



Smiles for the Public

Financial Results Briefing for the Second Quarter of the
Fiscal Year Ending March 31, 2024



TOA Corporation

Securities Code: 6809

Future Outlook

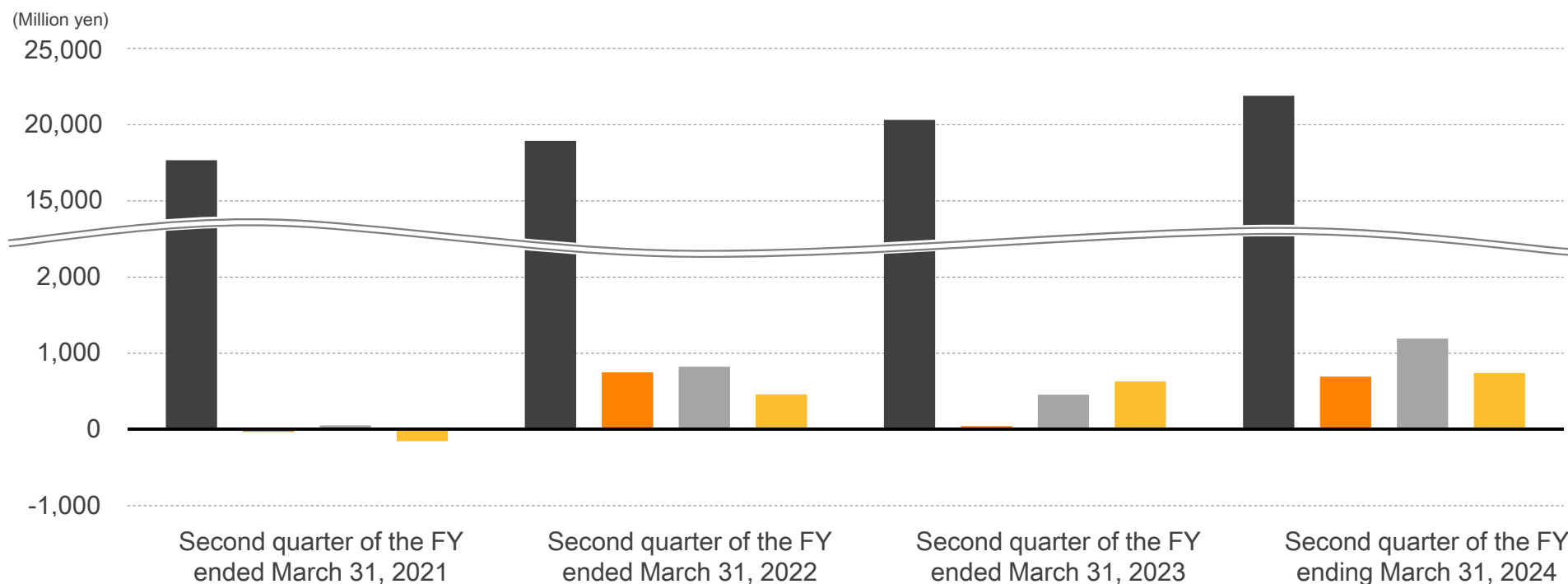
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FINANCIAL RESULTS FOR THE SECOND QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2024

Performance in the Second Quarter of the FY Ending March 31, 2024 (Changes from Previous Fiscal Year)

Segment	Net sales	Operating profit
Japan	Increased revenue	Increased profit
Asia & Pacific	Increased revenue	Increased profit
Europe, Middle East & Africa	Increased revenue	Increased profit
The Americas	Increased revenue	Became profitable
China & East Asia	Increased revenue	Increased profit
Group total	Increased revenue	Increased profit

Performance in the Second Quarter of the FY Ending March 31, 2024 (Consolidated)

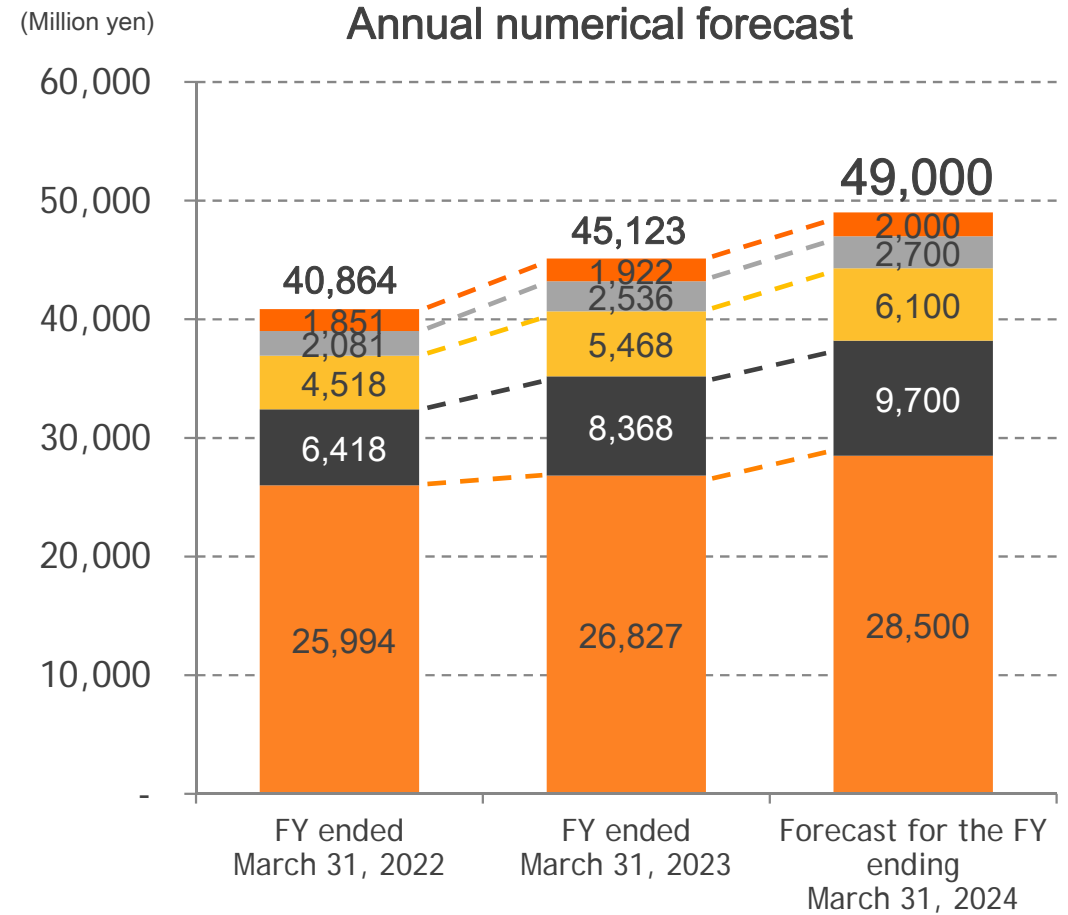
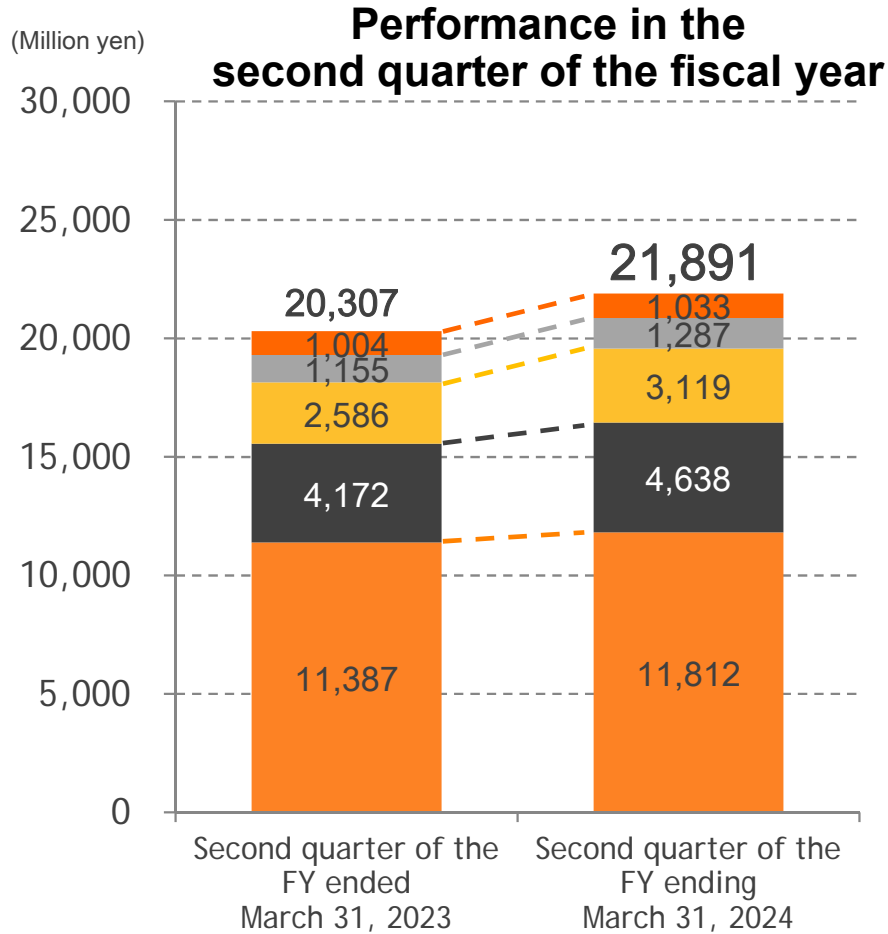


	Second quarter of the FY ended March 31, 2021	Second quarter of the FY ended March 31, 2022	Second quarter of the FY ended March 31, 2023	Second quarter of the FY ending March 31, 2024
■ Net sales	17,666	18,937	20,307	21,891 (+7.8%)
■ Operating profit	-32	748	45	693 (+1440.0%)
■ Ordinary profit	53	822	456	1,191 (+161.0%)
■ Net profit*	-155	460	629	739 (+17.5%)

*Profit attributable to owners of parent

Percentages indicate year-on-year change.

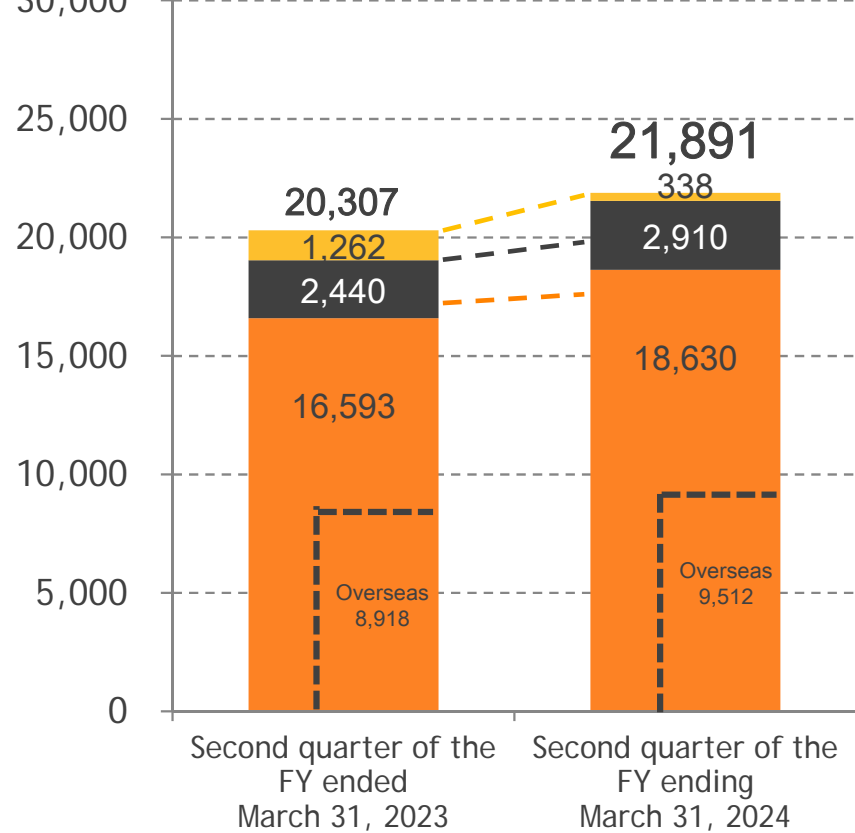
Net Sales in the Second Quarter of the FY Ending March 31, 2024 by Regional Segment



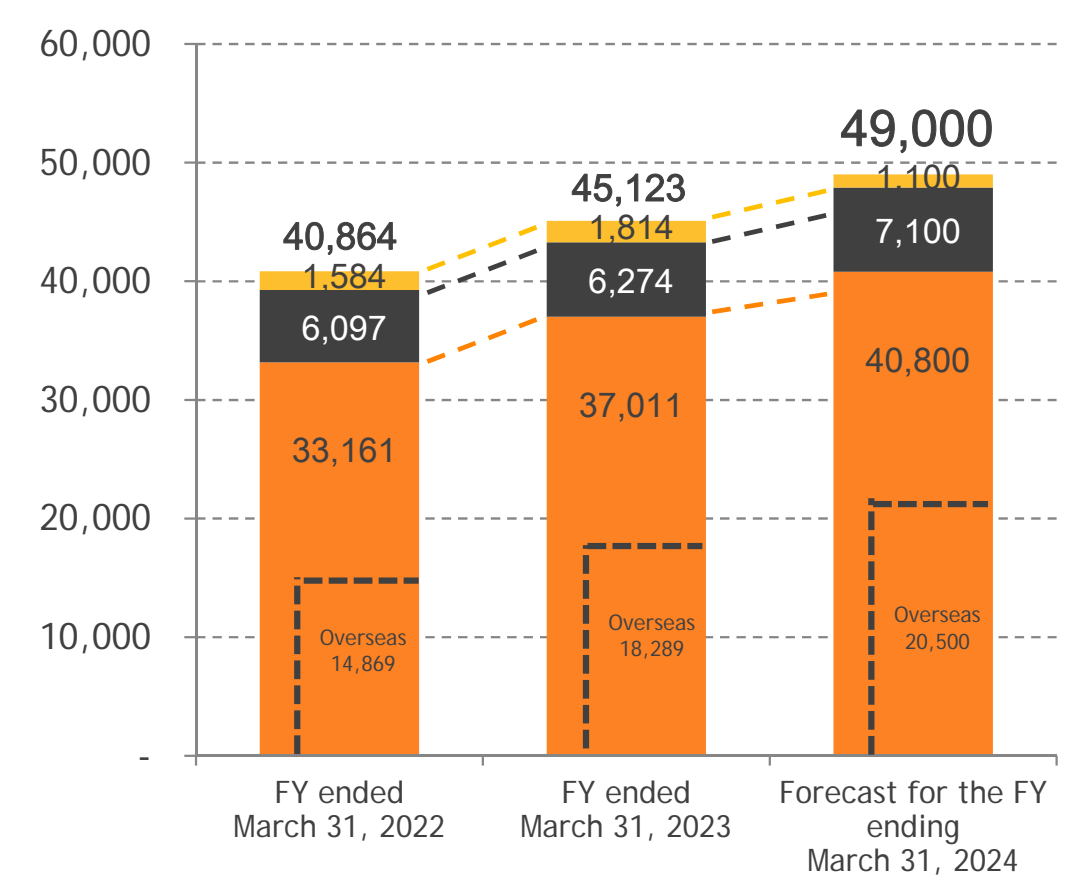
■ Japan
 ■ Asia & Pacific
 ■ Europe, Middle East & Africa
 ■ The Americas
 ■ China & East Asia

Net Sales in the Second Quarter of the FY Ending March 31, 2024 by Product Category

Performance in the second quarter of the fiscal year



Annual numerical forecast



■ Audio ■ Video ■ Railway cars

New Products Launched to Increase Sales

- IP Audio Series expansion



- Linking to various devices and systems over networks, automatic broadcasting triggered by IoT sensors and AI sensing is possible. Broadcast operations can be simplified, contributing to more efficient facility operations and the reduction of labor.
- In September 2023, three new models were launched, including a remote microphone, to support a wider range of work environments and operational practices.
- Our goal in all five regional segments is to offer new means of communication, develop new distribution channels and expand sales.

Initiatives to Address Rising Costs

Purchasing

Parts availability issues have peaked and are easing.
Cost increases due to rising prices, currency effects, etc. will continue.



We are visualizing the status by categorizing the importance and risk of products and parts.

→ **We are increasing sales with a stable supply of products.**

We are standardizing parts and coordinating global purchasing.

→ **We are enabling centralized purchasing to promote cost reduction.**

Sales

Parts, especially electronic parts, have long lead times.
Inventory has increased due to the longer lead times.



We are intensifying cross-departmental collaboration to clarify products and quantities to be sold.

→ **We are thoroughly managing production and sales to reduce inventory.**

Logistics

Requests have been received for increases in shipping rates in Japan.
Container prices are trending down, but are not expected to return to pre-COVID-19 pandemic levels.



We are examining shipping methods and lead times.

We are reducing container volume while controlling inventory.

→ **We are reducing shipping costs.**

We revised prices in Japan in April 2022 and July 2023, and overseas as appropriate based on market conditions.
We plan to reduce costs and increase profits by more closely coordinating the purchasing, production, logistics and sales functions.

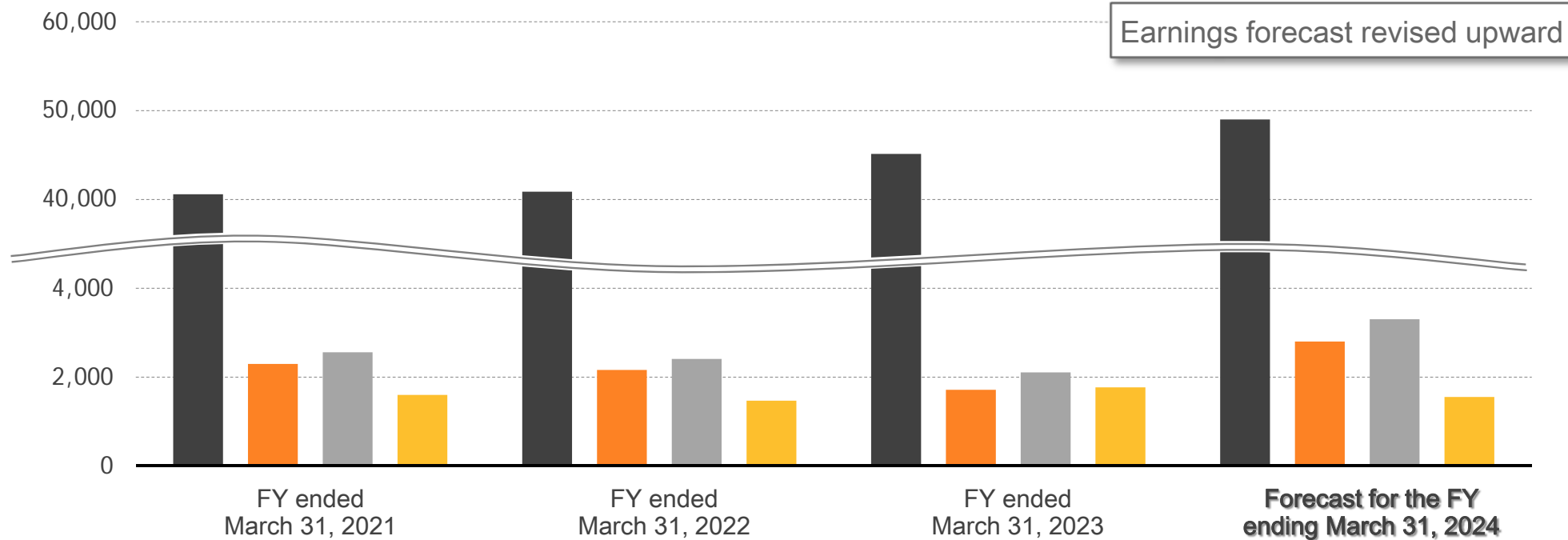
Change in R&D Expenses, Capital Investment and Depreciation Expenses (Consolidated)

(Million yen)	Second quarter of FY ended March 31, 2023	Second quarter of FY ending March 31, 2024	Change (year-on-year)
R&D expenses	1,413	1,433	+20
Capital investment	922	648	-274
Depreciation expenses	714	777	+63

- The decrease in capital investment is due to the development of information system infrastructure in the same quarter of the previous fiscal year.

Earnings Forecast (Consolidated)

(Million yen)



■ Net sales

40,575

40,864

45,123

49,000

■ Operating profit

2,293

2,159

1,713

2,800

■ Ordinary profit

2,558

2,407

2,104

3,300

■ Net profit*

1,596

1,466

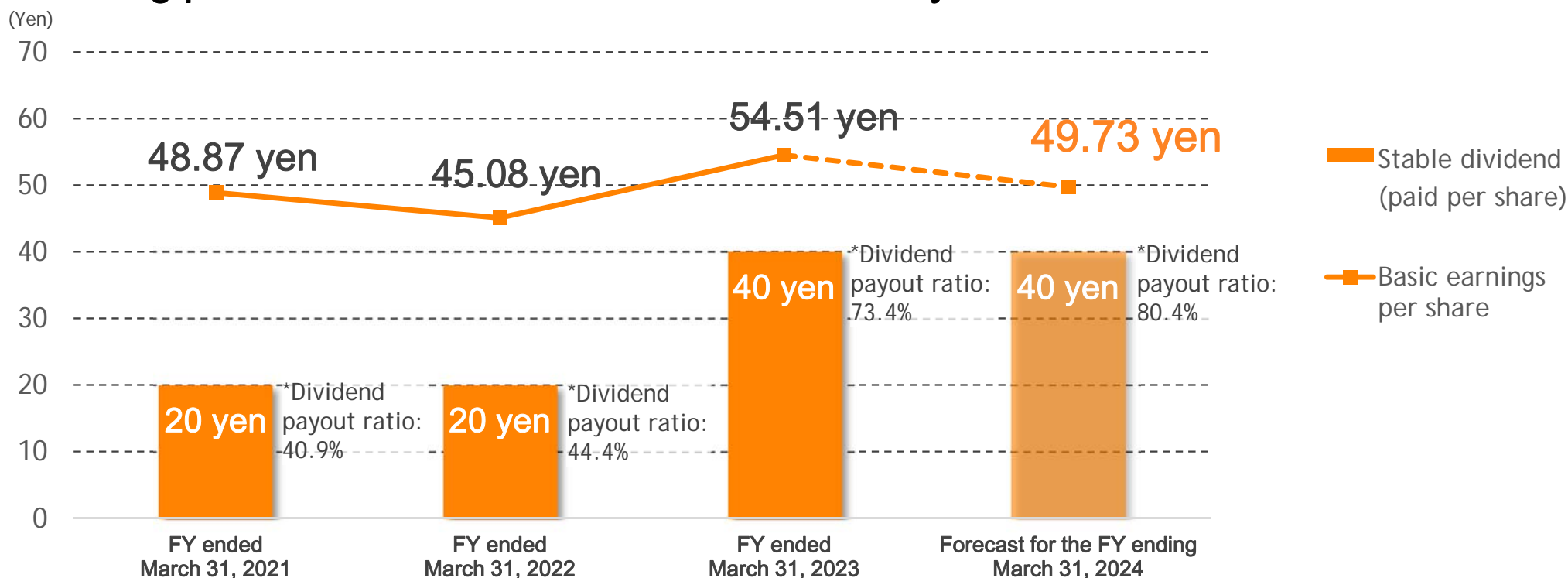
1,765

1,600

*Profit attributable to owners of parent

Dividend Forecast for the FY Ending March 31, 2024

Set a target consolidated dividend payout ratio of 45% considering performance and a stable dividend of 40 yen



- Net profit in the earnings forecast for the FY ending March 31, 2024 is expected to be 1.6 billion yen, and the dividend payout ratio is expected to be 80.4% based on a stable dividend of 40 yen.

OVERVIEW OF THE SECOND QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2024 FOR 5 REGIONAL SEGMENTS

Japan Segment

Overview

- **Plants**

We delivered many large broadcast systems, with an increased number of projects, primarily in the semiconductor industry.

- **Education facilities**

We received large orders for school security cameras due to steady demand for equipment renewal during the summer holiday.

- **Commercial facilities**

Sales of general-purpose broadcast systems increased due to growing demand for equipment renewal.

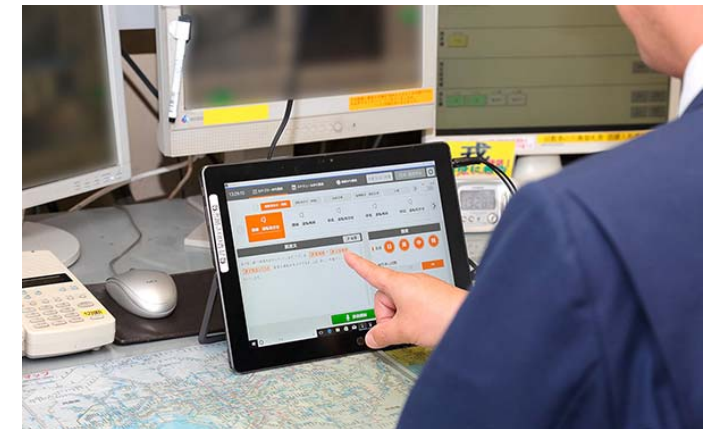
- **Transportation infrastructure facilities**

We delivered remote broadcast systems for railroad stations to support labor reducing initiatives and uncrewed operations

- **Municipal facilities**

Demand for COVID-19 pandemic support is trending downward, and we experienced an associated decrease from the same period of the previous year.

(Million yen)	Second quarter of the FY ending March 31, 2024	Change (year-on-year)
Net sales	11,812	+424
Operating profit	2,087	+324



Transportation infrastructure facilities: We supported labor reduction and uncrewed station operations with fast and accurate information communication through easy-to-use systems

Japan Segment

Topic

- New development

Collaboration with other companies through IP Audio Series products



- Actively developed new partnerships with companies focused on IoT device system integrators that are a good fit for SIP phones and VMS software.
- Expanded into new security systems, working with IP-PBX from Brekeke Japan, Inc. and speech synthesis-related technology from AI Inc.
- **We responded to a wide range of customer needs such as increased business efficiency and labor savings by building diverse and highly flexible systems.**

Opening of virtual showroom



- TOA Connect Showroom has been established by expanding and making permanent the contents of the virtual exhibition held in March 2023.
- In this Metaverse venue, we showcase a wide range of solutions created through various collaborations and initiatives to solve social issues.
- **We aim to connect with new stakeholders and become a partner in the delivery of exceptional experiences.**

Asia & Pacific segment

Overview

- Indonesia**
 Strong sales of broadcast systems for the religious facilities market continued from the previous fiscal year.
- Thailand**
 We delivered large systems to education facilities, factories, hospitals, etc.
- Vietnam**
 We supplied broadcast systems for major urban development projects. We successfully increased sales by winning bids for projects such as microphone systems for conference use in municipal facilities.

Topic

- Commercial facilities**
 Shopping center and chain store demand increased. Sales are expected to grow due to successful bids on projects.

(Million yen)	Second quarter of the FY ending March 31, 2024	Change (year-on-year)
Net sales	4,638	+465
Operating profit	818	+170



Commercial facilities: There was growth in demand as tourism recovered. We received projects expected to generate sales.

Europe, Middle East & Africa segment

Overview

- UK**
 Sales increased with the delivery of broadcast systems to the British Library.
- Germany**
 Normalization of economic activity has led to increased capital investment. Sales of emergency broadcast systems, our key product, progressed steadily.
- South Africa**
 We delivered large-scale, general-purpose broadcast systems to hospitals and offices.

Topic

- Transportation infrastructure**
 VX-3000, our key product, acquired marine vessel certification. We aim to capture demand for emergency broadcast systems on ships as a new market.

(Million yen)	Second quarter of the FY ending March 31, 2024	Change (year-on-year)
Net sales	3,119	+532
Operating profit	404	+188



Transportation infrastructure: Our key product acquired marine vessel certification. We focused on expanding sales of emergency broadcast systems in the region.

The Americas segment

Overview

- U.S.**
 Sales of BGM equipment for stores, our key product, were sluggish.
 Delivered broadcast systems to government facilities and education facilities.
- Canada**
 Strong sales of wireless microphone systems for school classrooms continued.
 We delivered microphone systems for conference use in medical and government facilities.

Topic

- Crime prevention**
 We focused on expanding sales of IP speakers for the security market.
 We actively participated in exhibitions in Canada and orders are increasing.

(Million yen)	Second quarter of the FY ending March 31, 2024	Change (year-on-year)
Net sales	1,287	+132
Operating profit	83	+93



Crime prevention:
 Sales of IP speakers were strong.
 It is expected that sales will expand mainly in the crime prevention market.

China & East Asia segment

Overview

- China**
 Economic restrictions due to the spread of infectious diseases have been lifted and market conditions are recovering.
 Sales grew despite the country's initiative to favor domestic brands.
- Taiwan**
 Sales to factories, mainly semiconductor fabs, remained strong, despite a reactionary decline from the previous fiscal year.
- Hong Kong**
 Sales increased due to large-scale deliveries of broadcast systems to municipal and religious facilities.

Topic

- Office**
 We strengthened sales to South Korea through new distribution channels.
 We focused on expanding sales of microphone systems for conference rooms to further increase sales overall.

(Million yen)	Second quarter of the FY ending March 31, 2024	Change (year-on-year)
Net sales	1,033	+29
Operating profit	89	+2



Office: Expanded sales of microphone systems for conference rooms to South Korea through new distribution channels.

