This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities code: 1882
June 6, 2025
(Start date of measures for electronic provision: June 4, 2025)

To Shareholders with Voting Rights:

Kyouichi Morishita
Representative Director, President
TOA ROAD CORPORATION
7-3-7 Roppongi, Minato City, Tokyo

NOTICE OF
THE 119th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 119th Annual General Meeting of Shareholders of TOA ROAD CORPORATION (the "Company") will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide information electronically. Matters subject to electronic provision are posted on the following website as "Notice of the 119th Annual General Meeting of Shareholders."

The Company's website:
https://www.toadoro.co.jp

In addition to the above website, matters subject to electronic provision are also posted on the following website.

Tokyo Stock Exchange Inc. website:
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

Please access the abovementioned Tokyo Stock Exchange Inc. website, search for the Company by entering either the Company name or securities code, and select "Basic information," followed by "Documents for public inspection/PR information" in order to view the information.

Please review the Reference Documents for the General Meeting of Shareholders described in the matters subject to electronic provision, and exercise your voting rights by 5:30 p.m. Japan time on Thursday, June 26, 2025.

[Exercise of voting rights in writing]

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form, and return it by mail so that it arrives by the cutoff time for exercise of voting rights specified above.

[Exercise of voting rights via the Internet]

For the method of exercising voting rights via the Internet, please refer to the "Procedures for Exercising Voting Rights via the Internet."

If you exercise your voting rights both in writing and via the Internet, voting rights exercised via the Internet shall be treated as valid.

1. **Date and Time:** Friday, June 27, 2025 at 10:00 a.m. Japan time
2. **Venue:** Company Head Office
   Conference Room, 7th floor
   7-3-7 Roppongi, Minato City, Tokyo
3. **Meeting Agenda:**

   Matters to be reported:
   1. The Business Report and Consolidated Financial Statements for the Company's 119th Fiscal Year (April 1, 2024 - March 31, 2025) and the results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
   2. Non-consolidated Financial Statements for the Company's 119th Fiscal Year (April 1, 2024 - March 31, 2025)

   Proposals to be resolved:

   Proposal 1: Appropriation of Surplus

   Proposal 2: Partial Amendments to the Articles of Incorporation

   Proposal 3: Election of Six Directors

(Request) When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting.

(Notice) In the event of any revisions to the matters subject to electronic provision, details of the revisions will be posted on each of the designated websites.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Regarding appropriation of surplus, we hereby propose as described below.

The Company recognizes management strategies with a keen eye on capital costs and share price as an important managerial issue. As a profit allocation policy, the Company aims for a dividend payout ratio of 100% and DOE of 8% under a policy of stable shareholder returns, while continuing more active profit returns and improving capital efficiency.

The Company proposes that the year-end dividend for the fiscal year ended March 31, 2025 be paid as follows, taking into consideration the above policy:

1. Matters concerning year-end dividend
   (1) Type of dividend
   Cash
   (2) Matters related to the allotment of dividend property and the total amount thereof
   Per share of common stock of the Company: ¥90
   (common dividend of ¥90)
   Total amount: ¥4,165,031,790
   (3) Effective date of distribution of surplus
   June 30, 2025

2. Other matters concerning appropriation of surplus
   (1) Item and amount of increased surplus
   Retained earnings brought forward: ¥3,000,000,000
   (2) Item and amount of decreased surplus
   General reserve: ¥3,000,000,000

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

In order to further enhance opportunities to return profits to shareholders, the Company proposes to make the necessary amendments to the Articles of Incorporation which enable the Company to distribute its surplus (interim dividend) based on a resolution of the Board of Directors, in accordance with the provisions of Article 454, Paragraph 5 of the Companies Act.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Record date for distribution of surplus)	(Record date for distribution of surplus)
Article 53 The record date for the year-end dividend of the Company shall be March 31 of each year.	Article 53 (Unchanged)
(Newly established)	<u>2. The Company may, by resolution of the Board of Directors, distribute an interim dividend, with September 30 of each year as the record date.</u>
<u>2. If the dividend property referred to in the preceding paragraph is in cash</u> and it is not received within three full years from the date of commencement of payment thereof, the Company shall be relieved of the obligation to pay such cash.	<u>3. If dividends or interim dividends are</u> not received within three full years from the date of commencement of payment thereof, the Company shall be relieved of the obligation to pay such dividends or interim dividends.
<u>3.</u> No interest shall be paid on unpaid dividends.	<u>4.</u> (Unchanged)

Proposal 3: Election of Six Directors

The terms of office of all six Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of six Directors is proposed.

The candidates for Director are as follows:

No.	Name			Current positions at the Company	Attendance at Board of Directors meetings
1	[Reappointment]	Kyouichi Morishita		Representative Director, President	18/18 (100%)
2	[Reappointment]	Satoru Horinouchi		Representative Director, Executive Vice President	18/18 (100%)
3	[Reappointment]	Naoki Nakamura		Director, Managing Executive Officer	14/18 (77%)
4	[Reappointment]	Masataka Kusumi	[Independent Director] [Outside Director]	Outside Director	18/18 (100%)
5	[Reappointment]	Yuko Tahara	[Independent Director] [Outside Director]	Outside Director	17/18 (94%)
6	[Reappointment]	Yuichiro Ichikawa	[Independent Director] [Outside Director]	Outside Director	14/18 (77%)

Candidates for Director

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary and positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>[Reappointment]

Kyouichi Morishita
(September 22, 1956)

Attendance at Board of Directors meetings:
18/18

No. of years in office as Director (at the conclusion of this General Meeting of Shareholders):
12 years</td><td colspan="2">April 1981 — Joined the Company
June 2013 — Director; Executive Officer; General Manager, Construction and Engineering Division, the Company
April 2014 — Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Construction Department, the Company
April 2015 — Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Construction Department; General Manager, Civil Engineering Department, the Company
April 2016 — Director; Managing Executive Officer; General Manager, Planning and Sales Division; General Manager, Construction and Engineering Division; General Manager, Construction Department, the Company
May 2016 — Director; Managing Executive Officer; General Manager, Planning and Sales Division; General Manager, Construction and Engineering Division; General Manager, Construction Department; General Manager, Product Business Division, the Company
April 2017 — Director; Managing Executive Officer; General Manager, Technology Division; General Manager, Affiliated Business Division, the Company
June 2017 — Representative Director; President, the Company
To present

Responsibilities
Chairman, Internal Control Committee; Chairman, Compliance Committee; in charge of Audit Office; in charge of Corporate Planning Office</td><td>128,925</td></tr>
<tr><td colspan="4">[Reason for nomination as candidate for Director]
Since joining the Company, Mr. Kyouichi Morishita has been mainly engaged in construction and sales divisions and has a wealth of experience and extensive knowledge. He assumed office as Director and Managing Executive Officer in 2016. Serving as Representative Director and President since 2017, he is demonstrating strong leadership and decisiveness in managing the Company and striving to achieve continuous enhancement of corporate value.
Therefore, the Company proposes his reelection as Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary and positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">2</td><td>[Reappointment]

Satoru Horinouchi
(July 5, 1959)

Attendance at Board of Directors meetings:
18/18

No. of years in office as Director (at the conclusion of this General Meeting of Shareholders):
9 years</td><td>April 1983 Joined the Company
June 2016 Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Engineering Department; General Manager, Construction Department, the Company
April 2017 Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Construction Department, the Company
June 2017 Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Construction Department; General Manager, Technology Division, the Company
April 2018 Director; Managing Executive Officer; General Manager, Technology Division; General Manager, Affiliated Business Division, the Company
June 2018 Representative Director; Managing Executive Officer; General Manager, Technology Division; General Manager, Affiliated Business Division, the Company
April 2019 Representative Director; Senior Managing Executive Officer; General Manager, Product Business Division; General Manager, Technology Division; General Manager, Affiliated Business Division, the Company
April 2020 Representative Director; Senior Managing Executive Officer; General Manager, Sales Division; General Manager, Affiliated Business Division, the Company
April 2021 Representative Director; Senior Managing Executive Officer; General Manager, Construction Division
April 2023 Representative Director; Executive Vice President; General Manager, Construction Division, the Company
To present

Responsibilities
In charge of Product Business Division; in charge of Technology Division; in charge of Affiliated Business Department; in charge of Safety, Environment and Quality Department; General Manager, Construction Division; Chairman, Workstyle Improvement Committee; responsible for Labor Relations</td><td>103,114</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Since joining the Company, Mr. Satoru Horinouchi has been mainly engaged in construction divisions and has a wealth of experience and extensive knowledge. He assumed office as Representative Director and Managing Executive Officer in 2018, and as Representative Director and Executive Vice President in 2023, reporting directly to, and assisting the President. He has been engaged in management of the Company, including by formulating corporate concepts and engaging in management decisions and business development, and has been contributing to continuous enhancement of corporate value.
Therefore, the Company proposes his reelection as Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary and positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">3</td><td>[Reappointment]

Naoki Nakamura
(February 28, 1964)

Attendance at Board of Directors meetings:
14/18

No. of years in office as Director (at the conclusion of this General Meeting of Shareholders):
1 year</td><td>April 1986 Joined the Company
April 2011 General Manager, Administration Department, Tohoku Branch, the Company
April 2014 General Manager, Administration Department, Kanto Branch, the Company
April 2016 General Manager, Accounting Department, Administration Division, the Company
April 2020 General Manager, Accounting Department; General Manager, Finance Department, Administration Division, the Company
April 2021 Executive Officer; Deputy General Manager, Administration Division, the Company
April 2022 Executive Officer; General Manager, Administration Department, Administration Division, the Company
April 2024 Executive Officer; General Manager, Administration Division, the Company
June 2024 Director; Executive Officer; General Manager, Administration Division, the Company
April 2025 Director; Managing Executive Officer; General Manager, Administration Division, the Company
To present

Responsibilities
General Manager, Administration Division; General Manager, Administration Department; in charge of CSR Promotion Department; Chairman, Internal Control Committee; responsible for Compliance; responsible for Labor Relations</td><td>19,003</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Since joining the Company, Mr. Naoki Nakamura has been mainly engaged in administration divisions and has a wealth of experience and extensive knowledge. Currently he is supervising the Company’s administration divisions as Managing Executive Officer and General Manager of Administration Division. In addition, since June 2024, he has been engaged in management of the Company as a Director and contributing to continuous enhancement of corporate value.
Therefore, the Company proposes his reelection as Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary and positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">4</td><td>[Reappointment]
[Independent Director]
[Outside Director]

Masataka Kusumi
(February 17, 1968)

Attendance at Board of Directors meetings:
18/18

No. of years in office as Director (at the conclusion of this General Meeting of Shareholders):
5 years</td><td>April 1991 Joined Fujita Corporation
September 2001 Joined Masasho Co., Ltd.
December 2006 Joined ShinNihon & Co. (currently, Ernst & Young ShinNihon LLC)
August 2010 Registered as Certified Public Accountant
August 2016 Representative, Masataka Kusumi CPA Office (current position)
May 2017 Auditor, Nissan Satio Hirosaki Co., Ltd. (current position)
December 2017 Outside Director (Audit and Supervisory Committee Member), E-Guardian Inc. (current position)
June 2020 Director, the Company (current position)
To present
[Significant concurrent positions]
Representative, Masataka Kusumi CPA Office
Auditor, Nissan Satio Hirosaki Co., Ltd.
Outside Director (Audit and Supervisory Committee Member), E-Guardian Inc.</td><td>5,800</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director and expected role]
Mr. Masataka Kusumi has a specialist perspective based on his insight and experience as a CPA and considerable knowledge of corporate finance, legal affairs, and tax affairs. In order to ensure validity and appropriateness of decision-making by the Board of Directors, the Company wishes him to appropriately oversee the Company’s business execution from an independent standpoint with a specialist perspective. In addition, the Company believes that it can receive useful advice and suggestions from him on overall management and therefore proposes his reelection as Outside Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary and positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">5</td><td>[Reappointment]
[Independent Director]
[Outside Director]

Yuko Tahara
(May 21, 1967)

Attendance at Board of Directors meetings:
17/18

No. of years in office as Director (at the conclusion of this General Meeting of Shareholders):
4 years</td><td>April 1996 Assistant, Graduate School of Arts and Sciences, College of Arts and Sciences, The University of Tokyo
April 2002 Assistant Professor, Faculty of Economics, Kokugakuin University
April 2008 Professor, Faculty of Economics, Kokugakuin University (current position)
June 2021 Director, the Company (current position)
To present

[Significant concurrent position]
Professor, Faculty of Economics, Kokugakuin University</td><td>2,900</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director and expected role]
Ms. Yuko Tahara has a specialist perspective based on her profound insight and extensive knowledge cultivated over the years as an expert on local community issues, the aging society, and social security. In order to ensure validity and appropriateness of decision-making by the Board of Directors, the Company wishes her to appropriately oversee the Company’s business execution from an independent standpoint with a specialist perspective.
In addition, the Company believes that it can receive useful advice and suggestions from her on overall management and therefore proposes her reelection as Outside Director. Although she has never been involved in corporate management, the Company believes that she will execute her duties properly as an Outside Director of the Company for the reasons stated above.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary and positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">6</td><td>[Reappointment]
[Independent Director]
[Outside Director]

Yuichiro Ichikawa
(November 17, 1954)

Attendance at Board of Directors meetings:
14/18

No. of years in office as Director (at the conclusion of this General Meeting of Shareholders):
1 year</td><td colspan="2">April 1977 Joined Japan Drilling Co., Ltd.
July 2004 Director; General Manager, Operating Department, Japan Drilling Co., Ltd.
June 2005 Managing Director; General Manager, Operating Department, Japan Drilling Co., Ltd.
July 2006 Representative Director; Senior Managing Director, Japan Drilling Co., Ltd.
June 2007 Representative Director; Senior Managing Executive Officer, Japan Drilling Co., Ltd.
June 2013 Representative Director; President, Japan Drilling Co., Ltd.
June 2018 Advisor, Japan Drilling Co., Ltd.
February 2019 Resigned from Japan Drilling Co., Ltd.
August 2019 Management Advisor, REBIRTH, Limited
November 2021 Management Advisor, Fukuda Honten K.K.
June 2024 Director, the Company (current position)
To present

[Significant concurrent position]
None</td><td>0</td></tr>
<tr><td colspan="4">[Reason for nomination as candidate for Outside Director and expected role]
Mr. Yuichiro Ichikawa has a specialist perspective based on his insight and experience as a corporate manager. In order to ensure validity and appropriateness of decision-making by the Board of Directors, the Company wishes him to appropriately oversee the Company's business execution from an independent standpoint with a specialist perspective. In addition, the Company believes that it can receive useful advice and suggestions from him on overall management and therefore proposes his reelection as Outside Director.</td></tr>
</table>

Notes:
1. No special interest exists between any of the candidates and the Company.
2. Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yuichiro Ichikawa are candidates for Outside Director.
3. Matters concerning the candidates for Outside Director are as follows:
   (1) Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yuichiro Ichikawa are independent directors as defined by the Tokyo Stock Exchange.
   (2) Number of years since assumption of office as the Company's Outside Director of each candidate for Outside Director
   Mr. Masataka Kusumi will have been in office as Outside Director for five years at the conclusion of this Annual General Meeting of Shareholders.
   Ms. Yuko Tahara will have been in office as Outside Director for four years at the conclusion of this Annual General Meeting of Shareholders.
   Mr. Yuichiro Ichikawa will have been in office as Outside Director for one year at the conclusion of this Annual General Meeting of Shareholders.
   (3) Liability limitation agreements with Outside Directors
   The Company has entered into agreements with Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yuichiro Ichikawa to limit their liability for damages pursuant to Article 423 Paragraph 1 of the Companies Act. The amount of liability for damages in accordance with the agreements is limited to the minimum liability amount stipulated by laws and regulations.

If reelection of Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yuichiro Ichikawa is approved at this General Meeting of Shareholders, the Company intends to renew the said agreement with him.

4. The Company has entered into a directors and officers liability insurance (D&O Insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers litigation expenses related to derivative lawsuits and third-party litigation and incidental expenses to be borne by the insured. The Company's Directors (including Outside Directors) and Corporate Auditors (including Outside Corporate Auditors) are the insured under the said insurance contract. The insurance premiums are fully borne by the Company. However, liability for legal damages arising from illegal acts including criminal acts committed by the insured is outside the scope of coverage under the said insurance contract.

   The candidates for reelection nominated in this proposal are already the insured under the said insurance contract and will remain so following his reelection.

   The Company intends to renew the said insurance contract with the same contents at the next renewal.

[Skills Matrix]

			Major specialty and experience						
	Outside Director / Auditor	Nomination and Compensation Committee	Corporate management / management strategy	Sales / marketing	Technology / quality	Finance / accounting	Legal affairs / compliance	ESG	Diversity / gender
Kyouichi Morishita		○	○	○	○				
Satoru Horinouchi		○	○	○	○				
Naoki Nakamura			○			○	○		
Masataka Kusumi	◎	◎	○			○	○	○ (governance)	
Yuko Tahara	◎	○				○	○	○ (environment / society)	○ (female)
Yuichiro Ichikawa	◎	○	○			○	○	○ (governance)	
Shinichi Mori	◎					○	○		
Yoshihiko Takeuchi			○			○	○		
Hiroshi Fujita	◎		○				○	○ (governance)	

Notes: 1. ◎ in the column under “Outside Director / Auditor” indicates independent director/auditor.
2. ◎ in the column under “Nomination and Compensation Committee” indicates the chairman.

Consolidated Balance Sheet

(As of March 31, 2025)

Assets	
Item	**Amount** Millions of yen
Current assets	**¥ 60,001**
Cash and deposits	12,308
Notes receivable, accounts receivable from completed construction contracts and other	37,232
Electronically recorded monetary claims - operating	2,575
Costs on construction contracts in progress	1,263
Merchandise and finished goods	974
Work in process	619
Raw materials and supplies	1,696
Other	3,420
Allowance for doubtful accounts	(89)
Non-current assets	**30,720**
Property, plant and equipment	**23,707**
Buildings and structures	5,151
Machinery, equipment and vehicles	3,641
Land	13,793
Leased assets	706
Construction in progress	58
Other	356
Intangible assets	**321**
Investments and other assets	**6,691**
Investments securities	4,087
Long-term loans receivable	330
Retirement benefit asset	1,685
Deferred tax assets	367
Other	300
Allowance for doubtful accounts	(80)
Total assets	**¥ 90,721**

Liabilities	
Item	**Amount** Millions of yen
Current liabilities	**¥ 30,401**
Notes payable, accounts payable for construction contracts and other	13,988
Electronically recorded obligations - operating	3,687
Short-term borrowings	5,450
Income taxes payable	1,506
Advances received on construction contracts in progress	969
Provision for warranties for completed construction	28
Provision for loss on construction contracts	114
Other	4,657
Non-current liabilities	**3,389**
Long-term borrowings	450
Deferred tax liabilities	713
Deferred tax liabilities for land revaluation	1,059
Retirement benefit liability	459
Asset retirement obligations	55
Other	649
Total liabilities	**33,790**
Net assets	
Shareholders' equity	**52,410**
Share capital	**7,584**
Capital surplus	**6,419**
Retained earnings	**40,991**
Treasury shares	**(2,584)**
Accumulated other comprehensive income	**3,001**
Valuation difference on available-for-sale securities	**1,792**
Revaluation reserve for land	**589**
Remeasurements of defined benefit plans	**619**
Non-controlling interests	**1,519**
Total net assets	**56,931**
Total liabilities and net assets	**¥ 90,721**

(Amounts are rounded down to the nearest million yen.)

Consolidated Statement of Income

(From April 1, 2024 to March 31, 2025)

		Amount
		Millions of yen
Net sales		**¥ 126,575**
Cost of sales		**113,087**
Gross profit		**13,487**
Selling, general and administrative expenses		**8,472**
Operating profit		**5,015**
Non-operating income		**331**
Interest income	8	
Dividend income	212	
Reversal of allowance for doubtful accounts	17	
Other	92	
Non-operating expenses		**140**
Interest expenses	26	
Financial commission	41	
Litigation expenses	18	
Commission expenses	1	
Loss on valuation of investment securities	30	
Other	22	
Ordinary profit		**5,206**
Extraordinary income		**1,170**
Gain on sale of non-current assets	497	
Gain on sale of investment securities	673	
Extraordinary losses		**120**
Loss on sale of non-current assets	1	
Loss on retirement of non-current assets	116	
Impairment losses	0	
Other	2	
Profit before income taxes		**6,256**
Income taxes - current		2,068
Income taxes - deferred		(80)
Profit		**4,267**
Profit attributable to non-controlling interests		**140**
Profit attributable to owners of parent		**¥ 4,127**

(Amounts are rounded down to the nearest million yen.)

Consolidated Statement of Changes in Equity

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	¥ 7,584	¥ 7,258	¥ 38,809	¥ (2,620)	¥ 51,032
Changes during period					
Change in scope of consolidation		0			0
Dividends of surplus			(1,974)		(1,974)
Profit attributable to owners of parent			4,127		4,127
Reversal of revaluation reserve for land			28		28
Purchase of treasury shares				(1,175)	(1,175)
Disposal and cancellation of treasury shares		(838)		1,211	372
Net changes in items other than shareholders' equity					
Total changes during period	-	(838)	2,181	35	1,378
Balance at end of period	¥ 7,584	¥ 6,419	¥ 40,991	¥ (2,584)	¥ 52,410

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	¥ 2,437	¥ 648	¥ 667	¥ 3,753	¥ 1,428	¥ 56,214
Changes during period						
Change in scope of consolidation						0
Dividends of surplus						(1,974)
Profit attributable to owners of parent						4,127
Reversal of revaluation reserve for land						28
Purchase of treasury shares						(1,175)
Disposal and cancellation of treasury shares						372
Net changes in items other than shareholders' equity	(645)	(58)	(48)	(752)	90	(661)
Total changes during period	(645)	(58)	(48)	(752)	90	716
Balance at end of period	¥ 1,792	¥ 589	¥ 619	¥ 3,001	¥ 1,519	¥ 56,931

(Amounts are rounded down to the nearest million yen.)

Notes on Consolidated Financial Statements

I. Notes on Significant Matters that Serve as the Basis for Consolidated Financial Statements

1. Scope of Consolidation:

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries
Number of consolidated subsidiaries: 22
Names of major consolidated subsidiaries: ASUKA Inc., TOA-TONE BORING Co., Ltd.

(2) Names and other information of major non-consolidated subsidiaries
DAISHIN HODO Co., Ltd. and other one subsidiary
Reason for exclusion from the scope of consolidation:
All of the non-consolidated subsidiaries are small-scale companies and their aggregated total assets, net sales, and profit or loss and retained earnings have no significant effect on the consolidated financial statements. Therefore, they are excluded from the scope of consolidation.

2. Application of the Equity Method:

(1) Number of non-consolidated subsidiaries and affiliates accounted for using the equity method and names of major companies
Number of non-consolidated subsidiaries and affiliates accounted for using the equity method: 1
Names of major companies:
1) Non-consolidated subsidiaries
Not applicable
2) Affiliates
KEN-NAN Co., Ltd.

(2) Names and other information of non-consolidated subsidiaries and affiliates not accounted for using the equity method
Names of major companies:
1) Non-consolidated subsidiaries
DAISHIN HODO Co., Ltd. and other one subsidiary
2) Affiliates
MIYAGIREKISEI CO., LTD.
Reason for not accounted for using the equity method:
All of the non-consolidated subsidiaries and affiliates not accounted for using the equity method have an immaterial effect on the consolidated financial statements individually even if they are excluded from the scope of application of the equity method and are not significant in aggregate in terms of their profit or loss (amount commensurate with equity interests) and retained earnings (amount commensurate with equity interests). Therefore, they are not accounted for using the equity method.

3. Fiscal years of consolidated subsidiaries:

The closing date of all consolidated subsidiaries coincides with the closing date of the consolidated financial statements.

4. Accounting policies

(1) Standards and methods for valuation of significant assets
1) Standards and methods for valuation of securities
Available-for-sale securities
Securities other than shares without market prices
Fair value method based on market prices, etc. as of the closing date (with the entire amount of valuation differences recorded directly into net assets, and the cost of sales calculated using the moving average method)
Shares without market prices
Moving average cost method

2) Standards and methods for valuation of inventories

(a) Costs on construction contracts in progress	Cost method based on specific identification
(b) Merchandise and finished goods	Cost method based on the weighted average method (Method of writing down book values due to decline in profitability) However, moving average method for some consolidated subsidiaries
(c) Work in process	Cost method based on specific identification (Method of writing down book values due to decline in profitability)
(d) Raw materials and supplies	Cost method based on the weighted average method (Method of writing down book values due to decline in profitability)

(2) Depreciation of significant non-current assets

1) Property, plant and equipment

(a) Property, plant and equipment other than leased assets

The declining balance method is used, except that the straight line method is used for those buildings (excluding facilities attached to buildings) purchased on April 1, 1998 or thereafter as well as those structures and facilities attached to buildings purchased on April 1, 2016 or thereafter.

Estimated useful life of these assets are based on the same standards as for the method stipulated in the Corporation Tax Act.

(b) Leased assets

Leased assets related to finance leases in which ownership is not transferred

The straight line method, considering the lease period as the estimated useful life of leased assets and their residual value as zero, is used.

2) Intangible assets

The straight line method is used. The straight line method based on the estimated internal useful life of five years is used for software (for internal use).

(3) Standards for recognition of significant allowances

1) Allowance for doubtful accounts: In order to prepare for credit loss on receivables, the collectability of normal receivables is estimated by applying the historical overall credit loss rates; the collectability of doubtful receivables is analyzed individually, and estimated uncollectible amount is recorded.

2) Provision for warranties for completed construction: In order to prepare for loss on compensation for defects in completed contracts, reserves are provided by the amount obtained by multiplying the amount of completed contracts by the compensation rate for the completed contracts during the preceding three fiscal years, adding any specific amounts expected for future compensation.

3) Provision for loss on construction contracts: In order to prepare for future loss on construction contracts, expected loss is incurred for those contracts uncompleted at the end of the consolidated fiscal year under review that are expected to suffer a loss and for which the amount of the loss can be reasonably estimated.

(4) Accounting method for reserve for retirement benefits

In order to prepare for the payment of retirement benefits to employees, the Company has recorded the amounts of the reserve based on the expected amount of retirement benefit obligations at the end of the consolidated fiscal year under review.

In addition, some companies in the Group apply the simplified method to calculate retirement benefit obligations.

1) Period attribution method for the expected amount of retirement benefits

In calculating retirement benefit obligations, the Company uses the benefit formula to allocate the projected retirement benefits to the period that closes at the end of the consolidated fiscal year under review.

2) Accounting of actuarial differences and prior service costs

Actuarial differences are recognized as expenses in the consolidated fiscal year following the fiscal year in which they arise, using the straight line method over 10 years, a period less than the average of the estimated remaining service lives.

Prior service costs are recognized as expenses in the consolidated fiscal year in which they arise, using the straight line method over 10 years, a period less than the average of the estimated remaining service lives.

(5) Standards for recognition of significant revenue and costs

Revenues related to “Construction” are mainly from pavement construction and civil engineering projects, and the Company has a performance obligation to perform construction and deliver the work to the customer based on a contractual agreement with the customer. The contract is a transaction that satisfies a performance obligation over time, as the customer obtains control over the asset as the value of the asset increases by fulfilling its obligations under the contract with the customer, and revenue is recognized based on the degree of progress in satisfying the performance obligation. And when the degree of progress toward satisfying a performance obligation cannot be reasonably estimated, but the costs to be incurred are expected to be recovered, revenue is recognized on a cost recovery basis. For a contract with a considerably short period until the performance obligation is expected to be satisfied in full, the Company recognizes revenue as if the performance obligation is satisfied at a point of time. The Company does not recognize revenue if the degree of completion of the performance obligation cannot be reasonably estimated at the initial stage of the contract, even if the performance obligation is satisfied over time.

Revenues related to “Asphalt Products, Environment and Other” consist primarily of sales from the manufacture of asphalt emulsions and asphalt mixtures, etc. The Company has performance obligations to deliver products based on sales contracts with its customers. The revenue is recognized at the time of delivery of the product because the customer obtains control of the product at the point of delivery and the performance obligation is deemed to be satisfied.

No adjustment for significant financial factors is made for both “Construction” and “Asphalt Products, Environment and Other,” because the consideration for the transactions is received primarily within one year of satisfaction of the performance obligation.

(6) Significant hedge accounting method

1) Hedge accounting method

The exceptional method is applied to interest rate swaps.

2) Hedging instruments and hedged items

Hedging instruments: Interest rate swaps

Hedged items: Interest on borrowings

3) Hedging policy

Interest rate swaps are performed to avoid risks of fluctuations in the interest rates for borrowings.

4) Method of evaluating hedge effectiveness

Evaluation of hedge effectiveness is omitted because the Company performs only interest rate swaps to which the exceptional method is applied.

(7) Standards for translating assets or liabilities denominated in foreign currencies into Japanese yen

Assets and liabilities denominated in foreign currencies are translated into Japanese yen based on spot exchange rates on the closing date, and exchange differences are reported as foreign exchange profits or losses.

(8) Accounting of consumption taxes

Non-deductible consumption tax, non-deductible local consumption tax, etc. are recorded at cost of the consolidated fiscal year in which it occurs.

(9) The adopted accounting principles and procedures when the related accounting standards or other rules are not clear

The accounting treatment for joint ventures in “Construction” and “Asphalt Products, Environment and Other” of the Company and some of its consolidated subsidiaries is mainly based on the method of recognizing assets, liabilities, income, and expenses according to the investment ratio of the members.

II. Changes in presentation

Since the amount of “gain on sale of investment securities,” which was included in “other” (6 million yen for the preceding consolidated fiscal year) in extraordinary income on the consolidated financial statements, became material in terms of amount, it is presented as “gain on sale of investment securities” from the consolidated fiscal year under review (673 million yen for the consolidated fiscal year ended March 31, 2025).

III. Changes in accounting policies due to revisions to accounting standards and other regulations

The Company has applied “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the “Revised Accounting Standard of 2022”) and other standards since the beginning of the consolidated fiscal year under review. In the preceding years, the corporate tax, inhabitant tax, and enterprise tax (hereinafter referred to as “Income Taxes”) on income were recorded as profit or loss at the amount calculated in accordance with laws and regulations. However, the Company decided to record Income Taxes separately into profit or loss, shareholders’ equity, and other comprehensive income, depending on the transactions, etc. that are the source of the Income Taxes. Regarding Income Taxes recognized in accumulated other comprehensive income, the corresponding tax amount is recorded in profit or loss at the time when the transaction, etc. that causes the Income Taxes to be imposed are recorded in profit or loss. If transactions, etc. subject to taxation are related to shareholders’ equity or other comprehensive income in addition to profit or loss and it is difficult to calculate the amount of Income Tax imposed on shareholders’ equity or other comprehensive income, the amount of such tax is recorded in profit or loss.

The revision to the classification of Income Taxes (taxation on other comprehensive income) is in accordance with the transitional treatment provided for in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022. This change in accounting policy has no impact on the consolidated financial statements.

In addition, regarding the amendment related to the revised accounting treatment for consolidated financial statements when gain or loss on sale of shares in subsidiaries, etc. between consolidated companies were deferred for tax purposes, the Company has applied Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) retrospectively since the beginning of the consolidated fiscal year under review. As a result, retained earnings increased by 139 million yen, as the effect on net assets at the beginning of the consolidated fiscal year under review.

IV. Notes on accounting estimates

(1) Provision for loss on construction contracts

1) Amount recorded in consolidated financial statements for the consolidated fiscal year under review

114 million yen

2) Information about the content of significant accounting estimates about the identified subject

If, out of the works ordered by customers, those for which a loss is expected to occur in the next consolidated fiscal year due to the fulfillment of the order, and the amount of the loss can be reasonably estimated, in order to prepare for the future loss, the amount of loss expected to occur in the next consolidated fiscal year or later is recorded as a provision for loss on construction contracts.

When estimating the provision for loss on construction contracts, if the total estimated construction cost for each construction contract is expected to exceed the construction revenue, the provision for loss on construction contracts is recorded. Therefore, additional provision may occur due to changes in the preconditions for estimating the total construction cost (design changes, construction conditions, etc.), which may have a significant impact on the amount recognized in the financial statements for the next consolidated fiscal year.

(2) Estimates of the revenue recognized for performance obligations satisfied over time

1) Amount recorded in consolidated financial statements for the consolidated fiscal year under review

15,020 million yen

2) Information about the content of significant accounting estimates about the identified subject

When recognizing revenue of performance obligations satisfied over time, for the contracts for which the progress toward satisfying performance obligations can be reasonably estimated, the amount of completed contracts is recorded based on the progress ratio calculated by the percentage of construction costs incurred to the total expected cost of construction using the input method. And we make the best estimate for the total construction revenue, total construction cost, and progress of construction on the closing date for each individual construction contract based on all the information available on the closing date. And when the degree of progress toward satisfying a performance obligation cannot be reasonably estimated, but the costs to be incurred are expected to be recovered, revenue is recognized on a cost recovery basis.

In calculating the total construction revenue, if there is a changed construction fee due to unconfirmed additions or design changes, the amount estimated based on the status of discussions with the ordering party is added to or subtracted from the finalized contract amount. And, in calculating the total cost of construction, the Company estimates the cost of construction to be incurred after the closing date of accounts based on assumptions considering various conditions for each individual construction contract, in addition to the status of negotiations with subcontractors on the outsourcing costs and material costs. Therefore, any changes to the preconditions for the estimate may have a significant impact on the amount recognized in the consolidated financial statements for the next consolidated fiscal year.

The amounts shown in 1) are revenues related to construction contracts to be carried over to the next fiscal year.

V. Notes on the Consolidated Balance Sheet

1. Accumulated depreciation for property, plant and equipment 38,734 million yen
2. Pursuant to the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998) and the Act to Revise Part of the Act on Revaluation of Land (Act No. 24 promulgated on March 31, 1999), land used for the Company's business operations was revalued. The effect in terms of income tax of the differences between the book value and the revalued amount has been presented under liabilities as "deferred tax liabilities for land revaluation" and the remaining balance has been presented under net assets as "revaluation reserve for land" in the consolidated balance sheet.

   Revaluation method

   Land is revalued by making reasonable adjustments on the assessed value of fixed assets (prices registered with the land tax ledger stipulated in Article 341, Item 10 of the Local Tax Act or the supplementary land tax ledger stipulated in Item 11).

   Date of revaluation March 31, 2002

   Difference between the market price of revalued land at the end of the consolidated fiscal year under review and the post-revaluation book value of the land (1,465) million yen
3. The amount of receivables and contract assets from contracts with customers included in "notes receivable, accounts receivable from completed construction contracts and other" and "electronically recorded monetary claims - operating" are as follows:

Notes receivable	2,408 million yen
Electronically recorded monetary claims - operating	2,575 million yen
Accounts receivable from completed construction contracts	17,411 million yen
Accounts receivable - trade	6,518 million yen
Contract assets	10,893 million yen

4. The amount of contract liabilities included in "other" of the current liabilities is as follows:

   Contract liabilities 183 million yen

VI. Notes on the Consolidated Statement of Income

The Company does not disaggregate revenues from contracts with customers and other sources of revenue. The amount of revenue from contracts with customers is presented in "1. Disaggregation of revenue from contracts with customers" of "XI. Notes on Revenue Recognition" in Notes on Consolidated Financial Statements.

VII. Notes on the Consolidated Statement of Changes in Equity

1. Class and total number of issued shares at the end of the consolidated fiscal year under review

   Common stock 50,394,730 shares

2. Matters concerning dividends

   (1) Amount of dividends paid

   A resolution was made as follows at the Annual General Meeting of Shareholders held on June 27, 2024.

   Matters concerning dividends of common shares:

1) Total amount of dividends paid	1,974 million yen
2) Dividends per share	210 yen
3) Record date	March 31, 2024
4) Effective date	June 28, 2024

   (Note) On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. Since the record date for the abovementioned year-end dividend is March 31, 2024, dividends were paid based on the number of shares held prior to the stock split.

   (2) Dividends whose record date is in the consolidated fiscal year under review and effective date is in the succeeding fiscal year

   A proposal will be submitted as follows at the Annual General Meeting of Shareholders to be held on June 27, 2025.

   Matters concerning dividends of common shares:

1) Source of dividends	Retained earnings
2) Total amount of dividend paid	4,165 million yen
3) Dividends per share	90 yen
4) Record date	March 31, 2025
5) Effective date	June 30, 2025

VIII. Notes on Financial Instruments

1. Status of financial instruments
   (1) Management policy for financial instruments
   The Group's policy is to limit its fund investment to short-term instruments such as deposits and procure funds through bank loans.
   (2) Details and risks of financial instruments and the risk management structure
   Notes receivable, accounts receivable from completed construction contracts and other, which are trade receivables, and long-term loans receivable are exposed to credit risk of customers. To manage this risk, the Company performs due date control and balance control for each customer in accordance with the Company's credit management regulations. In addition, the sales management division monitors the credit status of customers on a timely basis to ensure early discovery and reduction of any recoverability concerns due to deteriorated financial position or other reasons. Furthermore, the consolidated subsidiaries perform the same management in accordance with the Company's credit management regulations.
   Shares, which are investment securities, are exposed to stock price volatility risk. However, shares held by the Company are mainly those of its business partners and their fair values are measured and reported to the Board of Directors on a regular basis.
   Most of notes payable, accounts payable for construction contracts and other, which are trade payables, are due within one year.
   With regard to borrowings, short-term borrowings are mainly related to fund procurement for operating transactions and long-term borrowings are mainly related to fund procurement for capital investments.
   Trade payables and borrowings are exposed to liquidity risk. The Group manages this risk by the method whereby the consolidated subsidiaries prepare their cash management plan on a monthly basis and the Company conducts the overall cash management at the Administration Division based on the submitted reports.
2. Fair value, etc. of financial instruments
   The book value on the consolidated balance sheet, fair value and any differences therebetween as of March 31, 2025 (the closing date of the consolidated financial statements for the consolidated fiscal year under review) are as shown in the table below.
   Shares without market prices are not included in the table below. (Please refer to "(Note)").
   The notes for cash are omitted. The notes for the following are also omitted, because they are settled over a short term and their fair value approximates their book value; deposits; notes receivable, accounts receivable from completed construction contracts and other; notes payable, accounts payable for construction contracts and other; and short-term borrowings.

(Millions of yen)

	Book value on the consolidated balance sheet	Fair value	Difference
(1) Investment securities			
Available-for-sale securities	3,783	3,783	–
(2) Long-term loans receivable	330		
Allowance for doubtful accounts (*1)	(13)		
	316	316	0
Total assets	4,100	4,100	0
(1) Long-term borrowings	450	450	–
Total liabilities	450	450	–

(*1) Allowance for doubtful accounts recorded specifically for long-term loans receivable is deducted.

3. Fair value by level within the fair value hierarchy
   The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value:

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement.
Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.
Level 3 fair value: Fair value measured using unobservable inputs.

(1) Financial instruments measured at fair value

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities	3,783	–	–	3,783
Total assets	3,783	–	–	3,783

(2) Financial instruments other than those measured at fair value

Category	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	–	316	–	316
Total assets	–	316	–	316
Long-term borrowings	–	450	–	450
Total liabilities	–	450	–	450

Investment securities

The fair value of listed shares is measured using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

Long-term loans receivable

Long-term loans receivable are categorized by a specified period and measured at the present value calculated by discounting their future cash flows using an interest rate obtained by reflecting credit risk to government bond yield or other appropriate indicator.

The fair value of doubtful receivables is measured at the present value of estimated cash flows calculated using the same discount rate or the amount expected to be recovered over collateral and guarantees, and is classified as Level 2.

Long-term borrowings

The fair value of long-term borrowings is determined by discounting the total amount of principle and interests using an interest rate assumed for the similar new borrowing transaction. Some long-term borrowings with variable interest rate are subject to the exceptional method for interest rate swaps. Their fair value is determined by discounting the total amount of principle and interest that was accounted for together with the interest rate swap using an interest rate reasonably estimated for the similar borrowing transaction, and is classified as Level 2.

(Note) Shares without market prices

(Millions of yen)

Category	Book value on the consolidated balance sheet
Non-listed shares	166
Shares of subsidiaries and associates	137

IX. Notes on Asset Retirement Obligations

Asset retirement obligations recorded on the consolidated balance sheet

1. Outline of the asset requirement obligations
   These are obligations to restore land for business use to its original state, as specified in the real estate lease agreements.
2. Method of calculation of the asset retirement obligations
   The amount of asset retirement obligations is calculated with an estimated period of use of 20 to 30 years and using a discount rate of 0.6 to 2.3%.
3. Increase or decrease in asset retirement obligations during the consolidated fiscal year under review

Balance at the beginning of the consolidated fiscal year under review	55 million yen
Adjustment due to passage of time	0 million yen
Balance at the end of the consolidated fiscal year under review	55 million yen

X. Notes on Real Estate for Rent, etc.

Status and fair value of real estate for rent, etc.

1. Outline of real estate for rent, etc.
   The Company and some of its subsidiaries hold land or other real estate properties for rent in Osaka prefecture and other regions.
2. Book value on the consolidated balance sheet, major changes during the consolidated fiscal year under review, and fair value at the closing date and calculation method thereof for real estate for rent, etc.

(Millions of yen)

Book value on the consolidated balance sheet			Fair value at the end of the consolidated fiscal year under review
Balance at the beginning of the consolidated fiscal year under review	Increase/decrease during the consolidated fiscal year under review	Balance at the end of the consolidated fiscal year under review	
1,193	(78)	1,115	1,066

(Notes) 1. The book value on the consolidated balance sheet is cost of acquisition less accumulated depreciation and accumulated impairment losses. The difference between the fair value of revalued land at the end of the consolidated fiscal year under review and the post-revaluation book value of the land is (35) million yen.

2. Major changes

Decrease due to moving out	(75) million yen
Decrease due to depreciation of assets	(2) million yen

3. Method of fair value calculation
   The fair values are mainly those calculated by the Company based on the "Japan Real Estate Appraisal Standards" (including those adjusted using certain indicators).

3. Profit or loss on real estate for rent, etc.
   Profit on real estate for rent, etc. was 28 million yen (rent income is recorded under net sales and major rent expenses are recorded under cost of sales).

XI. Notes on Revenue Recognition

1. Disaggregation of revenue from contracts with customers

   Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment		
	Construction	Asphalt Products, Environment and Other	Total
Goods transferred at a point of time	37,085	45,083	82,169
Goods transferred over time	40,315	4,002	44,318
Revenue from contracts with customers	77,401	49,086	126,488
Revenue from other sources	-	87	87
Net sales to outside customers	77,401	49,173	126,575

(Note) "Revenue from other sources" are revenue from real estate business.

2. Fundamental information to understand revenue from contracts with customers
   The information is as described in "(5) Standards for recognition of significant revenue and costs," "4. Accounting policies" of "I. Notes on Significant Matters that Serve as the Basis for Consolidated Financial Statements."
3. Information to understand the amounts of revenue for the consolidated fiscal year under review onward
   (1) Contract asset and contract liability balances
   The breakdown of receivables, contract assets and contract liabilities arising from contracts with customers is as follows.

   Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	April 1, 2024	March 31, 2025
Receivables from contracts with customers	29,885	28,825
Contract assets	9,271	10,893
Contract liabilities	1,202	1,152

   Revenue recognized in the consolidated fiscal year under review that was included in the contract liability balance at the beginning of the consolidated fiscal year is 1,163 million yen.
   The contract liability balance in the table above includes advances received on construction contracts in progress.

   (2) Transaction prices allocated to the remaining performance obligations
   The amount of the transaction prices allocated to unsatisfied performance obligations of contracts with an individual contract term of over one year is 10,251 million yen for the consolidated fiscal year under review. These transaction prices are mainly those of construction contracts for construction projects. The information is omitted for contracts with an individual contract term of less than one year.

XII. Notes on Information on Amounts per Share

1. Net assets per share 1,197.37 yen
2. Earnings per share 89.22 yen

   The basis for calculating earnings per share is as follows:

Profit attributable to owners of parent	4,127 million yen
Profit attributable to owners of parent relating to common shares	4,127 million yen
Amount not attributable to common shareholders	−
Average number of common shares during the period	46,256 thousand shares

Balance Sheet

(As of March 31, 2025)

Assets		Liabilities	
Item	Amount Millions of yen	Item	Amount Millions of yen
Current assets	**¥ 45,140**	**Current liabilities**	**¥ 32,464**
Cash and deposits	8,428	Notes payable - trade	842
Notes receivable - trade	1,622	Electronically recorded obligations - operating	3,578
Electronically recorded monetary claims - operating	1,740	Accounts payable for construction contracts	4,957
Accounts receivable from completed construction contracts	24,157	Accounts payable - trade	2,475
Accounts receivable - trade	4,231	Short-term borrowings	13,693
Costs on construction contracts in progress	1,018	Current portion of long-term borrowings	450
Merchandise and finished goods	465	Accounts payable - other	972
Raw materials and supplies	663	Accrued expenses	1,523
Short-term loans receivable	130	Income taxes payable	1,079
Prepaid expenses	263	Accrued consumption taxes	1,201
Accounts receivable - other	1,311	Advances received on construction contracts in progress	741
Other	1,136	Provision for warranties for completed construction	27
Allowance for doubtful accounts	(27)	Provision for loss on construction contracts	72
Non-current assets	**26,500**	Other	849
Property, plant and equipment	**19,706**	**Non-current liabilities**	**2,160**
Buildings and structures	4,239	Long-term borrowings	450
Machinery, equipment and vehicles	2,775	Deferred tax liabilities for land revaluation	1,059
Tools, furniture and fixtures	264	Asset retirement obligations	53
Land	12,185	Deferred tax liabilities	310
Leased assets	218	Long-term guarantee deposits	41
Other	22	Provision for retirement benefits:	68
Intangible assets	**255**	Other	177
Software	179	**Total liabilities**	**34,625**
Telephone subscription right	7	**Net assets**	
Other	68	**Shareholders' equity**	**35,220**
Investments and other assets	**6,538**	**Share capital**	**7,584**
Investments securities	2,910	**Capital surplus**	**5,693**
Shares of subsidiaries and associates	2,346	Legal capital surplus	5,619
Long-term loans receivable	330	Other capital surplus	73
Distressed receivables	43	**Retained earnings**	**24,528**
Long-term prepaid expenses	17	Legal retained earnings	906
Membership	29	Other retained earnings	23,622
Prepaid pension costs	781	Reserve for tax purpose reduction entry of non-current assets	167
Other	149	General reserve	19,407
Allowance for doubtful accounts	(71)	Retained earnings brought forward	4,047
		Treasury shares	**(2,584)**
		Valuation and translation adjustments	**1,794**
		Valuation difference on available-for-sale securities	**1,204**
		Revaluation reserve for land	**589**
		Total net assets	**37,015**
Total assets	**¥ 71,641**	**Total liabilities and net assets**	**¥ 71,641**

(Amounts are rounded down to the nearest million yen.)

Statement of Income

(From April 1, 2024 to March 31, 2025)

	Amount	
	Millions of yen	
Net sales		
Net sales of completed construction contracts	¥ 62,013	
Net sales of finished goods	22,815	
Other operating revenue	5,045	**89,874**
Cost of sales		
Cost of sales of completed construction contracts	56,674	
Cost of finished goods sold	22,333	
Other costs	3,236	**82,244**
Gross profit		
Gross profit on completed construction contracts	5,338	
Gross profit - finished goods	481	
Gross profit - other	1,809	**7,629**
Selling, general and administrative expenses		**5,766**
Operating profit		**1,863**
Non-operating income		
Interest income	11	
Dividend income	1,057	
Other	65	**1,134**
Non-operating expenses		
Interest expenses	99	
Financial commission	41	
Litigation expenses	6	
Commission expenses	1	
Loss on valuation of investment securities	30	
Other	8	**187**
Ordinary profit		**2,811**
Extraordinary income		
Gain on sale of non-current assets	483	
Gain on sale of investment securities	673	**1,156**
Extraordinary losses		
Loss on sale of non-current assets	0	
Loss on retirement of non-current assets	110	**110**
Profit before income taxes		**3,857**
Income taxes - current		1,019
Income taxes - deferred		(97)
Profit		**¥ 2,935**

(Amounts are rounded down to the nearest million yen.)

Statement of Changes in Equity

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other retained earnings			
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	¥ 7,584	¥ 5,619	¥ 912	¥ 6,531	¥ 906	¥ 170	¥ 19,407	¥ 3,054	¥ 23,537
Changes during period									
Dividends of surplus								(1,974)	(1,974)
Profit								2,935	2,935
Reversal of reserve for tax purpose reduction entry of non-current assets						(3)		3	-
Reversal of revaluation reserve for land								28	28
Purchase of treasury shares									
Disposal and cancellation of treasury shares			(838)	(838)					
Net changes in items other than shareholders' equity									
Total changes during period	-	-	(838)	(838)	-	(3)	-	993	990
Balance at end of period	¥ 7,584	¥ 5,619	¥ 73	¥ 5,693	¥ 906	¥ 167	¥ 19,407	¥ 4,047	¥ 24,528

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments			
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	Total net assets
Balance at beginning of period	¥ (2,620)	¥ 35,033	¥ 1,769	¥ 648	¥ 2,418	¥ 37,452
Changes during period						
Dividends of surplus		(1,974)				(1,974)
Profit		2,935				2,935
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Reversal of revaluation reserve for land		28				28
Purchase of treasury shares	(1,175)	(1,175)				(1,175)
Disposal and cancellation of treasury shares	1,211	372				372
Net changes in items other than shareholders' equity			(564)	(58)	(623)	(623)
Total changes during period	35	186	(564)	(58)	(623)	(436)
Balance at end of period	¥ (2,584)	¥ 35,220	¥ 1,204	¥ 589	¥ 1,794	¥ 37,015

(Amounts are rounded down to the nearest million yen.)

Notes on Non-consolidated Financial Statements

1. Notes on significant accounting policies

(1) Standards and methods for valuation of securities

1. Shares of subsidiaries and associates — Moving average cost method
2. Available-for-sale securities

   Securities other than shares without market prices

   Fair value method based on market prices, etc. as of the closing date (with the entire amount of valuation differences recorded directly into net assets, and the cost of sales calculated using the moving average method)

   Shares without market prices

   Moving average cost method

(2) Standards and methods for valuation of inventories

1. Costs on construction contracts in progress	Cost method based on specific identification
2. Merchandise and finished goods	Cost method based on the weighted average method (Method of writing down book values due to decline in profitability)
3. Raw materials and supplies	Cost method based on the weighted average method (Method of writing down book values due to decline in profitability)

(3) Depreciation of non-current assets

1. Property, plant and equipment

   (a) Property, plant and equipment other than leased assets

   The declining balance method is used, except that the straight line method is used for those buildings (excluding facilities attached to buildings) purchased on April 1, 1998 or thereafter as well as those structures and facilities attached to buildings purchased on April 1, 2016 or thereafter.

   Estimated useful life of these assets are based on the same standards as for the method stipulated in the Corporation Tax Act.

   (b) Leased assets

   Leased assets related to finance leases in which ownership is not transferred

   The straight line method, considering the lease period as the estimated useful life of leased assets and their residual value as zero, is used.

2. Intangible assets

   The straight line method is used. The straight line method based on the estimated internal useful life of five years is used for software (for internal use).

(4) Standards for recognition of allowances

1. Allowance for doubtful accounts: In order to prepare for credit loss on receivables, the collectability of normal receivables is estimated by applying the historical overall credit loss rates; the collectability of doubtful receivables is analyzed individually, and estimated uncollectible amount is recorded.
2. Provision for warranties for completed construction: In order to prepare for loss on compensation for defects in completed contracts, reserves are provided by the amount obtained by multiplying the amount of completed contracts by the compensation rate for the completed contracts during the preceding three fiscal years, adding any specific amounts expected for future compensation.
3. Provision for loss on construction contracts: In order to prepare for future loss on construction contracts, expected loss is incurred for those contracts uncompleted during the fiscal year under review that are expected to suffer a loss and for which the amount of the loss can be reasonably estimated.
4. Provision for retirement benefits: In order to prepare for the payment of retirement benefits to employees, the Company has recorded the amounts of the provision based on the expected amount of retirement benefit obligations and pension assets at the end of the fiscal year under review.

   And, in order to prepare for the payment of retirement benefits to re-employees, the simplified method, which assumes retirement benefit obligation to be equal to the benefits payable assuming voluntary retirement at the closing date, is applied to calculate the reserve for retirement benefits and retirement benefit costs.

   (a) Period attribution method for the expected amount of retirement benefits

   In calculating retirement benefit obligations, the Company uses the benefit formula to allocate the projected retirement benefits to the period that closes at the end of the fiscal year under review.

   (b) Accounting of actuarial differences and prior service costs

   Actuarial differences are recognized as expenses in the fiscal year following fiscal year in which they arise, using the straight line method over 10 years, a period less than the average of the estimated remaining service lives.

   Prior service costs are recognized as expenses in the fiscal year in which they arise, using the straight line method over 10 years, a period less than the average of the estimated remaining service lives.

   If pension assets that should be recognized during the fiscal year under review exceed the amount obtained by deducting actuarial differences, etc. from retirement benefit obligations, the Company considers the assets as prepaid pension costs and reports them as part of investments and other assets.

   The accounting of unrecognized actuarial differences related to retirement benefits and unrecognized prior service costs is different from that of such differences and costs in consolidated financial statements.

(5) Standards for recognition of significant revenue and costs

Revenues related to net sales of completed construction contracts are mainly from pavement construction and civil engineering projects, and the Company has a performance obligation to perform construction and deliver the work to the customer based on a contractual agreement with the customer. The contract is a transaction that satisfies a performance obligation over time, as the customer obtains control over the asset as the value of the asset increases by fulfilling its obligations under the contract with the customer, and revenue is recognized based on the degree of progress in satisfying the performance obligation. And when the degree of progress toward satisfying a performance obligation cannot be reasonably estimated, but the costs to be incurred are expected to be recovered, revenue is recognized on a cost recovery basis. For a contract with a considerably short period until the performance obligation is expected to be satisfied in full, the Company recognizes revenue as if the performance obligation is satisfied at a point of time. The Company does not recognize revenue if the degree of completion of the performance obligation cannot be reasonably estimated at the initial stage of the contract, even if the performance obligation is satisfied over time.

Revenues related to net sales of finished goods consist primarily of sales from the manufacture of asphalt emulsions and asphalt mixtures, etc. The Company has performance obligations to deliver products based on sales contracts with its customers. The revenue is recognized at the time of delivery of the product because the customer obtains control of the product at the point of delivery and the performance obligation is deemed to be satisfied.

No adjustment for significant financial factors is made for both net sales of completed construction contracts and net sales of finished goods, because the consideration for the transactions is received primarily within one year of satisfaction of the performance obligation.

(6) Hedge accounting method

1. Hedge accounting method

   The exceptional method is applied to interest rate swaps.

2. Hedging instruments and hedged items

   Hedging instruments: Interest rate swaps

   Hedged items: Interest on borrowings

3. Hedging policy

   Interest rate swaps are performed to avoid risks of fluctuations in the interest rates for borrowings.

4. Method of evaluating hedge effectiveness

   Evaluation of hedge effectiveness is omitted because the Company performs only interest rate swaps to which the exceptional method is applied.

(7) Standards for translating assets or liabilities denominated in foreign currencies into Japanese yen

Assets and liabilities denominated in foreign currencies are translated into Japanese yen based on spot exchange rates on the closing date, and exchange differences are reported as foreign exchange profits or losses.

(8) Accounting of consumption taxes

Non-deductible consumption tax, non-deductible local consumption tax, etc. are recorded at cost of the fiscal year in which it occurs.

(9) The adopted accounting principles and procedures when the related accounting standards or other rules are not clear

The accounting treatment for joint ventures in our “Construction” and “Asphalt Products, Environment and Other” of the Company is mainly based on the method of recognizing assets, liabilities, income, and expenses according to the investment ratio of the members.

2. Changes in presentation

Since the amount of "gain on sale of investment securities," which was included in "other" (23 million yen for the preceding fiscal year) in extraordinary income on the statement of income, became material in terms of amount, it is presented as "gain on sale of investment securities" from the fiscal year under review (673 million yen for the fiscal year ended March 31, 2025).

3. Notes on accounting estimates

(1) Provision for loss on construction contracts

1. Amount recorded in financial statements for the fiscal year under review

   72 million yen

2. Information about the content of significant accounting estimates about the identified subject

   Description is omitted since the same information is disclosed in Notes on Consolidated Financial Statements.

(2) Estimates of the revenue recognized for performance obligations satisfied over time

1. Amount recorded in financial statements for the fiscal year under review

   11,917 million yen

2. Information about the content of significant accounting estimates about the identified subject

   Description is omitted since the same information is disclosed in Notes on Consolidated Financial Statements.

4. Notes on the Balance Sheet

(1) Accumulated depreciation for property, plant and equipment 29,838 million yen

(2) Receivables from and payables to subsidiaries and associates

Short-term receivables	603 million yen	Short-term payables	9,468 million yen
Long-term receivables	62 million yen		

(3) Guarantee obligations

Guarantee obligations for commercial transactions 988 million yen

(4) Pursuant to the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998) and the Act to Revise Part of the Act on Revaluation of Land (Act No. 24 promulgated on March 31, 1999), land used for the Company's business operations was revalued. The effect in terms of income tax of the differences between the book value and the revalued amount has been presented under liabilities as "deferred tax liabilities for land revaluation" and the remaining balance has been presented under net assets as "revaluation reserve for land" in the balance sheet.

Revaluation method

Land is revalued by making reasonable adjustments on the assessed value of fixed assets (prices registered with the land tax ledger stipulated in Article 341, Item 10 of the Local Tax Act or the supplementary land tax ledger stipulated in Item 11).

Date of revaluation March 31, 2002

Difference between the market price of revalued land at the end of the fiscal year under review and the post-revaluation book value of the land (1,465) million yen

5. Notes on the Statement of Income

Transactions with subsidiaries and associates

Operating transactions	
Net sales	2,812 million yen
Purchases	10,559 million yen
Non-operating transactions	80 million yen

6. Notes on the Statement of Changes in Equity

Types and number of treasury shares at the end of the fiscal year under review

Common stock 4,116,599 shares

7. Notes on tax effect accounting

(1) Breakdown of major factors causing deferred tax assets and liabilities

(Deferred tax assets)	
Allowance for doubtful accounts	30 million yen
Accrued bonuses	397 million yen
Accrued business tax	74 million yen
Loss on valuation of membership	15 million yen
Loss on valuation of investment securities	285 million yen
Non-current assets	209 million yen
Provision for loss on construction contracts	22 million yen
Other	66 million yen
Subtotal of deferred tax assets	1,102 million yen
Valuation reserve	(517) million yen
Total deferred tax assets	585 million yen
(Deferred tax liabilities)	
Reserve for tax purpose reduction entry of non-current assets	(73) million yen
Prepaid pension costs	(224) million yen
Valuation difference on available-for-sale securities	(456) million yen
Other	(140) million yen
Total deferred tax liabilities	(895) million yen
Net deferred tax liabilities	(310) million yen
(Other)	
Deferred tax liabilities for land revaluation	1,059 million yen

(2) Breakdown of major items causing differences between effective statutory tax rates and corporation tax rates after the application of tax effect accounting

Effective statutory tax rate	30.6%
(Adjustment)	
Entertainment expenses and other permanently non-deductible items for tax purposes	0.6%
Municipal tax on a per-capita basis	1.9%
Dividend income and other items which are not taxable permanently	(7.5)%
Tax deduction for experimentation and research expenses	(0.4)%
Tax deduction for tax measure to promote wage increases	(1.4)%
Other	0.1%
Corporation tax rates after the application of tax effect accounting	23.9%

(3) Revision to the amount of deferred tax assets and deferred tax liabilities due to changes in the rate of income taxes

Following the revision of the tax law, deferred tax assets and deferred tax liabilities related to temporary differences expected to be eliminated in or after the following fiscal year were calculated by changing the effective statutory tax rate from 30.6% to 31.5%. Due to this change, deferred tax liabilities (after deducting deferred tax assets) for the fiscal year under review increased by 6 million yen, and income taxes - deferred decreased by 6 million yen. In addition, deferred tax liabilities for land revaluation increased by 30 million yen and land revaluation difference decreased by 30 million yen.

8. Notes on transactions with related parties

(1) Transactions with related parties

Subsidiaries and associates

Attribute	Names of companies	Percentage of voting rights held (%)	Relationship with related parties	Details of transactions	Amount of transactions (Millions of yen)	Item	Balance at end of period (Millions of yen)
Subsidiary	Sapporo Kyodo Ascon Co., Ltd.	Ownership Direct, 65	Purchase of materials, etc. Interlocking directors	Borrowing of funds	80	Short-term borrowings	1,397
				Interest expenses	11		
	Sapporo Recycle Kotsuzai K.K.	Ownership Direct, 90	Purchase of materials, etc. Interlocking directors	Borrowing of funds	50	Short-term borrowings	732
				Interest expenses	6		
	TOA-TONE BORING Co., Ltd.	Ownership Direct, 100	Purchase of materials, etc. Interlocking directors	Borrowing of funds	273	Short-term borrowings	1,840
				Interest expenses	8		
	Fuji Green Tech CO. LTD.	Ownership Direct, 75	Purchase of materials, etc. Interlocking directors	Borrowing of funds	260	Short-term borrowings	838
				Interest expenses	4		
	Umetsugumi Co., Ltd.	Ownership Direct, 100	Purchase of materials, etc. Interlocking directors	Borrowing of funds	(100)	Short-term borrowings	803
				Interest expenses	8		
	Aiken Industry Co., Ltd.	Ownership Direct, 100	Purchase of materials, etc. Interlocking directors	Borrowing of funds	60	Short-term borrowings	740
				Interest expenses	5		

(Conditions of transactions and policy to decide conditions of transactions)

1. Loan interest rates are reasonably determined considering market interest rates.
2. Terms and conditions of transactions are determined in the same way as for general parties.
3. Based on requests from business partners, the Company has guaranteed accounts payable-trade as required.

(2) Notes on the parent company or significant subsidiaries and associates

Not applicable

9. Notes on revenue recognition

Fundamental information to understand revenue

Fundamental information to understand revenue is as described in "(5) Standards for recognition of significant revenue and costs" of "1. Notes on significant accounting policies."

10. Notes on information on amounts per share

(1) Net assets per share 799.85 yen

(2) Earnings per share 63.47 yen

The basis for calculating net income per share is as follows:

Profit in the Statement of Income	2,935 million yen
Profit relating to common shares	2,935 million yen
Amount not attributable to common shareholders	-
Average number of common shares during the period	46,256 thousand shares