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May 10, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)



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 Securities code: 1882
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 Scheduled date of annual general meeting of shareholders: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Scheduled date to file annual securities report: June 27, 2024
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	118,060	(0.6)	5,473	15.6	5,707	15.1	3,793	20.0
March 31, 2023	118,721	5.9	4,736	(14.1)	4,957	(11.3)	3,160	(14.9)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥4,995 million [53.8%]
 For the fiscal year ended March 31, 2023: ¥3,248 million [(14.0)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	79.94	-	7.2	6.3	4.6
March 31, 2023	66.73	-	6.3	5.8	4.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥0 million
 For the fiscal year ended March 31, 2023: ¥1 million

On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. Basic earnings per share is calculated on the presumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	92,895	56,075	58.8	1,162.69
March 31, 2023	87,184	52,711	58.9	1,080.46

Reference: Equity
 As of March 31, 2024: ¥54,647 million
 As of March 31, 2023: ¥51,344 million

On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. Net assets per share is calculated on the presumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	10,911	(3,995)	(2,693)	14,227
March 31, 2023	2,180	(2,971)	(853)	10,004

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended March 31, 2023	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
	-	-	-	90.00	90.00	855	27.0	1.7
Fiscal year ended March 31, 2024	-	-	-	210.00	210.00	1,974	52.5	3.7
Fiscal year ending March 31, 2025 (Forecast)	-	-	-	42.00	42.00		50.6	

On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. Year-end dividends for the fiscal year ended March 31, 2023 and the fiscal year ended March 31, 2024 are presented in actual value terms on a pre-split basis.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	50,500	(0.6)	540	(14.3)	550	(31.0)	280	(42.5)	5.96
Full year	126,000	6.7	6,000	9.6	6,100	6.9	3,900	2.8	82.98

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly included: - companies (Company name)

Excluded: - companies (Company name)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2024	52,200,230 shares
As of March 31, 2023	52,200,230 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2024	5,199,315 shares
As of March 31, 2023	4,679,080 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	47,455,575 shares
Fiscal year ended March 31, 2023	47,358,120 shares

On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. The total number of issued shares at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period are calculated on the presumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	82,132	(1.5)	1,849	(7.4)	2,497	7.0	1,961	22.1
March 31, 2023	83,340	1.9	1,998	(35.4)	2,334	(29.6)	1,606	(32.5)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	41.33	-
March 31, 2023	33.92	-

On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. Basic earnings per share is calculated on the presumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	72,306	37,452	51.8	796.84
March 31, 2023	70,994	36,738	51.7	773.10

Reference: Equity

As of March 31, 2024: ¥37,452 million

As of March 31, 2023: ¥36,738 million

On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. Net assets per share is calculated on the presumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts and other special matters

1. Financial results forecasts and other forward-looking statements contained herein are based on information that is currently available and certain assumptions that the Company deemed to be reasonable, and the Company does not guarantee their achievement. Actual results may differ significantly due to various factors.
2. The Company plans to hold a financial results briefing session for institutional investors and analysts on Tuesday, June 11, 2024. The video of the session and the presentation materials used on the day will be posted on the Company's website promptly after the event.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	4
(4) Future Outlook	4
(5) Material Events Related to Going Concern Assumption, etc.	5
2. Basic Policy on Selection of Accounting Standards	5
3. Consolidated Financial Statements and Principal Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Consolidated Statements of Changes in Equity	10
(4) Consolidated Statements of Cash Flows	12
(5) Notes to Consolidated Financial Statements	13
(Notes on going concern assumption)	13
(Changes in presentation)	13
(Segment information)	13
(Per share information)	16
(Significant subsequent events)	17
4. Others	18
Overview of Production, Orders Received and Sales	18

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

In the fiscal year under review, the Japanese economy remained on a recovery trend, backed by social and economic activities regaining a greater degree of normalcy after COVID-19 was reclassified to a Class 5 infectious disease, improvement in the employment and income environment, and increasing demand from foreign visitors to Japan. On the other hand, the economic outlook remains uncertain amid growing tension in global affairs and spiking energy prices.

In the road construction industry where the Group operates its main businesses, government investments in construction remained firm and private capital investments showed a recovery trend as corporate revenues improved. However, the business environment remained challenging due to the increase in construction material prices and personnel costs, in addition to the intensifying competition for contracts.

Under these circumstances, the Group promoted initiatives under the medium-term management plan (for the period from FY2021 to FY2023) to enhance the collective strength of the Group as a whole.

As a result, for the fiscal year under review, the orders received amounted to ¥123,991 million (up 5.9% year on year) and net sales were ¥118,060 million (down 0.6% year on year).

With regard to profit or loss, operating profit was ¥5,473 million (up 15.6% year on year), ordinary profit was ¥5,707 million (up 15.1% year on year). Profit attributable to owners of parent was ¥3,793 million (up 20.0% year on year).

The operating results by segment are as follows.

1) Construction

The orders received for the fiscal year under review amounted to ¥76,178 million (up 11.4% year on year). Net sales of completed construction contracts were ¥70,247 million (up 0.3% year on year) and the balance of orders carried forward was ¥34,990 million (up 20.4% year on year). With regard to profit, segment profit was ¥3,468 million (up 5.2% year on year).

Major construction orders received

Client	Construction Project Name	Place (Prefecture)
West Nippon Expressway Company Limited	FY2023 Paving work for Sasebo Road in Ainoura district	Nagasaki
West Nippon Expressway Company Limited	FY2023 Pavement repair work in the administrative area of the Osaka Expressway Office	Osaka
Ministry of Land, Infrastructure, Transport and Tourism (ports and airports)	FY2023 Extension and construction of the runway in Fukuoka Airport (Second round)	Fukuoka
West Nippon Expressway Maintenance Kansai Company Limited	FY2024 Maintenance work in Kobe district	Hyogo
East Nippon Expressway Company Limited	Pavement repair work for Do-o Expressway in the north district of the Kitahiroshima administrative area	Hokkaido
Japan Freight Railway Company	Construction work for new container platforms and other work for the establishment of the Numazu Freight Station (Phase I)	Shizuoka

Major completed construction contracts

Client	Construction Project Name	Place (Prefecture)
Central Nippon Expressway Company Limited	Pavement repair work for Hokuriku Expressway (special renewal work, etc.) in the Kanazawa administrative area (FY2020) operated by Joint Venture for Special Construction Work	Ishikawa
Central Nippon Expressway Company Limited	Pavement construction work for Chuo Expressway in the Matsumoto administrative area (FY2020)	Nagano
Chubu Co., Ltd.	Facility refurbishment work under the PFI project for Tottori Prefecture	Tottori
Ministry of Land, Infrastructure, Transport and Tourism	FY2022 Extension and construction of the runway in Fukuoka Airport (Second round)	Fukuoka
Ministry of Land, Infrastructure, Transport and Tourism	Pavement construction work in Kaizara district, Izumi Tunnel on the Ohno Abrasaka Road	Fukui
Honshu-Shikoku Bridge Expressway Company Limited	FY2022 Pavement repair work in the Kobe administrative area	Hyogo

2) Manufacturing and sales of construction materials, environmental business, and other businesses

Net sales for the fiscal year under review were ¥47,813 million (down 1.8% year on year). With regard to profit, segment profit was ¥4,162 million (up 19.6% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

1) Assets

Total current assets amounted to ¥61,566 million, increasing by 3.6% from the end of the preceding fiscal year. This was due mainly to an increase of ¥4,222 million in cash and deposits, an increase of ¥865 million in electronically recorded monetary claims - operating, and a decrease of ¥3,539 million in notes receivable, accounts receivable from completed construction contracts and other.

Total non-current assets amounted to ¥31,329 million, increasing by 12.9% from the end of the preceding fiscal year. This was due mainly to an increase of ¥1,745 million in property, plant and equipment and an increase of ¥908 million in investment securities.

As a result, total assets amounted to ¥92,895 million, increasing by 6.6% from the end of the preceding fiscal year.

2) Liabilities

Total current liabilities amounted to ¥32,487 million, increasing by 3.3% from the end of the preceding fiscal year. This was due mainly to an increase of ¥4,659 million in notes payable, accounts payable for construction contracts and other, a decrease of ¥2,348 million in electronically recorded obligations - operating, and a decrease of ¥1,436 million in short-term borrowings.

Total non-current liabilities amounted to ¥4,332 million, increasing by 43.8% from the end of the preceding fiscal year. This was due mainly to an increase of ¥750 million in long-term borrowings.

As a result, total liabilities amounted to ¥36,820 million, increasing by 6.8% from the end of the preceding fiscal year.

3) Net assets

Total net assets amounted to ¥56,075 million, increasing by 6.4% from the end of the preceding fiscal year. This was due mainly to an increase of ¥2,947 million in retained earnings due to profit attributable to owners of parent.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as “cash flow”) at the end of the fiscal year under review totaled ¥14,227 million, increasing by ¥4,222 million from the end of the preceding fiscal year.

The status of cash flows and factors thereof by category for the fiscal year under review are as follows.

1) Cash Flows from Operating Activities

Cash flows from operating activities resulted in a net inflow of ¥10,911 million (a net inflow of ¥2,180 million in the preceding fiscal year). Major components included profit before income taxes of ¥5,680 million, depreciation of ¥2,194 million, income taxes paid of ¥1,762 million, a decrease in trade receivables of ¥2,674 million, and an increase in trade payables of ¥1,946 million.

2) Cash Flows from Investing Activities

Cash flows from investing activities resulted in a net outflow of ¥3,995 million (a net outflow of ¥2,971 million in the preceding fiscal year). Major components included the purchase of property, plant and equipment of ¥4,085 million.

3) Cash Flows from Financing Activities

Cash flows from financing activities resulted in a net outflow of ¥2,693 million (a net outflow of ¥853 million in the preceding fiscal year). Major components included a net decrease in short-term borrowings of ¥1,488 million, proceeds from long-term borrowings of ¥1,350 million, a purchase of treasury shares of ¥1,002 million, and dividends paid of ¥855 million.

(4) Future Outlook

Regarding the economic environment going forward, global inflation is ongoing, leading to monetary tightening policies accompanied by risks of exchange rate fluctuations. In addition, there are geopolitical risks. It is necessary to monitor the impact of these factors on procurement costs, such as energy and material prices. At the same time, while understanding that price pass-through would be necessary to respond to the wage increase requested by the government and the increase in procurement costs, the Group expects the environment surrounding the Group to remain challenging amid continuously intensifying competition among companies for contracts.

In light of the current environment, the Group has established the “TOA ROAD Vision 2030,” a vision for 2030, which marks the 100th anniversary of the Company, and has been striving to implement the medium-term plans to achieve goals. Continuing on from the previous medium-term management plan, the final year of which was the preceding fiscal year, the Group has developed a new three-year medium-term management plan with the target year of FY2026, dubbed the “TOA ROAD Sustainable Plan 2026,” and started to implement it from the fiscal year under review. In this medium-term management plan, the Group has set up the two main pillars of “shift to CSR-oriented management” and “establishment of a foundation for sustainable growth,” and will strive to pursue management that emphasizes capital cost more than ever.

Under the new medium-term management plan, our Construction division will seek diverse ways of working to promote reform of working practices by improving engagement with employees and utilizing digital transformation (DX) technologies, with a recognition that the 2024 problem (new overtime regulations enforcing an overtime cap for truck drivers came into effect), which is an urgent issue, is an opportunity for transformation. The Asphalt Product Business division will make aggressive capital investment in shifting to environmentally-friendly production equipment. In addition, while trying to pass higher costs onto customers via price hikes, the Group will actively propose materials that contribute to the environmental conservation to municipalities and promote community-based activities.

Regarding technology development (R&D strategies), the Group will propose surveying and assessment methods that contribute to the operation of huge accumulation of road assets and promote pavement construction methods with preventive maintenance functions, while maintaining the existing focus on technologies to extend the life and minimize the life cycle cost of road infrastructure. In addition, the Group

will take on the challenge of innovation, such as the development of materials that will help decarbonization, pavement with a solar power generation function, and technology for wireless EV charging, while striving to achieve the 100th anniversary vision, “Only One Company always chosen by the society.”

By considering the steady implementation of measures based on these policies, the Group formulated the financial results forecasts for the year ending March 31, 2025 as follows: net sales of ¥126,000 million, operating profit of ¥6,000 million, ordinary profit of ¥6,100 million, and profit attributable to owners of parent of ¥3,900 million.

(5) Material Events Related to Going Concern Assumption, etc.

Not applicable.

2. Basic Policy on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with the Japanese GAAP to maintain comparability of the consolidated financial statements between companies. Regarding the International Financial Reporting Standards (IFRS), the Group will appropriately determine its adoption while considering various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,004	14,227
Notes receivable, accounts receivable from completed construction contracts and other	39,473	35,934
Electronically recorded monetary claims - operating	2,430	3,296
Costs on construction contracts in progress	1,842	2,201
Merchandise and finished goods	972	1,125
Work in process	350	447
Raw materials and supplies	1,493	1,668
Other	2,926	2,739
Allowance for doubtful accounts	(69)	(73)
Total current assets	59,427	61,566
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,456	13,941
Machinery, equipment and vehicles	27,510	28,438
Land	12,375	13,764
Leased assets	1,061	1,291
Construction in progress	143	150
Other	2,563	2,653
Accumulated depreciation	(35,770)	(37,155)
Total property, plant and equipment	21,339	23,085
Intangible assets	346	281
Investments and other assets		
Investment securities	4,528	5,437
Long-term loans receivable	280	317
Retirement benefit asset	854	1,612
Deferred tax assets	273	381
Other	301	328
Allowance for doubtful accounts	(165)	(113)
Total investments and other assets	6,071	7,962
Total non-current assets	27,757	31,329
Total assets	87,184	92,895

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	16,517	21,176
Electronically recorded obligations - operating	6,265	3,916
Short-term borrowings	2,036	600
Income taxes payable	1,097	1,112
Advances received on construction contracts in progress	1,399	1,044
Provision for warranties for completed construction	27	24
Provision for loss on construction contracts	190	169
Other	3,927	4,444
Total current liabilities	31,460	32,487
Non-current liabilities		
Long-term borrowings	150	900
Deferred tax liabilities	745	1,244
Deferred tax liabilities for land revaluation	1,044	1,041
Retirement benefit liability	449	439
Asset retirement obligations	54	55
Other	569	650
Total non-current liabilities	3,012	4,332
Total liabilities	34,472	36,820
Net assets		
Shareholders' equity		
Share capital	7,584	7,584
Capital surplus	7,105	7,258
Retained earnings	35,722	38,670
Treasury shares	(1,724)	(2,620)
Total shareholders' equity	48,688	50,893
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,805	2,437
Revaluation reserve for land	652	648
Remeasurements of defined benefit plans	198	667
Total accumulated other comprehensive income	2,656	3,753
Non-controlling interests	1,366	1,428
Total net assets	52,711	56,075
Total liabilities and net assets	87,184	92,895

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	118,721	118,060
Cost of sales	106,378	104,576
Gross profit	12,343	13,483
Selling, general and administrative expenses	7,607	8,009
Operating profit	4,736	5,473
Non-operating income		
Interest income	5	5
Dividend income	177	178
Reversal of allowance for doubtful accounts	-	35
Other	117	98
Total non-operating income	300	317
Non-operating expenses		
Interest expenses	21	13
Financial commission	22	15
Litigation expenses	4	29
Commission expenses	-	12
Other	30	12
Total non-operating expenses	79	83
Ordinary profit	4,957	5,707
Extraordinary income		
Gain on sale of non-current assets	92	47
Other	14	6
Total extraordinary income	107	54
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	87	77
Impairment losses	-	0
Loss on valuation of shares of subsidiaries	90	-
Other	10	2
Total extraordinary losses	188	81
Profit before income taxes	4,875	5,680
Income taxes - current	1,684	1,889
Income taxes - deferred	(90)	(102)
Total income taxes	1,593	1,787
Profit	3,281	3,893
Profit attributable to non-controlling interests	121	100
Profit attributable to owners of parent	3,160	3,793

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	3,281	3,893
Other comprehensive income		
Valuation difference on available-for-sale securities	15	632
Remeasurements of defined benefit plans, net of tax	(48)	469
Total other comprehensive income	(33)	1,102
Comprehensive income	3,248	4,995
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,127	4,895
Comprehensive income attributable to non-controlling interests	121	100

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,584	6,986	33,419	(1,606)	46,383
Changes during period					
Dividends of surplus			(857)		(857)
Profit attributable to owners of parent			3,160		3,160
Purchase of treasury shares				(284)	(284)
Disposal of treasury shares		93		166	260
Change in ownership interest of parent due to transactions with non-controlling interests		25			25
Net changes in items other than shareholders' equity					
Total changes during period	-	119	2,302	(117)	2,304
Balance at end of period	7,584	7,105	35,722	(1,724)	48,688

	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	1,789	652	246	2,689	1,392	50,466
Changes during period						
Dividends of surplus						(857)
Profit attributable to owners of parent						3,160
Purchase of treasury shares						(284)
Disposal of treasury shares						260
Change in ownership interest of parent due to transactions with non-controlling interests						25
Net changes in items other than shareholders' equity	15	-	(48)	(33)	(26)	(59)
Total changes during period	15	-	(48)	(33)	(26)	2,245
Balance at end of period	1,805	652	198	2,656	1,366	52,711

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,584	7,105	35,722	(1,724)	48,688
Changes during period					
Change in scope of consolidation		(5)	5		-
Dividends of surplus			(855)		(855)
Profit attributable to owners of parent			3,793		3,793
Revaluation reserve for land			4		4
Purchase of treasury shares				(896)	(896)
Disposal of treasury shares		158			158
Net changes in items other than shareholders' equity					
Total changes during period	-	153	2,947	(896)	2,205
Balance at end of period	7,584	7,258	38,670	(2,620)	50,893

	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	1,805	652	198	2,656	1,366	52,711
Changes during period						
Change in scope of consolidation						-
Dividends of surplus						(855)
Profit attributable to owners of parent						3,793
Revaluation reserve for land						4
Purchase of treasury shares						(896)
Disposal of treasury shares						158
Net changes in items other than shareholders' equity	632	(4)	469	1,097	61	1,158
Total changes during period	632	(4)	469	1,097	61	3,363
Balance at end of period	2,437	648	667	3,753	1,428	56,075

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,875	5,680
Depreciation	2,060	2,194
Increase (decrease) in allowance for doubtful accounts	(24)	(48)
Impairment losses	-	0
Increase (decrease) in provision for loss on construction contracts	135	(21)
Increase (decrease) for retirement benefits asset liability	29	748
Loss on retirement of non-current assets	87	77
Loss on valuation of shares of subsidiaries	90	-
Interest and dividend income	(182)	(183)
Interest expenses	21	13
Share of loss (profit) of entities accounted for using equity method	(1)	(0)
Loss (gain) on sale of non-current assets	(92)	(46)
Decrease (increase) in trade receivables	(2,224)	2,674
Decrease (increase) in costs on construction contracts in progress	(442)	(358)
Decrease (increase) in inventories	33	(424)
Increase (decrease) in trade payables	(560)	1,946
Increase (decrease) in accrued consumption taxes	357	(279)
Increase (decrease) in advances received on construction contracts in progress	(514)	(355)
Other, net	(65)	885
Subtotal	3,582	12,504
Interest and dividends received	182	183
Interest paid	(22)	(13)
Income taxes paid	(1,563)	(1,762)
Net cash provided by (used in) operating activities	2,180	10,911
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,245)	(4,085)
Proceeds from sale of property, plant and equipment	102	141
Purchase of investment securities	(653)	(7)
Loan advances	(101)	(36)
Proceeds from collection of loans receivable	3	101
Other, net	(76)	(108)
Net cash provided by (used in) investing activities	(2,971)	(3,995)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,088	(1,488)
Proceeds from long-term borrowings	-	1,350
Repayments of long-term borrowings	(816)	(548)
Proceeds from sale of treasury shares	100	-
Purchase of treasury shares	(284)	(1,002)
Dividends paid	(857)	(855)
Dividends paid to non-controlling interests	(16)	(29)
Other, net	(67)	(120)
Net cash provided by (used in) financing activities	(853)	(2,693)
Net increase (decrease) in cash and cash equivalents	(1,644)	4,222
Cash and cash equivalents at beginning of period	11,649	10,004
Cash and cash equivalents at end of period	10,004	14,227

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation)

Since the amount of “electronically recorded monetary claims - operating,” which was included in “notes receivable, accounts receivable from completed construction contracts and other” under “current assets” in the preceding fiscal year, became material in terms of amount, it is separately presented as an independent account starting from the first quarter of the fiscal year under review. To reflect this change in presentation, certain reclassifications have been made to the consolidated financial statements for the preceding fiscal year.

As a result, the amount presented in “notes receivable, accounts receivable from completed construction contracts and other” under “current assets” in the consolidated balance sheets for the preceding fiscal year of ¥41,904 million has been reclassified into the amount of “notes receivable, accounts receivable from completed construction contracts and other” of ¥39,473 million and the amount of “electronically recorded monetary claims - operating” of ¥2,430 million.

(Segment information)

1. Overview of reportable segments

The Group’s reportable segments are the Group’s components for which separate financial information can be obtained and which are subject to periodic reviews by the Board of Directors for deciding the allocation of management resources and evaluating business performance.

The Group carries out its business activities in the following businesses: “Construction,” which performs pavement, civil engineering, and other construction work, as well as demolition of constructed structures; and “Asphalt Products, Environment and Other,” which manufactures and sells asphalt mixtures, asphalt emulsions and other construction materials, and conducts intermediate processing of construction waste and surveying and cleaning of contaminated soil.

Accordingly, the Group has two reportable segments: “Construction” and “Asphalt Products, Environment and Other.”

2. Methods for calculating amounts of net sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting methods for the reported business segments are largely the same as presented in “Significant Matters that Serve as the Basis for Consolidated Financial Statements.” Inter-segment net sales and transfers are based on prevailing market prices.

Profit figures for reportable segments are based on operating profit.

3. Information on the amounts of net sales, profit (loss), assets, liabilities, and other items by reportable segment
For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment		
	Construction	Asphalt Products, Environment and Other	Total
Net sales			
Net sales to outside customers	70,045	48,675	118,721
Inter-segment net sales or transfers	29	993	1,023
Total	70,075	49,669	119,745
Segment profit	3,296	3,481	6,778
Segment assets	49,258	36,977	86,235
Other items			
Depreciation	580	1,236	1,817
Investment in entities accounted for using the equity method	-	79	79
Increase in property, plant and equipment and intangible assets	1,144	1,595	2,739

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment		
	Construction	Asphalt Products, Environment and Other	Total
Net sales			
Net sales to outside customers	70,247	47,813	118,060
Inter-segment net sales or transfers	7	961	968
Total	70,254	48,774	119,029
Segment profit	3,468	4,162	7,631
Segment assets	48,794	41,998	90,792
Other items			
Depreciation	526	1,426	1,952
Investment in entities accounted for using the equity method	-	80	80
Increase in property, plant and equipment and intangible assets	457	3,430	3,887

4. Differences between the total amounts for reportable segments and the amounts in the consolidated financial statements, and the main details of these differences (matters relating to difference adjustments)

(Millions of yen)

Net sales	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Reportable segments total	119,745	119,029
Elimination of inter-segment transactions	(1,023)	(968)
Net sales in the consolidated financial statements	118,721	118,060

(Millions of yen)

Profit	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Reportable segments total	6,778	7,631
Elimination of inter-segment transactions	41	38
Corporate expenses (Note)	(2,083)	(2,195)
Operating profit in the consolidated financial statements	4,736	5,473

(Note) Corporate expenses are mainly general and administrative expenses that are not attributable to the reportable segments.

(Millions of yen)

Assets	As of March 31, 2023	As of March 31, 2024
Reportable segments total	86,235	90,792
Elimination of inter-segment receivables	(9,957)	(8,653)
Corporate assets (Note)	10,905	10,756
Total assets in the consolidated financial statements	87,184	92,895

(Note) Corporate assets are mainly assets of the administrative division of the parent company that are not attributable to the reportable segments.

(Millions of yen)

	Reportable segments total		Adjustment		Amount recorded in the consolidated financial statements	
	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Depreciation	1,817	1,952	243	241	2,060	2,194
Increase in property, plant and equipment and intangible assets	2,739	3,887	213	108	2,952	3,996

(Note) Adjustments for the increase in property, plant and equipment and intangible assets are the amount of capital investment of the administrative division of the parent company.

(Per share information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥1,080.46	¥1,162.68
Basic earnings per share	¥66.73	¥79.94

- (Notes) 1. Diluted earnings per share is not presented since there were no diluted shares.
2. On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. Net assets per share and basic earnings per share are calculated on the presumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2023.
3. The basis for the calculation

(1) The basis for the calculation of net assets per share is as follows.

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Total amount of net assets in the consolidated balance sheets (Millions of yen)	52,711	56,075
Amount of net assets relating to common shares (Millions of yen)	51,344	54,647
Major component of the difference (Millions of yen)		
Non-controlling interests	1,366	1,428
Number common shares issued (Thousand shares)	52,200	52,200
Number of common shares that are treasury shares (Thousand shares)	4,679	5,199
Number of common shares used in the calculation of net assets per share (Thousand shares)	47,521	47,000

(2) The basis for the calculation of basic earnings per share is as follows.

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit attributable to owners of parent (Millions of yen)	3,160	3,793
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent relating to common shares (Millions of yen)	3,160	3,793
Average number of common shares outstanding during the period (Thousand shares)	47,358	47,455

(Significant subsequent events)

[Retirement of treasury shares]

At the Board of Directors meeting held on April 2, 2024, the Company resolved on matters regarding the retirement of treasury shares in accordance with the provision of Article 178 of the Companies Act and conducted the retirement of treasury shares as follows.

1. Reason for retirement of treasury shares

The objective aims to improve shareholder returns and capital efficiency.

2. Content concerning matters for retirement of treasury shares

(1) Class of shares retired

Common stock of the Company

(2) Total number of shares retired

805,500 shares

(The number of all shares acquired based on the resolution at the Board of Directors meeting held on June 29, 2023)

(3) Number of issued shares after retirement

51,394,730 shares

(4) Date of retirement

April 30, 2024

(Note) On April 1, 2024, the Company conducted a 5-for-1 stock split of its common stock. The numbers of shares presented above are recalculated on a post-split basis.

4. Others

Overview of Production, Orders Received and Sales

Orders received, sales and balance of orders carried forward by business

Category			For the fiscal year ended March 31, 2023		For the fiscal year ended March 31, 2024	
			Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
Balance of orders brought forward	Construction	Pavement construction	19,878	64.6	17,286	59.5
		Civil engineering	10,870	35.4	11,772	40.5
		Total	30,748	100.0	29,059	100.0
	Asphalt Products, Environment and Other		-	-	-	-
	Total		30,748	100.0	29,059	100.0
Orders received	Construction	Pavement construction	54,472	46.5	59,034	47.6
		Civil engineering	13,883	11.9	17,143	13.8
		Total	68,356	58.4	76,178	61.4
	Asphalt Products, Environment and Other		48,675	41.6	47,813	38.6
	Total		117,032	100.0	123,991	100.0
Net sales	Construction	Pavement construction	57,064	48.1	54,653	46.3
		Civil engineering	12,981	10.9	15,593	13.2
		Total	70,045	59.0	70,247	59.5
	Asphalt Products, Environment and Other		48,675	41.0	47,813	40.5
	Total		118,721	100.0	118,060	100.0
Balance of orders carried forward	Construction	Pavement construction	17,286	59.5	21,667	61.9
		Civil engineering	11,772	40.5	13,322	38.1
		Total	29,059	100.0	34,990	100.0
	Asphalt Products, Environment and Other		-	-	-	-
	Total		29,059	100.0	34,990	100.0