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Consolidated Financial Results for the Three Months Ended June 30, 2025 (Based on Japanese GAAP)

August 7, 2025

Company name: TOYO CONSTRUCTION CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 1890 URL <https://www.toyo-const.co.jp/>
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 Scheduled date to commence dividend payments: -
 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 three months ended June 30, 2025 (from April 1, 2025, to June 30, 2025)

(1) Consolidated operating results (cumulative) 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	%
Three months ended June 30, 2025	40,030	18.5	634	-	534	-	539	-
Three months ended June 30, 2024	33,773	(20.9)	(351)	-	(614)	-	(76)	-

(Note) Comprehensive income: Three months ended June 30, 2025 128 million yen [(89.0%)] Three months ended June 30, 2024 1,165 million yen [367.3%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	5.74	-
Three months ended June 30, 2024	(0.82)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	157,903	74,597	45.5	764.39
As of March 31, 2025	180,459	80,075	42.7	820.47

(Reference) Equity: As of June 30, 2025 71,823 million yen As of March 31, 2025 77,064 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	-	30.00	-	58.00	88.00
Year ending March 31, 2026	-				
Year ending March 31, 2026 (Forecast)		30.00	-	60.00	90.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(Note) Revision to the forecast for financial results announced most recently: No

*Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2025: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: No
 - (ii) Changes in accounting policies due to other reasons: No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatement of prior-period financial statements: No

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	94,371,183 shares	As of March 31, 2025	94,371,183 shares
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- (ii) Number of treasury shares at the end of the period

As of June 30, 2025	409,174 shares	As of March 31, 2025	443,676 shares
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- (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of June 30, 2025	93,940,558 shares	As of June 30, 2024	93,924,936 shares
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(Reference)

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

(Note) Revision to the forecast for financial results announced most recently: No

- * Review of attached quarterly consolidated financial statements by a certified public accountant or audit firm: No
- * 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 "(3) Explanation of future forecast information such as consolidated financial results forecasts" in "1. Summary of operating results, etc." on page 10 of the attachments.

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1. Summary of operating results

(1) Summary of operating results for the three months ended June 30, 2025

(i) Operating results for the three months ended June 30, 2025

		Three months ended June 30, 2024 (Millions of yen)	Three months ended June 30, 2025 (Millions of yen)	Year of Year change (%)
Net sales		33,773	40,030	18.5
	Civil Engineering, domestic	17,781	20,325	14.3
	Civil Engineering, overseas	2,167	2,398	10.7
	Building Construction, domestic	11,606	15,160	30.6
	Building Construction, overseas	2,037	1,965	(3.5)
	Offshore Wind Power Engineering	-	-	-
	Others	180	180	0.1
Operating profit (loss)		(351)	634	-
	Civil Engineering, domestic	(582)	(369)	-
	Civil Engineering, overseas	(190)	(24)	-
	Building Construction, domestic	501	1,075	114.4
	Building Construction, overseas	102	118	15.3
	Offshore Wind Power Engineering	(246)	(224)	-
	Others	64	59	(7.1)
Ordinary profit (loss)		(614)	534	-
Profit (loss) attributable to shareholders of parent		(76)	539	-

The Group is continuing its efforts to become “a company that takes on the challenge of moving from the defensive to the proactive” as 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 corporate governance to support sustainable growth and advancing initiatives to realize the sustainable construction industry.

In addition, in response to aging social infrastructures, we are working to develop safe and secure social infrastructures by utilizing 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 led by the government.

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 market share in offshore wind power construction by focusing on subsea cable laying and burial. In order to participate in a wide range of offshore wind power constructions, we will contribute broadly to the value chain of the offshore wind power generation by actively and effectively investing human and monetary capital in growth opportunities as well as advancing technology developments.

In the three months ended June 30, 2025, net sales increased 18.5% year on year (the following are year-on-year comparisons) to 40,030 million yen, operating profit was 634 million yen, ordinary profit stood at 534 million yen, and profit attributable to shareholders of parent marked 539 million yen because of the recording of an extraordinary income (net amount) of 281 million yen.

The classification of reporting segments has been changed starting from this three months ended June 30, 2025. For details, please refer to “2. Quarterly Consolidated Financial Statements and Major Notes (4) Notes to quarterly consolidated financial statements (Notes to segment information).” In addition, the year-on-year comparisons below are based on reclassified figures for the same period of the previous year in accordance with the new segments.

[Civil Engineering, domestic]

In civil engineering areas where we the Group has a strong competitive advantage and in a continuing strong market environment, we have been striving 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 three months ended June 30, 2025, we focused on securing orders for and executing infrastructure development projects such as port and airport constructions, private port facility improvements, and disaster recovery work related to the Noto Peninsula Earthquake. Net sales increased by 14.3% to 20,325 million yen, driven by progress of construction projects carried over from the previous period. On the other hand, although the operating loss has improved compared with the previous period, gross profit fell short of exceeding fixed costs and this segment resulted in an operating loss of 369 million yen.

[Civil Engineering, overseas]

With a focus on the Philippines as our primary base, we are working on strengthening the earnings base by initiatives of securing private-sector construction projects, engaging in ODA projects and developing local human resources.

In the three months ended June 30, 2025, we focused on securing private-sector pier construction projects and executing ODA river improvement projects in the Philippines. Net sales increased by 10.7% to 2,398 million yen, driven by progress in construction projects carried over from the previous period. Although the operating loss has been improved compared with the previous period, gross profit fell short of exceeding fixed costs and this segment resulted in an operating loss of 24 million yen.

[Building Construction, domestic]

In order to achieve structural reforms of earnings base which is to expand it even in a rapidly changing market environment, the Company continues to make its efforts to develop ReReC® (Renewal, Renovation, Conversion) sales, which are measures to strengthen efforts in the stock market, non-subcontracting field. Furthermore, 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 to secure and train human resources are underway.

In the three months ended June 30, 2025, we focused on securing orders for and construction of facilities in the fields which are focused in the medium-term business plan including factories, warehouse & logistic facilities, refuse incineration facilities, apartment buildings, and accommodation facilities. Net sales increased by 30.6% to 15,160 million yen because of steady progress in construction projects carried over from the previous period, including large-scale projects. Operating profit rose 114.4% to 1,075 million yen, reflecting revenue growth and improved project profitability.

[Building Construction, overseas]

We strived to strengthen our earnings base by expanding private sector construction through CCT CONSTRUCTORS CORPORATION as our local subsidiary in the Philippines, and by local human resources retention and development.

In the three months ended June 30, 2025, we focused on securing orders of factories' new construction and renovation and of new office buildings. Net sales were down 3.5% to 1,965 million yen, and operating income rose 15.3% to 118 million yen which is almost unchanged year-on-year.

[Offshore Wind Power Engineering]

As this business has the position of a growth driver, large-scale offshore wind power generation projects in the government promoting zones are taking shape and construction work is expected to begin in earnest after fiscal 2027. To win some projects, we are focusing on allocating our management resources including people, materials and capital. The construction of the self-propelled cable-laying vessel is ongoing as planned toward the delivery expected at the end of June 2026. The vessel's launching ceremony was held in June 2025.

The operating loss for the three months ended June 30, 2025 was 224 million yen due to strategic investment of resources.

(ii) Individual orders received, net sales, and balance carried forward to the three months ended June 30, 2025

(Type of construction)

a. Orders received

Classification	Three months ended June 30, 2024		Three months ended June 30, 2025		Year of Year change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Domestic					
Civil Engineering (offshore)	14,974	30.7	12,929	23.1	(13.7)
Civil Engineering (onshore)	7,329	15.0	16,344	29.3	123.0
Building Construction	26,539	54.3	26,503	47.5	(0.1)
Total	48,843	100.0	55,777	99.9	14.2
Overseas					
Civil Engineering (offshore)	3	0.0	77	0.1	-
Civil Engineering (onshore)	2	0.0	1	0.0	(33.7)
Building Construction	-	-	-	-	-
Total	6	0.0	79	0.1	-
Company-wide					
Civil Engineering (offshore)	14,977	30.7	13,007	23.2	(13.2)
Civil Engineering (onshore)	7,332	15.0	16,346	29.3	122.9
Building Construction	26,539	54.3	26,503	47.5	(0.1)
Total	48,849	100.0	55,857	100.0	14.3
Others	101		102		1.1
Total	48,950		55,959		14.3

b. Net sales

Classification	Three months ended June 30, 2024		Three months ended June 30, 2025		Year of Year change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Domestic					
Civil Engineering (offshore)	8,851	30.2	10,605	29.9	19.8
Civil Engineering (onshore)	7,144	24.3	7,489	21.1	4.8
Building Construction	11,306	38.5	14,965	42.3	32.4
Total	27,302	93.0	33,060	93.3	21.1
Overseas					
Civil Engineering (offshore)	2,036	7.0	2,363	6.7	16.0
Civil Engineering (onshore)	2	0.0	1	0.0	(33.7)
Building Construction	-	-	-	-	-
Total	2,039	7.0	2,365	6.7	16.0
Company-wide					
Civil Engineering (offshore)	10,888	37.2	12,968	36.6	19.1
Civil Engineering (onshore)	7,147	24.3	7,491	21.1	4.8
Building Construction	11,306	38.5	14,965	42.3	32.4
Total	29,342	100.0	35,426	100.0	20.7
Others	101		102		1.1
Total	29,444		35,528		20.7

c. Balance carried forward

Classification	Three months ended June 30, 2024		Three months ended June 30, 2025		Year of Year change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Domestic					
Civil Engineering (offshore)	37,140	19.8	46,738	19.6	25.8
Civil Engineering (onshore)	41,850	22.3	52,224	22.0	24.8
Building Construction	91,565	48.8	113,332	47.7	23.8
Total	170,556	90.9	212,295	89.3	24.5
Overseas					
Civil Engineering (offshore)	16,973	9.1	25,447	10.7	49.9
Civil Engineering (onshore)	-	-	-	-	-
Building Construction	-	-	-	-	-
Total	16,973	9.1	25,447	10.7	49.9
Company-wide					
Civil Engineering (offshore)	54,113	28.9	72,185	30.3	33.4
Civil Engineering (onshore)	41,850	22.3	52,224	22.0	24.8
Building Construction	91,565	48.8	113,332	47.7	23.8
Total	187,529	100.0	237,742	100.0	26.8
Others	-		-		-
Total	187,529		237,742		26.8

(By client)

a. Orders received

Classification	Three months ended June 30, 2024		Three months ended June 30, 2025		Year of Year change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Civil Engineering					
Dom. government authorities	13,013	26.6	16,618	29.8	27.7
Dom. private sector	9,291	19.0	12,655	22.7	36.2
Overseas	6	0.0	79	0.1	-
Total	22,310	45.7	29,354	52.6	31.6
Building Construction					
Dom. government authorities	1,294	2.6	-	-	-
Dom. private sector	25,245	51.7	26,503	47.4	5.0
Overseas	-	-	-	-	-
Total	26,539	54.3	26,503	47.4	(0.1)
Total					
Dom. government authorities	14,307	29.3	16,618	29.8	16.2
Dom. private sector	34,536	70.7	39,158	70.1	13.4
Overseas	6	0.0	79	0.1	-
Total	48,849	100.0	55,857	100.0	14.3
Others	101		102		1.1
Total	48,950		55,959		14.3

b. Net sales

Classification	Three months ended June 30, 2024		Three months ended June 30, 2025		Year of Year change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Civil Engineering					
Dom. government authorities	11,297	38.5	12,988	36.7	15.0
Dom. private sector	4,698	16.0	5,105	14.4	8.7
Overseas	2,039	7.0	2,365	6.7	16.0
Total	18,036	61.5	20,460	57.8	13.4
Building Construction					
Dom. government authorities	2,940	10.0	3,066	8.6	4.3
Dom. private sector	8,366	28.5	11,898	33.6	42.2
Overseas	-	-	-	-	-
Total	11,306	38.5	14,965	42.2	32.4
Total					
Dom. government authorities	14,238	48.5	16,055	45.3	12.8
Dom. private sector	13,064	44.5	17,004	48.0	30.2
Overseas	2,039	7.0	2,365	6.7	16.0
Total	29,342	100.0	35,426	100.0	20.7
Others	101		102		1.1
Total	29,444		35,528		20.7

c. Balance carried forward

Classification	Three months ended June 30, 2024		Three months ended June 30, 2025		Year of Year change (%)
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	
Construction					
Civil Engineering					
Dom. government authorities	58,110	31.0	71,314	30.0	22.7
Dom. private sector	20,880	11.1	27,648	11.6	32.4
Overseas	16,973	9.1	25,447	10.7	49.9
Total	95,963	51.2	124,410	52.3	29.6
Building Construction					
Dom. government authorities	23,825	12.7	23,028	9.7	(3.3)
Dom. private sector	67,740	36.1	90,303	38.0	33.3
Overseas	-	-	-	-	-
Total	91,565	48.8	113,332	47.7	23.8
Total					
Dom. government authorities	81,935	43.7	94,342	39.7	15.1
Dom. private sector	88,621	47.3	117,952	49.6	33.1
Overseas	16,973	9.1	25,447	10.7	49.9
Total	187,529	100.0	237,742	100.0	26.8
Others	-		-		-
Total	187,529		237,742		26.8

(Note) YoY change is not stated if it exceeds 1,000%.

(iii) Forecast of individual construction orders for the fiscal year ending March 31, 2026

Consolidated

	Segment	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	90,000	3.6
	Building Construction, overseas	11,000	(0.3)
	Total	224,000	(1.1)
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

	Segment	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	89,500	4.3
	Building Construction, overseas	-	-
	Total	203,000	(0.6)
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	37.7
	Building Construction, overseas	-	-
	Total	204,142	32.7

(Notes) (i) Percentages indicate year-on-year changes.

(ii) Real estate and others are not included.

(Qualitative information on construction order forecast)

The forecast for construction orders for the fiscal year ending March 31, 2026, is expected to be 90 billion yen on a consolidated basis and 89.5 billion yen on a non-consolidated basis, increased 13 billion yen from the previous forecast thanks, to domestic Building construction for its strong received orders and expected large-scale projects to provide orders. In domestic and overseas Civil Engineering and overseas Building Construction, there is no change from the announcement posted on May 12, 2025.

(2) Summary of financial position for the three months ended June 30, 2025

Total assets fell by 22,556 million yen from that at the end of the previous fiscal year to 157,903 million yen mainly due to a decrease in notes receivable, accounts receivable from completed construction contracts and other.

Liabilities were down by 17,078 million yen from that at the end of the previous fiscal year to 83,305 million yen mainly due to a decrease in notes payable, accounts payable for construction contracts and other.

Net assets decreased by 5,477 million yen from that at the end of the previous fiscal year to 74,597 million yen mainly due to the payment of year-end dividends.

The equity ratio increased 2.8 percentage points to 45.5% from 42.7% at the end of the previous fiscal year.

(3) Explanation of future forecast information such as consolidated financial results forecasts

With regard to the full-year consolidated earnings forecasts for the fiscal year ending March 31, 2026, there is no change from the announcement on May 12, 2025.

The forecast is based on the Company's judgment based on information available as of the date of the announcement of this material, and actual results may differ from the forecast due to various factors going forward.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	21,254	13,706
Notes receivable, accounts receivable from completed construction contracts and other	76,950	66,516
Costs on construction contracts in progress	3,349	3,888
Advances paid	2,820	3,457
Other accounts receivable	13,946	8,006
Other	5,530	6,177
Allowance for doubtful accounts	(9)	(9)
Total current assets	123,842	101,743
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,408	13,431
Machinery, vehicles, tools, furniture and fixtures	24,271	24,173
Land	21,356	21,340
Construction in progress	18,166	18,464
Accumulated depreciation	(29,778)	(29,844)
Total property, plant and equipment	47,423	47,565
Intangible assets	856	809
Investments and other assets		
Investment securities	2,415	2,037
Deferred tax assets	1,206	1,487
Retirement benefit asset	2,851	2,995
Other	1,964	1,364
Allowance for doubtful accounts	(100)	(100)
Total investments and other assets	8,337	7,783
Total non-current assets	56,617	56,159
Total assets	180,459	157,903

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	30,617	22,781
Short-term borrowings	12,355	8,881
Income taxes payable	2,340	395
Advances received on construction contracts in progress	17,120	15,014
Deposits received	5,437	4,295
Accrued consumption taxes	10,483	9,146
Provision for warranties for completed construction	618	427
Provision for loss on construction contracts	-	7
Provision for bonuses	1,262	2,017
Other	1,441	1,771
Total current liabilities	81,676	64,739
Non-current liabilities		
Long-term borrowings	11,650	11,480
Deferred tax liabilities	137	141
Deferred tax liabilities for land revaluation	2,242	2,238
Other provisions	117	123
Retirement benefit liability	3,954	3,978
Other	605	605
Total non-current liabilities	18,708	18,566
Total liabilities	100,384	83,305
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,074	6,074
Retained earnings	51,772	46,849
Treasury shares	(482)	(442)
Total shareholders' equity	71,413	66,531
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	624	462
Deferred gains or losses on hedges	844	654
Revaluation reserve for land	3,099	3,090
Foreign currency translation adjustment	178	121
Remeasurements of defined benefit plans	904	963
Total accumulated other comprehensive income	5,651	5,292
Non-controlling interests	3,010	2,773
Total net assets	80,075	74,597
Total liabilities and net assets	180,459	157,903

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales		
Net sales of completed construction contracts	33,593	39,849
Net sales in sideline businesses	180	180
Total net sales	33,773	40,030
Cost of sales		
Cost of sales of completed construction contracts	30,842	36,045
Cost of sales in sideline businesses	68	74
Total cost of sales	30,911	36,120
Gross profit		
Gross profit on completed construction contracts	2,750	3,804
Gross profit on sideline businesses	111	105
Total gross profit	2,862	3,909
Selling, general and administrative expenses	3,214	3,275
Operating profit (loss)	(351)	634
Non-operating income		
Interest income	28	37
Dividend income	26	29
Foreign exchange gains	21	-
Other	15	26
Total non-operating income	92	93
Non-operating expenses		
Interest expenses	47	105
Foreign exchange losses	-	4
Commitment fees	10	5
Term loan fees	259	7
Other	37	69
Total non-operating expenses	355	193
Ordinary profit (loss)	(614)	534
Extraordinary income		
Gain on sale of non-current assets	183	44
Gain on sale of investment securities	457	263
Total extraordinary income	640	308
Extraordinary losses		
Loss on sale of non-current assets	-	11
Loss on retirement of non-current assets	0	13
Loss on sale of investment securities	-	1
Total extraordinary losses	0	26
Profit before income taxes	25	816
Income taxes - current	274	378
Income taxes - deferred	(203)	(151)
Total income taxes	71	227
Profit (loss)	(46)	589
Profit attributable to non-controlling interests	30	49
Profit (loss) attributable to shareholders of parent	(76)	539

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	(46)	589
Other comprehensive income		
Valuation difference on available-for-sale securities	(237)	(164)
Deferred gains or losses on hedges	1,267	(190)
Foreign currency translation adjustment	139	(143)
Remeasurements of defined benefit plans, net of tax	43	36
Total other comprehensive income	1,211	(460)
Comprehensive income	1,165	128
Comprehensive income attributable to		
Comprehensive income attributable to shareholders of parent	1,034	189
Comprehensive income attributable to non-controlling interests	131	(61)

(3) Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	25	816
Depreciation	367	388
Increase (decrease) in allowance for doubtful accounts	(3)	(0)
Increase (decrease) in provision for loss on construction contracts	84	7
Decrease (increase) in retirement benefit asset	(3)	(179)
Increase (decrease) in retirement benefit liability	(73)	23
Interest and dividend income	(54)	(66)
Interest expenses	47	105
Loss (gain) on sale of investment securities	(457)	(261)
Loss (gain) on sale of property, plant and equipment	(183)	(33)
Loss on retirement of property, plant and equipment	0	13
Decrease (increase) in trade receivables	26,191	10,378
Decrease (increase) in costs on construction contracts in progress	(663)	(571)
Decrease (increase) in accounts receivable - other	261	44
Decrease (increase) in other accounts receivable	4,987	5,940
Decrease (increase) in advances paid	1,361	(668)
Increase (decrease) in trade payables	(7,856)	(7,737)
Increase (decrease) in advances received on construction contracts in progress	(3,980)	(2,054)
Increase (decrease) in accrued consumption taxes	(2,058)	(1,336)
Increase (decrease) in deposits received	(1,005)	(1,136)
Other	128	297
Subtotal	17,116	3,968
Interest and dividends received	52	64
Interest paid	(45)	(110)
Income taxes paid	(1,017)	(2,220)
Cash flows from operating activities	16,104	1,702
Cash flows from investing activities		
Purchase of property, plant and equipment	(472)	(246)
Proceeds from sale of property, plant and equipment	183	51
Purchase of intangible assets	(103)	(56)
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	605	405
Proceeds from collection of loans receivable	3	3
Other	(8)	(4)
Cash flows from investing activities	207	152

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,700)	(3,400)
Repayments of long-term borrowings	(267)	(243)
Repayments of lease liabilities	(27)	(28)
Dividends paid	(6,980)	(5,470)
Dividends paid to non-controlling interests	(36)	(175)
Proceeds from sale of treasury shares	3	-
Purchase of treasury shares	(0)	-
Cash flows from financing activities	(11,008)	(9,318)
Effect of exchange rate change on cash and cash equivalents	138	(84)
Net increase (decrease) in cash and cash equivalents	5,441	(7,548)
Cash and cash equivalents at beginning of period	23,475	21,154
Cash and cash equivalents at the end of period	28,917	13,606

(4) Notes to quarterly consolidated financial statements

(Notes to assumptions for going concern)

Not applicable.

(Notes when there is a significant change in the amount of shareholders' equity)

Not applicable.

(Notes to segment information)

I Three months ended June 30, 2024 (From April 1, 2024, to June 30, 2024)

Information on net sales, income or loss, and breakdown of revenue by reporting segment

(Millions of yen)

	Reporting segment						Others (Note) 1	Total	Adjust- ments	Amount recorded in the quarterly consolidated statements of income (Note) 2
	Civil Enginee- ring, domestic	Civil Engineer- ing, overseas	Building Construc- tion, domestic	Building Construc- tion, overseas	Offshore Wind Power Engineer- ing	Total				
Net sales										
Goods or services transferred at a point in time	707	10	249	-	-	967	62	1,029	-	1,029
Goods or services transferred over a period of time	17,074	2,156	11,357	2,037	-	32,625	-	32,625	-	32,625
Revenue from customer contracts	17,781	2,167	11,606	2,037	-	33,593	62	33,655	-	33,655
Other revenue	-	-	-	-	-	-	117	117	-	117
Sales to external customers	17,781	2,167	11,606	2,037	-	33,593	180	33,773	-	33,773
Intersegment sales or transfer	-	-	4	-	-	4	21	26	(26)	-
Total	17,781	2,167	11,610	2,037	-	33,597	201	33,799	(26)	33,773
Segment income (loss)	(582)	(190)	501	102	(246)	(415)	64	(351)	-	(351)

(Notes) 1. "Others" represent segments not included in reporting segments and include the real estate leasing business, insurance agency business, goods sales and leasing business.

2. Segment income (loss) is adjusted with operating loss in the quarterly consolidated statement of income.

II Three months ended June 30, 2025 (From April 1, 2025, to June 30, 2025)

1. Information on net sales, income or loss, and breakdown of revenue by reporting segment

(Millions of yen)

	Reporting segment						Others (Note) 1	Total	Adjust- ments	Amount recorded in the quarterly consolidated statements of income (Note) 2
	Civil Engineer- ing, domestic	Civil Engineer- ing, overseas	Building Construc- tion, domestic	Building Construc- tion, overseas	Offshore Wind Power Engineer- ing	Total				
Net sales										
Goods or services transferred at a point in time	865	1	262	-	-	1,130	65	1,195	-	1,195
Goods or services transferred over a period of time	19,459	2,396	14,897	1,965	-	38,719	-	38,719	-	38,719
Revenue from customer contracts	20,325	2,398	15,160	1,965	-	39,849	65	39,915	-	39,915
Other revenue	-	-	-	-	-	-	115	115	-	115
Sales to external customers	20,325	2,398	15,160	1,965	-	39,849	180	40,030	-	40,030
Intersegment sales or transfer	-	-	4	-	-	4	17	21	(21)	-
Total	20,325	2,398	15,164	1,965	-	39,854	198	40,052	(21)	40,030
Segment income (loss)	(369)	(24)	1,075	118	(224)	575	59	634	-	634

- (Notes) 1. "Others" represent segments not included in reporting segments and include the real estate leasing business, insurance agency business, goods sales and leasing business.
2. Segment income (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

2. Matters related to changes in reporting segments

From the three months ended June 30, 2025, the Company has changed the reporting method for "Offshore wind power engineering," which had been included in "Civil engineering, domestic," in such a way that it is posted as a reporting segment, since it is expected to have a significant impact on its operating results in the future. Furthermore, due to the organizational restructuring of the Company and its overseas subsidiaries, "Civil engineering, overseas" and "Building construction, overseas," which had been included in "Overseas construction," have been changed to be reported as reporting segments. Moreover, as the relative importance of "Real estate" declines with the expansion of the business scale of other reporting segments, "Real estate" has been changed to be reported as part of "Others."

Segment information for the three months ended June 30, 2024, was prepared and disclosed based on the classification of the reporting segments for the three months ended June 30, 2025.