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Securities code: 1882

June 5, 2026

(Start date of measures for electronic provision: June 3, 2026)

**To Shareholders with Voting Rights:**

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

**NOTICE OF  
THE 120th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

We hereby inform you that the 120th Annual General Meeting of Shareholders of TOA ROAD CORPORATION (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures to provide information electronically. Matters subject to electronic provision are posted on the following website as “Notice of the 120th Annual General Meeting of Shareholders.”

The Company’s website:

<https://www.toadoro.co.jp/en/>

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

Tokyo Stock Exchange Inc. website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

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

Please review the Reference Documents for the General Meeting of Shareholders described in the matters subject to electronic provision, and exercise your voting rights by 5:30 p.m. Japan time on Thursday, June 25, 2026.

[Exercise of voting rights in writing]

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

[Exercise of voting rights via the Internet]

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

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

**1. Date and Time:** Friday, June 26, 2026 at 10:00 a.m. Japan time

**2. Venue:** Company Head Office  
Conference Room, 7th floor  
7-3-7 Roppongi, Minato City, Tokyo

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 120th Fiscal Year (April 1, 2025 - March 31, 2026) and the results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 120th Fiscal Year (April 1, 2025 - March 31, 2026)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Seven Directors  
**Proposal 3:** Election of One Corporate Auditor

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

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

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

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

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

In order to further enhance opportunities to return profits to shareholders, the Company introduced an interim dividend system from the current fiscal year, in addition to the existing year-end dividend paid once a year.

The Company proposes that the year-end dividend for the fiscal year ended March 31, 2026 be paid as follows, taking into consideration the above policy:

#### 1. Matters concerning year-end dividend

##### (1) Type of dividend

Cash

##### (2) Matters related to the allotment of dividend property and the total amount thereof

Per share of common stock of the Company: ¥45

(common dividend of ¥45)

Total amount: ¥2,079,341,460

##### (3) Effective date of distribution of surplus

June 29, 2026

As the Company paid an interim dividend of ¥45 per share in September last year, the annual dividend including the interim dividend will be ¥90 per share.

#### 2. Other matters concerning appropriation of surplus

##### (1) Item and amount of increased surplus

Retained earnings brought forward	3,000,000,000 yen
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##### (2) Item and amount of decreased surplus

General reserve	3,000,000,000 yen
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**Proposal 2: Election of Seven Directors**

The terms of office of all six Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, to strengthen the management structure, the election of seven Directors, an increase of one Director, is proposed.

The candidates for Director are as follows:

No.	Name	Current positions at the Company	Attendance at Board of Directors meetings
1	[Reappointment] Kyouichi Morishita	Representative Director, President	19/19 (100%)
2	[Reappointment] Satoru Horinouchi	Representative Director, Executive Vice President	19/19 (100%)
3	[Reappointment] Naoki Nakamura	Director, Managing Executive Officer	19/19 (100%)
4	[New appointment] Satoshi Kajjoka	Managing Executive Officer	–
5	[Reappointment] Masataka Kusumi	[Independent Director] [Outside Director]	19/19 (100%)
6	[Reappointment] Yuko Tahara	[Independent Director] [Outside Director]	19/19 (100%)
7	[Reappointment] Yuichiro Ichikawa	[Independent Director] [Outside Director]	19/19 (100%)

Candidates for Director

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
1	<p style="text-align: center;">[Reappointment]</p> <p style="text-align: center;">Kyouichi Morishita (September 22, 1956)</p> <p style="text-align: center;">Attendance at Board of Directors meetings: 19/19</p> <p style="text-align: center;">No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 13 years</p>	<p>April 1981      Joined the Company</p> <p>June 2013      Director; Executive Officer; General Manager, Construction and Engineering Division, the Company</p> <p>April 2014      Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Construction Department, the Company</p> <p>April 2015      Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Construction Department; General Manager, Civil Engineering Department, the Company</p> <p>April 2016      Director; Managing Executive Officer; General Manager, Planning and Sales Division; General Manager, Construction and Engineering Division; General Manager, Construction Department, the Company</p> <p>May 2016      Director; Managing Executive Officer; General Manager, Planning and Sales Division; General Manager, Construction and Engineering Division; General Manager, Construction Department; General Manager, Product Business Division, the Company</p> <p>April 2017      Director; Managing Executive Officer; General Manager, Technology Division; General Manager, Affiliated Business Division, the Company</p> <p>June 2017      Representative Director; President, the Company</p> <p style="text-align: right;">To present</p> <p>Responsibilities Chairman, Internal Control Committee; Chairman, Compliance Committee; in charge of Audit Office; in charge of Corporate Planning Office</p>	138,817
<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, Mr. Kyouichi Morishita has been mainly engaged in construction and sales divisions and has a wealth of experience and extensive knowledge. He assumed office as Director and Managing Executive Officer in 2016. Serving as Representative Director and President since 2017, he is demonstrating strong leadership and decisiveness in managing the Company and striving to achieve continuous enhancement of corporate value.</p> <p>Therefore, the Company proposes his reelection as Director.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
2	<p>[Reappointment]</p> <p>Satoru Horinouchi (July 5, 1959)</p> <p>Attendance at Board of Directors meetings: 19/19</p> <p>No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 10 years</p>	<p>April 1983      Joined the Company</p> <p>June 2016      Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Engineering Department; General Manager, Construction Department, the Company</p> <p>April 2017      Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Construction Department, the Company</p> <p>June 2017      Director; Executive Officer; General Manager, Construction and Engineering Division; General Manager, Construction Department; General Manager, Technology Division, the Company</p> <p>April 2018      Director; Managing Executive Officer; General Manager, Technology Division; General Manager, Affiliated Business Division, the Company</p> <p>June 2018      Representative Director; Managing Executive Officer; General Manager, Technology Division; General Manager, Affiliated Business Division, the Company</p> <p>April 2019      Representative Director; Senior Managing Executive Officer; General Manager, Product Business Division; General Manager, Technology Division; General Manager, Affiliated Business Division, the Company</p> <p>April 2020      Representative Director; Senior Managing Executive Officer; General Manager, Sales Division; General Manager, Affiliated Business Division, the Company</p> <p>April 2021      Representative Director; Senior Managing Executive Officer; General Manager, Construction Division</p> <p>April 2023      Representative Director; Executive Vice President; General Manager, Construction Division, the Company</p> <p style="text-align: right;">To present</p> <p>Responsibilities In charge of Product Business Division; in charge of Technology Division; in charge of Affiliated Business Department; in charge of Safety, Environment and Quality Department; General Manager, Construction Division; Chairman, Workstyle Improvement Committee; responsible for Labor Relations</p>	111,424
<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, Mr. Satoru Horinouchi has been mainly engaged in construction divisions and has a wealth of experience and extensive knowledge. He assumed office as Representative Director and Managing Executive Officer in 2018, and as Representative Director and Executive Vice President in 2023, reporting directly to, and assisting the President. He has been engaged in management of the Company, including by formulating corporate concepts and engaging in management decisions and business development, and has been contributing to continuous enhancement of corporate value.</p> <p>Therefore, the Company proposes his reelection as Director.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
3	<p>[Reappointment]</p> <p>Naoki Nakamura (February 28, 1964)</p> <p>Attendance at Board of Directors meetings: 19/19</p> <p>No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 2 years</p>	<p>April 1986      Joined the Company</p> <p>April 2011      General Manager, Administration Department, Tohoku Branch, the Company</p> <p>April 2014      General Manager, Administration Department, Kanto Branch, the Company</p> <p>April 2016      General Manager, Accounting Department, Administration Division, the Company</p> <p>April 2020      General Manager, Accounting Department; General Manager, Finance Department, Administration Division, the Company</p> <p>April 2021      Executive Officer; Deputy General Manager, Administration Division, the Company</p> <p>April 2022      Executive Officer; General Manager, Administration Department, Administration Division, the Company</p> <p>April 2024      Executive Officer; General Manager, Administration Division, the Company</p> <p>June 2024      Director; Executive Officer; General Manager, Administration Division, the Company</p> <p>April 2025      Director; Managing Executive Officer; General Manager, Administration Division, the Company</p> <p style="text-align: right;">To present</p> <p>Responsibilities General Manager, Administration Division; General Manager, Administration Department; in charge of CSR Promotion Department; Chairman, Internal Control Committee; responsible for Compliance; responsible for Labor Relations</p>	23,158
<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, Mr. Naoki Nakamura has been mainly engaged in administration divisions and has a wealth of experience and extensive knowledge. Currently he is supervising the Company's administration divisions as Managing Executive Officer and General Manager of Administration Division. In addition, since June 2024, he has been engaged in management of the Company as a Director and contributing to continuous enhancement of corporate value.</p> <p>Therefore, the Company proposes his reelection as Director.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
4	<p>[New appointment]</p> <p>Satoshi Kajioaka (June 6, 1965)</p> <p>Attendance at Board of Directors meetings: -</p> <p>No. of years in office as Director: -</p>	<p>April 1986      Joined the Company</p> <p>April 2011      General Manager, Sales Department, Hokuriku Branch, the Company</p> <p>April 2014      General Manager, Sales Department, Kyushu Branch, the Company</p> <p>April 2020      General Manager, Hokuriku Branch, the Company</p> <p>April 2021      Executive Officer; General Manager, Hokuriku Branch, the Company</p> <p>April 2022      Executive Officer; General Manager, Kansai Branch, the Company</p> <p>April 2025      Managing Executive Officer; General Manager, Corporate Planning Office, the Company</p> <p>April 2026      Managing Executive Officer; Deputy General Manager, Construction Division; General Manager, Engineering Department; General Manager, Machinery Department, the Company</p> <p style="text-align: right;">To present</p>	19,896
<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, Mr. Satoshi Kajioaka has been mainly engaged in construction and sales divisions and has a wealth of experience and extensive knowledge. Currently, he is supervising the Company's construction divisions as Managing Executive Officer and Deputy General Manager of Construction Division, and has sufficient abilities and insight required of a Director.</p> <p>The Company believes that he will execute his duties properly as the Company strives for sustainable growth and medium to long-term enhancement of corporate value, and therefore proposes his election as Director.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
5	<p>[Reappointment] [Independent Director] [Outside Director]</p> <p>Masataka Kusumi (February 17, 1968)</p> <p>Attendance at Board of Directors meetings: 19/19</p> <p>No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 6 years</p>	<p>April 1991      Joined Fujita Corporation</p> <p>September 2001      Joined Masasho Co., Ltd.</p> <p>December 2006      Joined ShinNihon &amp; Co. (currently, Ernst &amp; Young ShinNihon LLC)</p> <p>August 2010      Registered as Certified Public Accountant</p> <p>August 2016      Representative, Masataka Kusumi CPA Office (current position)</p> <p>May 2017      Auditor, Nissan Satio Hirosaki Co., Ltd. (current position)</p> <p>December 2017      Outside Director (Audit and Supervisory Committee Member), E-Guardian Inc. (current position)</p> <p>June 2020      Director, the Company (current position) To present</p> <p>[Significant concurrent position] Representative, Masataka Kusumi CPA Office Auditor, Nissan Satio Hirosaki Co., Ltd. Outside Director (Audit and Supervisory Committee Member), E-Guardian Inc.</p>	6,500
<p>[Reason for nomination as candidate for Outside Director and expected role]</p> <p>Mr. Masataka Kusumi has a specialist perspective based on his insight and experience as a CPA and considerable knowledge of corporate finance, legal affairs, and tax affairs. In order to ensure validity and appropriateness of decision-making by the Board of Directors, the Company wishes him to appropriately oversee the Company's business execution from an independent standpoint with a specialist perspective. In addition, the Company believes that it can receive useful advice and suggestions from him on overall management and therefore proposes his reelection as Outside Director.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
6	<p>[Reappointment] [Independent Director] [Outside Director]</p> <p>Yuko Tahara (May 21, 1967)</p> <p>Attendance at Board of Directors meetings: 19/19</p> <p>No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 5 years</p>	<p>April 1996      Assistant, Graduate School of Arts and Sciences, College of Arts and Sciences, The University of Tokyo</p> <p>April 2002      Assistant Professor, Faculty of Economics, Kokugakuin University</p> <p>April 2008      Professor, Faculty of Economics, Kokugakuin University (current position)</p> <p>June 2021      Director, the Company (current position) To present</p> <p>[Significant concurrent position] Professor, Faculty of Economics, Kokugakuin University</p>	3,300
<p>[Reason for nomination as candidate for Outside Director and expected role]</p> <p>Ms. Yuko Tahara has a specialist perspective based on her profound insight and extensive knowledge cultivated over the years as an expert on local community issues, the aging society, and social security. In order to ensure validity and appropriateness of decision-making by the Board of Directors, the Company wishes her to appropriately oversee the Company's business execution from an independent standpoint with a specialist perspective. In addition, the Company believes that it can receive useful advice and suggestions from her on overall management and therefore proposes her reelection as Outside Director.</p> <p>Although she has never been involved in corporate management, the Company believes that she will execute her duties properly as an Outside Director of the Company for the reasons stated above.</p>			

No.	Name (Date of birth)	Career summary and positions	Number of shares of the Company held
7	<p>[Reappointment] [Independent Director] [Outside Director]</p> <p>Yuichiro Ichikawa (November 17, 1954)</p> <p>Attendance at Board of Directors meetings: 19/19</p> <p>No. of years in office as Director (at the conclusion of this General Meeting of Shareholders): 2 years</p>	<p>April 1977      Joined Japan Drilling Co., Ltd.</p> <p>July 2004      Director; General Manager, Operating Department, Japan Drilling Co., Ltd.</p> <p>June 2005      Managing Director; General Manager, Operating Department, Japan Drilling Co., Ltd.</p> <p>July 2006      Representative Director; Senior Managing Director, Japan Drilling Co., Ltd.</p> <p>June 2007      Representative Director; Senior Managing Executive Officer, Japan Drilling Co., Ltd.</p> <p>June 2013      Representative Director; President, Japan Drilling Co., Ltd.</p> <p>June 2018      Advisor, Japan Drilling Co., Ltd.</p> <p>February 2019   Resigned from Japan Drilling Co., Ltd.</p> <p>August 2019      Management Advisor, REBIRTH, Limited</p> <p>November 2021   Management Advisor, Fukuda Honten K.K.</p> <p>June 2024      Director, the Company (current position) To present</p> <p>[Significant concurrent position] None</p>	800
<p>[Reason for nomination as candidate for Outside Director and expected role]</p> <p>Mr. Yuichiro Ichikawa has a specialist perspective based on his insight and experience as a corporate manager. In order to ensure validity and appropriateness of decision-making by the Board of Directors, the Company wishes him to appropriately oversee the Company's business execution from an independent standpoint with a specialist perspective. In addition, the Company believes that it can receive useful advice and suggestions from him on overall management and therefore proposes his reelection as Outside Director.</p>			

- Notes:
1. No special interest exists between any of the candidates and the Company.
  2. Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yuichiro Ichikawa are candidates for Outside Director.
  3. Matters concerning the candidates for Outside Director are as follows:
    - (1) Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yuichiro Ichikawa are independent directors as defined by the Tokyo Stock Exchange.
    - (2) Number of years since assumption of office as the Company's Outside Director of each candidate for Outside Director

Mr. Masataka Kusumi will have been in office as Outside Director for six years at the conclusion of this Annual General Meeting of Shareholders.

Ms. Yuko Tahara will have been in office as Outside Director for five years at the conclusion of this Annual General Meeting of Shareholders.

Mr. Yuichiro Ichikawa will have been in office as Outside Director for two years at the conclusion of this Annual General Meeting of Shareholders.
    - (3) Liability limitation agreements with Outside Directors

The Company has entered into agreements with Mr. Masataka Kusumi, Ms. Yuko Tahara, and Mr. Yuichiro Ichikawa to limit their liability for damages pursuant to Article 423 Paragraph 1 of the Companies Act. The amount of liability for damages in accordance with the agreements is limited to the minimum liability amount stipulated by laws and regulations.

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

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

The candidates for reelection nominated in this proposal are already the insured under the said insurance contract and will remain so following their reelection. Candidates for new election will become the insured following their election.

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

**Proposal 3: Election of One Corporate Auditor**

Corporate Auditor Mr. Yoshihiko Takeuchi will resign at the conclusion of this General Meeting of Shareholders. Accordingly, the election of one Corporate Auditor as a substitute is proposed.

The Company has obtained the consent of the Board of Corporate Auditors regarding this proposal.

The candidate for Corporate Auditor is as follows:

Candidate for Corporate Auditor

Name (Date of birth)	Career summary and positions		Number of shares of the Company held
[New appointment]  Tsutomu Okawa (November 7, 1967)	April 1990	Joined the Company	1,853
	April 2012	General Manager, Administration Section, Hokuriku Branch,	
	April 2014	General Manager, General Affairs Section, Administration Division, the Company	
Attendance at Board of Directors meetings: –	April 2016	General Manager, Administration Department, Administration Division; General Manager, General Affairs Department;	
Attendance at Board of Corporate Auditors meetings: –	April 2019	General Manager, Corporate Communications Office, the Company General Manager, General Affairs Department, Administration Division; General Manager, Corporate Communications Office, the Company (current position)	
No. of years in office as Corporate Auditor: –		To present	
[Reason for nomination as candidate for Corporate Auditor] Since joining the Company, Mr. Tsutomu Okawa has been mainly engaged in administration divisions and has a wealth of experience and extensive knowledge in finance and accounting, as well as general affairs and personnel affairs. As highly effective audits can be expected from him, the Company has determined that he will be able to appropriately execute his duties as Corporate Auditor, and therefore proposes his election as Corporate Auditor.			

- Notes:
1. No special interest exists between the candidate for Corporate Auditor and the Company.
  2. Liability limitation agreement with Corporate Auditor  
If candidate Mr. Tsutomu Okawa is elected, the Company plans to enter into an agreement with him to limit his liability for damages pursuant to Article 423 Paragraph 1 of the Companies Act. The amount of liability for damages under the agreement will be limited to the minimum liability amount stipulated by laws and regulations.
  3. The Company has entered into a directors and officers liability insurance (D&O Insurance) contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The said insurance contract covers litigation expenses related to derivative lawsuits and third-party litigation and incidental expenses to be borne by the insured. The Company's Directors (including Outside Directors) and Corporate Auditors (including Outside Corporate Auditors) are the insured under the said insurance contract. The insurance premiums are fully borne by the Company. However, liability for legal damages arising from illegal acts including criminal acts committed by the insured is outside the scope of coverage under the said insurance contract.  
The candidate for new election nominated in this proposal will become the insured under the

said insurance contract following his election.

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

[Skills Matrix]

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

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

## Consolidated Balance Sheet

(As of March 31, 2026)

Assets		Liabilities	
Item	Amount Millions of yen	Item	Amount Millions of yen
<b>Current assets</b>	<b>¥ 56,296</b>	<b>Current liabilities</b>	<b>¥ 29,812</b>
Cash and deposits	13,909	Notes payable, accounts payable for construction contracts and other	13,972
Notes receivable, accounts receivable from completed construction contracts and other	30,305	Electronically recorded obligations - operating	3,700
Electronically recorded monetary claims - operating	3,223	Short-term borrowings	4,489
Costs on construction contracts in progress	1,768	Income taxes payable	1,376
Merchandise and finished goods	1,144	Advances received on construction contracts in progress	1,778
Work in process	268	Provision for warranties for completed construction	29
Raw materials and supplies	1,967	Provision for loss on construction contracts	61
Other	3,799	Other	4,404
Allowance for doubtful accounts	(90)	<b>Non-current liabilities</b>	<b>3,628</b>
<b>Non-current assets</b>	<b>32,204</b>	Long-term borrowings	143
<b>Property, plant and equipment</b>	<b>23,511</b>	Deferred tax liabilities	1,278
Buildings and structures	5,073	Deferred tax liabilities for land revaluation	1,032
Machinery, equipment and vehicles	3,521	Retirement benefit liability	452
Land	13,484	Asset retirement obligations	55
Leased assets	749	Other	666
Construction in progress	316	<b>Total liabilities</b>	<b>33,441</b>
Other	367	<b>Net assets</b>	
<b>Intangible assets</b>	<b>278</b>	<b>Shareholders' equity</b>	<b>49,219</b>
<b>Investments and other assets</b>	<b>8,414</b>	Share capital	7,584
Investment securities	4,860	Capital surplus	6,665
Long-term loans receivable	311	Retained earnings	37,876
Retirement benefit asset	2,613	Treasury shares	(2,907)
Deferred tax assets	422	<b>Accumulated other comprehensive income</b>	<b>4,421</b>
Other	291	Valuation difference on available-for-sale securities	2,334
Allowance for doubtful accounts	(86)	Revaluation reserve for land	886
		Remeasurements of defined benefit plans	1,200
		<b>Non-controlling interests</b>	<b>1,419</b>
		<b>Total net assets</b>	<b>55,059</b>
<b>Total assets</b>	<b>¥ 88,501</b>	<b>Total liabilities and net assets</b>	<b>¥ 88,501</b>

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

## Consolidated Statement of Income

( From April 1, 2025  
to March 31, 2026 )

	Amount	
	Millions of yen	
<b>Net sales</b>	¥ 121,327	
<b>Cost of sales</b>	106,801	
<b>Gross profit</b>	14,525	
<b>Selling, general and administrative expenses</b>	8,737	
<b>Operating profit</b>	5,788	
<b>Non-operating income</b>		324
Interest income	22	
Dividend income	152	
Insurance income	48	
Other	100	
<b>Non-operating expenses</b>		115
Interest expenses	54	
Financial commission	12	
Litigation expenses	10	
Commission expenses	2	
Loss on valuation of investment securities	0	
Other	34	
<b>Ordinary profit</b>		5,997
<b>Extraordinary income</b>		211
Gain on sale of non-current assets	49	
Gain on sale of investment securities	120	
Compensation income	42	
<b>Extraordinary losses</b>		705
Loss on sale of non-current assets	0	
Loss on retirement of non-current assets	23	
Impairment losses	681	
<b>Profit before income taxes</b>		5,504
Income taxes - current		1,806
Income taxes for prior periods		248
Income taxes - deferred		(84)
<b>Profit</b>		3,533
<b>Profit attributable to non-controlling interests</b>		106
<b>Profit attributable to owners of parent</b>		¥ 3,426

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

## Consolidated Statement of Changes in Equity

( From April 1, 2025  
to March 31, 2026 )

(Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of period	¥ 7,584	¥ 6,419	¥ 40,991	¥ (2,584)	¥ 52,410
Changes during period					
Dividends of surplus			(6,244)		(6,244)
Profit attributable to owners of parent			3,426		3,426
Reversal of revaluation reserve for land			(296)		(296)
Purchase of treasury shares				(520)	(520)
Disposal 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

(Millions of yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	¥ 1,792	¥ 589	¥ 619	¥ 3,001	¥ 1,519	¥ 56,931
Changes during period						
Dividends of surplus						(6,244)
Profit attributable to owners of parent						3,426
Reversal of revaluation reserve for land						(296)
Purchase of treasury shares						(520)
Disposal 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	¥ 886	¥ 1,200	¥ 4,421	¥ 1,419	¥ 55,059

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

## Notes on Consolidated Financial Statements

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

#### 1. Scope of Consolidation:

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries

Number of consolidated subsidiaries: 22

Names of major consolidated subsidiaries: ASUKA Inc., TOA-TONE BORING Co., Ltd.

(2) Names and other information of major non-consolidated subsidiaries

DAISHIN HODO Co., Ltd. and other one subsidiary

Reason for exclusion from the scope of consolidation:

All of the non-consolidated subsidiaries are small-scale companies and their aggregated total assets, net sales, and profit or loss and retained earnings have no significant effect on the consolidated financial statements. Therefore, they are excluded from the scope of consolidation.

#### 2. Application of the Equity Method:

(1) Number of non-consolidated subsidiaries or affiliates accounted for using the equity method and names of major companies

Number of non-consolidated subsidiaries or affiliates accounted for using the equity method: 1

Names of major companies:

1) Non-consolidated subsidiaries

Not applicable

2) Affiliates

KEN-NAN Co., Ltd.

(2) Names and other information of non-consolidated subsidiaries and affiliates not accounted for using the equity method

Names of major companies:

1) Non-consolidated subsidiaries

DAISHIN HODO Co., Ltd. and other one subsidiary

2) Affiliates

MIYAGIREKISEI CO., LTD.

Reason for not accounted for using the equity method:

All of the non-consolidated subsidiaries and affiliates not accounted for using the equity method have an immaterial effect on the consolidated financial statements individually even if they are excluded from the scope of application of the equity method and are not significant in aggregate in terms of their profit or loss (amount commensurate with equity interests) and retained earnings (amount commensurate with equity interests). Therefore, they are not accounted for using the equity method.

#### 3. Fiscal years of consolidated subsidiaries:

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

#### 4. Accounting policies

(1) Standards and methods for valuation of significant assets

1) Standards and methods for valuation of securities

Available-for-sale securities

Securities other than shares without market prices

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

Shares without market prices

Moving average cost method

2) Standards and methods for valuation of inventories

(a) Costs on construction contracts in progress Cost method based on specific identification

(b) Merchandise and finished goods Cost method based on the weighted average method  
(Method of writing down book values due to decline in profitability)  
However, moving average method for some consolidated subsidiaries

(c) Work in process Cost method based on specific identification

(Method of writing down book values due to decline in profitability)

(d) Raw materials and supplies Cost method based on the weighted average method

(Method of writing down book values due to decline in profitability)

However, moving average method for some consolidated subsidiaries

- (2) Depreciation of significant non-current assets
- 1) Property, plant and equipment
    - (a) Property, plant and equipment other than leased assets
 

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

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

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

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

The straight line method is used. The straight line method based on the estimated internal useful life of five years is used for software (for internal use).
- (3) Standards for recognition of significant allowances
- 1) Allowance for doubtful accounts: In order to prepare for credit loss on receivables, the collectability of normal receivables is estimated by applying the historical overall credit loss rates; the collectability of doubtful receivables is analyzed individually, and estimated uncollectible amount is recorded.
  - 2) Provision for warranties for completed construction: In order to prepare for loss on compensation for defects in completed contracts, reserves are provided by the amount obtained by multiplying the amount of completed contracts by the compensation rate for the completed contracts during the preceding three fiscal years, adding any specific amounts expected for future compensation.
  - 3) Provision for loss on construction contracts: In order to prepare for future loss on construction contracts, expected loss is incurred for those contracts uncompleted at the end of the consolidated fiscal year under review that are expected to suffer a loss and for which the amount of the loss can be reasonably estimated.
- (4) Accounting method for reserve for retirement benefits
- In order to prepare for the payment of retirement benefits to employees, the Company has recorded the amounts of the reserve based on the expected amount of retirement benefit obligations at the end of the consolidated fiscal year under review. In addition, some companies in the Group apply the simplified method to calculate retirement benefit obligations.
- 1) Period attribution method for the expected amount of retirement benefits
 

In calculating retirement benefit obligations, the Company uses the benefit formula to allocate the projected retirement benefits to the period that closes at the end of the consolidated fiscal year under review.
  - 2) Accounting of actuarial differences and prior service costs
 

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

Prior service costs are recognized as expenses in the consolidated fiscal year in which they arise, using the straight line method over 10 years, a period less than the average of the estimated remaining service lives.
- (5) Standards for recognition of significant revenue and costs
- Revenues related to “Construction” are mainly from pavement construction and civil engineering projects, and the Company has a performance obligation to perform construction and deliver the work to the customer based on a contractual agreement with the customer. The contract is a transaction that satisfies a performance obligation over time, as the customer obtains control over the asset as the value of the asset increases by fulfilling its obligations under the contract with the customer, and revenue is recognized based on the degree of progress in satisfying the performance obligation. And when the degree of progress toward satisfying a performance obligation cannot be reasonably estimated, but the costs to be incurred are expected to be recovered, revenue is recognized on a cost recovery basis. For a contract with a considerably short period until the performance obligation is expected to be satisfied in full, the Company recognizes revenue as if the performance obligation is satisfied at a point of time. The Company does not recognize revenue if the degree of completion of the performance obligation cannot be reasonably estimated at the initial stage of the contract, even if the performance obligation is satisfied over time.
- Revenues related to “Asphalt Products, Environment and Other” consist primarily of sales from the manufacture of asphalt emulsions and asphalt mixtures, etc. The Company has performance obligations to deliver products based on sales contracts with its customers. The revenue is recognized at the time of delivery of the product because the customer obtains control of the product at the point of delivery and the performance obligation is deemed to be satisfied.
- No adjustment for significant financial factors is made for both “Construction” and “Asphalt Products, Environment and Other,” because the consideration for the transactions is received primarily within one year of satisfaction of the performance obligation.

- (6) Standards for translating assets or liabilities denominated in foreign currencies into Japanese yen  
Assets and liabilities denominated in foreign currencies are translated into Japanese yen based on spot exchange rates on the closing date, and exchange differences are reported as foreign exchange profits or losses.
- (7) Accounting of consumption taxes  
Non-deductible consumption tax, non-deductible local consumption tax, etc. are recorded at cost of the consolidated fiscal year in which it occurs.
- (8) The adopted accounting principles and procedures when the related accounting standards or other rules are not clear  
The accounting treatment for joint ventures in “Construction” and “Asphalt Products, Environment and Other” of the Company and some of its consolidated subsidiaries is mainly based on the method of recognizing assets, liabilities, income, and expenses according to the investment ratio of the members.

## II. Changes in presentation

Since the amount of “insurance income,” which was included in “other” (10 million yen for the preceding consolidated fiscal year) in non-operating income on the consolidated financial statements, became material in terms of amount, it is presented as “insurance income” from the consolidated fiscal year under review (48 million yen for the consolidated fiscal year ended March 31, 2026).

In addition, since the amount of “income taxes for prior periods,” which was included in “income taxes - current” (2 million yen for the preceding consolidated fiscal year) on the consolidated financial statements, became material in terms of amount, it is presented as “income taxes for prior periods” from the consolidated fiscal year under review (248 million yen for the consolidated fiscal year ended March 31, 2026).

### III. Notes on accounting estimates

#### (1) Provision for loss on construction contracts

- 1) Amount recorded in consolidated financial statements for the consolidated fiscal year under review  
61 million yen

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

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

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

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

- 1) Amount recorded in consolidated financial statements for the consolidated fiscal year under review  
11,490 million yen

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

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

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

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

#### IV. Notes on the Consolidated Balance Sheet

1. Accumulated depreciation for property, plant and equipment 40,584 million yen
2. Pursuant to the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998) and the Act to Revise Part of the Act on Revaluation of Land (Act No. 24 promulgated on March 31, 1999), land used for the Company's business operations was revalued. The effect in terms of income tax of the differences between the book value and the revalued amount has been presented under liabilities as "deferred tax liabilities for land revaluation" and the remaining balance has been presented under net assets as "revaluation reserve for land" in the consolidated balance sheet.  
Revaluation method  
Land is revalued by making reasonable adjustments on the assessed value of fixed assets (prices registered with the land tax ledger stipulated in Article 341, Item 10 of the Local Tax Act or the supplementary land tax ledger stipulated in Item 11).  
Date of revaluation March 31, 2002
3. The amount of receivables and contract assets from contracts with customers included in "notes receivable, accounts receivable from completed construction contracts and other" and "electronically recorded monetary claims - operating" are as follows:

Notes receivable - trade	674 million yen
Electronically recorded monetary claims - operating	3,223 million yen
Accounts receivable from completed construction contracts	16,459 million yen
Accounts receivable - trade	6,799 million yen
Contract assets	6,372 million yen
4. The amount of contract liabilities included in "other" of the current liabilities is as follows:

Contract liabilities	388 million yen
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## V. Notes on the Consolidated Statement of Income

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

## VI. Notes on the Consolidated Statement of Changes in Equity

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

Common stock	50,394,730 shares
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2. Matters concerning dividends

- (1) Amount of dividends paid

A resolution was made as follows at the Annual General Meeting of Shareholders held on June 27, 2025.

Matters concerning dividends of common shares:

- |                                  |                   |
|----------------------------------|-------------------|
| 1) Total amount of dividend paid | 4,165 million yen |
| 2) Dividends per share           | 90 yen            |
| 3) Record date                   | March 31, 2025    |
| 4) Effective date                | June 30, 2025     |

A resolution was made as follows at the Board of Directors meeting held on September 30, 2025.

Matters concerning dividends of common shares:

- |                                  |                    |
|----------------------------------|--------------------|
| 1) Total amount of dividend paid | 2,079 million yen  |
| 2) Dividends per share           | 45 yen             |
| 3) Record date                   | September 30, 2025 |
| 4) Effective date                | December 2, 2025   |

- (2) Dividends whose record date is in the consolidated fiscal year under review and effective date is in the succeeding fiscal year. A proposal will be submitted as follows at the Annual General Meeting of Shareholders to be held on June 26, 2026.

Matters concerning dividends of common shares:

- |                                  |                   |
|----------------------------------|-------------------|
| 1) Source of dividends           | Retained earnings |
| 2) Total amount of dividend paid | 2,079 million yen |
| 3) Dividends per share           | 45 yen            |
| 4) Record date                   | March 31, 2026    |
| 5) Effective date                | June 29, 2026     |

## VII. Notes on Financial Instruments

### 1. Status of financial instruments

#### (1) Management policy for financial instruments

The Group's policy is to limit its fund investment to short-term instruments such as deposits and procure funds through bank loans.

#### (2) Details and risks of financial instruments and the risk management structure

Notes receivable, accounts receivable from completed construction contracts and other, which are trade receivables, and long-term loans receivable are exposed to credit risk of customers. To manage this risk, the Company performs due date control and balance control for each customer in accordance with the Company's credit management regulations. In addition, the sales management division monitors the credit status of customers on a timely basis to ensure early discovery and reduction of any recoverability concerns due to deteriorated financial position or other reasons. Furthermore, the consolidated subsidiaries perform the same management in accordance with the Company's credit management regulations.

Shares, which are investment securities, are exposed to stock price volatility risk. However, shares held by the Company are mainly those of its business partners and their fair values are measured and reported to the Board of Directors on a regular basis. Most of notes payable, accounts payable for construction contracts and other, which are trade payables, are due within one year. With regard to borrowings, short-term borrowings are mainly related to fund procurement for operating transactions and long-term borrowings are mainly related to fund procurement for capital investments.

Trade payables and borrowings are exposed to liquidity risk. The Group manages this risk by the method whereby the consolidated subsidiaries prepare their cash management plan on a monthly basis and the Company conducts the overall cash management at the Administration Division based on the submitted reports.

### 2. Fair value, etc. of financial instruments

The book value on the consolidated balance sheet, fair value and any differences therebetween as of March 31, 2026 (the closing date of the consolidated financial statements for the consolidated fiscal year under review) are as shown in the table below.

Shares without market prices are not included in the table below. (Please refer to "(Note)").

The notes for cash are omitted. The notes for the following are also omitted, because they are settled over a short term and their fair value approximates their book value; deposits; notes receivable, accounts receivable from completed construction contracts, electronically recorded monetary claims - operating and other; notes payable, accounts payable for construction contracts, electronically recorded monetary obligations- operating and other; and short-term borrowings.

	Book value on the consolidated balance sheet	Fair value	Difference
(1) Investment securities			
Available-for-sale securities	4,557	4,557	-
(2) Long-term loans receivable	311		
Allowance for doubtful accounts (*1)	(10)		
	300	282	(17)
<b>Total assets</b>	<b>4,858</b>	<b>4,840</b>	<b>(17)</b>
(1) Long-term borrowings	143	143	-
<b>Total liabilities</b>	<b>143</b>	<b>143</b>	<b>-</b>

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

### 3. Fair value by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value:

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

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

#### (1) Financial instruments measured at fair value

Category	Fair value (Millions of yen)			Total
	Level 1	Level 2	Level 3	
Investment securities				
Available-for-sale securities	4,557	-	-	4,557
<b>Total assets</b>	<b>4,557</b>	<b>-</b>	<b>-</b>	<b>4,557</b>

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

Category	Fair value (Millions of yen)			Total
	Level 1	Level 2	Level 3	
Long-term loans receivable	-	282	-	282
<b>Total assets</b>	<b>-</b>	<b>282</b>	<b>-</b>	<b>282</b>
Long-term borrowings	-	143	-	143
<b>Total liabilities</b>	<b>-</b>	<b>143</b>	<b>-</b>	<b>143</b>

#### Investment securities

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

#### Long-term loans receivable

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

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

#### Long-term borrowings

The fair value of long-term borrowings is determined by discounting the total amount of principle and interests using an interest rate assumed for the similar new borrowing transaction. They are classified as Level 2.

(Note) Shares without market prices

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

### VIII. Notes on Asset Retirement Obligations

Asset retirement obligations recorded on the consolidated balance sheet

1. Outline of the asset requirement obligations

These are obligations to restore land for business use to its original state, as specified in the real estate lease agreements.

2. Method of calculation of the asset retirement obligations

The amount of asset retirement obligations is calculated with an estimated period of use of 20 to 30 years and using a discount rate of 0.6 to 2.3%.

3. Increase or decrease in asset retirement obligations during the consolidated fiscal year under review

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

### IX. Notes on Real Estate for Rent, etc.

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

1. Outline of real estate for rent, etc.

The Company and some of its subsidiaries hold land or other real estate properties for rent in Osaka prefecture and other regions.

2. Book value on the consolidated balance sheet, major changes during the consolidated fiscal year under review, and fair value at the closing date and calculation method thereof for real estate for rent, etc.

				(Millions of yen)
Book value on the consolidated balance sheet			Fair value at the end of the consolidated fiscal year under review	
Balance at the beginning of the consolidated fiscal year under review	Increase/decrease during the consolidated fiscal year under review	Balance at the end of the consolidated fiscal year under review		
1,115	(4)	1,111	1,054	

(Notes) 1. The book value on the consolidated balance sheet is cost of acquisition less accumulated depreciation and accumulated impairment losses.

2. Major changes

Decrease due to depreciation of assets 4 million yen

3. Method of fair value calculation

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

3. Profit or loss on real estate for rent, etc.  
Profit on real estate for rent, etc. was 23 million yen (rent income is recorded under net sales and major rent expenses are recorded under cost of sales).

## X. Notes on Revenue Recognition

1. Disaggregation of revenue from contracts with customers

Consolidated fiscal year under review (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment		Total
	Construction	Asphalt Products, Environment and Other	
Goods transferred at a point of time	36,141	42,574	78,716
Goods transferred over time	38,156	4,375	42,532
Revenue from contracts with customers	74,298	46,950	121,248
Revenue from other sources	–	78	78
Net sales to outside customers	74,298	47,028	121,327

(Notes) “Revenue from other sources” are revenue from real estate business.

2. Fundamental information to understand revenue from contracts with customers  
The information is as described in “(5) Standards for recognition of significant revenue and costs,” “4. Accounting policies” of “I. Notes on Significant Matters that Serve as the Basis for Consolidated Financial Statements.”

3. Information to understand the amounts of revenue for the consolidated fiscal year under review onward

- (1) Contract asset and contract liability balances

The breakdown of receivables, contract assets and contract liabilities arising from contracts with customers is as follows.

Consolidated fiscal year under review (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	April 1, 2025	March 31, 2026
Receivables from contracts with customers	28,825	27,065
Contract assets	10,893	6,372
Contract liabilities	1,152	2,167

Revenue recognized in the consolidated fiscal year under review that was included in the contract liability balance at the beginning of the consolidated fiscal year is 979 million yen.

The contract liability balance in the table above includes advances received on construction contracts in progress.

- (2) Transaction prices allocated to the remaining performance obligations

The amount of the transaction prices allocated to unsatisfied performance obligations of contracts with an individual contract term of over one year is 12,806 million yen for the consolidated fiscal year under review. These transaction prices are mainly those of construction contracts for construction projects. The information is omitted for contracts with an individual contract term of less than one year.

## XI. Notes on Impairment Losses

During the consolidated fiscal year under review, the Company recorded impairment losses for the following asset groups.

1. Method of grouping assets

The Company groups assets based on branch segments as the basic unit, which are the smallest units that generate cash flows.

2. Major assets for which impairment losses were recognized

(Millions of yen)

Location	Segment	Use	Type	Impairment loss
Chugoku-Shikoku Branch	Construction business	Business assets - offices, etc.	Buildings, land, etc.	141
Chugoku-Shikoku Branch	Asphalt Products business	Business assets - plants, etc.	Buildings, land, etc.	539
Total				681

3. Circumstances leading to the recognition of impairment losses

For the non-current assets at the above locations, as profit and loss from operating activities has continued to be negative and the possibility of improvement in profitability going forward was judged to be low, the Company reduced the book value to the recoverable amount and recorded the amount of the reduction as impairment losses.

4. Method of calculating recoverable amount

The recoverable amount of the asset groups is measured based on net selling price, which is calculated by deducting estimated disposal costs from the value calculated based on real estate appraisal value, etc.

## XII. Notes on Information on Amounts per Share

- |                         |              |
|-------------------------|--------------|
| 1. Net assets per share | 1,160.86 yen |
| 2. Earnings per share   | 74.24 yen    |

The basis for calculating earnings per share is as follows:

Profit attributable to owners of parent	3,426 million yen
Profit attributable to owners of parent relating to common shares	3,426 million yen
Amount not attributable to common shareholders	–
Average number of common shares during the period	46,160 thousand shares

## Balance Sheet

(As of March 31, 2026)

Assets		Liabilities	
Item	Amount Millions of yen	Item	Amount Millions of yen
<b>Current assets</b>	<b>¥ 41,247</b>	<b>Current liabilities</b>	<b>¥ 32,222</b>
Cash and deposits	10,534	Notes payable - trade	646
Notes receivable - trade	541	Electronically recorded obligations - operating	3,527
Electronically recorded monetary claims - operating	1,973	Accounts payable for construction contracts	4,921
Accounts receivable from completed construction contracts	18,283	Accounts payable - trade	2,592
Accounts receivable - trade	4,036	Short-term borrowings	13,545
Costs on construction contracts in progress	1,418	Current portion of long-term borrowings	450
Merchandise and finished goods	614	Accounts payable - other	784
Raw materials and supplies	782	Accrued expenses	1,373
Short-term loans receivable	175	Income taxes payable	818
Prepaid expenses	325	Accrued consumption taxes	1,218
Accounts receivable - other	1,487	Advances received on construction contracts in progress	1,612
Other	1,094	Provision for warranties for completed construction	29
Allowance for doubtful accounts	(21)	Provision for loss on construction contracts	12
<b>Non-current assets</b>	<b>25,994</b>	Other	689
<b>Property, plant and equipment</b>	<b>18,749</b>	<b>Non-current liabilities</b>	<b>1,861</b>
Buildings and structures	3,862	Deferred tax liabilities for land revaluation	1,032
Machinery, equipment and vehicles	2,525	Asset retirement obligations	53
Tools, furniture and fixtures	270	Deferred tax liabilities	490
Land	11,827	Long-term guarantee deposits	41
Leased assets	210	Provision for retirement benefits:	80
Other	52	Other	163
<b>Intangible assets</b>	<b>212</b>	<b>Total liabilities</b>	<b>34,084</b>
Software	136	<b>Net assets</b>	
Telephone subscription right	7	<b>Shareholders' equity</b>	<b>30,725</b>
Other	68	<b>Share capital</b>	<b>7,584</b>
<b>Investments and other assets</b>	<b>7,032</b>	<b>Capital surplus</b>	<b>5,926</b>
Investment securities	3,362	Legal capital surplus	5,619
Shares of subsidiaries and associates	2,346	Other capital surplus	306
Long-term loans receivable	311	<b>Retained earnings</b>	<b>20,121</b>
Distressed receivables	35	Legal retained earnings	906
Long-term prepaid expenses	18	Other retained earnings	19,215
Membership	29	Reserve for tax purpose reduction entry of non-current assets	162
Prepaid pension costs	860	General reserve	16,407
Other	145	Retained earnings brought forward	2,646
Allowance for doubtful accounts	(79)	<b>Treasury shares</b>	<b>(2,907)</b>
		<b>Valuation and translation adjustments</b>	<b>2,431</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>1,545</b>
		<b>Revaluation reserve for land</b>	<b>886</b>
		<b>Total net assets</b>	<b>33,157</b>
<b>Total assets</b>	<b>¥ 67,241</b>	<b>Total liabilities and net assets</b>	<b>¥ 67,241</b>

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

## Statement of Income

( From April 1, 2025  
to March 31, 2026 )

	Amount	
	Millions of yen	
<b>Net sales</b>		
Net sales of completed construction contracts	¥ 59,358	
Net sales of finished goods	21,491	
Other operating revenue	4,890	<b>85,740</b>
<b>Cost of sales</b>		
Cost of sales of completed construction contracts	53,355	
Cost of finished goods sold	20,852	
Other costs	2,990	<b>77,198</b>
<b>Gross profit</b>		
Gross profit on completed construction contracts	6,002	
Gross profit - finished goods	639	
Gross profit - other	1,899	<b>8,542</b>
<b>Selling, general and administrative expenses</b>		<b>5,806</b>
<b>Operating profit</b>		<b>2,735</b>
<b>Non-operating income</b>		
Interest income	15	
Dividend income	902	
Other	59	<b>977</b>
<b>Non-operating expenses</b>		
Interest expenses	128	
Financial commission	12	
Litigation expenses	1	
Commission expenses	2	
Other	13	<b>158</b>
<b>Ordinary profit</b>		<b>3,554</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	11	
Gain on sale of investment securities	120	
Compensation income	42	<b>174</b>
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	0	
Loss on retirement of non-current assets	15	
Impairment losses	681	<b>696</b>
<b>Profit before income taxes</b>		<b>3,032</b>
Income taxes - current		751
Income taxes for prior periods		173
Income taxes - deferred		(26)
<b>Profit</b>		<b>¥ 2,134</b>

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

## Statement of Changes in Equity

( From April 1, 2025  
to March 31, 2026 )

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	¥7,584	¥5,619	¥73	¥5,693	¥906	¥167	¥19,407	¥4,047	¥24,528
Changes during period									
Reversal of general reserve							(3,000)	3,000	–
Dividends of surplus								(6,244)	(6,244)
Profit								2,134	2,134
Reversal of reserve for tax purpose reduction entry of non-current assets						(5)		5	–
Reversal of revaluation reserve for land								(296)	(296)
Purchase of treasury shares									
Disposal of treasury shares			233	233					
Net changes in items other than shareholders' equity									
Total changes during period	–	–	233	233	–	(5)	(3,000)	(1,401)	(4,406)
Balance at end of period	¥7,584	¥5,619	¥306	¥5,926	¥906	¥162	¥16,407	¥2,646	¥20,121

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	¥(2,584)	¥35,220	¥1,204	¥589	¥1,794	¥37,015
Changes during period						
Reversal of general reserve						–
Dividends of surplus		(6,244)				(6,244)
Profit		2,134				2,134
Reversal of reserve for tax purpose reduction entry of non-current assets		–				–
Reversal of revaluation reserve for land		(296)				(296)
Purchase of treasury shares	(520)	(520)				(520)
Disposal of treasury shares	197	431				431
Net changes in items other than shareholders' equity			340	296	636	636
Total changes during period	(322)	(4,495)	340	296	636	(3,858)
Balance at end of period	¥(2,907)	¥30,725	¥1,545	¥886	¥2,431	¥33,157

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

## Notes on Non-consolidated Financial Statements

### 1. Notes on Significant Accounting Policies

#### (1) Standards and methods for valuation of securities

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

#### (2) Standards and methods for valuation of inventories

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

#### (3) Depreciation of non-current assets

1. Property, plant and equipment
  - (a) Property, plant and equipment other than leased assets  
    The declining balance method is used, except that the straight line method is used for those buildings (excluding facilities attached to buildings) purchased on April 1, 1998 or thereafter as well as those structures and facilities attached to buildings purchased on April 1, 2016 or thereafter.  
    Estimated useful life of these assets are based on the same standards as for the method stipulated in the Corporation Tax Act.
  - (b) Leased assets  
    Leased assets related to finance leases in which ownership is not transferred  
    The straight line method, considering the lease period as the estimated useful life of leased assets and their residual value as zero, is used.
2. Intangible assets  
    The straight line method is used. The straight line method based on the estimated internal useful life of five years is used for software (for internal use).

#### (4) Standards for recognition of allowances

1. Allowance for doubtful accounts: In order to prepare for credit loss on receivables, the collectability of normal receivables is estimated by applying the historical overall credit loss rates; the collectability of doubtful receivables is analyzed individually, and estimated uncollectible amount is recorded.
2. Provision for warranties for completed construction: In order to prepare for loss on compensation for defects in completed contracts, reserves are provided by the amount obtained by multiplying the amount of completed contracts by the compensation rate for the completed contracts during the preceding three fiscal years, adding any specific amounts expected for future compensation.
3. Provision for loss on construction contracts: In order to prepare for future loss on construction contracts, expected loss is incurred for those contracts uncompleted during the fiscal year under review that are expected to suffer a loss and for which the amount of the loss can be reasonably estimated.
4. Provision for retirement benefits: In order to prepare for the payment of retirement benefits to employees, the Company has recorded the amounts of the provision based on the expected amount of retirement benefit obligations and pension assets at the end of the fiscal year under review.  
    And, in order to prepare for the payment of retirement benefits to re-employees, the simplified method, which assumes retirement benefit obligation to be equal to the benefits payable assuming voluntary retirement at the closing date, is applied to calculate the reserve for retirement benefits and retirement benefit costs.
  - (a) Period attribution method for the expected amount of retirement benefits  
    In calculating retirement benefit obligations, the Company uses the benefit formula to allocate the projected retirement benefits to the period that closes at the end of the fiscal year under review.
  - (b) Accounting of actuarial differences and prior service costs  
    Actuarial differences are recognized as expenses in the fiscal year following fiscal year in which they arise, using the straight line method over 10 years, a period less than the average of the estimated remaining service lives.  
    Prior service costs are recognized as expenses in the fiscal year in which they arise, using the straight line method over 10 years, a period less than the average of the estimated remaining service lives.  
    If pension assets that should be recognized during the fiscal year under review exceed the amount obtained by deducting actuarial differences, etc. from retirement benefit obligations, the Company considers the assets as prepaid pension costs and reports them as part of investments and other assets.  
    The accounting of unrecognized actuarial differences related to retirement benefits and unrecognized prior service costs is different from that of such differences and costs in consolidated financial statements.

(5) Standards for recognition of significant revenue and costs

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

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

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

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

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

(7) Accounting of consumption taxes

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

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

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

## 2. Changes in presentation

Since the amount of “income taxes for prior periods,” which was included in “income taxes - current” (2 million yen for the preceding fiscal year) on the non-consolidated statement of income, became material in terms of amount, it is presented as “income taxes for prior periods” from the fiscal year under review (173 million yen for the fiscal year ended March 31, 2026).

## 3. Notes on accounting estimates

### (1) Provision for loss on construction contracts

1. Amount recorded in financial statements for the fiscal year under review  
12 million yen
2. Information about the content of significant accounting estimates about the identified subject  
Description is omitted since the same information is disclosed in Notes on Consolidated Financial Statements.

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

1. Amount recorded in financial statements for the fiscal year under review  
8,873 million yen
2. Information about the content of significant accounting estimates about the identified subject  
Description is omitted since the same information is disclosed in Notes on Consolidated Financial Statements.

## 4. Notes on the Balance Sheet

- (1) Accumulated depreciation for property, plant and equipment 31,039 million yen
- (2) Receivables from and payables to subsidiaries and associates  
Short-term receivables 506 million yen Short-term payables 10,540 million yen  
Long-term receivables 46 million yen
- (3) Guarantee obligations  
Guarantee obligations for commercial transactions 1,122 million yen
- (4) Pursuant to the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998) and the Act to Revise Part of the Act on Revaluation of Land (Act No. 24 promulgated on March 31, 1999), land used for the Company’s business operations was revalued. The effect in terms of income tax of the differences between the book value and the revalued amount has been presented under liabilities as “deferred tax liabilities for land revaluation” and the remaining balance has been presented under net assets as “revaluation reserve for land” in the balance sheet.  
Revaluation method  
Land is revalued by making reasonable adjustments on the assessed value of fixed assets (prices registered with the land tax ledger stipulated in Article 341, Item 10 of the Local Tax Act or the supplementary land tax ledger stipulated in Item 11).  
Date of revaluation March 31, 2002

## 5. Notes on the Statement of Income

Transactions with subsidiaries and associates	
Operating transactions	
Net sales	1,947 million yen
Purchases	9,527 million yen
Non-operating transactions	81 million yen

## 6. Notes on the Statement of Changes in Equity

Types and number of treasury shares at the end of the fiscal year under review	
Common stock	4,187,142 shares

## 7. Notes on tax effect accounting

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

(Deferred tax assets)	
Allowance for doubtful accounts	31 million yen
Accrued bonuses	360 million yen
Accrued business tax	30 million yen
Loss on valuation of membership	16 million yen
Loss on valuation of investment securities	294 million yen
Non-current assets	211 million yen
Impairment losses	214 million yen
Provision for loss on construction contracts	3 million yen
Other	279 million yen
<u>Subtotal of deferred tax assets</u>	<u>1,443 million yen</u>
Valuation reserve	(832) million yen
<u>Total deferred tax assets</u>	<u>610 million yen</u>
(Deferred tax liabilities)	
Reserve for tax purpose reduction entry of non-current assets	(74) million yen
Prepaid pension costs	(245) million yen
Valuation difference on available-for-sale securities	(635) million yen
Other	(145) million yen
<u>Total deferred tax liabilities</u>	<u>(1,100) million yen</u>
<u>Net deferred tax liabilities</u>	<u>(490) million yen</u>

(Other)

Deferred tax liabilities for land revaluation 1,032 million yen

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

Effective statutory tax rate	31.5%
(Adjustment)	
Entertainment expenses and other permanently non-deductible items for tax purposes	0.7%
Municipal tax on a per-capita basis	2.5%
Income taxes for prior periods	5.7%
Dividend income and other items which are not taxable permanently	(8.5)%
Valuation allowance amount	4.1%
Tax deduction for experimentation and research expenses	(0.7)%
Tax deduction for tax measure to promote wage increases	(4.0)%
Other	(1.7)%
<u>Corporation tax rates after the application of tax effect accounting</u>	<u>29.6%</u>

## 8. Notes on transactions with related parties

### (1) Transactions with related parties

#### Subsidiaries and associates

Attribute	Names of companies	Percentage of voting rights held (%)	Relationship with related parties	Details of transactions	Amount of transactions (Millions of yen)	Item	Balance at end of period (Millions of yen)
Subsidiary	Sapporo Kyodo Ascon Co., Ltd.	Ownership Direct, 65	Purchase of materials, etc. Interlocking directors	Borrowing of funds	50	Short-term borrowings	1,447
				Interest expenses	11		
	Sapporo Recycle Kotsuzai K.K.	Ownership Direct, 90	Purchase of materials, etc. Interlocking directors	Borrowing of funds	30	Short-term borrowings	762
				Interest expenses	6		
	Maruken Douro Co., Ltd.	Ownership Direct, 100	Purchase of materials, etc. Interlocking directors	Borrowing of funds	250	Short-term borrowings	884
				Interest expenses	6		
	TOA-TONE BORING Co., Ltd.	Ownership Direct, 100	Purchase of materials, etc. Interlocking directors	Borrowing of funds	695	Short-term borrowings	2,536
Interest expenses				9			
ASUKA Inc.	Ownership Direct, 100	Purchase of materials, etc. Interlocking directors	Purchase of materials, etc.	7,001	Accounts payable - trade, etc.	1,050	
			Commercial transaction guarantee	1,122			
Umetsugumi Co., Ltd.	Ownership Direct, 100	Purchase of materials, etc. Interlocking directors	Borrowing of funds	100	Short-term borrowings	903	
			Interest expenses	8			
Aiken Industry Co., Ltd.	Ownership Direct, 100	Purchase of materials, etc. Interlocking directors	Borrowing of funds	(70)	Short-term borrowings	670	
			Interest expenses	5			

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

1. Loan interest rates are reasonably determined considering market interest rates.
2. Terms and conditions of transactions are determined in the same way as for general parties.
3. Based on requests from business partners, the Company has guaranteed accounts payable-trade as required. Additionally, no guarantee fees are paid or received in connection with said debt guarantees.

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

Not applicable

## 9. Notes on Revenue Recognition

Fundamental information to understand revenue

Fundamental information to understand revenue is as described in “(5) Standards for recognition of significant revenue and costs” of “1. Notes on Significant Accounting Policies.”

## 10. Notes on Impairment Losses

As described in “XI. Notes on Impairment Losses” of “Notes on Consolidated Financial Statements.”

## 11. Notes on Information on Amounts per Share

- |                          |            |
|--------------------------|------------|
| (1) Net assets per share | 717.57 yen |
| (2) Earnings per share   | 46.24 yen  |

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

Profit in the Statement of Income	2,134 million yen
Profit relating to common shares	2,134 million yen
Amount not attributable to common shareholders	—
Average number of common shares during the period	46,160 thousand shares

[Supplementary Schedules to the Financial Statements]

Fiscal year                      From April 1, 2025  
(120th term)                      To March 31, 2026

7-3-7 Roppongi, Minato-ku, Tokyo  
TOA ROAD CORPORATION

President                      Kyouichi Morishita

This statement has been prepared in accordance with the provisions of Article 435, Paragraph 2 of the Companies Act and Article 117 of the Corporate Accounting Rules.

Amounts herein are rounded down to the nearest million yen.

Items listed herein

1. Details of property, plant and equipment and intangible assets
2. Details of allowance and provisions
3. Details of selling, general and administrative expenses

1. Details of property, plant and equipment and intangible assets

(Millions of yen)

Category	Types of assets	Book value on April 1, 2025	Increase	Decrease	Depreciation or amortization	Book value on March 31, 2026	Accumulated depreciation or amortization	Acquisition cost on March 31, 2026
Property, plant and equipment	Buildings and structures	¥ 4,239	¥ 191	¥ 274 (273)	¥ 294	¥ 3,862	¥ 7,605	¥ 11,468
	Machinery, equipment, and vehicles	2,775	869	48 (44)	1,071	2,525	21,179	23,705
	Tools, furniture, and fixtures	264	157	8 (7)	143	270	2,112	2,382
	Land	12,185	—	357 (355)	—	11,827	—	11,827
	Leased assets	218	58	—	66	210	141	352
	Other	22	117	87	—	52	—	52
	Total	¥ 19,706	¥ 1,394	¥ 776 ¥(681)	¥ 1,575	¥ 18,749	¥ 31,039	¥ 49,788
Intangible assets	Software	—	—	—	57	136	138	275
	Telephone subscription right	—	—	—	—	7	—	7
	Other	—	—	—	—	68	—	68
	Total	—	—	—	¥ 57	¥ 212	¥ 138	¥ 351

(Notes)

1. The balance of intangible assets at the beginning of the fiscal year and the increase/decrease in such assets during this period are omitted, because they account for 1% or less of total assets.

2. Breakdown of major increases

Buildings and structures	Nagoya factory	Warehouse	48 million yen
	Shimane sales office	Office building	41 million yen
Machinery, equipment and vehicles	Machine center	Road Stabilizer	74 million yen
	Machine center	Asphalt Paver	40 million yen
	Technical Laboratory	Atomic force microscope	29 million yen
Software	Accounting department	Expense management system	45 million yen

3. The decrease for the current period includes an impairment loss.

2. Details of allowance and provisions

(Millions of yen)

Category	Balance on April 1, 2025	Increase	Decrease		Balance on March 31, 2026
			Used for the intended purpose	Other	
Allowance for doubtful accounts	¥ 99	¥ 101	¥ 2	¥ 98	¥ 101
Provision for warranties for completed construction	27	29	-	27	29
Provision for loss on construction contracts	72	12	1	71	12

(Notes)

1. The decrease in allowance for doubtful accounts during this period (other) consists of reversal due to reevaluation.
2. The decrease in provision for warranties for completed construction during this period (other) consists of reversal due to reevaluation.
3. The decrease in provision for loss on construction contracts during this period (other) consists of reversal due to reevaluation.

### 3. Details of selling, general and administrative expenses

Item	Amount	Remarks
	Millions of yen	
Remuneration for directors (and other officers)	¥ 201	
Consulting expenses	89	
Employees' salaries and allowances	2,950	
Retirement benefits expenses	23	
Retirement payments	119	
Legal welfare expenses	477	
Welfare expenses	102	
Repair expenses	26	
Stationery expenses	426	
Communication and transportation expenses	345	
Power utilities expenses	32	
Advertising expenses	71	
Provision of allowance for doubtful accounts	18	
Loss on Doubtful Accounts	1	
Entertainment expenses	73	*
Donations	11	*
Rents expenses on land buildings	147	
Depreciation	155	
Taxes and dues	371	
Miscellaneous expenses	161	
Total	¥ 5,806	

(Notes)

The economic benefits provided by the Company free of charge (including the provision of economic benefits whose reciprocal benefits are extremely small) are included in the above items marked with an asterisk.



(Translation)

**INDEPENDENT AUDITOR'S REPORT**

May 22, 2026

To the Board of Directors of TOA ROAD CORPORATION

Gyosei & Co.

Tokyo office

Designated Engagement Partner,

Certified Public Accountant:

Taketsugu Haruta

Designated Engagement Partner,

Certified Public Accountant:

Yasuaki Takemoto

**Opinion**

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of TOA ROAD CORPORATION (“the Company”) and its consolidated subsidiaries (“the Group”), namely, the consolidated balance sheet, the consolidated statement of income, consolidated statement of changes in equity, and notes on consolidated financial statements applicable to the consolidated fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2026, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in



accordance with the provisions of the Code of Professional Ethics in Japan (including provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the information included in the business report and the accompanying supplementary schedules to the business report. Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.



Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation,



structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

- This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the readers.
- "Other Information" referred to in this report are not fully included in the attached financial documents, since the Company translated only part of "Other Information" into English.



(Translation)

**INDEPENDENT AUDITOR'S REPORT**

May 22, 2026

To the Board of Directors of TOA ROAD CORPORATION

Gyosei & Co.

Tokyo office

Designated Engagement Partner,

Certified Public Accountant:

Taketsugu Haruta

Designated Engagement Partner,

Certified Public Accountant:

Yasuaki Takemoto

**Opinion**

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of TOA ROAD CORPORATION (“the Company”), namely, the non-consolidated balance sheet, the non-consolidated statement of income, non-consolidated statement of changes in equity, notes on non-consolidated financial statements and the accompanying supplementary schedules to the financial statements applicable to the 120th fiscal year from April 1, 2025 to March 31, 2026.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in



accordance with the provisions of the Code of Professional Ethics in Japan(including provisions applicable to audits of financial statements of public interest entities), and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the information included in the business report and the accompanying supplemental schedules to the business report. Management is responsible for the other information.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the



Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board



regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor's Report

- This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the readers.
- "The accompanying supplementary schedules to the financial statements" referred to in this report are not included in the attached financial documents.
- " Other Information" referred to in this report are not fully included in the attached financial documents, since the Company translated only part of "Other Information" into English .