

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2025
(Based on Japanese GAAP)**

May 12, 2025

Company name:	TOYO CONSTRUCTION CO., LTD.	
Stock exchange listing:	Tokyo	
Stock code:	1890	URL https://www.toyo-const.co.jp/
Representative:	Representative Director, Executive Chairperson and CEO	Shinya Yoshida
Inquiries:	General Manager of Accounting Dept., Finance & Accounting Group, Corporate Sec.	Kei Kitayama TEL 03-6361-5450
Scheduled date of ordinary general meeting of shareholders:		June 25, 2025
Scheduled date to commence dividend payments:		June 26, 2025
Scheduled date to file Securities Report:		June 25, 2025
Preparation of supplementary material on financial results:		No
Holding of financial results meeting:		Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to shareholders of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	172,605	(7.6)	11,651	7.0	11,071	10.1	8,311	18.5
Year ended March 31, 2024	186,781	10.9	10,887	21.0	10,057	17.6	7,016	24.0

(Note) Comprehensive income: Year ended March 31, 2025 9,115 million yen [(4.5%)] Year ended March 31, 2024 9,549 million yen [60.1%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Year ended March 31, 2025	Yen 88.49	Yen -	% 10.7	% 6.4	% 6.8
Year ended March 31, 2024	74.51	-	9.4	6.3	5.8

(Reference) Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2025 - million yen Year ended March 31, 2024 - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of March 31, 2025	Millions of yen 180,459	Millions of yen 80,075	% 42.7	Yen 820.47
As of March 31, 2024	164,160	80,800	47.6	831.98

(Reference) Equity: As of March 31, 2025 77,064 million yen As of March 31, 2024 78,141 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Year ended March 31, 2025	Millions of yen 2,822	Millions of yen (11,191)	Millions of yen 5,893	Millions of yen 21,154
Year ended March 31, 2024	(8,512)	(7,881)	572	23,475

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Year ended March 31, 2024	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	-	-	-	74.00	74.00	6,980	99.3	9.3
Year ended March 31, 2025	-	30.00	-	58.00	88.00	8,300	99.4	10.7
Year ending March 31, 2026 (Forecast)	-	30.00	-	60.00	90.00		99.4	

(Note) The total amount of dividends includes dividends paid to the trust account of the Board Incentive Plan (BIP) trust (29 million yen for the fiscal year ended March 31, 2024, and 35 million yen for the fiscal year ended March 31, 2025).

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to shareholders of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	200,000	15.9	12,000	3.0	11,100	0.3	8,500	2.3	90.50

*Notes

- (1) Significant changes in the scope of consolidation during the fiscal year ended March 31, 2025: No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatement of prior period financial statements: No

(Note) For details of the items marked "Yes" above, please refer to "(5) Notes to the consolidated financial statements (Notes to Changes in accounting policies)" in "3. Consolidated financial statements and major notes" on page 21 of the attachments.
- (3) Number of issued shares (common shares)
 - (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	94,371,183 shares	As of March 31, 2024	94,371,183 shares
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 - (ii) Number of treasury shares at the end of the period

As of March 31, 2025	443,676 shares	As of March 31, 2024	448,980 shares
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 - (iii) Average number of shares during the period

Year ended March 31, 2025	93,926,537 shares	Year ended March 31, 2024	94,173,386 shares
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(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	154,385	(4.7)	10,152	9.4	9,869	14.0	7,442	13.9
Year ended March 31, 2024	162,010	8.1	9,279	18.6	8,658	18.0	6,533	34.2

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Year ended March 31, 2025	79.23		-	
Year ended March 31, 2024	69.38		-	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of March 31, 2025	Millions of yen 163,340	Millions of yen 68,801	% 42.1	Yen 732.49
As of March 31, 2024	145,788	71,720	49.2	763.62

(Reference) Equity: As of March 31, 2025 68,801 million yen As of March 31, 2024 71,720 million yen

2. Forecast of non-consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	180,000	16.6	10,350	1.9	10,200	3.3	8,200	10.2	87.30

* The financial statements are not subject to audit by a certified public accountant or auditing firm.

* Explanation of appropriate use of the financial forecast and other special remarks

The forward-looking statements, such as the financial forecasts, provided in this material are based on information currently available to TOYO CONSTRUCTION CO., LTD. (the "Company") and certain assumptions that the Company believes are reasonable, and are not intended as a guarantee that the Company will achieve the same. In addition, actual results, including financial performance, may significantly differ due to various factors. For assumptions made in the operating results forecasts and points to consider in utilizing them, please refer to "(1) (iii) Future outlook" in "1. Summary of operating results, etc." on page 9 of the attached materials.

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1. Summary of operating results, etc.

(1) Summary of operating results for the fiscal year ended March 31, 2025

(i) Operating results for the fiscal year ended March 31, 2025

	Fiscal year ended March 31, 2024 (Millions of yen)	Fiscal year ended March 31, 2025 (Millions of yen)	YoY change (%)
Net sales	186,781	172,605	(7.6)
Civil engineering, domestic	95,316	92,439	(3.0)
Building construction, domestic	63,224	61,306	(3.0)
Overseas construction	27,357	18,108	(33.8)
Real estate and others	882	751	(14.9)
Operating profit	10,887	11,651	7.0
Civil engineering, domestic	6,271	5,415	(13.7)
Building construction, domestic	2,941	4,419	50.2
Overseas construction	1,395	1,542	10.5
Real estate and others	277	274	(1.3)
Ordinary profit	10,057	11,071	10.1
Profit attributable to shareholders of parent	7,016	8,311	18.5

During the fiscal year under review, the Japanese economy continued to lack strength, with personal consumption still remaining weak as wage growth has yet to steadily outpace price increases, while the corporate sector remains firm.

In the domestic construction market, construction investment exceeded the previous year's level and remained firm in both the government and private sectors. On the other hand, prices of construction materials remained high, and labor costs continued to rise due to tight supply and demand for skilled workers in some types of construction.

In addition, for offshore wind power projects, which are attracting attention as a way to achieve carbon neutrality, project operators have been decided in nine sea areas in Japan so far, with full-scale construction scheduled to begin in 2027 or later.

Under these circumstances, the Group has positioned offshore wind power engineering as a growth driver, and as offshore wind power projects take shape, we are focusing on allocating our management resources—people, goods and money—to it. The construction of the cable-laying vessel, which is scheduled for completion in the first half of 2026, has been progressing on schedule and we decided to procure Japan's first high-performance ROV trencher for burying subsea cable. We also worked to develop low-cost construction technologies to promote the project and to foster diverse human resources. In addition, we are developing our business structure by building alliances with multiple companies in Japan and overseas and accelerated our efforts with a target of 2027, when construction begins in earnest.

In the fiscal year under review, net sales decreased 7.6% year on year (the following are year-on-year comparisons) to 172,265 million yen, operating profit grew 7.0% to 11,651 million yen, ordinary profit increased 10.1% to 11,071 million yen, and profit attributable to shareholders of parent increased 18.5% to 8,311 million yen.

Orders received for the fiscal year far exceeded the initial forecast for the full year, especially as building construction is performing well. As a result, the balance carried forward during the fiscal year under review reached the highest level in the past 10 years. In addition, we have been able to secure an appropriate profit level at the time of receiving orders, which is expected to contribute to the performance in the next fiscal year.

The following is a summary by segment.

[Civil engineering, domestic]

In civil engineering areas, where we have a strong competitive advantage, amid a continuing strong market environment, the Company strived to win orders for large-scale offshore construction projects of the government authorities and to expand orders for onshore construction projects of private sectors and government authorities.

In the fiscal year under review, we focused on receiving orders and execution for the construction of port facilities for the private sector, infrastructure construction of ports, airports and other facilities, and onshore construction of tunnels, sewerage systems and others. Sales in this segment were down 3.0% to 92,439 million yen, and operating profit fell 13.7% to 5,415 million yen, due to the delay in the timing to receive orders in the interim period, as well as a reactionary decline in large-scale construction projects that were completed in the previous year.

[Building construction, domestic]

In order to reform its earnings structure to expand earnings even in a rapidly changing market environment, the Company has continued to develop ReReC® (Renewal, Renovation, Conversion) sales, which are measures to strengthen efforts in the housing stock market. It has also worked hard in the non-contracted business, while strengthening efforts not only to secure profits at the time of receiving orders but also to improve profitability at the time of design and construction, and has made efforts to secure and train human resources.

During the fiscal year under review, we focused on the fields listed in the medium-term business plan, including factories, warehouse & logistic facilities, refuse incineration facilities, apartments, and other facilities, as well as receiving orders and construction of ReReC® projects. Net sales in this segment dropped 3.0% to 61,306 million yen due to the larger number of projects in the design stage compared with the previous year. On the other hand, operating profit grew 50.2% to 4,419 million yen due to an increase in highly profitable construction projects compared with the previous year as a result of efforts to improve profitability, including the retention of business at a very early stage and front-loading.

[Overseas construction]

By concentrating management resources on the Philippines, which is our most important base, we strived to strengthen our revenue base by acquiring ODA projects and expanding private sector construction through our local subsidiary in the Philippines, CCT CONSTRUCTORS CORPORATION (hereafter "CCT"), as well as working to develop local human resources.

Net sales in this segment decreased 33.8% to 18,108 million yen due to a period of suspension of construction work in progress due to typhoon damage in July in the Philippines, resulting in lower turnover than the initial forecast, and due to a reactionary decline from large-scale construction work at CCT that contributed in the previous year. Operating profit, on the other hand, increased 10.5% to 1,542 million yen, mainly due to the acquisition of design changes including price increases and favorable performance of investment in local pension assets.

(ii) Individual orders received, net sales, and balance carried forward for the fiscal year ended March 31, 2025
 (Type of construction)
 a. Orders received

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		YoY change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Domestic					
Civil engineering (offshore)	53,682	34.9	62,253	30.5	16.0
Civil engineering (onshore)	33,948	22.1	36,151	17.7	6.5
Building construction	62,335	40.5	85,828	42.0	37.7
Total	149,966	97.5	184,233	90.2	22.8
Overseas					
Civil engineering (offshore)	3,633	2.3	19,876	9.8	447.0
Civil engineering (onshore)	276	0.2	32	0.0	(88.2)
Building construction	-	-	-	-	-
Total	3,909	2.5	19,909	9.8	409.2
Company-wide					
Civil engineering (offshore)	57,316	37.3	82,129	40.3	43.3
Civil engineering (onshore)	34,225	22.2	36,184	17.7	5.7
Building construction	62,335	40.5	85,828	42.0	37.7
Total	153,876	100.0	204,142	100.0	32.7
Real estate	452		407		(9.8)
Total	154,328		204,550		32.5

b. Net sales

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		YoY change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Domestic					
Civil engineering (offshore)	59,601	36.8	48,856	31.7	(18.0)
Civil engineering (onshore)	27,574	17.1	34,447	22.4	24.9
Building construction	62,289	38.6	60,366	39.2	(3.1)
Total	149,465	92.5	143,671	93.3	(3.9)
Overseas					
Civil engineering (offshore)	11,816	7.3	10,274	6.7	(13.1)
Civil engineering (onshore)	276	0.2	32	0.0	(88.2)
Building construction	-	-	-	-	-
Total	12,093	7.5	10,306	6.7	(14.8)
Company-wide					
Civil engineering (offshore)	71,418	44.2	59,130	38.4	(17.2)
Civil engineering (onshore)	27,850	17.2	34,480	22.4	23.8
Building construction	62,289	38.6	60,366	39.2	(3.1)
Total	161,558	100.0	153,977	100.0	(4.7)
Real estate	452		407		(9.8)
Total	162,010		154,385		(4.7)

c. Balance carried forward

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		YoY change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Domestic					
Civil engineering (offshore)	31,017	18.5	44,414	20.4	43.2
Civil engineering (onshore)	41,665	24.8	43,369	19.9	4.1
Building construction	76,333	45.5	101,795	46.8	33.4
Total	149,016	88.8	189,578	87.1	27.2
Overseas					
Civil engineering (offshore)	18,729	11.2	28,027	12.9	49.6
Civil engineering (onshore)	-	-	-	-	-
Building construction	-	-	-	-	-
Total	18,729	11.2	28,027	12.9	49.6
Company-wide					
Civil engineering (offshore)	49,746	29.7	72,441	33.3	45.6
Civil engineering (onshore)	41,665	24.8	43,369	19.9	4.1
Building construction	76,333	45.5	101,795	46.8	33.4
Total	167,745	100.0	217,606	100.0	29.7
Real estate	-		-		-
Total	167,745		217,606		29.7

(By client)
a. Orders received

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		YoY change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Civil engineering					
Dom. government authorities	66,309	43.1	71,759	35.1	8.2
Dom. private sector	21,321	13.9	26,645	13.1	25.0
Overseas	3,909	2.5	19,909	9.8	409.2
Total	91,541	59.5	118,314	58.0	29.2
Building construction					
Dom. government authorities	19,641	12.8	16,132	7.9	(17.9)
Dom. private sector	42,694	27.7	69,696	34.1	63.2
Overseas	-	-	-	-	-
Total	62,335	40.5	85,828	42.0	37.7
Total					
Dom. government authorities	85,950	55.9	87,891	43.0	2.3
Dom. private sector	64,015	41.6	96,342	47.2	50.5
Overseas	3,909	2.5	19,909	9.8	409.2
Total	153,876	100.0	204,142	100.0	32.7
Real estate	452		407		(9.8)
Total	154,328		204,550		32.5

b. Net sales

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		YoY change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Civil engineering					
Dom. government authorities	66,084	40.9	60,469	39.3	(8.5)
Dom. private sector	21,091	13.0	22,834	14.8	8.3
Overseas	12,093	7.5	10,306	6.7	(14.8)
Total	99,268	61.4	93,610	60.8	(5.7)
Building construction					
Dom. government authorities	5,586	3.5	15,508	10.1	177.6
Dom. private sector	56,703	35.1	44,858	29.1	(20.9)
Overseas	-	-	-	-	-
Total	62,289	38.6	60,366	39.2	(3.1)
Total					
Dom. government authorities	71,670	44.4	75,977	49.3	6.0
Dom. private sector	77,795	48.2	67,693	44.0	(13.0)
Overseas	12,093	7.5	10,306	6.7	(14.8)
Total	161,558	100.0	153,977	100.0	(4.7)
Real estate	452		407		(9.8)
Total	162,010		154,385		(4.7)

c. Balance carried forward

Classification	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		YoY change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Civil engineering					
Dom. government authorities	56,394	33.6	67,684	31.1	20.0
Dom. private sector	16,287	9.7	20,098	9.2	23.4
Overseas	18,729	11.2	28,027	12.9	49.6
Total	91,411	54.5	115,810	53.2	26.7
Building construction					
Dom. government authorities	25,471	15.2	26,095	12.0	2.4
Dom. private sector	50,861	30.3	75,699	34.8	48.8
Overseas	-	-	-	-	-
Total	76,333	45.5	101,795	46.8	33.4
Total					
Dom. government authorities	81,866	48.8	93,780	43.1	14.6
Dom. private sector	67,149	40.0	95,798	44.0	42.7
Overseas	18,729	11.2	28,027	12.9	49.6
Total	167,745	100.0	217,606	100.0	29.7
Real estate	-		-		-
Total	167,745		217,606		29.7

(iii) Future outlook

In the construction industry, both government sector investment and private investment in construction are expected to remain firm. Government sector investment is expected to increase slightly from fiscal 2024, as public works-related expenditures in the fiscal 2025 initial budget plan and fiscal 2024 supplementary budget for direct and subsidized government projects are sufficiently secured at largely the same level as the previous fiscal year. In addition, in the next five-year plan for National Resilience, which will begin in fiscal 2026, the expected project volume is 20 trillion yen, exceeding the current National Resilience Plan. Private investment in construction is also expected to remain firm at the same level as in fiscal 2024, as companies are expected to continue their appetite for capital investment.

On the other hand, we are facing growing labor shortage throughout the supply chain due to the aging of skilled workers and other factors, as well as the rising costs of construction materials and labor. Efforts to improve productivity and for work style reform through the promotion of DX and other measures are accelerating in order to establish a sustainable construction industry.

Under these circumstances, the Group is continuing its efforts to become “a company that takes on the challenge of moving from the defensive to the proactive,” the theme of its medium-term business plan that begins in fiscal 2023, and is flexibly responding to changes in the environment surrounding the construction industry.

Specifically, we are promoting capital efficiency management and sustainability management to realize medium- to long-term corporate value enhancement, while strengthening governance to support sustainable growth and advancing initiatives to realize a sustainable construction industry.

In addition, in response to aging social infrastructure, we are working to develop safe and secure social infrastructure by leveraging our high-level expertise and know-how. We are also focusing on technological development to contribute to disaster prevention and mitigation and national resilience measures.

Furthermore, in offshore wind power generation, which is expected to play a significant role in achieving a carbon-neutral society, the Group aims to acquire the top share in offshore wind power construction, focusing on subsea cable laying. In order to participate in a wide range of offshore wind power construction, we will contribute broadly to the value chain of the offshore wind power by actively and effectively investing in human capital, technology development, and growth.

(iv) Forecast of construction orders for the fiscal year ending March 31, 2026
 Consolidated

	Construction	Full year	
		Amount (Millions of yen)	%
Year ending March 31, 2026 (forecast)	Civil engineering, domestic	110,000	1.7
	Civil engineering, overseas	13,000	(36.3)
	Building construction, domestic	77,000	(11.4)
	Building construction, overseas	11,000	(0.3)
	Total	211,000	(6.8)
Results for the fiscal year ended March 31, 2025	Civil engineering, domestic	108,129	14.2
	Civil engineering, overseas	20,402	395.5
	Building construction, domestic	86,889	36.9
	Building construction, overseas	11,028	34.3
	Total	226,450	32.8

Non-consolidated

	Construction	Full year	
		Amount (Millions of yen)	%
Year ending March 31, 2026 (forecast)	Civil engineering, domestic	100,500	2.1
	Civil engineering, overseas	13,000	(34.7)
	Building construction, domestic	76,500	(10.9)
	Building construction, overseas	-	-
	Total	190,000	(6.9)
Results for the fiscal year ended March 31, 2025	Civil engineering, domestic	98,404	12.3
	Civil engineering, overseas	19,909	409.2
	Building construction, domestic	85,828	32.7
	Building construction, overseas	-	-
	Total	204,142	32.7

(Note) (i) Percentages indicate year-on-year changes.
 (ii) Real estate and others business is not included.

(2) Summary of financial position for the fiscal year ended March 31, 2025

(i) Assets, Liabilities and Net Assets

Total assets increased by 16,298 million yen from the end of the previous fiscal year to 180,459 million yen, mainly due to the acquisition of property, plant and equipment.

Liabilities were up by 17,023 million yen from the end of the previous fiscal year to 100,384 million yen mainly due to an increase in borrowings.

Net assets decreased by 725 million yen from the end of the previous fiscal year to 80,075 million yen mainly due to the payment of dividends.

As a result, the equity ratio decreased 4.9 percentage points from 47.6% at the end of the previous fiscal year to 42.7%.

(ii) Consolidated cash flows

Net cash provided by operating activities amounted to 2,822 million yen, mainly due to profit before income taxes and other factors. (Net cash used in operating activities was 8,512 million yen in the previous fiscal year.)

Net cash used in investing activities amounted to 11,191 million yen, mainly due to the acquisition of property, plant and equipment. (Net cash used in investing activities was 7,881 million yen in the previous fiscal year.)

Net cash provided by financing activities amounted to 5,893 million yen, mainly due to an increase in borrowings. (Net cash provided by financing activities in the previous fiscal year was 572 million yen.)

As a result, cash and cash equivalents for the fiscal year ended March 2025 were 21,154 million yen. (Balance at the end of the previous fiscal year was 23,475 million yen)

Trends of cash flow indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	43.1	50.2	46.7	47.6	42.7
Equity ratio based on market value (%)	36.3	53.7	56.0	75.1	68.5
Interest-bearing debt to cash flow ratio (years)	-	0.3	0.4	-	8.5
Interest coverage ratio (times)	-	231.2	93.6	-	11.3

* Equity ratio: Equity (net assets – non-controlling interests) / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flows / Interest payments

(i) All indicators are calculated using consolidated financial figures.

(ii) Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the total number of issued shares at the end of the fiscal year (after deducting treasury shares).

(iii) Cash flows refer to cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing debt refers to short-term and long-term borrowings under liabilities recorded in the consolidated balance sheet.

In addition, interest payments refer to the amount of interest paid in the consolidated statement of cash flows.

(iv) If cash flows are negative, they are not stated for such fiscal year.

(3) Basic policy on profit distribution and dividends for the current and next fiscal years

(i) Basic policy on profit distribution

The Company's basic management policy is to ensure a balance among growth, soundness, and efficiency, and to the extent that it does not impair soundness, the Company is restraining excessive capital accumulation and shifting to management with a greater awareness of capital efficiency.

Based on this belief, during the period of the medium-term business plan, the first year of which is fiscal 2023, the dividend payout ratio will be 100% (minimum 50 yen/share) from fiscal 2023 to fiscal 2025, and will be 40–60% or more (minimum 50 yen/share) from fiscal 2026 to fiscal 2027.

In addition, the Company pays dividends of surplus twice a year, an interim dividend and a fiscal year-end dividend, in order to enhance opportunities to return profits to shareholders.

(ii) Dividends of surplus

The Company plans to pay a year-end dividend of 58 yen per share for the fiscal year under review. As a result, the total dividend for the fiscal year under review, including the interim dividend, will be 88 yen per share.

(iii) Dividends of surplus in the next fiscal year

For the dividends in the next fiscal year, we plan to pay an annual dividend of 90 yen per share (including an interim dividend of 30 yen per share) and will continue striving to improve our business performance to meet the expectations of our shareholders.

2. Basic approach to the selection of accounting standards

In order to ensure comparability among companies and over time, the Group plans to prepare its consolidated financial statements in accordance with Japanese GAAP for the time being.

We are going to apply the International Financial Reporting Standards (IFRS) as appropriate, taking into consideration various conditions in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	23,575	21,254
Notes receivable, accounts receivable from completed construction contracts and other	74,856	76,950
Costs on construction contracts in progress	2,105	3,349
Advances paid	4,133	2,820
Other accounts receivable	9,218	13,946
Other	5,127	5,530
Allowance for doubtful accounts	(8)	(9)
Total current assets	<u>119,007</u>	<u>123,842</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,383	13,408
Machinery, vehicles, tools, furniture and fixtures	26,326	24,271
Land	21,486	21,356
Construction in progress	6,241	18,166
Accumulated depreciation	(31,249)	(29,778)
Total property, plant and equipment	<u>36,188</u>	<u>47,423</u>
Intangible assets	914	856
Investments and other assets		
Investment securities	3,190	2,415
Deferred tax assets	1,735	1,206
Retirement benefit asset	1,168	2,851
Other	2,073	1,964
Allowance for doubtful accounts	(117)	(100)
Total investments and other assets	<u>8,050</u>	<u>8,337</u>
Total non-current assets	<u>45,153</u>	<u>56,617</u>
Total assets	<u>164,160</u>	<u>180,459</u>

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	32,397	30,617
Short-term borrowings	6,534	12,355
Income taxes payable	1,105	2,340
Advances received on construction contracts in progress	15,353	17,120
Deposits received	3,923	5,437
Accrued consumption taxes	10,480	10,483
Provision for warranties for completed construction	925	618
Provision for loss on construction contracts	46	-
Provision for bonuses	1,279	1,262
Other	2,129	1,441
Total current liabilities	74,174	81,676
Non-current liabilities		
Long-term borrowings	1,615	11,650
Deferred tax liabilities	234	137
Deferred tax liabilities for land revaluation	2,204	2,242
Other provisions	44	117
Retirement benefit liability	4,506	3,954
Other	580	605
Total non-current liabilities	9,185	18,708
Total liabilities	83,360	100,384
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,074	6,074
Retained earnings	53,367	51,772
Treasury shares	(488)	(482)
Total shareholders' equity	73,002	71,413
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,019	624
Deferred gains or losses on hedges	1,087	844
Revaluation reserve for land	3,066	3,099
Foreign currency translation adjustment	99	178
Remeasurements of defined benefit plans	(134)	904
Total accumulated other comprehensive income	5,139	5,651
Non-controlling interests	2,658	3,010
Total net assets	80,800	80,075
Total liabilities and net assets	164,160	180,459

(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)
 Consolidated statements of income (cumulative)

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	185,898	171,854
Net sales in sideline businesses	882	751
Total net sales	<u>186,781</u>	<u>172,605</u>
Cost of sales		
Cost of sales of completed construction contracts	163,027	148,271
Cost of sales in sideline businesses	426	290
Total cost of sales	<u>163,453</u>	<u>148,562</u>
Gross profit		
Gross profit on completed construction contracts	22,871	23,582
Gross profit on sideline businesses	456	460
Total gross profit	<u>23,328</u>	<u>24,043</u>
Selling, general and administrative expenses	12,440	12,392
Operating profit	<u>10,887</u>	<u>11,651</u>
Non-operating income		
Interest income	72	113
Dividend income	52	50
Foreign exchange gains	443	117
Other	59	164
Total non-operating income	<u>627</u>	<u>446</u>
Non-operating expenses		
Interest expenses	145	252
Commitment fees	72	69
Term loan fees	-	280
Foreign value-added tax, etc.	99	197
Restructuring expense	1,091	-
Other	48	227
Total non-operating expenses	<u>1,457</u>	<u>1,026</u>
Ordinary profit	<u>10,057</u>	<u>11,071</u>
Extraordinary income		
Gain on sale of non-current assets	51	781
Gain on sale of investment securities	-	840
Insurance claim income	-	117
Total extraordinary income	<u>51</u>	<u>1,740</u>
Extraordinary losses		
Loss on sale of non-current assets	2	13
Loss on retirement of non-current assets	122	32
Impairment losses	14	116
Loss on disaster	-	426
Other	13	-
Total extraordinary losses	<u>152</u>	<u>589</u>
Profit before income taxes	<u>9,955</u>	<u>12,222</u>
Income taxes - current	2,609	3,476
Income taxes - deferred	(7)	210
Total income taxes	<u>2,601</u>	<u>3,687</u>
Profit	<u>7,354</u>	<u>8,534</u>
Profit attributable to non-controlling interests	337	223
Profit attributable to shareholders of parent	<u>7,016</u>	<u>8,311</u>

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	7,354	8,534
Other comprehensive income		
Valuation difference on available-for-sale securities	455	(398)
Deferred gains or losses on hedges	1,087	(242)
Revaluation reserve for land	-	(63)
Foreign currency translation adjustment	161	196
Remeasurements of defined benefit plans, net of tax	490	1,089
Total other comprehensive income	2,195	580
Comprehensive income	9,549	9,115
Comprehensive income attributable to		
Comprehensive income attributable to shareholders of parent	9,021	8,726
Comprehensive income attributable to non-controlling interests	528	388

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,049	6,074	48,701	(145)	68,680
Changes during period					
Dividends of surplus			(2,358)		(2,358)
Profit attributable to shareholders of parent			7,016		7,016
Purchase of treasury shares				(444)	(444)
Disposal of treasury shares				100	100
Increase (decrease) resulting from merger of consolidated and unconsolidated subsidiaries			3		3
Reversal of revaluation reserve for land			3		3
Net changes in items other than shareholders' equity					
Total changes during period	-	-	4,665	(343)	4,322
Balance at end of period	14,049	6,074	53,367	(488)	73,002

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	576	-	3,070	35	(543)	3,138	2,165	73,984
Changes during period								
Dividends of surplus								(2,358)
Profit attributable to shareholders of parent								7,016
Purchase of treasury shares								(444)
Disposal of treasury shares								100
Increase (decrease) resulting from merger of consolidated and unconsolidated subsidiaries								3
Reversal of revaluation reserve for land								3
Net changes in items other than shareholders' equity	443	1,087	(3)	64	409	2,000	492	2,493
Total changes during period	443	1,087	(3)	64	409	2,000	492	6,815
Balance at end of period	1,019	1,087	3,066	99	(134)	5,139	2,658	80,800

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,049	6,074	53,367	(488)	73,002
Changes during period					
Dividends of surplus			(9,809)		(9,809)
Profit attributable to shareholders of parent			8,311		8,311
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				6	6
Increase (decrease) resulting from merger of consolidated and unconsolidated subsidiaries					-
Reversal of revaluation reserve for land			(96)		(96)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(1,594)	6	(1,588)
Balance at end of period	14,049	6,074	51,772	(482)	71,413

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,019	1,087	3,066	99	(134)	5,139	2,658	80,800
Changes during period								
Dividends of surplus								(9,809)
Profit attributable to shareholders of parent								8,311
Purchase of treasury shares								(0)
Disposal of treasury shares								6
Increase (decrease) resulting from merger of consolidated and unconsolidated subsidiaries								-
Reversal of revaluation reserve for land								(96)
Net changes in items other than shareholders' equity	(395)	(242)	32	78	1,038	511	351	863
Total changes during period	(395)	(242)	32	78	1,038	511	351	(725)
Balance at end of period	624	844	3,099	178	904	5,651	3,010	80,075

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	9,955	12,222
Depreciation	2,843	1,575
Impairment losses	14	116
Increase (decrease) in allowance for doubtful accounts	16	(15)
Increase (decrease) in provision for loss on construction contracts	20	(46)
Decrease (increase) in retirement benefit asset	(773)	(1,639)
Increase (decrease) in retirement benefit liability	(320)	(551)
Interest and dividend income	(125)	(164)
Interest expenses	145	252
Loss (gain) on sale of investment securities	-	(840)
Loss (gain) on sale of property, plant and equipment	(49)	(767)
Loss on retirement of property, plant and equipment	122	32
Insurance claim income	-	(117)
Loss on disaster	-	426
Decrease (increase) in trade receivables	(11,519)	(1,916)
Decrease (increase) in costs on construction contracts in progress	67	(1,221)
Decrease (increase) in real estate for sale	0	(414)
Decrease (increase) in accounts receivable - other	12	160
Decrease (increase) in other accounts receivable	(4,447)	(4,728)
Decrease (increase) in advances paid	(1,682)	1,336
Increase (decrease) in trade payables	(1,547)	(2,019)
Increase (decrease) in advances received on construction contracts in progress	2,786	1,698
Increase (decrease) in accrued consumption taxes	1,949	2
Increase (decrease) in deposits received	(2,078)	1,507
Other	(106)	711
Subtotal	(4,714)	5,598
Interest and dividends received	118	154
Interest paid	(152)	(249)
Income taxes paid	(3,763)	(2,400)
Income taxes refund	-	27
Proceeds from insurance income	-	117
Payments associated with disaster loss	-	(426)
Net cash provided by (used in) operating activities	(8,512)	2,822
Cash flows from investing activities		
Payments into time deposits	(100)	(110)
Proceeds from withdrawal of time deposits	100	110
Purchase of securities	(200)	(191)
Proceeds from sale and redemption of securities	97	202
Purchase of property, plant and equipment	(7,620)	(12,906)
Proceeds from sale of property, plant and equipment	129	954
Purchase of intangible assets	(262)	(291)
Purchase of investment securities	(5)	(19)
Proceeds from sale of investment securities	-	1,050
Loan advances	(5)	-
Proceeds from collection of loans receivable	7	7
Other	(21)	1
Net cash provided by (used in) investing activities	(7,881)	(11,191)

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,732	5,900
Proceeds from long-term borrowings	916	11,000
Repayments of long-term borrowings	(1,252)	(1,044)
Repayments of lease liabilities	(111)	(114)
Dividends paid	(2,358)	(9,809)
Dividends paid to non-controlling interests	(35)	(37)
Proceeds from sale of treasury shares	124	-
Purchase of treasury shares	(444)	(0)
Net cash provided by (used in) financing activities	<u>572</u>	<u>5,893</u>
Effect of exchange rate change on cash and cash equivalents	254	154
Net increase (decrease) in cash and cash equivalents	<u>(15,567)</u>	<u>(2,320)</u>
Cash and cash equivalents at beginning of period	39,008	23,475
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	34	-
Cash and cash equivalents at the end of period	<u>23,475</u>	<u>21,154</u>

(5) Notes to consolidated financial statements

(Notes to assumptions for going concern)

Not applicable.

(Notes to changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes”)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) from the beginning of the fiscal year ended March 31, 2025.

For the revision regarding the classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso to Paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Guidance”). This change in accounting policies has no effect on the consolidated financial statements.

In addition, the Company has adopted the 2022 Revised Guidance from the beginning of the fiscal year ended March 31, 2025, for the revision related to the review of the treatment in consolidated financial statements of deferrals for tax purposes of gains or losses on sale of investments in subsidiaries among consolidated companies. This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis. This change in accounting policies has no effect on the consolidated financial statements for the previous fiscal year.

(Notes to segment information)

1. Overview of reporting segments

The Company's reporting segments are the components of the Company for which separate financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Company has established business divisions by product and service, and each division formulates comprehensive strategies and conducts business activities in Japan and overseas.

Therefore, the Company is composed of product and service segments based on business divisions and geographic segments, and has four reporting segments: "Civil engineering," "Building construction," "Overseas construction," and "Real estate."

"Civil engineering" and "Building construction" are engaged in civil engineering works and building construction works, respectively, in Japan. The "Overseas construction" segment is engaged in civil engineering and building construction works overseas. The "Real estate" segment sells and leases real estate in Japan.

2. Calculation of net sales, income or loss, assets, liabilities and other items by reporting segment

The accounting methods used for the reporting segments are in accordance with the accounting policies adopted to prepare the consolidated financial statements.

Income for reporting segments is based on operating profit.

Intersegment sales or transfers are based on prevailing market prices.

3. Information of net sales, income or loss, assets, liabilities and other items, and breakdown of revenue by reporting segment

I Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

Reporting segment	Reporting segment					Other (Note) 1	Total	Adjustments	Amount recorded in consolidated financial statements (Note) 2
	Civil engineering	Building construction	Overseas construction	Real estate	Total				
Net sales									
Goods or services transferred at a point in time	3,962	1,107	251	3	5,325	379	5,704	-	5,704
Goods or services transferred over a period of time	91,354	62,116	27,106	-	180,577	-	180,577	-	180,577
Revenue from customer contracts	95,316	63,224	27,357	3	185,902	379	186,281	-	186,281
Other revenue	-	-	-	441	441	58	500	-	500
Sales to external customers	95,316	63,224	27,357	445	186,344	437	186,781	-	186,781
Intersegment sales or transfer	-	33	-	52	86	32	119	(119)	-
Total	95,316	63,257	27,357	498	186,430	470	186,901	(119)	186,781
Segment income	6,271	2,941	1,395	176	10,785	101	10,887	-	10,887
Other item									
Depreciation	2,098	150	416	149	2,815	27	2,843	-	2,843

(Note) 1. "Other" represents segments not included in reporting segments and includes the insurance agency business, goods sales and leasing business, and other businesses.

2. Segment income is adjusted with operating profit in the consolidated statement of income.

3. Assets and liabilities by reporting segment are not stated because they are not subject to review in determining the allocation of management resources and evaluating performance.

II Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segment					Other (Note) 1	Total	Adjustments	Amount recorded in consolidated financial statements (Note) 2
	Civil engineering	Building construction	Overseas construction	Real estate	Total				
Net sales									
Goods or services transferred at a point in time	5,643	1,473	54	0	7,172	279	7,451	-	7,451
Goods or services transferred over a period of time	86,796	59,832	18,054	-	164,282	-	164,682	-	164,682
Revenue from customer contracts	92,439	61,306	18,108	0	171,855	279	172,134	-	172,134
Other revenue	-	-	-	399	399	70	470	-	470
Sales to external customers	92,439	61,306	18,108	400	172,255	350	172,605	-	172,605
Intersegment sales or transfer	-	17	-	53	71	24	95	(95)	-
Total	92,439	61,324	18,108	454	172,326	374	172,700	(95)	172,605
Segment income	5,415	4,419	1,542	205	11,582	68	11,651	-	11,651
Other item									
Depreciation	1,114	133	199	106	1,554	21	1,575	-	1,575

(Note)

1. “Other” represents segments not included in reporting segments and includes the insurance agency business, goods sales and leasing business, and other businesses.
2. Segment income is adjusted with operating profit in the consolidated statement of income.
3. Assets and liabilities by reporting segment are not stated because they are not subject to review in determining the allocation of management resources and evaluating performance.

(Notes to the per share information)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	831.98 yen	820.47 yen
Earnings per share	74.51 yen	88.49 yen

(Note)

1. Diluted earnings per share is not shown since there are no dilutive shares.
2. The Company's shares held by the BIP trust for directors' remuneration are included in treasury shares, which are deducted from the average number of shares during the period for the calculation of earnings per share. The average number of treasury shares during the period was 197,000 shares for the fiscal year ended March 31, 2024, and 444,000 shares for the fiscal year ended March 31, 2025, of which the average number of the Company's shares held by the BIP trust for directors' remuneration was 153,000 shares for the fiscal year ended March 31, 2024, and 400,000 shares for the fiscal year ended March 31, 2025.
3. The basis for calculating net assets per share is as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share		
Total net assets (Millions of yen)	80,800	80,075
Net assets related to common shares at fiscal year-end (Millions of yen)	78,141	77,064
Major breakdown of difference (Millions of yen) Non-controlling interests	2,658	3,010
Number of common shares at fiscal year-end used in the calculation of net assets per share (Thousands of shares)	93,922	93,927

4. The basis for calculating earnings per share is as follows.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Earnings per share		
Profit attributable to shareholders of parent (Millions of yen)	7,016	8,311
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to common shareholders of parent (Millions of yen)	7,016	8,311
Average number of common shares during the period (Thousands of shares)	94,173	93,926

(Notes to significant subsequent events)

Not applicable.

4. Non-Consolidated Financial Statements

(1) Non-consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	16,607	14,540
Notes receivable	82	1
Electronically recorded monetary claims	3,203	1,488
Accounts receivable from completed construction contracts	65,057	71,431
Securities	216	197
Costs on construction contracts in progress	2,041	2,590
Other accounts receivable	9,293	14,140
Advances paid	4,621	3,735
Other	2,801	2,631
Allowance for doubtful accounts	(8)	(10)
Total current assets	103,916	110,745
Non-current assets		
Property, plant and equipment		
Buildings	9,459	9,409
Accumulated depreciation	(6,416)	(6,554)
Buildings, net	3,042	2,855
Structures	2,685	2,709
Accumulated depreciation	(2,260)	(2,297)
Structures, net	425	412
Machinery and equipment	5,278	4,856
Accumulated depreciation	(4,937)	(4,596)
Machinery and equipment, net	340	259
Vessels	10,344	9,354
Accumulated depreciation	(8,204)	(7,383)
Vessels, net	2,139	1,971
Vehicles	77	49
Accumulated depreciation	(74)	(40)
Vehicles, net	2	9
Tools, furniture and fixtures	2,352	2,379
Accumulated depreciation	(1,811)	(1,878)
Tools, furniture and fixtures, net	540	500
Land	20,114	19,853
Leased assets	564	578
Accumulated depreciation	(256)	(272)
Lease assets, net	307	305
Construction in progress	6,241	18,156
Total property, plant and equipment	33,153	44,323

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Intangible assets		
Software	798	697
Other	83	91
Total intangible assets	<u>882</u>	<u>789</u>
Investments and other assets		
Investment securities	2,369	1,861
Shares of subsidiaries and associates	1,642	1,636
Long-term loans receivable from employees	4	3
Long-term loans receivable from subsidiaries and associates	56	-
Distressed receivables	59	42
Long-term prepaid expenses	4	4
Prepaid pension costs	855	1,224
Deferred tax assets	1,047	1,071
Other	1,907	1,730
Allowance for doubtful accounts	(111)	(94)
Total investments and other assets	<u>7,835</u>	<u>7,481</u>
Total non-current assets	<u>41,871</u>	<u>52,594</u>
Total assets	<u>145,788</u>	<u>163,340</u>
Liabilities		
Current liabilities		
Notes payable - trade	737	-
Electronically recorded obligations	7,013	2,872
Accounts payable for construction contracts	18,085	24,099
Short-term borrowings	6,034	12,355
Lease liabilities	95	98
Income taxes payable	937	2,003
Accrued consumption taxes	10,269	10,310
Advances received on construction contracts in progress	14,713	16,303
Deposits received	3,778	5,304
Provision for warranties for completed construction	891	476
Provision for loss on construction contracts	21	-
Provision for bonuses	1,119	1,114
Other	2,021	1,289
Total current liabilities	<u>65,719</u>	<u>76,228</u>
Non-current liabilities		
Long-term borrowings	1,615	11,650
Lease liabilities	235	229
Deferred tax liabilities for land revaluation	2,204	2,242
Provision for retirement benefits	3,944	3,726
Other provisions	39	114
Asset retirement obligations	24	24
Other	283	321
Total non-current liabilities	<u>8,348</u>	<u>18,309</u>
Total liabilities	<u>74,067</u>	<u>94,538</u>

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus		
Legal capital surplus	5,840	5,840
Total capital surplus	<u>5,840</u>	<u>5,840</u>
Retained earnings		
Legal retained earnings	195	195
Other retained earnings		
General reserve	3,000	3,000
Retained earnings brought forward	<u>44,208</u>	<u>41,743</u>
Total retained earnings	<u>47,403</u>	<u>44,939</u>
Treasury shares	(488)	(482)
Total shareholders' equity	<u>66,805</u>	<u>64,347</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	761	510
Deferred gains or losses on hedges	1,087	844
Revaluation reserve for land	3,066	3,099
Total valuation and translation adjustments	<u>4,915</u>	<u>4,454</u>
Total net assets	<u>71,720</u>	<u>68,801</u>
Total liabilities and net assets	<u>145,788</u>	<u>163,340</u>

(2) Non-consolidated statements of income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	161,558	153,977
Net sales in real estate	452	407
Total net sales	162,010	154,385
Cost of sales		
Cost of sales of completed construction contracts	141,757	133,401
Cost of sales in real estate	299	237
Total cost of sales	142,057	133,638
Gross profit		
Gross profit on completed construction contracts	19,800	20,576
Gross profit in real estate	152	170
Total gross profit	19,953	20,747
Selling, general and administrative expenses		
Remuneration for directors	322	347
Employees' salaries and allowances	3,466	3,939
Retirement benefit expenses	177	(53)
Legal welfare expenses	537	595
Welfare expenses	338	409
Repair and maintenance expenses	12	26
Stationery expenses	75	75
Communications and transportation expenses	379	423
Power utilities expenses	26	29
Research and development expenses	2,238	1,210
Research study expenses	196	251
Advertising expenses	127	249
Provision of allowance for doubtful accounts	17	1
Entertainment expenses	200	178
Donations	29	36
Rent expenses on land and buildings	601	603
Depreciation	164	69
Taxes and dues	406	433
Insurance expenses	23	26
Miscellaneous expenses	1,332	1,741
Total selling, general and administrative expenses	10,673	10,594
Operating profit	9,279	10,152

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Non-operating income		
Interest income	25	49
Dividend income	193	214
Foreign exchange gains	431	74
Other	43	58
Total non-operating income	<u>694</u>	<u>396</u>
Non-operating expenses		
Interest expenses	107	230
Commitment fees	72	69
Term loan fees	-	280
Restructuring expense	1,091	-
Other	44	99
Total non-operating expenses	<u>1,315</u>	<u>679</u>
Ordinary profit	<u>8,658</u>	<u>9,869</u>
Extraordinary income		
Gain on sale of non-current assets	163	606
Gain on sale of investment securities	-	463
Insurance claim income	-	117
Total extraordinary income	<u>163</u>	<u>1,187</u>
Extraordinary losses		
Loss on sale of non-current assets	1	13
Loss on retirement of non-current assets	120	6
Impairment losses	14	116
Loss on disaster	-	426
Other	13	-
Total extraordinary losses	<u>150</u>	<u>562</u>
Profit before income taxes	<u>8,671</u>	<u>10,494</u>
Income taxes - current	<u>2,073</u>	<u>2,894</u>
Income taxes - deferred	<u>64</u>	<u>158</u>
Total income taxes	<u>2,137</u>	<u>3,052</u>
Profit	<u>6,533</u>	<u>7,442</u>

(3) Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity										
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings				
					General reserve	Retained earnings brought forward					
Balance at beginning of period	14,049	5,840	5,840	195	3,000	40,028	43,224	(145)	62,969		
Changes during period											
Dividends of surplus						(2,358)	(2,358)		(2,358)		
Profit						6,533	6,533		6,533		
Purchase of treasury shares								(444)	(444)		
Disposal of treasury shares								100	100		
Reversal of revaluation reserve for land						3	3		3		
Net changes in items other than shareholders' equity											
Total changes during period	-	-	-	-	-	4,179	4,179	(343)	3,836		
Balance at end of period	14,049	5,840	5,840	195	3,000	44,208	47,403	(488)	66,805		

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	462	-	3,070	3,533	66,502
Changes during period					
Dividends of surplus				(2,358)	
Profit				6,533	
Purchase of treasury shares				(444)	
Disposal of treasury shares				100	
Reversal of revaluation reserve for land				3	
Net changes in items other than shareholders' equity	298	1,087	(3)	1,381	1,381
Total changes during period	298	1,087	(3)	1,381	5,218
Balance at end of period	761	1,087	3,066	4,915	71,720

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Retained earnings brought forward			
Balance at beginning of period	14,049	5,840	5,840	195	3,000	44,208	47,403	(488)	66,805
Changes during period									
Dividends of surplus						(9,809)	(9,809)		(9,809)
Profit						7,442	7,442		7,442
Purchase of treasury shares								(0)	(0)
Disposal of treasury shares								6	6
Reversal of revaluation reserve for land						(96)	(96)		(96)
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	-	(2,464)	(2,464)	6	(2,458)
Balance at end of period	14,049	5,840	5,840	195	3,000	41,743	44,939	(482)	64,347

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	761	1,087	3,066	4,915	71,720
Changes during period					
Dividends of surplus				(9,809)	
Profit				7,442	
Purchase of treasury shares				(0)	
Disposal of treasury shares				6	
Reversal of revaluation reserve for land				(96)	
Net changes in items other than shareholders' equity	(250)	(242)	32	(461)	(461)
Total changes during period	(250)	(242)	32	(461)	(2,919)
Balance at end of period	510	844	3,099	4,454	68,801

5. Others

(1)Change in Directors

(i) Retiring Directors

Director

Director

Takashi Gunjishima

Haruhisa Obayashi

(ii)Scheduled date of appointment June 25, 2025

Reference

List of Directors and Corporate Auditors

Planned composition of officers following the conclusion of the Annual General Meeting of Shareholders, Board of Directors meeting and Board of Auditors meeting scheduled to be held on June 25, 2025

Directors

Representative Director	Shinya Yoshida (Executive Chairperson and CEO)
Representative Director	Tatsuyoshi Nakamura (President and COO)
Representative Director	Hiromi Hirata (Executive Vice President)
Director (Outside Director)	Takashi Narusawa
Director (Outside Director)	Kazumichi Matsuki
Director (Outside Director)	Masato Uchiyama
Director (Outside Director)	Masaharu Okada
Director (Outside Director)	Katsuya Natori
Director (Outside Director)	Yoshiko Fujii

Corporate Auditors

Full-time Corporate Auditor	Katsunori Tanabe
Corporate Auditor (Outside Corporate Auditor)	Shiho Boda
Corporate Auditor (Outside Corporate Auditor)	Tomoko Nonaka
Corporate Auditor (Outside Corporate Auditor)	Koichi Kawaguchi