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May 13, 2024

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

Company name: THE NIPPON ROAD CO., LTD.  
 Listing: Tokyo Stock Exchange Prime Market  
 Securities code: 1884  
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 Scheduled date of annual general meeting of shareholders: June 21, 2024  
 Scheduled date of commencing dividend payments: June 3, 2024  
 Scheduled date of filing annual securities report: June 21, 2024  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: None

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

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

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	160,519	3.3	7,833	37.5	7,994	35.0	5,053	(11.4)
March 31, 2023	155,353	(0.7)	5,695	(30.6)	5,920	(31.0)	5,704	0.6

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥5,769 million [54.1 %]  
 For the fiscal year ended March 31, 2023: ¥3,743 million [(25.3) %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	115.00	—	5.1	5.3	4.9
March 31, 2023	129.80	—	6.0	3.9	3.7

Reference: Equity in earnings (losses) of affiliates For the fiscal year ended March 31, 2024: ¥- million  
 For the fiscal year ended March 31, 2023: ¥- million

Note: The Company conducted a share split at a rate of five shares per share of common shares on October 1, 2023. Basic earnings per share has been calculated assuming this stock split was conducted at the beginning of the previous consolidated fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	149,926	100,214	66.7	2,276.83
March 31, 2023	151,850	96,909	63.7	2,201.95

Reference: Equity  
 As of March 31, 2024: ¥100,051 million  
 As of March 31, 2023: ¥96,762 million

Note: The Company conducted a share split at a rate of five shares per share of common shares on October 1, 2023. Net assets per share has been calculated assuming this stock split was conducted at the beginning of the previous consolidated fiscal year.

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Ending balance of cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	92	(5,204)	536	33,585
March 31, 2023	10,918	307	(3,349)	38,129

### 2. Cash dividends

	Annual dividends per share					Total dividends (total)	Payout ratio (consolidated)	Dividends to net assets ratio (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, 2023	—	—	—	280.00	280.00	2,460	43.1	2.6
Fiscal year ended March 31, 2024	—	—	—	60.00	60.00	2,636	52.2	2.7
Fiscal year ending March 31, 2025 (Forecast)	—	—	—	60.00	60.00		50.7	

- Notes: 1. Breakdown of year-end dividend for the fiscal year ended March 31, 2023
- |                   |            |
|-------------------|------------|
| Ordinary dividend | 180.00 yen |
| Special dividend  | 100.00 yen |
2. The Company conducted a share split at a rate of five shares per share of common shares on October 1, 2023. The amount of annual dividends per share for the fiscal year ended March 31, 2024 takes into consideration the impacts of said share split. The amount of annual dividends per share for the fiscal year ended March 31, 2023 calculated based on the number of shares after the share split is 56 yen.

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	165,000	2.8	8,500	8.5	8,600	7.6	5,200	2.9	118.33

**\* Notes**

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

Newly included: – companies (–)

Excluded: – companies (–)

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

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (3) Number of issued shares (common shares)

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

As of March 31, 2024	43,946,340 shares
As of March 31, 2023	43,946,340 shares

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

As of March 31, 2024	3,105 shares
As of March 31, 2023	2,045 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	43,943,759 shares
Fiscal year ended March 31, 2023	43,945,494 shares

Note: The Company conducted a share split at a rate of five shares per share of common shares on October 1, 2023. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period have been calculated assuming this stock split was conducted at the beginning of the previous consolidated fiscal year.

**(Reference) Summary of Non-Consolidated Financial Results**

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

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	140,116	3.7	5,561	49.6	5,667	45.3	3,611	(18.8)
March 31, 2023	135,142	0.0	3,717	(38.0)	3,901	(37.9)	4,448	6.5

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	82.18	–
March 31, 2023	101.22	–

Note: The Company conducted a share split at a rate of five shares per share of common shares on October 1, 2023. Basic earnings per share has been calculated assuming this stock split was conducted at the beginning of the previous consolidated fiscal year.

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	131,165	82,096	62.6	1,868.24
March 31, 2023	130,633	80,753	61.8	1,837.64

Reference: Equity

As of March 31, 2024: ¥82,096 million

As of March 31, 2023: ¥80,753 million

Note: The Company conducted a share split at a rate of five shares per share of common shares on October 1, 2023. Net assets per share has been calculated assuming this stock split was conducted at the beginning of the previous consolidated fiscal year.

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

\* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements, etc.)

Financial results forecasts and other forward-looking statements provided in these materials are based on information available to the Company and certain other assumptions deemed reasonable as of the date of publication of this document, and do not represent any guarantee that the Company will achieve these results. Actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors. Please refer to “1. Overview of Operating Results, etc.” on page 2 to 4 of the attached materials for conditions forming the basis for financial results forecasts, notes regarding the use of financial results forecasts, and other information.

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## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the fiscal year under review

The Japanese economy in the fiscal year under review showed signs of recovery, mainly in private sector demand such as personal consumption and capital investment with the normalization of economic activities, the improvement in the employment and income environment, and progress in price pass-through, despite surging raw material prices, the progression of the depreciation of the yen, and geopolitical factors.

In the construction industry, the main business of the Group (the Company and its consolidated subsidiaries; the same applies hereinafter), government construction investment continued to remain above ¥20 trillion, and although there were concerns about the surge in raw material prices, private sector construction investment remained firm as capital investment for corporations remained strong against a backdrop of steady corporate revenue.

Under such circumstances, the Group conducted strategic sales that were compatible with area environments in order to acquire orders in new domains by collaborating with the Shimizu Group, secure orders by enhancing integration accuracy and proposals of technology for government projects, and increase the number of high-quality orders for private sector projects. As a result, the amount of construction orders received was ¥143,513 million (up 12.2% year-on-year), the amount of construction sales was ¥131,578 million (up 3.8% year-on-year), and total net sales including products were ¥160,519 million (up 3.3% year-on-year).

Concerning profits, due to increased profitability with thorough construction management in the Construction Business, gross profit was ¥18,264 million (up 21.3% year-on-year), operating income was ¥7,833 million (up 37.5% year-on-year), and ordinary income was ¥7,994 million (up 35.0% year-on-year). Profit attributable to owners of parent amounted to ¥5,053 million (down 11.4% year-on-year) due to a reactionary decline from recording gain on sale of investment securities in the previous year.

Business performance by segment is as follows. (Business performance by segment includes inter-segment net sales and transfers.)

#### (Construction Business)

As the Group's key division, net sales amounted to ¥131,582 million (up 3.8% year-on-year) and operating income was ¥9,050 million (up 23.0% year-on-year) in the Construction Business.

Key construction projects of the Company are as follows.

#### Major construction orders

Client	Name of construction project	Location
Ministry of Land, Infrastructure, Transport and Tourism Hokuriku Regional Development Bureau	2023 pavement repair works within the maintenance jurisdiction of Shibata	Niigata
Central Nippon Expressway Company Limited	TOKAI-KANJO EXPWY paving works between Yamagata IC and Itonuki IC	Gifu
Ministry of Defense Okinawa Defense Bureau	ASDF Naha Base (5) civil and other works, including parking apron repair works	Okinawa
Satoe Gakuen Educational Institution	Heisei International University soccer and baseball grounds repair works	Saitama
Shimizu Corporation	Abukuma Wind Power Plants construction works	Fukushima

#### Main completed construction projects

Client	Name of construction project	Location
Ministry of Land, Infrastructure, Transport and Tourism Kinki Regional Development Bureau	Paving works at Shimoyama district, Arashima No.2 Tunnel, Ono-Aburasaka Road	Fukui
Ministry of Land, Infrastructure, Transport and Tourism Hokkaido Development Bureau	New Chitose Airport South A10 taxiway outside construction	Hokkaido
East Nippon Expressway Company Limited	KAN-ETSU EXPWY pavement repair works within the jurisdiction of Takasaki	Saitama, Gunma, Tochigi

Honshu-Shikoku Bridge Expressway Company Limited	FY2022 SETO CHUO EXPWY pavement repair works	Okayama, Kagawa
Aoyama Gakuin School Corporation	V Wing Stadium turf laying works	Kanagawa

(Manufacturing & Sales Business)

Net sales amounted to ¥32,237 million (up 1.0% year-on-year) and operating income was ¥2,443 million (up 98.3% year-on-year).

(Leasing Business)

Net sales amounted to ¥6,803 million (up 6.2% year-on-year) and operating income was ¥529 million (up 1.1% year-on-year).

(Other)

Net sales amounted to ¥1,281 million (down 0.8% year-on-year) and operating income was ¥291 million (up 1.5% year-on-year).

## (2) Overview of financial position for the fiscal year under review

(Assets)

Total assets for the fiscal year under review amounted to ¥149,926 million (down ¥1,924 million year-on-year, or down 1.3%), current assets were ¥109,042 million (down ¥3,946 million year-on-year, or down 3.5%), and non-current assets were ¥40,883 million (up ¥2,022 million year-on-year, or up 5.2%).

The main factors were an increase of ¥3,131 million in buildings and structures due to the construction of Tsuchiura Techno BASE and a decrease of ¥4,557 million in cash and deposits due to changes in the Company's payment terms for trading partners, i.e., increase in the cash ratio and the shortening of payment terms of notes payable.

(Liabilities)

Total liabilities for the fiscal year under review amounted to ¥49,711 million (down ¥5,229 million year-on-year, or down 9.5%), current liabilities amounted to ¥40,430 million (down ¥6,715 million year-on-year, or down 14.2%), and non-current liabilities amounted to ¥9,281 million (up ¥1,486 million, or up 19.1%).

The main factors were an increase of ¥3,000 million in loans payable due to renewal of loans, and decreases of ¥3,116 million in notes payable, accounts payable for construction contracts and other and ¥5,284 million in electronically recorded obligations due to improvement of payment terms for subcontractors.

(Net assets)

Total net assets for the fiscal year under review totaled ¥100,214 million (up ¥3,304 million year-on-year, or up 3.4%).

The main factors were a recording of ¥5,053 million to profit attributable to owners of parent and a payment of ¥2,460 million in shareholder dividends.

## (3) Overview of cash flows for the fiscal year under review

Consolidated cash flows for the fiscal year under review amounted to ¥92 million in net cash provided by operating activities, ¥536 million in net cash provided by financing activities, and ¥5,204 million in net cash used in investing activities.

As a result, cash and cash equivalents at the end of the fiscal year under review decreased by ¥4,543 million from the end of the previous fiscal year to ¥33,585 million (¥38,129 million at the end of the previous fiscal year).

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 92 million (net cash provided during the previous fiscal year was ¥10,918 million) due to recording ¥7,816 million in profit before income taxes and a decrease of ¥8,430 million due to a decrease in accounts payable-trade owing to improvement of payment terms for subcontractors.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥5,204 million (net cash provided during the previous fiscal year was ¥307 million) due to an increase of ¥1,334 million in proceeds from sale of tangible fixed assets, and a decrease of ¥5,708 million owing to acquisition of tangible fixed assets stemming from expenditures from the construction of Tsuchiura Techno BASE and the expansion and upgrade of manufacturing and sales locations.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥536 million (net cash used during the previous fiscal

year was ¥3,349 million) due to an increase of ¥3,100 million in proceeds from long-term loans payable associated with renewal of loans and a decrease of ¥2,460 million owing to dividends paid.

(4) Future outlook

Despite uncertainty stemming from foreign exchange trends and overseas conditions, the Company expects the Japanese economy during the next consolidated fiscal year to recover due to further improvement in the employment and income environment as well as expansion of capital investment against a backdrop of steady corporate revenue.

In the construction industry, government construction investment is expected to continue remain above ¥20 trillion in FY2024, and both national and local budgets are secured at the same level as the previous fiscal year. Investment in public projects is therefore projected to remain firm. Private-sector housing investment and non-residential construction investment are also projected to remain firm, and the total construction investment will remain at a level exceeding ¥70 trillion, the same as the previous fiscal year.

Amid this environment, the Company forecasts the amount of construction orders received to be ¥138,000 million (down 3.8% year-on-year), total net sales of ¥165,000 million (up 2.8% year-on-year), operating income to be ¥8,500 million (up 8.5% year-on-year), ordinary income of ¥8,600 million (up 7.6% year-on-year), and profit attributable to owners of parent of ¥5,200 million (up 2.9% year-on-year) for the fiscal year ending March 31, 2025.

(5) Basic policy on dividends and payments for this period and next period

The Company's basic policy for our shareholders is to maintain stable dividends and appropriate profit distribution, while strengthening the Company's financial structure and ensuring a stable business foundation and striving to stabilize and improve on employee living standards. Following this policy we plan to maintain the current level of dividends per share and then increase dividends based on financial results.

Year-end dividends for this period will be ¥60 per share as forecast at the beginning of the period.

As for dividends for the next period, the Company intends to maintain the current level and pay ¥60 per share based on stable and continued business performance.

## 2. Basic Policy on Selection of Accounting Standards

The Group currently applies Japanese GAAP and will take appropriate measures for the application of International Financial Reporting Standards (IFRS) in consideration of various domestic and international circumstances.



### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated balance sheets

	(Unit: millions of yen)	
	Previous consolidated fiscal year (March 31, 2023)	Consolidated fiscal year under review (March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	38,159	33,601
Notes receivable, accounts receivable from completed construction contracts and other	57,573	56,613
Electronically recorded monetary claims	4,751	6,100
Lease receivables and investment assets	8,332	8,067
Merchandise	158	160
Costs of uncompleted construction contracts	76	63
Raw materials	1,129	1,158
Other	2,844	3,314
Less: allowance for doubtful accounts	(37)	(37)
Total current assets	112,989	109,042
Non-current assets		
Tangible fixed assets		
Buildings and structures	21,390	24,521
Machinery, equipment, vehicles, tools, furniture and fixtures	39,777	40,491
Leased assets	4,129	4,227
Land	17,701	17,035
Construction in progress	1,511	164
Less: accumulated depreciation	(50,564)	(50,783)
Total tangible fixed assets	33,947	35,657
Intangible assets	1,950	2,180
Investments and other assets		
Investment securities	1,326	1,624
Deferred tax assets	823	578
Other	903	925
Less: allowance for doubtful accounts	(91)	(83)
Total investments and other assets	2,962	3,044
Total non-current assets	38,860	40,883
Total assets	151,850	149,926

(Unit: millions of yen)

	Previous consolidated fiscal year (March 31, 2023)	Consolidated fiscal year under review (March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	30,779	27,663
Electronically recorded obligations	7,560	2,275
Short-term loans payable	100	1,000
Accounts payable – other	1,295	2,168
Accrued expenses	2,263	2,272
Income taxes payable	2,060	2,082
Advances received on uncompleted construction contracts	1,499	1,373
Warranty provision for completed construction contracts	62	90
Provision for loss on construction contracts	172	36
Accrued bonus to directors and statutory auditors	63	81
Other	1,287	1,386
Total current liabilities	47,146	40,430
Non-current liabilities		
Long-term loans payable	6,600	8,700
Net defined benefit liability	940	251
Other	253	330
Total non-current liabilities	7,794	9,281
Total liabilities	54,941	49,711
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,290	12,290
Capital surplus	14,524	14,523
Retained earnings	70,291	72,884
Less: treasury stock	(2)	(4)
Total shareholders' equity	97,103	99,693
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	245	442
Foreign currency translation adjustments	(432)	(403)
Retirement benefits liability adjustments	(152)	320
Total accumulated other comprehensive income	(340)	358
Non-controlling interests	146	162
Total net assets	96,909	100,214
Total liabilities and net assets	151,850	149,926

(2) Consolidated statements of income and comprehensive income  
(Consolidated statement of income)

	(Unit: millions of yen)	
	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)
Net sales		
Construction contracts	126,743	131,578
Products	22,076	21,984
Real estate, leasing sales and other	6,533	6,956
Total net sales	155,353	160,519
Cost of sales		
Construction contracts	114,305	117,076
Products	20,817	19,664
Real estate, leasing sales and other	5,171	5,513
Total cost of sales	140,293	142,254
Gross profit		
Construction contracts	12,437	14,501
Products	1,259	2,319
Real estate, leasing sales and other	1,361	1,443
Total gross profit	15,059	18,264
Selling, general and administrative expenses	9,363	10,430
Operating income	5,695	7,833
Non-operating income		
Interest income	24	22
Dividend income	127	43
Dividend income of group term insurance	15	18
Foreign currency transaction gain	36	38
Reversal of allowance for doubtful accounts	11	12
Other	60	80
Total non-operating income	276	216
Non-operating expenses		
Interest expenses	26	26
Other	25	29
Total non-operating expenses	51	55
Ordinary income	5,920	7,994
Extraordinary income		
Gain on sale of tangible fixed assets	12	660
Gain on sale of investment securities	2,791	2
Total extraordinary income	2,804	662
Extraordinary losses		
Loss on disposal of tangible fixed assets	61	295
Impairment losses on tangible fixed assets	25	502
Other	2	43
Total extraordinary losses	90	841
Profit before income taxes	8,635	7,816
Current	2,831	2,797
Deferred	92	(51)
Total income taxes	2,923	2,745
Profit	5,711	5,070
Profit attributable to non-controlling interests	7	17
Profit attributable to owners of parent	5,704	5,053

## (Consolidated statement of comprehensive income)

(Unit: millions of yen)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)
Profit	5,711	5,070
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,761)	196
Foreign currency translation adjustments	115	29
Retirement benefits liability adjustments	(322)	472
Total other comprehensive income	(1,968)	698
Comprehensive income	3,743	5,769
Comprehensive income attributable to:		
Owners of parent	3,735	5,752
Non-controlling interests	7	17

## (3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Unit: millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	12,290	14,524	66,425	—	93,240
Change of items during the period					
Dividends of surplus			(1,845)		(1,845)
Profit attributable to owners of parent for the period			5,704		5,704
Acquisition of treasury stock				(2)	(2)
Change in ownership interest of parent due to transactions with non-controlling interests					—
Change of scope of consolidation			7		7
Items other than changes in shareholders' equity					
Total change of items during the period	—	—	3,866	(2)	3,863
Balance at the end of current period	12,290	14,524	70,291	(2)	97,103

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at the beginning of current period	2,006	(548)	169	1,627	138	95,006
Change of items during the period						
Dividends of surplus						(1,845)
Profit attributable to owners of parent for the period						5,704
Acquisition of treasury stock						(2)
Change in ownership interest of parent due to transactions with non-controlling interests						—
Change of scope of consolidation						7
Items other than changes in shareholders' equity	(1,761)	115	(322)	(1,968)	7	(1,960)
Total change of items during the period	(1,761)	115	(322)	(1,968)	7	1,902
Balance at the end of current period	245	(432)	(152)	(340)	146	96,909

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

(Unit: millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	12,290	14,524	70,291	(2)	97,103
Change of items during the period					
Dividends of surplus			(2,460)		(2,460)
Profit attributable to owners of parent for the period			5,053		5,053
Acquisition of treasury stock				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests		(1)			(1)
Change of scope of consolidation			(0)		(0)
Items other than changes in shareholders' equity					
Total change of items during the period	—	(1)	2,592	(1)	2,589
Balance at the end of current period	12,290	14,523	72,884	(4)	99,693

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at the beginning of current period	245	(432)	(152)	(340)	146	96,909
Change of items during the period						
Dividends of surplus						(2,460)
Profit attributable to owners of parent for the period						5,053
Acquisition of treasury stock						(1)
Change in ownership interest of parent due to transactions with non-controlling interests						(1)
Change of scope of consolidation						(0)
Items other than changes in shareholders' equity	196	29	472	698	16	715
Total change of items during the period	196	29	472	698	16	3,304
Balance at the end of current period	442	(403)	320	358	162	100,214

## (4) Consolidated statements of cash flows

(Unit: millions of yen)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)
Net cash provided by operating activities		
Profit before income taxes	8,635	7,816
Depreciation	3,450	3,627
Increase / (Decrease) in allowance for doubtful accounts	(29)	(7)
Increase / (Decrease) in net defined benefit liability	(86)	(43)
Interest and dividends income	(152)	(65)
Interest expenses	87	85
Net loss / (gain) on sale of tangible fixed assets	(9)	(654)
Loss on disposal of fixed assets	61	295
Loss (Gain) on sale of investment securities	(2,791)	(2)
Loss on disposal of leased assets	41	54
Acquisition of leased assets	(391)	(407)
Decrease / (Increase) in notes and accounts receivable – trade	5,767	(346)
Decrease / (Increase) in costs of uncompleted construction contracts	18	13
Decrease (Increase) in other inventories	(95)	(30)
Increase / (Decrease) in accounts payable-trade	120	(8,430)
Increase / (Decrease) in advances received on uncompleted construction contracts	(380)	(125)
Increase / (Decrease) in accounts payable – other	(509)	1,087
Others	135	(9)
Subtotal	13,872	2,853
Interest and dividends received	152	65
Interest paid	(87)	(85)
Income taxes paid	(3,018)	(2,742)
Net cash provided by operating activities	10,918	92
Net cash provided by investing activities		
Acquisition of tangible fixed assets	(3,269)	(5,708)
Proceeds from sale of tangible fixed assets	17	1,334
Proceeds from sale of investment securities	4,977	3
Others	(1,418)	(833)
Net cash provided by investing activities	307	(5,204)
Net cash provided by financing activities		
Proceeds from long-term loans payable	1,500	3,100
Repayment of long-term loans payable	(3,000)	(100)
Purchase of treasury stock	(2)	(1)
Dividends paid	(1,845)	(2,460)
Dividends paid to non-controlling interests	(0)	(0)
Net cash provided by financing activities	(3,349)	536
Effect of exchange rate changes on cash and cash equivalents	48	32
Increase / (Decrease) in cash and cash equivalents	7,925	(4,543)
Cash and cash equivalents at beginning of year	30,158	38,129
Increase / (Decrease) in cash and cash equivalents from newly consolidated subsidiary and exclusion of subsidiaries from consolidation	44	—
Cash and cash equivalents at end of year	38,129	33,585

(5) Notes to consolidated financial statements  
(Note on entity's ability to continue as going concern)  
Not applicable.

(Changes in accounting policies)  
Not applicable.

(Changes in accounting estimates)  
Not applicable.

(Restatements)  
Not applicable.



(Segment information)

[Segment information]

1. Description of reportable segments

The Group's reportable segments are constituent units of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business performance.

The Company conducts business activities by formulating comprehensive strategies concerning construction businesses, mainly pavement construction, and related products and services centered around the Company and the main business management divisions of its consolidated subsidiaries group companies.

Therefore, the Company is composed of segments by service, and the reportable segments are the Construction Business, the Manufacturing & Sales Business, and the Leasing Business.

The Construction Business conducts business concerning pavement, civil works, construction, and other general construction-related business. The Manufacturing & Sales Business conducts business concerning the manufacture and sale of asphalt mixture and other materials for pavement. The Leasing Business conducts leases, etc. of automobiles, office equipment, etc.

2. Explanation of measurements of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting method for the reportable business segments is generally the same as the method used in the preparation of the consolidated financial statements.

Profit of reportable segments are based on operating income.

Inter-segment net sales and transfers are based on prevailing market prices.

3. Disclosure of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Unit: millions of yen)

	Reportable segment			
	Construction Business	Manufacturing & Sales Business	Leasing Business	Total
Net sales				
Net sales to external customers	126,743	22,076	5,350	154,170
Inter-segment net sales and transfers	4	9,840	1,053	10,899
Total	126,748	31,917	6,404	165,069
Segment profit	7,357	1,232	523	9,113
Other items				
Depreciation	1,142	1,664	450	3,257
Increase in tangible fixed assets and intangible assets	763	833	398	1,996

	Other (Note) 1	Total	Adjustments (Note) 2	Per consolidated financial statements (Note) 3
Net sales				
Net sales to external customers	1,182	155,353	—	155,353
Inter-segment net sales and transfers	108	11,007	(11,007)	—
Total	1,291	166,360	(11,007)	155,353
Segment profit	287	9,401	(3,705)	5,695
Other items				
Depreciation	32	3,289	161	3,450
Increase in tangible fixed assets and intangible assets	17	2,014	2,241	4,256

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

(Unit: millions of yen)

	Reportable segment			
	Construction Business	Manufacturing & Sales Business	Leasing Business	Total
Net sales				
Net sales to external customers	131,578	21,984	5,766	159,329
Inter-segment net sales and transfers	3	10,253	1,036	11,293
Total	131,582	32,237	6,803	170,622
Segment profit	9,050	2,443	529	12,024
Other items				
Depreciation	1,169	1,487	465	3,122
Increase in tangible fixed assets and intangible assets	3,929	1,721	446	6,097

	Other (Note) 1	Total	Adjustments (Note) 2	Per consolidated financial statements (Note) 3
Net sales				
Net sales to external customers	1,189	160,519	—	160,519
Inter-segment net sales and transfers	91	11,384	(11,384)	—
Total	1,281	171,903	(11,384)	160,519
Segment profit	291	12,316	(4,482)	7,833
Other items				
Depreciation	31	3,153	474	3,627
Increase in tangible fixed assets and intangible assets	23	6,120	605	6,725

- Notes:
1. The “Other” section is a business segment that is not included in the reportable segments and includes real estate business, development and sales of computer software, sales of office equipment, insurance agency business, planning and operation of sports facilities, etc.
  2. Details of adjustments are as follows.

Segment profit

(Unit: millions of yen)

	Previous consolidated fiscal year	Fiscal year under review
Elimination of inter-segment transactions	10	9
Corporate expenses*	(3,715)	(4,491)
Total	(3,705)	(4,482)

\* Corporate expenses are mainly expenses that do not belong to any reportable segment concerning the head office administration of the submitting company.

Adjustments for depreciation and increase in tangible fixed assets and intangible assets in other items are related to the headquarters of the submitting company that do not belong to any reportable segment.

3. Segment profit is adjusted with the operating income in the consolidated statement of income.
4. Segment assets are not shown because assets are not allocated to business segments.

[Related information]

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

1. Information by product and service

Information is omitted as they are the same sections as the reportable segments.

2. Information by region

(1) Net sales

Information is omitted as net sales from external customers in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Tangible fixed assets

Information is omitted as the amount of tangible fixed assets located in Japan exceeded 90% of the amount on the consolidated balance sheet.

3. Information by major customer

(Unit: millions of yen)

Name of customer	Net sales	Relevant segment
Shimizu Corporation	15,712	Construction Business, Manufacturing & Sales Business

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

1. Information by product and service

Information is omitted as they are the same sections as the reportable segments.

2. Information by region

(1) Net sales

Information is omitted as net sales from external customers in Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Tangible fixed assets

Information is omitted as the amount of tangible fixed assets located in Japan exceeded 90% of the amount on the consolidated balance sheet.

3. Information by major customer

(Unit: millions of yen)

Name of customer	Net sales	Relevant segment
Shimizu Corporation	18,504	Construction Business, Manufacturing & Sales Business

[Information on impairment loss on non-current assets by reportable segment]

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

Information is omitted as it was immaterial.

Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)

(Unit: millions of yen)

	Construction Business	Manufacturing & Sales Business	Leasing Business	Total	Other	Corporate & Elimination	Total
Impairment loss	489	—	13	502	—	—	502

[Information on amortization of goodwill and balance of unamortized goodwill by reportable segment]

Not applicable.

[Information on gain on negative goodwill by reportable segment]

Not applicable.

(Per share information)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)
Net assets per share	2,201.95 yen	2,276.83 yen
Basic earnings per share	129.80 yen	115.00 yen

- Notes: 1. Diluted earnings per share is not shown because there are no dilutive potential shares.
2. The Company conducted a share split at a rate of five shares per share of common shares on October 1, 2023. Per share information has been calculated assuming this stock split was conducted at the beginning of the previous consolidated fiscal year.
3. The basis for calculating net assets per share is as follows.

	Previous consolidated fiscal year (March 31, 2023)	Consolidated fiscal year under review (March 31, 2024)
Total net assets (million yen)	96,909	100,214
Deduction for total net assets (million yen)	146	162
(Non-controlling interests) (million yen)	(146)	(162)
Net assets related to common stock at fiscal year-end (million yen)	96,762	100,051
Number of shares of common stock at fiscal year-end used for calculating net assets per share (thousand shares)	43,944	43,943

4. The basis for calculating basic earnings per share is as follows.

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (from April 1, 2023 to March 31, 2024)
Profit attributable to owners of parent (million yen)	5,704	5,053
Amount not attributable to common stock (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	5,704	5,053
Weighted average number of common shares outstanding during the period (thousand shares)	43,945	43,943

(Significant events after reporting period)

Not applicable.

#### 4. Supplementary Information

Amount of orders received, net sales, and amount carried forward to next period by business (non-consolidated)

(Unit: millions of yen)

Segment			Previous fiscal year (from April 1, 2022 to March 31, 2023)		Fiscal year under review (from April 1, 2023 to March 31, 2024)		Increase or decrease	
			Amount	Percentage change	Amount	Percentage change	Amount	Percentage change
Orders received	Construction Business	Pavement construction	73,201	53.8	81,973	53.5	8,771	12.0
		Civil works construction	38,426	28.2	46,978	30.7	8,551	22.3
		Construction	709	0.5	19	0.0	(690)	(97.3)
		Total	112,337	82.5	128,970	84.2	16,633	14.8
	Manufacturing & Sales Business		23,780	17.5	24,117	15.7	336	1.4
	Other		75	0.0	76	0.1	0	0.6
	Total		136,194	100	153,164	100	16,970	12.5
Net sales	Construction Business	Pavement construction	74,695	55.2	75,455	53.8	759	1.0
		Civil works construction	35,910	26.6	40,082	28.6	4,172	11.6
		Construction	679	0.5	384	0.3	(294)	(43.4)
		Total	111,285	82.3	115,921	82.7	4,636	4.2
	Manufacturing & Sales Business		23,780	17.6	24,117	17.2	336	1.4
	Other		75	0.1	76	0.1	0	0.6
	Total		135,142	100	140,116	100	4,973	3.7
Amount carried forward to next period	Construction Business	Pavement construction	41,342	64.5	47,860	62.1	6,518	15.8
		Civil works construction	22,352	34.9	29,248	37.9	6,895	30.9
		Construction	370	0.6	4	0.0	(365)	(98.8)
		Total	64,065	100	77,113	100	13,048	20.4
	Manufacturing & Sales Business		—	—	—	—	—	—
	Other		—	—	—	—	—	—
	Total		64,065	100	77,113	100	13,048	20.4