondition that our management policy should emphasize shareholder returns while maintaining a robust financial foundation.

Trend of ROE and EPS



Trend of dividend payout ratio and PBR



Strengthen shareholder returns by increasing dividend payout ratio

- ◇ Target: Dividend payout ratio of 100%, DOE of 8.0%
- ◇ Dividends are significantly increased, such as the dividend paid of **¥90** per share (dividend payout ratio: **100.9%**, **DOE: 7.9%**) for FY2024, and dividend paid of **¥90** per share (dividend payout ratio: **121.2%**, **DOE: 8.4%**) for FY2025, as compared with dividend of **¥42** per share (dividend payout ratio: **52.5%**, **DOE: 3.9%**) for FY2023.

Improve profitability by reducing cross-shareholdings

- ◇ Target: Reduce cross-shareholding **to around 1/3** of that as of March 31, 2024
- ◇ Period: Three years starting from FY2024 to FY2026

Retirement of treasury shares

- ◇ Flexibly consider future retirement to further return profits to shareholders

5

Corporate profile

Corporate philosophy

Support peoples' lives from the road they stand on with our own will and growth

Corporate name	TOA ROAD CORPORATION
Date of establishment	November 28, 1930
Head office	7-3-7 Roppongi, Minato City, Tokyo
Representative	Kyouichi Morishita, Representative Director, President
Capital	¥7,584 million
Net sales	¥121,327million (for FY2025) (consolidated)
Ordinary profit	¥5,997million (for FY2025) (consolidated)
Number of employees	1,644(for FY2025) (consolidated)
Listing (Securities code)	Prime Market of the Tokyo Stock Exchange (1882)
Construction contractor license	Ministry of Land, Infrastructure, Transport and Tourism (Special 1) No. 3226

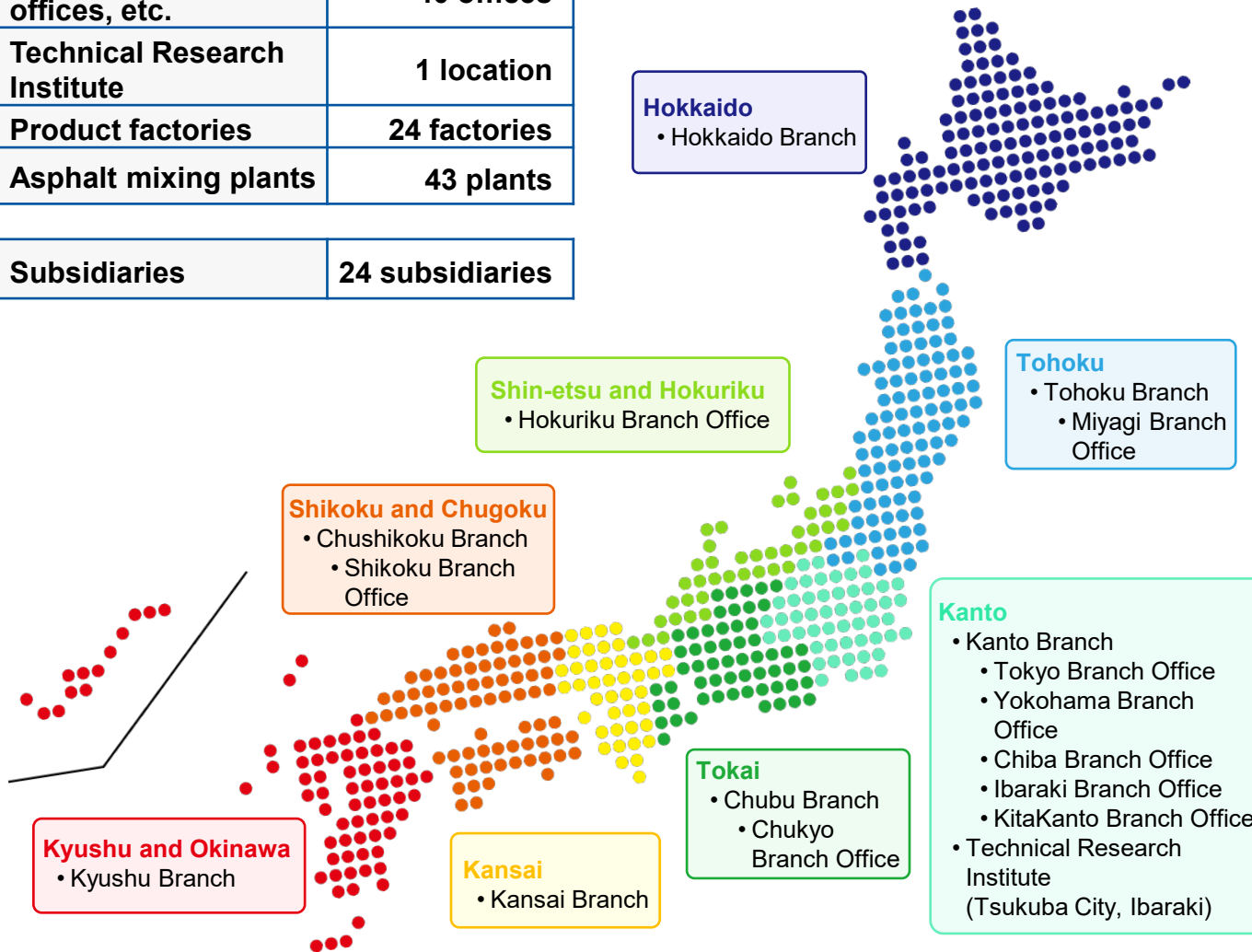
Major consolidated subsidiaries

Company name	Reportable segment	Head office	Net sales (Before consolidation adjustment)	Business description
FUJIKENSETSU CORPORATION	Construction	Muroran City, Hokkaido	¥2,613 million	Supervising and work for road construction, general civil engineering, sports facilities, architecture, and road maintenance and snow removal, etc.
MARUKENDOURO CORPORATION	Construction	Kanazawa City, Ishikawa	¥6,447 million	Supervising and work for road construction, sports facilities, landscape facilities, general civil engineering projects, etc. Manufacturing and sales of asphalt mixtures
Umetsugumi Co., Ltd.	Construction	Nagai City, Yamagata	¥1,196 million	Supervising and work for pavement construction projects, civil engineering projects, etc.
Shikishimagumi Co., Ltd.	Construction	Oita City, Oita	¥486 million	Supervising and work for road construction projects, civil engineering projects, etc. Manufacturing and sales of asphalt mixtures
FUJI GREEN TECH CO., LTD.	Construction	Kofu City, Yamanashi	¥2,206 million	Design, work, management and management as a designated manager of parks and athletic facilities, etc. and painting of bicycle racetracks
KOKUDO Co., Ltd.	Construction	Kakamigahara City, Gifu	¥318 million	Work for pavement construction projects and civil engineering projects
Aiken Industry Co., Ltd.	Construction	Kirishima City, Kagoshima	¥1,216 million	Construction work, sales of intermediately processed/recycled crushed stone, and manufacturing and sales of asphalt mixtures
Sapporo Kyodo Ascon Co., Ltd.	Asphalt Products	Sapporo City, Hokkaido	¥1,807 million	Manufacturing and sales of asphalt mixtures
Aska Co., Ltd.	Asphalt Products	Minato City, Tokyo	¥17,433 million	Sales of petroleum products (asphalt and fuels)
TOA-TONE BORING Co., Ltd.	Asphalt Products	Minato City, Tokyo	¥6,456 million	Manufacturing and sales of boring machinery and foundation civil engineering machinery, etc. and work for foundation civil engineering projects
TOA BUTSURYU Co., Ltd	Asphalt Products	Minato City, Tokyo	¥1,916 million	Transportation and delivery (spreading) of asphalt products
SANROCK ARAKAWA Co., Ltd.	Asphalt Products	Murakami City, Niigata	¥1,174 million	Manufacturing and sales of gravel, sand, crushed stone, etc. Recycling of concrete waste materials Civil engineering and pavement construction

Major offices, research institute, consolidated subsidiaries, etc.

Branch offices, sales offices, etc.	40 offices
Technical Research Institute	1 location
Product factories	24 factories
Asphalt mixing plants	43 plants

Subsidiaries	24 subsidiaries
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Head Office



Technical Research Institute

Our track record in construction

FY2022 Shizuma Nima Road pavement construction work in Isotake district (Chugoku Regional Development Bureau, MLIT)



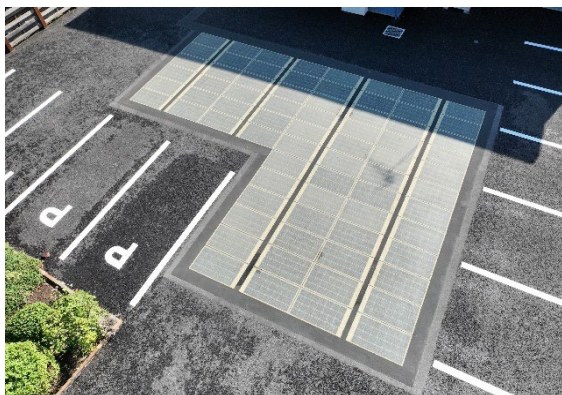
Improvement and pavement construction work at Kammuriyama Toge Road in Tsuka district (Kinki Regional Development Bureau, MLIT)



Hokuriku Shinkansen Fukui track construction



OKS Company's Wattway, pavement with a solar power generation function



Tokyo Summerland's MONSTER STREAM



Main athletic field at Tokyo Keizai University's Musashimurayama Campus



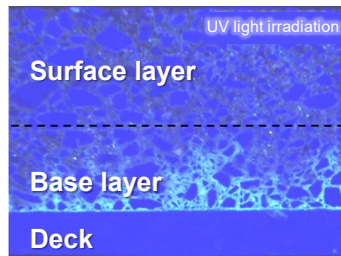
Wattway photovoltaic road surfacing system

We are working with France's Colas to spread the use of the Wattway photovoltaic road surfacing system as one solution for achieving the SDGs. Since Wattway is installed directly on pavement, it is resilient to natural disasters such as typhoons and provides off-grid power generation. For this reason, we believe that it can become a new solar power solution for Japan's future, including through its deployment in urban areas and its use as an energy source for emergency response centers in disaster areas.



ToughShut RA, asphalt pavement material with integrated resin waterproofing

ToughShut RA, an asphalt pavement material with integrated resin waterproofing, is an innovative technology that integrates the deck, waterproof layer, and asphalt mixture of road bridges with plant-derived resin. Unlike traditional methods that require specialized equipment and processes, it can be installed using general-use equipment and thus can be broadly used for bridge maintenance. We are seeking to leverage this advantage to help extend the life of the large number of bridges in service.



Adhesive waterproofing material mixed with fluorescent pigment under UV light irradiation. You can see the waterproofing material penetrating the base layer.

MWD plus, inspection vehicle that simultaneously measures pavement deflection and surface conditions

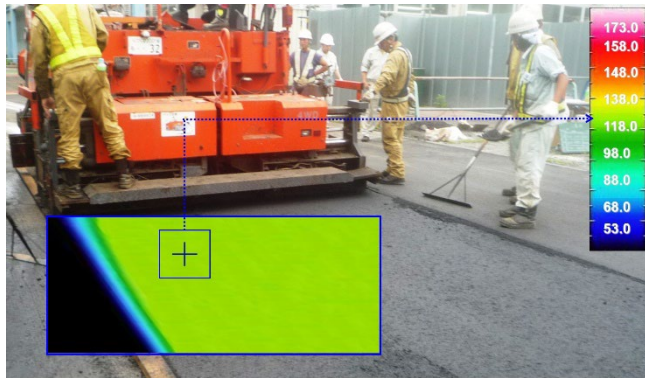
We developed and started operating MWD plus, a new pavement inspection vehicle that combines a moving wheel deflectometer (MWD) with equipment that measures three surface properties essential to pavement maintenance: cracking rutting, and International Roughness Index (IRI). By enabling real-time measurement of pavement deflection, MWD plus can help to realize effective road pavement maintenance.



Pavement for wireless charging while driving

Pavement for wireless charging while driving is a pavement technology that charges EVs wirelessly as they travel. As society rapidly shifts toward EVs, the constraints placed on batteries by weight and resource scarcity will likely become a significant barrier. We are working to address this challenge through technical exploration with relevant organizations and academic institutions.





ECO Binder series

ECO Binder series are environmentally-friendly modified asphalt that can be produced at approximately 30°C lower than the temperature for producing normal modified asphalt mixtures. It can reduce fuel consumption and CO₂ emissions traditionally required for heating the aggregate.



Fast-As

Fast-As is a road surface repair material developed for easier use for small-scale work. It is made of modified asphalt emulsion and hardens at room temperature. It serves for various uses such as filling gaps and seams, as well as the refreshing and aesthetic improvement of rough road surfaces.



Cold Permixon

Cold Permixon is a highly durable asphalt mixture for cold-mix repair. It is highly durable and enables the easy filling of potholes and gaps. It is made of plant-derived materials and obtained the Biomass Mark certification.



Suigu Mix

Suigu Mix is a cold-mix asphalt mixture that sets when combined with water. Since it quickly hardens upon contact with water, roads repaired with it can be immediately reopened to traffic. It can even be used when water collects in the repair spot due to snowmelt or rainy weather.

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Appendix

Consolidated management indicator trends

Term		109th	110th	111th	112th	113th	114th	115th	116th	117th	117th	119th	120th
Fiscal year		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net sales	(Million yen)	113,663	96,586	99,849	98,218	103,676	109,123	111,801	112,118	118,721	118,060	126,575	121,327
Ordinary profit	(Million yen)	6,016	5,412	5,260	4,184	3,728	4,869	7,258	5,590	4,957	5,707	5,206	5,997
Profit (loss) attributable to owners of parent	(Million yen)	4,110	3,139	2,987	2,518	▲231	4,116	4,697	3,714	3,160	3,793	4,127	3,426
Comprehensive income	(Million yen)	4,605	2,932	3,400	3,096	691	3,628	5,942	3,779	3,248	4,995	3,515	4,656
Net assets	(Million yen)	32,740	35,008	37,897	40,375	40,537	43,622	48,166	50,605	52,850	56,214	56,931	55,059
Total assets	(Million yen)	80,156	81,193	79,998	89,426	89,813	84,027	87,846	84,691	87,184	92,895	90,721	88,501
Net assets per share	(Yen)	634.31	676.97	731.06	776.94	777.81	837.63	961.43	1,033.23	1,083.39	1,165.65	1,197.37	1,160.86
Profit (loss) per share	(Yen)	81.00	61.89	58.90	49.67	▲4.57	83.97	94.87	76.55	66.73	79.94	89.22	74.24
Equity-to-asset ratio	(%)	40.1	42.3	46.3	44.0	43.9	50.5	53.4	58.1	59.1	59.0	61.1	60.6
Return on equity (ROE)	(%)	13.7	9.4	8.4	6.6	▲0.6	10.4	10.5	7.7	6.3	7.1	7.5	6.3
Price-to-earnings ratio (PER)	(Time)	4.99	6.06	5.65	8.17	—	3.57	4.46	6.30	11.24	15.95	16.07	23.02
Cash flows from operating activities	(Million yen)	3,284	10,266	1,297	10,959	3,262	▲3,734	6,688	4,584	2,180	10,911	▲1,754	12,205
Cash flows from investing activities	(Million yen)	▲1,294	▲2,579	▲1,905	▲779	▲3,250	▲1,752	▲2,089	▲2,842	▲2,971	▲3,995	▲1,222	▲2,331
Cash flows from financing activities	(Million yen)	▲1,912	▲2,435	▲1,031	▲910	▲1,890	▲2,878	▲3,888	▲2,856	▲853	▲2,693	1,057	▲8,271
Cash and cash equivalents at end of period	(Million yen)	9,415	14,667	13,027	22,298	20,419	12,053	12,764	11,649	10,004	14,227	12,308	13,909
Number of employees (excluding average number of temporary employees)	(Person)	1,433 (533)	1,466 (495)	1,515 (456)	1,532 (497)	1,553 (531)	1,558 (516)	1,565 (498)	1,580 (434)	1,667 (433)	1,655 (436)	1,670 (402)	1,644 (430)

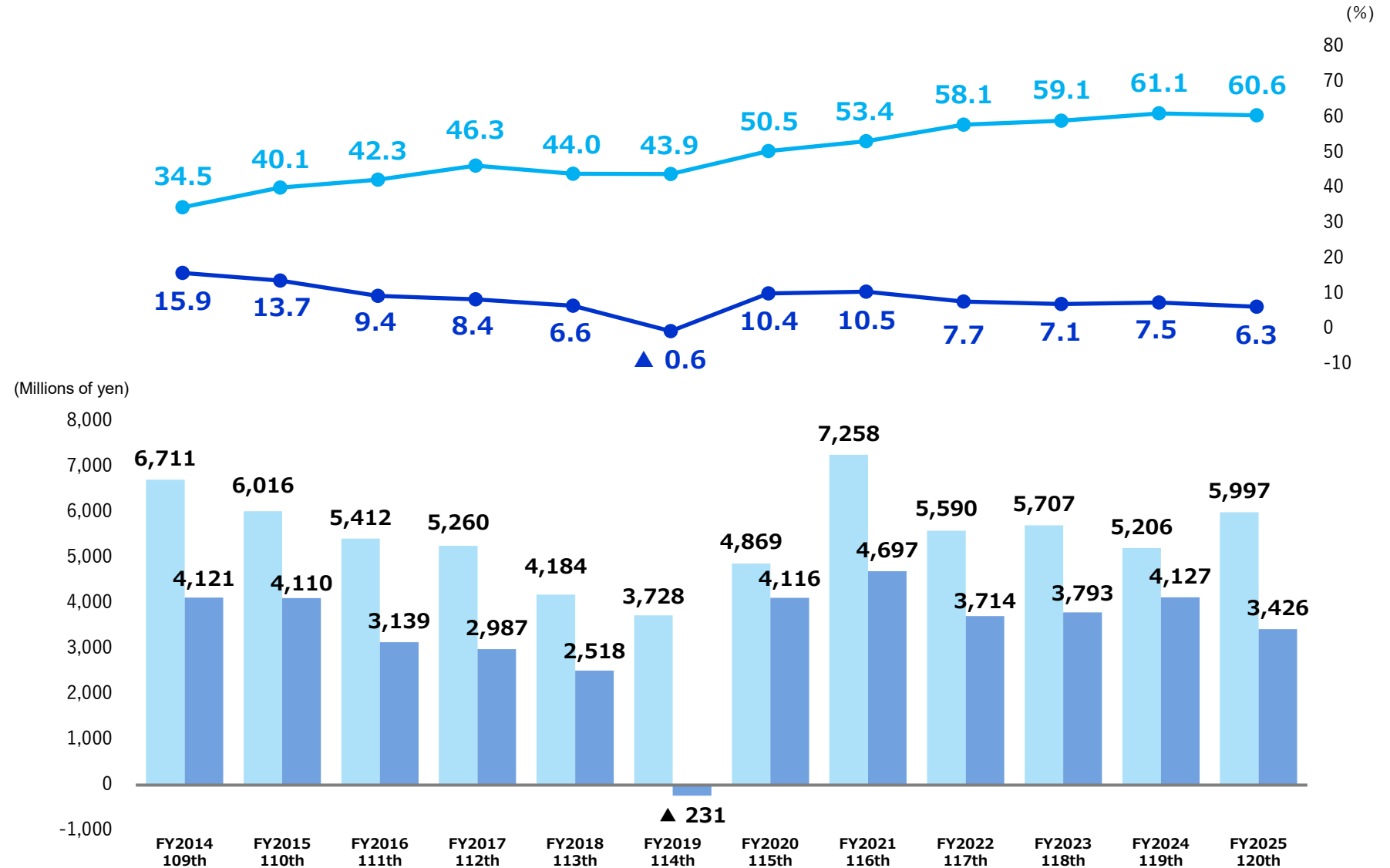
(Note) On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. Each indicator per share presented above is the amount after taking the split into consideration.

Consolidated management indicators

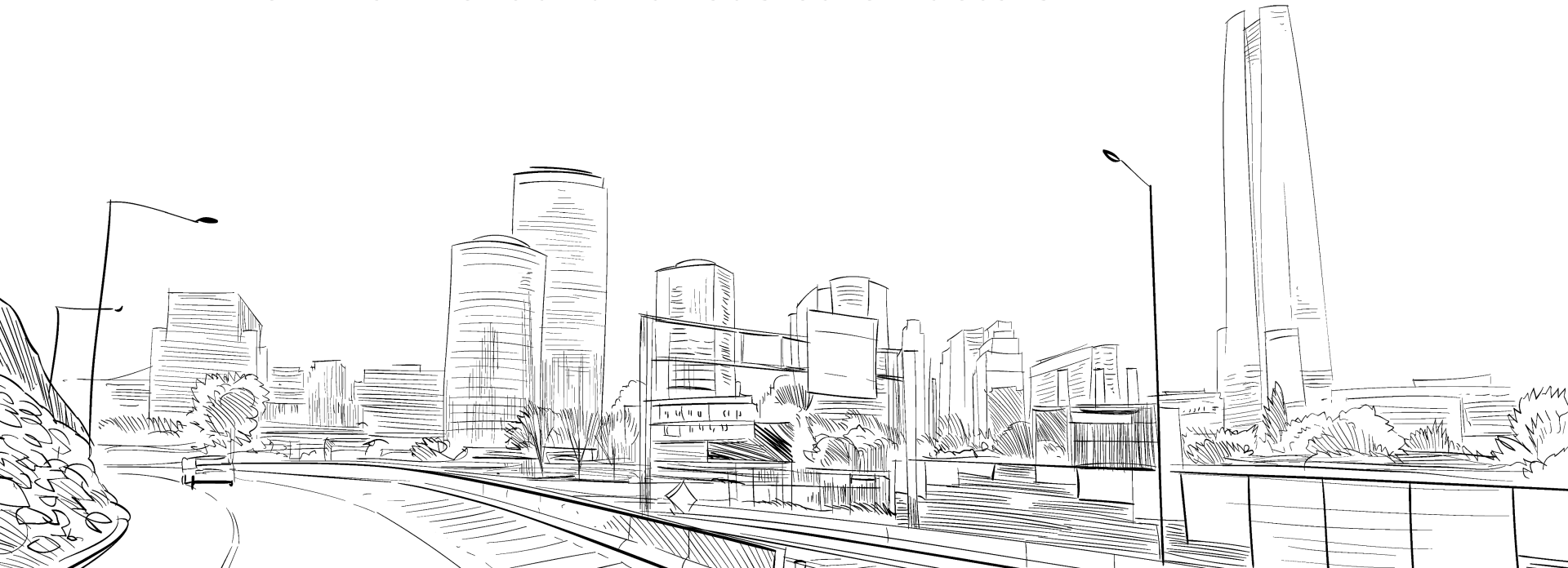
(Capital investment, R&D, depreciation, shareholder returns, etc.)

Consolidated management indicator trends

■ Ordinary profit ■ Profit (loss) attributable to owners of parent —●— Equity-to-asset ratio —●— Return on equity (ROE)



Forecasts, plans and any other forward-looking statements contained herein are based on the information currently available and assumptions and hypothesis deemed to be reasonable by the Company. Actual results may differ from these statements due to future changes in the business environment and various other factors.



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