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May 9, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)



Company name: TOA ROAD CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 1882
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 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled date to file annual securities report: June 26, 2025
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-----------------|-------|------------------|-------|-----------------|-------|---|------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 126,575 | 7.2 | 5,015 | (8.4) | 5,206 | (8.8) | 4,127 | 8.8 |
| March 31, 2024 | 118,060 | (0.6) | 5,473 | 15.6 | 5,707 | 15.1 | 3,793 | 20.0 |

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥3,515 million [(29.6)%]
 For the fiscal year ended March 31, 2024: ¥4,995 million [53.8%]

| | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|--|--|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2025 | 89.22 | - | 7.5 | 5.7 | 4.0 |
| March 31, 2024 | 79.94 | - | 7.1 | 6.3 | 4.6 |

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥2 million
 For the fiscal year ended March 31, 2024: ¥0 million

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

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 90,721 | 56,931 | 61.1 | 1,197.37 |
| March 31, 2024 | 92,895 | 56,214 | 59.0 | 1,165.65 |

Reference: Equity
 As of March 31, 2025: ¥55,411 million
 As of March 31, 2024: ¥54,786 million

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

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2025 | (1,754) | (1,222) | 1,057 | 12,308 |
| March 31, 2024 | 10,911 | (3,995) | (2,693) | 14,227 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|--|----------------------------|--------------------|-------------------|-----------------|--------|------------------------------|-----------------------------|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended March 31, 2024 | - | 0.00 | - | 210.00 | 210.00 | 1,974 | 52.5 | 3.7 |
| Fiscal year ended March 31, 2025 | - | 0.00 | - | 90.00 | 90.00 | 4,165 | 100.9 | 7.6 |
| Fiscal year ending March 31, 2026 (Forecast) | - | 45.00 | - | 45.00 | 90.00 | | 101.6 | |

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

The forecast of the second quarter-end dividend for the fiscal year ending March 31, 2026 is subject to the approval of a proposal to amend the Articles of Incorporation relating to introducing an interim dividend system at the 119th Annual General Meeting of Shareholders to be held on June 27, 2025.

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

(Percentages indicate year-on-year changes.)

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

*** Notes**

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

Newly included: - companies (Company name)

Excluded: - companies (Company name)

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(Note) For details, please refer to “3. Consolidated Financial Statements and Principal Notes, (5) Notes to Consolidated Financial Statements (Changes in accounting policies)” on page 13 of Attachments.

(3) Number of issued shares (common shares)

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

| | |
|----------------------|-------------------|
| As of March 31, 2025 | 50,394,730 shares |
| As of March 31, 2024 | 52,200,230 shares |

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

| | |
|----------------------|------------------|
| As of March 31, 2025 | 4,116,599 shares |
| As of March 31, 2024 | 5,199,315 shares |

(iii) Average number of shares outstanding during the period

| | |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2025 | 46,256,661 shares |
| Fiscal year ended March 31, 2024 | 47,455,575 shares |

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

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

| Fiscal year ended | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-------------------|-----------------|-------|------------------|-------|-----------------|------|-----------------|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 89,874 | 9.4 | 1,863 | 0.7 | 2,811 | 12.6 | 2,935 | 49.7 |
| March 31, 2024 | 82,132 | (1.5) | 1,849 | (7.4) | 2,497 | 7.0 | 1,961 | 22.1 |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| | Yen | Yen |
| March 31, 2025 | 63.47 | - |
| March 31, 2024 | 41.33 | - |

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

(2) Non-consolidated financial position

| As of | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 71,641 | 37,015 | 51.7 | 799.85 |
| March 31, 2024 | 72,306 | 37,452 | 51.8 | 796.84 |

Reference: Equity

As of March 31, 2025: ¥37,015 million

As of March 31, 2024: ¥37,452 million

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

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

* Proper use of earnings forecasts and other special matters

- Financial results forecasts and other forward-looking statements contained herein are based on information that is currently available and certain assumptions that the Company deemed to be reasonable, and the Company does not guarantee their achievement. Actual results may differ significantly due to various factors.
- The Company plans to hold a financial results briefing session for institutional investors and analysts on Wednesday, May 28, 2025. The video of the session and the presentation materials used on the day will be posted on the Company's website promptly after the event.

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1. Overview of Operating Results, etc.

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

In the fiscal year under review, the Japanese economy remained on a gradual recovery trend, backed by increasing demand from foreign visitors to Japan amid improvements in employment and income environment. However, the economic outlook remains uncertain due to ongoing rising prices and concern over impact of the U.S. tariff policies.

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

Under these circumstances, the Group promoted initiatives under the medium-term management plan (for the period from FY2024 to FY2026) to enhance the collective strength of the Group as a whole.

As a result, for the fiscal year under review, the orders received amounted to ¥119,642 million (down 3.5% year on year) and net sales were ¥126,575 million (up 7.2% year on year).

With regard to profit or loss, operating profit was ¥5,015 million (down 8.4% year on year), ordinary profit was ¥5,206 million (down 8.8% year on year). Profit attributable to owners of parent was ¥4,127 million (up 8.8% year on year).

The operating results by segment are as follows.

1) Construction

The orders received for the fiscal year under review amounted to ¥70,468 million (down 7.5% year on year). Net sales of completed construction contracts were ¥77,401 million (up 10.2% year on year) and the balance of orders carried forward was ¥28,057 million (down 19.8% year on year). With regard to profit, segment profit was ¥3,816 million (up 10.1% year on year).

Major construction orders received

| Client | Construction Project Name | Place (Prefecture) |
|---|--|----------------------------------|
| Central Nippon Expressway Company Limited | Pavement repair work for Hokuriku Expressway (special renewal work, etc.) in the Kanazawa administrative area (FY2024) operated by Joint Venture for Special Construction Work | Ishikawa |
| TOYOTA T&S CONSTRUCTION CO., LTD. | New logistics transit base construction work for TOYOTA BOSHOKU CORPORATION | Aichi |
| West Nippon Expressway Maintenance Kansai Company Limited | FY2025 Maintenance work in Kobe district | Hyogo |
| HASEKO Corporation | Wakamatsu 2-chome house rebuilding development work | Chiba |
| Miyaki Town | Multi-purpose artificial turf ground and retention basin development project in Miyaki Town | Saga |
| Japan International Cooperation Agency | Project for the Reconstruction of the Chao Anouvong Stadium | Lao People's Democratic Republic |

Major completed construction contracts

| Client | Construction Project Name | Place (Prefecture) |
|--|--|--------------------|
| Ministry of Land, Infrastructure, Transport and Tourism (ports and airports) | FY2023 Extension and construction of the runway in Fukuoka Airport (Second round) | Fukuoka |
| KCA | New attraction (torrent) project of Tokyo Summerland | Tokyo |
| West Nippon Expressway Maintenance Kansai Company Limited | FY2024 Maintenance work in Kobe district | Hyogo |
| Tokyo Prefecture | Heat exchange facility removal work at a former sludge treatment plant of Sunamachi Water Reclamation Center | Tokyo |
| Ministry of Land, Infrastructure, Transport and Tourism | FY2023 Pavement work for Route 23 Gamagori BP Kanenohigashi | Aichi |
| HASEKO Corporation | New construction of Tamagawa Housing HO Building Condominium Reconstruction Project (one zone sidewalk construction work) (tentative name) | Tokyo |

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

Net sales for the fiscal year under review were ¥49,173 million (up 2.8% year on year). With regard to profit, segment profit was ¥3,464 million (down 16.8% year on year).

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

1) Assets

Total current assets amounted to ¥60,001 million, decreasing by 2.5% from the end of the preceding fiscal year. This was due mainly to a decrease of ¥1,919 million in cash and deposits, a decrease of ¥720 million in electronically recorded monetary claims - operating, a decrease of ¥937 million in costs on construction contracts in progress, and an increase of ¥1,297 million in notes receivable, accounts receivable from completed construction contracts and other.

Total non-current assets amounted to ¥30,720 million, decreasing by 1.9% from the end of the preceding fiscal year. This was due mainly to a decrease of ¥1,349 million in investment securities and an increase of ¥622 million in property, plant and equipment.

As a result, total assets amounted to ¥90,721 million, decreasing by 2.3% from the end of the preceding fiscal year.

2) Liabilities

Total current liabilities amounted to ¥30,401 million, decreasing by 6.4% from the end of the preceding fiscal year. This was due mainly to a decrease of ¥7,187 million in notes payable, accounts payable for construction contracts and other and an increase of ¥4,850 million in short-term borrowings.

Total non-current liabilities amounted to ¥3,389 million, decreasing by 19.2% from the end of the preceding fiscal year. This was due mainly to a decrease of ¥450 million in long-term borrowings.

As a result, total liabilities amounted to ¥33,790 million, decreasing by 7.9% from the end of the preceding fiscal year.

3) Net assets

Total net assets amounted to ¥56,931 million, increasing by 1.3% from the end of the preceding fiscal year. This was due mainly to an increase of ¥2,181 million in retained earnings due to profit attributable to owners of parent.

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

Cash and cash equivalents (hereinafter referred to as “cash flow”) at the end of the fiscal year under review totaled ¥12,308 million, decreasing by ¥1,919 million from the end of the preceding fiscal year.

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

1) Cash Flows from Operating Activities

Cash flows from operating activities resulted in a net outflow of ¥1,754 million (a net inflow of ¥10,911 million in the preceding fiscal year). Major components included profit before income taxes of ¥6,256 million, depreciation of ¥2,287 million, income taxes paid of ¥1,851 million, gain on sale of investment securities of ¥673 million, and a decrease in trade payables of ¥7,275 million.

2) Cash Flows from Investing Activities

Cash flows from investing activities resulted in a net outflow of ¥1,222 million (a net outflow of ¥3,995 million in the preceding fiscal year). Major components included the purchase of property, plant and equipment of ¥2,615 million and proceeds from sale of investment securities of ¥1,056 million.

3) Cash Flows from Financing Activities

Cash flows from financing activities resulted in a net inflow of ¥1,057 million (a net outflow of ¥2,693 million in the preceding fiscal year). Major components included a net increase in short-term borrowings of ¥5,000 million, a purchase of treasury shares of ¥1,175 million, and dividends paid of ¥1,974 million.

(4) Future Outlook

Regarding the economic environment going forward, a slowdown of global economy is a concern amid increasing uncertainty due to the implementation of high tariff policies of the U.S. administration. In the private-sector demand, companies are expected to suppress capital investments and it is necessary to monitor the impact of forex fluctuations and geopolitical risks on energy and material prices as well as procurement costs. As these conditions continue, the Group expects the environment surrounding the Group to remain challenging amid continuously intensifying competition among companies for contracts.

Against this backdrop, the Group has developed “TOA RODO Sustainable Plan 2026” underpinned by two pillars of “shift to CSR-oriented management” and “establishment of a foundation for sustainable growth” in May 2024 and is implementing the plan toward realizing our long-term vision “Refine the TOA Style to be the Only One Company always chosen by the society” targeting for 2030 which marks the 100th anniversary of the Group. The progress of the medium-term management plan is as follows:

With a recognition that the 2024 problem (new overtime regulations enforcing an overtime cap for truck drivers came into effect), which was an urgent issue, is an opportunity for transformation, as our Construction division is working to improve operational efficiency and reducing labor by introducing DX toward appropriate management of working hours, securing human resources, providing education and development support for employees, improving work environments, increasing employee engagement, and diversifying work styles. In addition, on the back of uncertainty, the division aims to establish a sustainable growth foundation by focusing on expansion of its business areas such as strengthen the PPP, overseas business, and sport facility business.

The Asphalt Product Business division is making efforts to expand its market such as a rollout of new materials for other industries, while making investments in power supply back-up systems and other equipment as part of BCP. In addition, the division is working to shift to and introduce environmentally-friendly production equipment, as well as saving labor and improving quality and safety by introducing DX to plant equipment including in our supply chains.

Regarding technology development (R&D strategies), the Group is currently developing a management system that introduces state-of-the-art digital technology into the survey method, aiming for optimum operations of road assets, while making efforts, regarding pavement, to develop technologies to extend

payment life and technique to advance preventive maintenance toward realizing a low-carbon society and looking ahead to an aging society with fewer children. In addition, the Group is taking on innovation such as technologies for road surface solar power generation and wireless EV charging, aiming to seek new opportunities of the future pavement as a pavement company.

The Company entered the second year of this medium-term management plan. Since its development, the external environment has been changing in a diverse way. However, in order to establish a sustainable growth foundation and become a company that will always be chosen by the society, the Group will address the remaining issues, aiming to achieve the 100th anniversary vision.

By considering the steady implementation of measures based on these policies, the Group formulated the financial results forecasts for the year ending March 31, 2026 as follows: net sales of ¥127,000 million, operating profit of ¥6,500 million, ordinary profit of ¥6,600 million, and profit attributable to owners of parent of ¥4,100 million.

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

Not applicable.

2. Basic Policy on Selection of Accounting Standards

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

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 14,227 | 12,308 |
| Notes receivable, accounts receivable from completed construction contracts and other | 35,934 | 37,232 |
| Electronically recorded monetary claims - operating | 3,296 | 2,575 |
| Costs on construction contracts in progress | 2,201 | 1,263 |
| Merchandise and finished goods | 1,125 | 974 |
| Work in process | 447 | 619 |
| Raw materials and supplies | 1,668 | 1,696 |
| Other | 2,739 | 3,420 |
| Allowance for doubtful accounts | (73) | (89) |
| Total current assets | 61,566 | 60,001 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 13,941 | 14,283 |
| Machinery, equipment and vehicles | 28,438 | 30,059 |
| Land | 13,764 | 13,793 |
| Leased assets | 1,291 | 1,477 |
| Construction in progress | 150 | 58 |
| Other | 2,653 | 2,769 |
| Accumulated depreciation | (37,155) | (38,734) |
| Total property, plant and equipment | 23,085 | 23,707 |
| Intangible assets | 281 | 321 |
| Investments and other assets | | |
| Investment securities | 5,437 | 4,087 |
| Long-term loans receivable | 317 | 330 |
| Retirement benefit asset | 1,612 | 1,685 |
| Deferred tax assets | 381 | 367 |
| Other | 328 | 300 |
| Allowance for doubtful accounts | (113) | (80) |
| Total investments and other assets | 7,962 | 6,691 |
| Total non-current assets | 31,329 | 30,720 |
| Total assets | 92,895 | 90,721 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 21,176 | 13,988 |
| Electronically recorded obligations - operating | 3,916 | 3,687 |
| Short-term borrowings | 600 | 5,450 |
| Income taxes payable | 1,112 | 1,506 |
| Advances received on construction contracts in progress | 1,044 | 969 |
| Provision for warranties for completed construction | 24 | 28 |
| Provision for loss on construction contracts | 169 | 114 |
| Other | 4,444 | 4,657 |
| Total current liabilities | 32,487 | 30,401 |
| Non-current liabilities | | |
| Long-term borrowings | 900 | 450 |
| Deferred tax liabilities | 1,105 | 713 |
| Deferred tax liabilities for land revaluation | 1,041 | 1,059 |
| Retirement benefit liability | 439 | 459 |
| Asset retirement obligations | 55 | 55 |
| Other | 650 | 649 |
| Total non-current liabilities | 4,193 | 3,389 |
| Total liabilities | 36,680 | 33,790 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 7,584 | 7,584 |
| Capital surplus | 7,258 | 6,419 |
| Retained earnings | 38,809 | 40,991 |
| Treasury shares | (2,620) | (2,584) |
| Total shareholders' equity | 51,032 | 52,410 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,437 | 1,792 |
| Revaluation reserve for land | 648 | 589 |
| Remeasurements of defined benefit plans | 667 | 619 |
| Total accumulated other comprehensive income | 3,753 | 3,001 |
| Non-controlling interests | 1,428 | 1,519 |
| Total net assets | 56,214 | 56,931 |
| Total liabilities and net assets | 92,895 | 90,721 |

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

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Net sales | 118,060 | 126,575 |
| Cost of sales | 104,576 | 113,087 |
| Gross profit | 13,483 | 13,487 |
| Selling, general and administrative expenses | 8,009 | 8,472 |
| Operating profit | 5,473 | 5,015 |
| Non-operating income | | |
| Interest income | 5 | 8 |
| Dividend income | 178 | 212 |
| Reversal of allowance for doubtful accounts | 35 | 17 |
| Other | 98 | 92 |
| Total non-operating income | 317 | 331 |
| Non-operating expenses | | |
| Interest expenses | 13 | 26 |
| Financial commission | 15 | 41 |
| Litigation expenses | 29 | 18 |
| Commission expenses | 12 | 1 |
| Loss on valuation of investment securities | — | 30 |
| Other | 12 | 22 |
| Total non-operating expenses | 83 | 140 |
| Ordinary profit | 5,707 | 5,206 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 47 | 497 |
| Gain on sale of investment securities | 3 | 673 |
| Other | 2 | — |
| Total extraordinary income | 54 | 1,170 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 0 | 1 |
| Loss on retirement of non-current assets | 77 | 116 |
| Impairment losses | 0 | 0 |
| Other | 2 | 2 |
| Total extraordinary losses | 81 | 120 |
| Profit before income taxes | 5,680 | 6,256 |
| Income taxes - current | 1,889 | 2,068 |
| Income taxes - deferred | (102) | (80) |
| Total income taxes | 1,787 | 1,988 |
| Profit | 3,893 | 4,267 |
| Profit attributable to non-controlling interests | 100 | 140 |
| Profit attributable to owners of parent | 3,793 | 4,127 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Profit | 3,893 | 4,267 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 632 | (645) |
| Revaluation reserve for land | — | (58) |
| Remeasurements of defined benefit plans, net of tax | 469 | (48) |
| Total other comprehensive income | 1,102 | (752) |
| Comprehensive income | 4,995 | 3,515 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 4,895 | 3,374 |
| Comprehensive income attributable to non-controlling interests | 100 | 140 |

(3) Consolidated Statements of Changes in Equity

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

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 7,584 | 7,105 | 35,722 | (1,724) | 48,688 |
| Cumulative effects of changes in accounting policies | | | 139 | | 139 |
| Restated balance | 7,584 | 7,105 | 35,861 | (1,724) | 48,827 |
| Changes during period | | | | | |
| Change in scope of consolidation | | (5) | 5 | | - |
| Dividends of surplus | | | (855) | | (855) |
| Profit attributable to owners of parent | | | 3,793 | | 3,793 |
| Revaluation reserve for land | | | 4 | | 4 |
| Purchase of treasury shares | | | | (1,002) | (1,002) |
| Disposal of treasury shares | | 158 | | 106 | 264 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | 153 | 2,947 | (896) | 2,205 |
| Balance at end of period | 7,584 | 7,258 | 38,809 | (2,620) | 51,032 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|---|------------------------------|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Revaluation reserve for land | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 1,805 | 652 | 198 | 2,656 | 1,366 | 52,711 |
| Cumulative effects of changes in accounting policies | | | | | | 139 |
| Restated balance | 1,805 | 652 | 198 | 2,656 | 1,366 | 52,850 |
| Changes during period | | | | | | |
| Change in scope of consolidation | | | | | | - |
| Dividends of surplus | | | | | | (855) |
| Profit attributable to owners of parent | | | | | | 3,793 |
| Revaluation reserve for land | | | | | | 4 |
| Purchase of treasury shares | | | | | | (1,002) |
| Disposal of treasury shares | | | | | | 264 |
| Net changes in items other than shareholders' equity | 632 | (4) | 469 | 1,097 | 61 | 1,158 |
| Total changes during period | 632 | (4) | 469 | 1,097 | 61 | 3,363 |
| Balance at end of period | 2,437 | 648 | 667 | 3,753 | 1,428 | 56,214 |

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

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

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

(4) Consolidated Statements of Cash Flows

(Millions of yen)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 5,680 | 6,256 |
| Depreciation | 2,194 | 2,287 |
| Increase (decrease) in allowance for doubtful accounts | (48) | (17) |
| Impairment losses | 0 | 0 |
| Increase (decrease) in provision for loss on construction contracts | (21) | (54) |
| Increase (decrease) for retirement benefits asset liability | 748 | 53 |
| Loss on retirement of non-current assets | 77 | 116 |
| Interest and dividend income | (183) | (221) |
| Interest expenses | 13 | 26 |
| Share of loss (profit) of entities accounted for using equity method | (0) | (2) |
| Loss (gain) on sale of non-current assets | (46) | (495) |
| Decrease (increase) in trade receivables | 2,674 | (577) |
| Decrease (increase) in costs on construction contracts in progress | (358) | 937 |
| Decrease (increase) in inventories | (424) | (49) |
| Increase (decrease) in trade payables | 1,946 | (7,275) |
| Loss (gain) on sale of investment securities | (3) | (673) |
| Loss (gain) on valuation of investment securities | - | 30 |
| Increase (decrease) in accrued consumption taxes | (279) | 282 |
| Increase (decrease) in advances received on construction contracts in progress | (355) | (74) |
| Other, net | 889 | (604) |
| Subtotal | 12,504 | (56) |
| Interest and dividends received | 183 | 221 |
| Interest paid | (13) | (67) |
| Income taxes paid | (1,762) | (1,851) |
| Net cash provided by (used in) operating activities | 10,911 | (1,754) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (4,085) | (2,615) |
| Proceeds from sale of property, plant and equipment | 141 | 556 |
| Purchase of investment securities | (7) | (6) |
| Proceeds from sale of investment securities | 14 | 1,056 |
| Loan advances | (36) | (117) |
| Proceeds from collection of loans receivable | 101 | 14 |
| Purchase of intangible assets | (44) | (103) |
| Other, net | (77) | (8) |
| Net cash provided by (used in) investing activities | (3,995) | (1,222) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (1,488) | 5,000 |
| Proceeds from long-term borrowings | 1,350 | - |
| Repayments of long-term borrowings | (548) | (600) |
| Purchase of treasury shares | (1,002) | (1,175) |
| Dividends paid | (855) | (1,974) |
| Dividends paid to non-controlling interests | (29) | (35) |
| Other, net | (120) | (157) |
| Net cash provided by (used in) financing activities | (2,693) | 1,057 |
| Net increase (decrease) in cash and cash equivalents | 4,222 | (1,919) |
| Cash and cash equivalents at beginning of period | 10,004 | 14,227 |
| Cash and cash equivalents at end of period | 14,227 | 12,308 |

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policy)

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

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

In addition, regarding the amendment related to the accounting treatment for consolidated financial statements when gain or loss on sale of shares in subsidiaries, etc. between consolidated companies is deferred for tax purposes, the Company has applied “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022) since the beginning of the fiscal year under review. This change in the accounting policy is applied retrospectively and consolidated financial statements for the preceding fiscal year reflect this retrospective application. As a result, compared with those before retrospective application, “deferred tax liabilities” for the preceding fiscal year decreased by ¥139 million and “retained earnings” as of the beginning increased by ¥139 million.

In per share information, the amount of “net assets per share” increased ¥2.97.

(Accounting standards, etc. not applied)

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

1. Overview

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

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

2. Scheduled date of application

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

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

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

(Changes in presentation)

Since the amount of “gain on sale of investment securities” which was included in “other” under “extraordinary income” in the consolidated statements of income in the preceding fiscal year, became material in terms of amount, it is separately presented as an independent account starting from the fiscal year under review. To reflect this change in presentation, certain reclassifications have been made to the consolidated statements of income for the preceding fiscal year.

As a result, the amount presented in “other” under “extraordinary income” in the consolidated statements of income for the preceding fiscal year of ¥6 million has been reclassified into the amount of “gain on sale of investment securities” of ¥3 million and the amount of “other” of ¥2 million.

(Segment information)

1. Overview of reportable segments

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

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

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

and Other.”

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

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

Profit figures for reportable segments are based on operating profit.

3. Information on the amounts of net sales, profit (loss), assets, liabilities, and other items by reportable segment
For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

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

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

(Millions of yen)

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

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

(Millions of yen)

| Net sales | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--|---|---|
| Reportable segments total | 119,029 | 127,475 |
| Elimination of inter-segment transactions | (968) | (900) |
| Net sales in the consolidated financial statements | 118,060 | 126,575 |

(Millions of yen)

| Profit | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Reportable segments total | 7,631 | 7,281 |
| Elimination of inter-segment transactions | 38 | 42 |
| Corporate expenses (Note) | (2,195) | (2,308) |
| Operating profit in the consolidated financial statements | 5,473 | 5,015 |

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

(Millions of yen)

| Assets | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Reportable segments total | 90,792 | 90,333 |
| Elimination of inter-segment receivables | (8,653) | (8,955) |
| Corporate assets (Note) | 10,756 | 9,343 |
| Total assets in the consolidated financial statements | 92,895 | 90,721 |

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

(Millions of yen)

| | Reportable segments total | | Adjustment | | Amount recorded in the consolidated financial statements | |
|---|---|---|---|---|--|---|
| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
| Depreciation | 1,952 | 2,125 | 241 | 162 | 2,194 | 2,287 |
| Increase in property, plant and equipment and intangible assets | 3,887 | 2,912 | 108 | 133 | 3,996 | 3,046 |

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

(Per share information)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|--------------------------|---|---|
| Net assets per share | ¥1,165.65 | ¥1,197.37 |
| Basic earnings per share | ¥79.94 | ¥89.22 |

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

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

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Total amount of net assets in the consolidated balance sheets (Millions of yen) | 56,214 | 56,931 |
| Amount of net assets relating to common shares (Millions of yen) | 54,786 | 55,411 |
| Major component of the difference (Millions of yen) | | |
| Non-controlling interests | 1,428 | 1,519 |
| Number common shares issued (Thousand shares) | 52,200 | 50,394 |
| Number of common shares that are treasury shares (Thousand shares) | 5,199 | 4,116 |
| Number of common shares used in the calculation of net assets per share (Thousand shares) | 47,000 | 46,278 |

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

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|---|---|---|
| Profit attributable to owners of parent (Millions of yen) | 3,793 | 4,127 |
| Amount not attributable to common shareholders (Millions of yen) | - | - |
| Profit attributable to owners of parent relating to common shares (Millions of yen) | 3,793 | 4,127 |
| Average number of common shares outstanding during the period (Thousand shares) | 47,455 | 46,256 |

(Significant subsequent events)

Not applicable.

4. Others

Overview of Production, Orders Received and Sales

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

| Category | | | For the fiscal year ended March 31, 2024 | | For the fiscal year ended March 31, 2025 | |
|-----------------------------------|---|-----------------------|--|--------------------|--|--------------------|
| | | | Amount (Millions of yen) | Composition (%) | Amount (Millions of yen) | Composition (%) |
| Balance of orders brought forward | Construction | Pavement construction | 17,286 | 59.5 | 21,667 | 61.9 |
| | | Civil engineering | 11,772 | 40.5 | 13,322 | 38.1 |
| | | Total | 29,059 | 100.0 | 34,990 | 100.0 |
| | Asphalt Products, Environment and Other | | - | - | - | - |
| | Total | | 29,059 | 100.0 | 34,990 | 100.0 |
| Orders received | Construction | Pavement construction | 59,034 | 47.6 | 57,809 | 48.3 |
| | | Civil engineering | 17,143 | 13.8 | 12,659 | 10.6 |
| | | Total | 76,178 | 61.4 | 70,468 | 58.9 |
| | Asphalt Products, Environment and Other | | 47,813 | 38.6 | 49,173 | 41.1 |
| | Total | | 123,991 | 100.0 | 119,642 | 100.0 |
| Net sales | Construction | Pavement construction | 54,653 | 46.3 | 59,757 | 47.2 |
| | | Civil engineering | 15,593 | 13.2 | 17,644 | 13.9 |
| | | Total | 70,247 | 59.5 | 77,401 | 61.2 |
| | Asphalt Products, Environment and Other | | 47,813 | 40.5 | 49,173 | 38.8 |
| | Total | | 118,060 | 100.0 | 126,575 | 100.0 |
| Balance of orders carried forward | Construction | Pavement construction | 21,667 | 61.9 | 19,720 | 70.3 |
| | | Civil engineering | 13,322 | 38.1 | 8,337 | 29.7 |
| | | Total | 34,990 | 100.0 | 28,057 | 100.0 |
| | Asphalt Products, Environment and Other | | - | - | - | - |
| | Total | | 34,990 | 100.0 | 28,057 | 100.0 |