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February 13, 2024

Company: TODA CORPORATION
Representative: Seisuke Otani, President and Representative Director
(Securities Code: 1860 TSE Prime Market)
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Notice Concerning Recording of Extraordinary Losses and Revision of Earnings Forecasts

TODA CORPORATION (the "Company") hereby announces that the Company has recorded extraordinary losses for the fiscal year ending March 31, 2024 (April 1, 2023 through March 31, 2024) as follows. In addition, the Company has revised the earnings forecasts (consolidated and non-consolidated) for the fiscal year ending March 31, 2024, which were announced on May 15, 2023.

1. Recording of Extraordinary Losses

In the "Update Concerning Goto City Offshore Wind Power Generation Project" released on January 13, 2024, the Company announced that as a result of landing one of the three wind turbines already installed offshore (Units 1-3) and conducting quality assurance inspections, we have determined that it will be difficult to ensure the long-term integrity and that the remaining two will also be landed and reconstructed.

After reviewing the impact of the reconstruction on our full year consolidated financial forecasts, the Company has decided to record an extraordinary loss of approximately ¥7.8 billion in its non-consolidated accounts for the fiscal year ending March 31, 2024, as reconstruction costs, etc. In its consolidated accounts, an extraordinary loss of approximately ¥5.4 billion has been recorded after adjusting for internal transactions.

	Impairment losses	Provision for losses on environment and energy business	Total
Non-consolidated	¥2.2 billion	¥5.6 billion	¥7.8 billion
Consolidated	¥2.2 billion	¥3.2 billion	¥5.4 billion

These amount have been recorded in the third quarter financial results for the fiscal year ending March 31, 2024.

2. Revised Earnings Forecasts

(1) Consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 through March 31, 2024)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Earnings per share
	¥ mil	¥ mil	¥ mil	¥ mil	¥
Forecasts to be revised (A) (May 15, 2023)	540,000	16,000	19,500	19,500	69.92
New forecasts (B)	521,000	15,500	21,300	13,600	43.94
Change (B-A)	(19,000)	(500)	1,800	(5,900)	
Change (%)	(3.5)	(3.1)	9.2	(30.3)	
(Reference) Results of the previous fiscal year	547,155	14,135	19,039	10,995	35.64

(2) Non-Consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 through March 31, 2024)

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
	¥ mil	¥ mil	¥ mil	¥ mil	¥
Forecasts to be revised (A) (May 15, 2023)	440,000	12,500	16,000	18,200	58.72
New forecasts (B)	420,000	12,500	17,000	11,700	37.80
Change (B-A)	(20,000)	0	1,000	(6,500)	
Change (%)	(4.5)	0	6.3	(35.7)	
(Reference) Results of the previous fiscal year	465,451	9,524	13,589	6,623	21.47

3. Reason for the Revision

(1) Reason for the revision in the non-consolidated forecasts

Net sales are expected to be ¥20.0 billion lower than the previous forecasts (¥5.0 billion for architectural construction business and ¥15.0 billion for civil engineering business), mainly due to the fact that the progress of large-scale construction projects in the domestic construction business did not reach the initial projection.

Gross profit is expected to decrease by ¥2.0 billion due to the downward revision of net sales in the domestic construction business, but the profit margin on completed construction contracts is expected to remain almost unchanged at 11.3% (9.1% for architectural construction business and 16.5% for civil engineering business), compared to the previous forecasts of 11.2% (9.0% for architectural construction business and 16.2% for civil engineering business).

Operating income is expected to remain unchanged from the previous forecasts due to a decrease of ¥2.0 billion in selling, general and administrative expenses.

Ordinary income is expected to exceed the previous forecasts by ¥1.0 billion due to higher-than-expected dividend income from investment securities holdings and other factors.

Net income is expected to be ¥6.5 billion lower than the previous forecasts due to the extraordinary losses described in 1. above.

(2) Reason for the revision in the consolidated forecasts

The forecasts have been revised for the same reason as for the non-consolidated forecasts.

4. Dividend Forecasts

The Company's basic policy is to distribute profit based on business results and the business environment after giving consideration to the provision of continuous and stable dividends to shareholders and the need to secure sufficient retained earnings essential for improving the Company's competitiveness and its financial position.

Although we have decided to revise our earnings forecasts downward, from the perspective of "maintaining a dividend on equity (DOE) ratio of 2.5% or more", there is no change to our fiscal year-end dividend forecasts, and we plan to keep a dividend of ¥28 per share (including an interim dividend of ¥14 per share paid in December 2023) for the fiscal year ending March 31, 2024.

(Note) The above forecasts are based on information available at the time of the release of this document. Actual results may differ from the forecasts due to various factors.

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