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May 11, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



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 Securities code: 1882
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 Scheduled date of annual general meeting of shareholders: June 26, 2026
 Scheduled date to commence dividend payments: June 29, 2026
 Scheduled date to file annual securities report: June 25, 2026
 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, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	121,327	(4.1)	5,788	15.4	5,997	15.2	3,426	(17.0)
March 31, 2025	126,575	7.2	5,015	(8.4)	5,206	(8.8)	4,127	8.8

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥4,656 million [32.5%]
 For the fiscal year ended March 31, 2025: ¥3,515 million [(29.6)%]

	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, 2026	74.24	–	6.3	6.7	4.8
March 31, 2025	89.22	–	7.5	5.7	4.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2026: ¥(0) million
 For the fiscal year ended March 31, 2025: ¥2 million

(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, 2026	88,501	55,059	60.6	1,160.86
March 31, 2025	90,721	56,931	61.1	1,197.37

Reference: Equity
 As of March 31, 2026: ¥53,640 million
 As of March 31, 2025: ¥55,411 million

(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, 2026	12,205	(2,331)	(8,271)	13,909
March 31, 2025	(1,754)	(1,222)	1,057	12,308

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	–	0.00	–	90.00	90.00	4,165	100.9	7.6
Fiscal year ended March 31, 2026	–	45.00	–	45.00	90.00	4,158	122.2	7.6
Fiscal year ending March 31, 2027 (Forecast)	–	45.00	–	45.00	90.00		99.0	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	52,000	1.0	840	106.7	950	72.1	500	6.5	10.82
Full year	130,000	7.1	6,000	3.7	6,100	1.7	4,200	23.6	90.89

* Notes

(1) Significant changes in the scope of consolidation during the period: 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, 2026	50,394,730 shares
As of March 31, 2025	50,394,730 shares

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

As of March 31, 2026	4,187,142 shares
As of March 31, 2025	4,116,599 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	46,160,468 shares
Fiscal year ended March 31, 2025	46,256,661 shares

[Reference] Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)****(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, 2026	85,740	(4.6)	2,735	46.8	3,554	26.5	2,134	(27.3)
March 31, 2025	89,874	9.4	1,863	0.7	2,811	12.6	2,935	49.7

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	46.24	—
March 31, 2025	63.47	—

(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, 2026	67,241	33,157	49.3	717.57
March 31, 2025	71,641	37,015	51.7	799.85

Reference: Equity

As of March 31, 2026: ¥33,157 million

As of March 31, 2025: ¥37,015 million

* 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 Wednesday, May 27, 2026. 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.

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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 followed a gradual recovery trend, with personal consumption showing signs of recovery backed by an improving employment environment, while inbound demand continued to expand due to an increase in number of foreign visitors to Japan. On the other hand, the economic outlook remains uncertain due to prolonged rising prices, increasing geopolitical risks, fluctuations in crude oil and energy prices, rising logistics costs, and economic trends and the impact of monetary policies in the United States and other countries.

In the road construction industry where the Group operates its main businesses, public works investment for the purpose of preventing and reducing disasters and building national resilience remained solid. However, the business environment remained challenging due to intensifying competition for contracts, persistently high construction materials prices and labor costs, the impact of fluctuations in crude oil prices on material costs such as asphalt, as well as rising energy and logistics costs.

Under these circumstances, the Group promoted initiatives under the medium-term management plan (for the period from FY2024 to FY2026) 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 ¥130,134 million (up 8.8% year on year) and net sales were ¥121,327 million (down 4.1% year on year).

With regard to profit or loss, operating profit was ¥5,788 million (up 15.4% year on year), ordinary profit was ¥5,997 million (up 15.2% year on year). Profit attributable to owners of parent was ¥3,426 million (down 17.0% year on year).

The operating results by segment are as follows.

1) Construction

The orders received for the fiscal year under review amounted to ¥83,105 million (up 17.9% year on year). Net sales of completed construction contracts were ¥74,298 million (down 4.0% year on year) and the balance of orders carried forward was ¥36,864 million (up 31.4% year on year). With regard to profit, segment profit was ¥4,413 million (up 15.6% year on year).

Major construction orders received

Client	Construction Project Name	Place (Prefecture)
City of Kobe	Renovation project of Oji Park	Hyogo
East Nippon Expressway Company Limited	Pavement work for Higashi-Kanto Expressway in Namegata area	Ibaraki
Shiroishi Grow Park Co., Ltd.	Development project of Shiroishi roadside station (tentative name)	Miyagi
West Nippon Expressway Maintenance Kansai Company Limited	FY2026 Maintenance work in Kobe district	Hyogo
Japan Freight Railway Company	Construction of a rail container yard and related works (Phase II) for the new development of Numazu Freight Station	Shizuoka
Ministry of Land, Infrastructure, Transport and Tourism	FY2025 New apron construction work in Oita Airport	Oita

Major completed construction contracts

Client	Construction Project Name	Place (Prefecture)
West Nippon Expressway Company Limited	FY2023 Pavement work for Sasebo Road in Ainoura area	Nagasaki

Central Nippon Expressway Company Limited	Pavement repair work for Hokuriku Expressway (special renewal work, etc.) in the Kanazawa administrative area (FY2022) operated by Joint Venture for Special Construction Work	Ishikawa
East Nippon Expressway Company Limited	Pavement repair work for Do-o Expressway of North district in the Kita-Hiroshima administrative area	Hokkaido
Japan Freight Railway Company	Construction of a rail container yard and related works (Phase I) for the new development of Numazu Freight Terminal	Shizuoka
HASEKO Corporation	New construction work for Yoshida-cho project in Totsuka-ku (Composite Site Plan) (tentative name)	Kanagawa
Ministry of Land, Infrastructure, Transport and Tourism	FY2024 Pavement work for Misumi area of Misumi-Masuda Road	Shimane

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

Net sales for the fiscal year under review were ¥47,028 million (down 4.4% year on year). With regard to profit, segment profit was ¥3,835 million (up 10.7% year on year).

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

1) Assets

Total current assets amounted to ¥56,296 million, decreasing by 6.2% from the end of the preceding fiscal year. This was due mainly to an increase of ¥1,601 million in cash and deposits, an increase of ¥647 million in electronically recorded monetary claims - operating, an increase of ¥504 million in costs on construction contracts in progress, and a decrease of ¥6,926 million in notes receivable, accounts receivable from completed construction contracts and other.

Total non-current assets amounted to ¥32,204 million, increasing by 4.8% from the end of the preceding fiscal year. This was due mainly to an increase of ¥772 million in investment securities and an increase of ¥928 million in retirement benefit asset.

As a result, total assets amounted to ¥88,501 million, decreasing by 2.4% from the end of the preceding fiscal year.

2) Liabilities

Total current liabilities amounted to ¥29,812 million, decreasing by 1.9% from the end of the preceding fiscal year. This was due mainly to a decrease of ¥960 million in short-term borrowings and an increase of ¥808 million in advances received on construction contracts in progress.

Total non-current liabilities amounted to ¥3,628 million, increasing by 7.1% from the end of the preceding fiscal year. This was due mainly to a decrease of ¥306 million in long-term borrowings and an increase of ¥564 million in deferred tax liabilities.

As a result, total liabilities amounted to ¥33,441 million, decreasing by 1.0% from the end of the preceding fiscal year.

3) Net assets

Total net assets amounted to ¥55,059 million, decreasing by 3.3% from the end of the preceding fiscal year. This was due mainly to an increase of ¥3,426 million in retained earnings due to profit attributable to owners of parent and a decrease of ¥6,244 million in retained earnings as a result of dividends paid.

(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 ¥13,909 million, increasing by ¥1,601 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 ¥12,205 million (a net outflow of ¥1,754 million in the preceding fiscal year). Major components included profit before income taxes of ¥5,504 million, depreciation of ¥2,286 million, income taxes paid of ¥2,109 million, and a decrease in trade receivables of ¥6,278 million.

2) Cash Flows from Investing Activities

Cash flows from investing activities resulted in a net outflow of ¥2,331 million (a net outflow of ¥1,222 million in the preceding fiscal year). Major components included the purchase of property, plant and equipment of ¥2,525 million.

3) Cash Flows from Financing Activities

Cash flows from financing activities resulted in a net outflow of ¥8,271 million (a net inflow of ¥1,057 million in the preceding fiscal year). Major components included a net decrease in short-term borrowings of ¥1,000 million, a purchase of treasury shares of ¥520 million, and dividends paid of ¥6,244 million.

(4) Future Outlook

Regarding the economic environment going forward, the renewed implementation of high tariff policies by the U.S. administration in fiscal year 2025 has further heightened uncertainty surrounding international trade policies, increasing concerns over a slowdown in the global economy. In the private-sector demand, capital investment by companies is expected to remain cautious, and continued attention must be paid to the impact of forex fluctuations and prolonged geopolitical risks on energy prices, material prices as well as overall procurement costs. Under these circumstances, in the construction industry, public investment has remained firm, supported by initiatives for national resilience and measures to address aging infrastructure. On the other hand, the Group expects the environment surrounding the Group to remain challenging amid continuously intensifying competition among companies for contracts, due to sluggish growth in private-sector investment, as well as rising material prices and labor costs.

Against this backdrop, the Group has developed “TOA ROAD Sustainable Plan 2026” underpinned by two pillars of “shift to CSR-oriented management” and “establishment of a foundation for sustainable growth” in May 2024 toward realizing our long-term vision “Refine the TOA Style to be the Only One Company always chosen by the society” targeting for 2030 which marks the 100th anniversary of the Group, and has implemented various measures in fiscal year 2025, as the second year of the initiative. In fiscal year 2025, the Group focused on strengthening progress management and reviewing our priority measures to enhance the plan’s effectiveness amid a series of changes in the external environment that could not have been fully anticipated at the time of planning.

With the operational responses to the statutory cap on overtime work, so-called “2024 problem” came into full effect in fiscal year 2024 and have been steadily taking hold. In fiscal year 2025, the Construction division continued its efforts to ensure appropriate management of working hours, securing human resources, providing education and development support for employees, improving work environments, and increasing employee engagement. In addition, the division is working to improve operational efficiency and save labor by introducing DX. In light of the increasingly uncertain business environment, it also focused on the growth potential area such as PPP, overseas business, and sport facility business and worked to establish a sustainable growth foundation by expanding its business domains. On the other hand, as the impact on profitability caused by persistently high material prices and labor costs continues, ensuring appropriate price pass-through and enhancing cost management remain critical challenges.

The Asphalt Product Business division advanced proactive capital investments to stabilize its production and supply systems. It also worked to expand its market, including the development of new materials for other industries and strived to achieve labor savings, quality and safety enhancement by promoting the renewal of environmentally-friendly production equipment and accelerating the DX of plant equipment, including across our supply chain. However, rising raw material prices and energy costs continue to put downward pressure on earnings, and the timely and appropriate pass-through of such costs into selling prices remains an important issue going forward

Regarding technology development (R&D strategies), the Group has continued to develop technologies to extend pavement life and techniques to advance preventive maintenance toward realizing a low-carbon society as well as looking ahead to an aging society with fewer children. In addition, for the purpose of optimum operations of road assets, the Group has continued to develop a management system that utilizes digital technologies into the survey method. In fiscal year 2025, the Company's road surface solar power generation technology and its jointly researched wireless EV charging technology were selected for demonstration projects, marking steady progress in advanced initiatives aimed at real-world implementation. As a paving company, the Group will continue to explore new possibilities for the "pavement of the future" and contribute to the realization of a sustainable society.

As the Group reaches the midpoint of its medium-term management plan, it is essential to accurately capture changes in the external environment and further enhance the execution of the various initiatives set forth in the plan. Going forward, under the pillars of "shift to CSR-oriented management" and "establishment of a foundation for sustainable growth," the Group will strive to both strengthen its earnings capacity and create social value. Through these efforts, the Group aims to remain a company that continues to be chosen by the society while pursuing the achievement of its long-term vision toward its 100th anniversary.

By considering the steady implementation of measures based on these policies, the Group formulated the financial results forecasts for the year ending March 31, 2027 as follows: net sales of ¥130,000 million, operating profit of ¥6,000 million, ordinary profit of ¥6,100 million, and profit attributable to owners of parent of ¥4,200 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	12,308	13,909
Notes receivable, accounts receivable from completed construction contracts and other	37,232	30,305
Electronically recorded monetary claims - operating	2,575	3,223
Costs on construction contracts in progress	1,263	1,768
Merchandise and finished goods	974	1,144
Work in process	619	268
Raw materials and supplies	1,696	1,967
Other	3,420	3,799
Allowance for doubtful accounts	(89)	(90)
Total current assets	60,001	56,296
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,283	14,540
Machinery, equipment and vehicles	30,059	31,096
Land	13,793	13,484
Leased assets	1,477	1,721
Construction in progress	58	316
Other	2,769	2,937
Accumulated depreciation	(38,734)	(40,584)
Total property, plant and equipment	23,707	23,511
Intangible assets	321	278
Investments and other assets		
Investment securities	4,087	4,860
Long-term loans receivable	330	311
Retirement benefit asset	1,685	2,613
Deferred tax assets	367	422
Other	300	291
Allowance for doubtful accounts	(80)	(86)
Total investments and other assets	6,691	8,414
Total non-current assets	30,720	32,204
Total assets	90,721	88,501

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	13,988	13,972
Electronically recorded obligations - operating	3,687	3,700
Short-term borrowings	5,450	4,489
Income taxes payable	1,506	1,376
Advances received on construction contracts in progress	969	1,778
Provision for warranties for completed construction	28	29
Provision for loss on construction contracts	114	61
Other	4,657	4,404
Total current liabilities	30,401	29,812
Non-current liabilities		
Long-term borrowings	450	143
Deferred tax liabilities	713	1,278
Deferred tax liabilities for land revaluation	1,059	1,032
Retirement benefit liability	459	452
Asset retirement obligations	55	55
Other	649	666
Total non-current liabilities	3,389	3,628
Total liabilities	33,790	33,441
Net assets		
Shareholders' equity		
Share capital	7,584	7,584
Capital surplus	6,419	6,665
Retained earnings	40,991	37,876
Treasury shares	(2,584)	(2,907)
Total shareholders' equity	52,410	49,219
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,792	2,334
Revaluation reserve for land	589	886
Remeasurements of defined benefit plans	619	1,200
Total accumulated other comprehensive income	3,001	4,421
Non-controlling interests	1,519	1,419
Total net assets	56,931	55,059
Total liabilities and net assets	90,721	88,501

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

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	126,575	121,327
Cost of sales	113,087	106,801
Gross profit	13,487	14,525
Selling, general and administrative expenses	8,472	8,737
Operating profit	5,015	5,788
Non-operating income		
Interest income	8	22
Dividend income	212	152
Insurance claim income	10	48
Reversal of allowance for doubtful accounts	17	–
Other	81	100
Total non-operating income	331	324
Non-operating expenses		
Interest expenses	26	54
Financial commission	41	12
Litigation expenses	18	10
Commission expenses	1	2
Loss on valuation of investment securities	30	0
Other	22	34
Total non-operating expenses	140	115
Ordinary profit	5,206	5,997
Extraordinary income		
Gain on sale of non-current assets	497	49
Gain on sale of investment securities	673	120
Compensation income	–	42
Total extraordinary income	1,170	211
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on retirement of non-current assets	116	23
Impairment losses	0	681
Other	2	–
Total extraordinary losses	120	705
Profit before income taxes	6,256	5,504
Income taxes - current	2,066	1,806
Income taxes for prior periods	2	248
Income taxes - deferred	(80)	(84)
Total income taxes	1,988	1,970
Profit	4,267	3,533
Profit attributable to non-controlling interests	140	106
Profit attributable to owners of parent	4,127	3,426

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	4,267	3,533
Other comprehensive income		
Valuation difference on available-for-sale securities	(645)	541
Revaluation reserve for land	(58)	–
Remeasurements of defined benefit plans, net of tax	(48)	581
Total other comprehensive income	(752)	1,123
Comprehensive income	3,515	4,656
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,374	4,550
Comprehensive income attributable to non-controlling interests	140	106

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2025 (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
Revaluation reserve for land			28		28
Purchase of treasury shares				(1,175)	(1,175)
Disposal and cancellation of treasury shares		(838)		1,211	372
Change in ownership interest of parent due to transactions with non-controlling interests					–
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

	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
Revaluation reserve for land						28
Purchase of treasury shares						(1,175)
Disposal and cancellation of treasury shares						372
Change in ownership interest of parent due to transactions with non-controlling interests						–
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

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,584	6,419	40,991	(2,584)	52,410
Changes during period					
Change in scope of consolidation					–
Dividends of surplus			(6,244)		(6,244)
Profit attributable to owners of parent			3,426		3,426
Revaluation reserve for land			(296)		(296)
Purchase of treasury shares				(520)	(520)
Disposal and cancellation of treasury shares		233		197	431
Change in ownership interest of parent due to transactions with non-controlling interests		11			11
Net changes in items other than shareholders' equity					
Total changes during period	–	245	(3,114)	(322)	(3,191)
Balance at end of period	7,584	6,665	37,876	(2,907)	49,219

	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	1,792	589	619	3,001	1,519	56,931
Changes during period						
Change in scope of consolidation						–
Dividends of surplus						(6,244)
Profit attributable to owners of parent						3,426
Revaluation reserve for land						(296)
Purchase of treasury shares						(520)
Disposal and cancellation of treasury shares						431
Change in ownership interest of parent due to transactions with non-controlling interests						11
Net changes in items other than shareholders' equity	541	296	581	1,419	(99)	1,319
Total changes during period	541	296	581	1,419	(99)	(1,871)
Balance at end of period	2,334	589	1,200	4,421	1,419	55,059

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	6,256	5,504
Depreciation	2,287	2,286
Increase (decrease) in allowance for doubtful accounts	(17)	7
Impairment losses	0	681
Increase (decrease) in provision for loss on construction contracts	(54)	(52)
Increase (decrease) for retirement benefits asset liability	53	(86)
Loss on retirement of non-current assets	116	23
Interest and dividend income	(221)	(174)
Interest expenses	26	54
Share of loss (profit) of entities accounted for using equity method	(2)	0
Loss (gain) on sale of non-current assets	(495)	(48)
Decrease (increase) in trade receivables	(577)	6,278
Decrease (increase) in costs on construction contracts in progress	937	(504)
Decrease (increase) in inventories	(49)	(89)
Increase (decrease) in trade payables	(7,275)	(34)
Loss (gain) on sale of investment securities	(673)	(120)
Loss (gain) on valuation of investment securities	30	0
Increase (decrease) in accrued consumption taxes	282	(265)
Increase (decrease) in advances received on construction contracts in progress	(74)	808
Other, net	(604)	(74)
Subtotal	(56)	14,149
Interest and dividends received	221	174
Interest paid	(67)	(53)
Income taxes paid	(1,851)	(2,109)
Net cash provided by (used in) operating activities	(1,754)	12,205
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,615)	(2,525)
Proceeds from sale of property, plant and equipment	556	82
Purchase of investment securities	(6)	(4)
Proceeds from sale of investment securities	1,056	191
Loan advances	(117)	(44)
Proceeds from collection of loans receivable	14	19
Purchase of intangible assets	(103)	(29)
Other, net	(8)	(21)
Net cash provided by (used in) investing activities	(1,222)	(2,331)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,000	(1,000)
Proceeds from long-term borrowings	—	200
Repayments of long-term borrowings	(600)	(466)
Purchase of treasury shares	(1,175)	(520)
Dividends paid	(1,974)	(6,244)
Dividends paid to non-controlling interests	(35)	(38)
Other, net	(157)	(201)
Net cash provided by (used in) financing activities	1,057	(8,271)
Net increase (decrease) in cash and cash equivalents	(1,919)	1,601
Cash and cash equivalents at beginning of period	14,227	12,308
Cash and cash equivalents at end of period	12,308	13,909

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Accounting standards, etc. not applied)

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024. Accounting Standards Board of Japan)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024. Accounting Standards Board of Japan), etc.

1. Overview

As part of initiatives to make the Japanese standards internationally consistent, the Accounting Standards Board of Japan made discussions about the development of accounting standards for leases in which assets and liabilities are recognized for all leases of lessees, taking into account international accounting standards and announced such accounting standards for leases. As a basic policy, the single accounting model in IFRS 16 is introduced as a basis by adopting only main provisions of IFRS 16, not adopting all the provisions thereof, with the aim of making simple and convenient accounting standard that will not require any amendments in principle even when the provisions of IFRS 16 are used for non-consolidated financial statements.

As the accounting treatment of lessees, the single accounting model in which depreciation related to the right-of-use assets and the amount equivalent to interest expenses for lease liabilities are recorded for all leases, regardless of whether a lease is finance lease or operating lease, is applied to the method of allocation of expenses for lessees, same as the IFRS 16.

2. Scheduled date of application

To be applied from the beginning of the fiscal year ending March 31, 2028.

3. Impact of application of this accounting standard, etc.

The amount of impact due to the application of the “Accounting Standard for Leases,” etc. on the consolidated financial statements is currently being evaluated.

(Changes in presentation)

Since the amount of “insurance claim income” which was included in “other” under “non-operating income” in the consolidated statements of income in the preceding fiscal year, became material in terms of amount, it is separately presented as an independent account starting from the fiscal year under review. To reflect this change in presentation, certain reclassifications have been made to the consolidated statements of income for the preceding fiscal year. As a result, the amount presented in “other” under “non-operating income” in the consolidated statements of income for the preceding fiscal year of ¥92 million has been reclassified into the amount of “insurance claim income” of ¥10 million and the amount of “other” of ¥81 million.

Also, since the amount of “income taxes for prior periods” which was included in “income taxes - current” in the consolidated statements of income in the preceding fiscal year, became material in terms of amount, it is separately presented as an independent account starting from the fiscal year under review. To reflect this change in presentation, certain reclassifications have been made to the consolidated statements of income for the preceding fiscal year. As a result, the amount presented in “income taxes - current” in the consolidated statements of income for the preceding fiscal year of ¥2,068 million has been reclassified into the amount of “income taxes for prior periods” of ¥2 million and the amount of “income taxes - current” of ¥2,066 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, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment		
	Construction	Asphalt Products, Environment and Other	Total
Net sales			
Net sales to outside customers	77,401	49,173	126,575
Inter-segment net sales or transfers	9	891	900
Total	77,410	50,065	127,475
Segment profit	3,816	3,464	7,281
Segment assets	50,683	39,650	90,333
Other items			
Depreciation	555	1,570	2,125
Investment in entities accounted for using the equity method	–	82	82
Increase in property, plant and equipment and intangible assets	887	2,025	2,912

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment		
	Construction	Asphalt Products, Environment and Other	Total
Net sales			
Net sales to outside customers	74,298	47,028	121,327
Inter-segment net sales or transfers	11	846	858
Total	74,310	47,875	122,185
Segment profit	4,413	3,835	8,248
Segment assets	46,395	40,916	87,311
Other items			
Depreciation	556	1,551	2,107
Investment in entities accounted for using the equity method	–	82	82
Increase in property, plant and equipment and intangible assets	1,090	1,548	2,639

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, 2025	For the fiscal year ended March 31, 2026
Reportable segments total	127,475	122,185
Elimination of inter-segment transactions	(900)	(858)
Net sales in the consolidated financial statements	126,575	121,327

(Millions of yen)

Profit	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Reportable segments total	7,281	8,248
Elimination of inter-segment transactions	42	36
Corporate expenses (Note)	(2,308)	(2,495)
Operating profit in the consolidated financial statements	5,015	5,788

(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, 2025	As of March 31, 2026
Reportable segments total	90,333	87,311
Elimination of inter-segment receivables	(8,955)	(9,729)
Corporate assets (Note)	9,343	10,919
Total assets in the consolidated financial statements	90,721	88,501

(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, 2025	For the fiscal year ended March 31, 2026	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Depreciation	2,125	2,107	162	178	2,287	2,286
Increase in property, plant and equipment and intangible assets	2,912	2,639	133	129	3,046	2,768

(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.

5. Information on the amounts of impairment losses on non-current assets by reportable segment

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Construction	Asphalt Products, Environment and Other	Corporate/Eliminations	Total
Impairment losses	0	–	–	0

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Construction	Asphalt Products, Environment and Other	Corporate/Eliminations	Total
Impairment losses	141	539	–	681

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥1,197.37	¥1,160.86
Basic earnings per share	¥89.22	¥74.24

(Notes) 1. Diluted earnings per share is not presented since there were no diluted shares.

2. 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, 2025	For the fiscal year ended March 31, 2026
Total amount of net assets in the consolidated balance sheets (Millions of yen)	56,931	55,059
Amount of net assets relating to common shares (Millions of yen)	55,411	53,640
Major component of the difference (Millions of yen)		
Non-controlling interests	1,519	1,419
Number common shares issued (Thousand shares)	50,394	50,394
Number of common shares that are treasury shares (Thousand shares)	4,116	4,187
Number of common shares used in the calculation of net assets per share (Thousand shares)	46,278	46,207

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

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit attributable to owners of parent (Millions of yen)	4,127	3,426
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent relating to common shares (Millions of yen)	4,127	3,426
Average number of common shares outstanding during the period (Thousand shares)	46,256	46,160

(Significant subsequent events)

Not applicable.

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, 2025		For the fiscal year ended March 31, 2026	
			Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
Balance of orders brought forward	Construction	Pavement construction	21,667	61.9	19,720	70.3
		Civil engineering	13,322	38.1	8,337	29.7
		Total	34,990	100.0	28,057	100.0
	Asphalt Products, Environment and Other		-	-	-	-
	Total		34,990	100.0	28,057	100.0
Orders received	Construction	Pavement construction	57,809	48.3	66,427	51.0
		Civil engineering	12,659	10.6	16,677	12.9
		Total	70,468	58.9	83,105	63.9
	Asphalt Products, Environment and Other		49,173	41.1	47,028	36.1
	Total		119,642	100.0	130,134	100.0
Net sales	Construction	Pavement construction	59,757	47.2	58,559	48.3
		Civil engineering	17,644	14.0	15,738	12.9
		Total	77,401	61.2	74,298	61.2
	Asphalt Products, Environment and Other		49,173	38.8	47,028	38.8
	Total		126,575	100.0	121,327	100.0
Balance of orders carried forward	Construction	Pavement construction	19,720	70.3	27,585	74.8
		Civil engineering	8,337	29.7	9,276	25.2
		Total	28,057	100.0	36,864	100.0
	Asphalt Products, Environment and Other		-	-	-	-
	Total		28,057	100.0	36,864	100.0