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August 1, 2025

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



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 Listing: Tokyo Stock Exchange
 Securities code: 1882
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	23,267	(0.1)	(383)	-	(304)	-	(110)	-
June 30, 2024	23,300	5.5	(803)	-	(691)	-	(439)	-

Note: Comprehensive income For the three months ended June 30, 2025: ¥ (161) million [- %]
 For the three months ended June 30, 2024: ¥ (605) million [- %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	(2.38)	-
June 30, 2024	(9.49)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	76,025	52,027	66.5
March 31, 2025	90,721	56,931	61.1

Reference: Equity
 As of June 30, 2025: ¥50,552 million
 As of March 31, 2025: ¥55,411 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	90.00	90.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		45.00	-	45.00	90.00

Note: Revisions to the most recently announced cash dividends forecast: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	52,000	(3.5)	900	407.8	960	198.8	550	(8.8)	11.88
Full year	127,000	0.3	6,500	29.6	6,600	26.8	4,100	(0.7)	88.59

Note: Revisions to the most recently announced financial result forecast: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies (Company name)

Excluded: - companies (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2025	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 June 30, 2025	4,466,634 shares
As of March 31, 2025	4,116,599 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	46,161,441 shares
Three months ended June 30, 2024	46,330,502 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts and other special matters

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.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	2
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	2
2. Quarterly Consolidated Financial Statements and Principal Notes	3
(1) Quarterly Consolidated Balance Sheets	3
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	5
Quarterly Consolidated Statements of Income	5
Three Months Ended June 30	5
Quarterly Consolidated Statements of Comprehensive Income	6
Three Months Ended June 30	6
(3) Notes to Quarterly Consolidated Financial Statements	7
(Notes on going concern assumption)	7
(Notes in case of significant changes in shareholders' equity)	7
(Segment information, etc.)	8
(Notes to statements of cash flows)	9
3. Others	10
Overview of Production, Orders Received and Sales	10

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

In the three months under review, the Japanese economy remained on a gradual recovery trend, backed by recovery in private consumption and rebound in capital investment. However, the economic outlook remains uncertain mainly due to ongoing rising prices and concern over impact of the U.S. tariff policies.

In the road construction industry where the Group operates its main businesses, public works investment has continued for the purposes of preventing and reducing disasters and building national resilience. On the other hand, the business environment remained challenging due to increases in construction material prices and personnel costs, in addition to intensifying competition for contracts.

Under these circumstances, for the three months under review, the Group posted the orders received of ¥34,260 million (up 28.3% year on year) and net sales of ¥23,267 million (down 0.1% year on year).

With regard to profit or loss, operating loss was ¥383 million (operating loss of ¥803 million in the previous corresponding period), ordinary loss was ¥304 million (ordinary loss of ¥691 million in the previous corresponding period). Loss attributable to owners of parent was ¥110 million (loss attributable to owners of parent of ¥439 million in the previous corresponding period).

The operating results by segment are as follows.

1) Construction

The orders received for the three months under review amounted to ¥24,189 million (up 46.8% year on year). Net sales of completed construction contracts were ¥13,196 million (up 0.9% year on year) and the segment loss was ¥85 million (segment loss of ¥407 million in the previous corresponding period).

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

Net sales for the three months under review were ¥10,070 million (down 1.5% year on year) and the segment profit was ¥365 million (segment profit of ¥169 million in the previous corresponding period).

(2) Explanation of Financial Position

The total assets at the end of the three months under review amounted to ¥76,025 million, decreasing by ¥14,696 million from the end of the preceding fiscal year. This was due mainly to a decrease of ¥1,758 million in cash, a decrease of ¥15,055 million in notes receivable, accounts receivable from completed construction contracts and other, and an increase of ¥1,921 million in costs on construction contracts in progress.

Total liabilities amounted to ¥23,998 million, decreasing by ¥9,792 million from the end of the preceding fiscal year. This was due mainly to a decrease of ¥2,154 million in notes payable, accounts payable for construction contracts and other, a decrease of ¥5,000 million in short-term borrowings, and a decrease of ¥1,270 million in income taxes payable.

Total net assets amounted to ¥52,027 million, decreasing by ¥4,903 million from the end of the preceding fiscal year. This was due mainly to a recording of ¥110 million in loss attributable to owners of parent, and the payment of ¥4,165 million for shareholder dividends.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Regarding the financial results forecast for the fiscal year ending March 31, 2026, despite the uncertain trends in material prices, including asphalt, the financial results for the three months under review generally progressed as expected. As of now, there are no changes to the financial results forecast announced on May 9, 2025. If any revisions become necessary based on future business performance, the Company will make appropriate disclosures.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	12,308	10,549
Notes receivable, accounts receivable from completed construction contracts and other	37,232	22,176
Electronically recorded monetary claims - operating	2,575	2,468
Costs on construction contracts in progress	1,263	3,185
Merchandise and finished goods	974	959
Work in process	619	874
Raw materials and supplies	1,696	1,689
Other	3,420	3,490
Allowance for doubtful accounts	(89)	(88)
Total current assets	60,001	45,305
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,283	14,298
Machinery, equipment and vehicles	30,059	30,194
Land	13,793	13,791
Leased assets	1,477	1,574
Construction in progress	58	111
Other	2,769	2,840
Accumulated depreciation	(38,734)	(39,154)
Total property, plant and equipment	23,707	23,656
Intangible assets	321	312
Investments and other assets		
Investment securities	4,087	3,971
Long-term loans receivable	330	322
Retirement benefit asset	1,685	1,692
Deferred tax assets	367	547
Other	300	296
Allowance for doubtful accounts	(80)	(78)
Total investments and other assets	6,691	6,751
Total non-current assets	30,720	30,720
Total assets	90,721	76,025

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	13,988	11,834
Electronically recorded obligations - operating	3,687	2,727
Short-term borrowings	5,450	450
Income taxes payable	1,506	235
Advances received on construction contracts in progress	969	1,783
Provision for warranties for completed construction	28	28
Provision for loss on construction contracts	114	101
Other	4,657	3,657
Total current liabilities	30,401	20,819
Non-current liabilities		
Long-term borrowings	450	337
Deferred tax liabilities	713	575
Deferred tax liabilities for land revaluation	1,059	1,059
Retirement benefit liability	459	463
Asset retirement obligations	55	55
Other	649	686
Total non-current liabilities	3,389	3,178
Total liabilities	33,790	23,998
Net assets		
Shareholders' equity		
Share capital	7,584	7,584
Capital surplus	6,419	6,419
Retained earnings	40,991	36,713
Treasury shares	(2,584)	(3,104)
Total shareholders' equity	52,410	47,613
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,792	1,741
Revaluation reserve for land	589	589
Remeasurements of defined benefit plans	619	606
Total accumulated other comprehensive income	3,001	2,938
Non-controlling interests	1,519	1,475
Total net assets	56,931	52,027
Total liabilities and net assets	90,721	76,025

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	23,300	23,267
Cost of sales	22,037	21,400
Gross profit	1,263	1,867
Selling, general and administrative expenses	2,066	2,251
Operating loss	(803)	(383)
Non-operating income		
Interest income	1	1
Dividend income	102	70
Reversal of allowance for doubtful accounts	3	-
Other	23	22
Total non-operating income	130	93
Non-operating expenses		
Interest expenses	5	10
Financial commission	0	-
Litigation expenses	1	-
Commission expenses	1	2
Other	8	2
Total non-operating expenses	17	15
Ordinary loss	(691)	(304)
Extraordinary income		
Gain on sale of non-current assets	4	17
Gain on sale of investment securities	-	120
Total extraordinary income	4	137
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	10	5
Total extraordinary losses	10	5
Loss before income taxes	(697)	(172)
Income taxes	(259)	(74)
Loss	(438)	(98)
Profit attributable to non-controlling interests	1	11
Loss attributable to owners of parent	(439)	(110)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Loss	(438)	(98)
Other comprehensive income		
Valuation difference on available-for-sale securities	(149)	(50)
Remeasurements of defined benefit plans, net of tax	(17)	(12)
Total other comprehensive income	(167)	(62)
Comprehensive income	(605)	(161)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(607)	(172)
Comprehensive income attributable to non-controlling interests	1	11

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

On May 29, 2025, the Company acquired 350,000 treasury shares based on the resolution at the Board of Directors meeting held on May 28, 2025. As a result, the value of treasury shares increased by ¥519 million in the three months under review, totaling ¥3,104 million as of June 30, 2025.

(Segment information, etc.)

I. For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on the amounts of net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment		
	Construction	Asphalt Products, Environment and Other	Total
Net sales			
Net sales to outside customers	13,080	10,219	23,300
Inter-segment net sales or transfers	0	174	175
Total	13,081	10,394	23,476
Segment profit (loss)	(407)	169	(237)

2. Differences between the total amounts of profit (loss) for reportable segments and the amounts in the quarterly consolidated statements of income, and the main details of these differences (matters relating to difference adjustments)

(Millions of yen)

Profit	Amount
Reportable segments total	(237)
Elimination of inter-segment transactions	8
Corporate expenses (Note)	(574)
Operating loss in the quarterly consolidated statements of income	(803)

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

3. Information on impairment loss on non-current assets by reportable segment

Not applicable.

II. For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on the amounts of net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment		
	Construction	Asphalt Products, Environment and Other	Total
Net sales			
Net sales to outside customers	13,196	10,070	23,267
Inter-segment net sales or transfers	4	175	180
Total	13,201	10,246	23,448
Segment profit (loss)	(85)	365	279

2. Differences between the total amounts of profit (loss) for reportable segments and the amounts in the quarterly consolidated statements of income, and the main details of these differences (matters relating to difference adjustments)

(Millions of yen)

Profit	Amount
Reportable segments total	279
Elimination of inter-segment transactions	(3)
Corporate expenses (Note)	(660)
Operating loss in the quarterly consolidated statements of income	(383)

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

3. Information on impairment loss on non-current assets by reportable segment

Not applicable.

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows for the three months under review have not been prepared. Depreciation (including the amortization of intangible assets) for the period under review is as follows.

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	¥499 million	¥529 million

3. Others

Overview of Production, Orders Received and Sales

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

Category			For the three months ended June 30, 2024		For the three months ended June 30, 2025	
			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	14,193	53.2	19,055	55.6
		Civil engineering	2,287	8.5	5,133	15.0
		Total	16,481	61.7	24,189	70.6
	Asphalt Products, Environment and Other		10,219	38.3	10,070	29.4
	Total		26,700	100.0	34,260	100.0
Net sales	Construction	Pavement construction	10,190	43.7	10,458	44.9
		Civil engineering	2,890	12.4	2,738	11.8
		Total	13,080	56.1	13,196	56.7
	Asphalt Products, Environment and Other		10,219	43.9	10,070	43.3
	Total		23,300	100.0	23,267	100.0
Balance of orders carried forward	Construction	Pavement construction	25,670	66.9	28,316	72.5
		Civil engineering	12,720	33.1	10,732	27.5
		Total	38,390	100.0	39,049	100.0
	Asphalt Products, Environment and Other		-	-	-	-
	Total		38,390	100.0	39,049	100.0