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May 14, 2025



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

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 Listing: Tokyo Stock Exchange Prime Market
 Securities code: 1884
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 Scheduled date of annual general meeting of shareholders: June 26, 2025
 Scheduled date of commencing dividend payments: June 5, 2025
 Scheduled date of filing annual securities report: June 26, 2025
 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, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2025	164,294	2.4	9,895	26.3	10,134	26.8	6,324	25.1
March 31, 2024	160,519	3.3	7,833	37.5	7,994	35.0	5,053	(11.4)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥7,189 million [24.6%]
 For the fiscal year ended March 31, 2024: ¥5,769 million [54.1%]

	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, 2025	143.92	—	6.2	6.6	6.0
March 31, 2024	115.00	—	5.1	5.3	4.9

Reference: Equity in earnings (losses) of affiliates For the fiscal year ended March 31, 2025: ¥- million
 For the fiscal year ended March 31, 2024: ¥- 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, 2025	156,741	104,761	66.7	2,379.79
March 31, 2024	149,926	100,214	66.7	2,276.83

Reference: Equity
 As of March 31, 2025: ¥104,574 million
 As of March 31, 2024: ¥100,051 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, 2025	15,117	(3,896)	(2,640)	42,258
March 31, 2024	92	(5,204)	536	33,585

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, 2024	—	—	—	60.00	60.00	2,636	52.2	2.7
Fiscal year ended March 31, 2025	—	—	—	60.00	60.00	2,636	41.7	2.6
Fiscal year ending March 31, 2026 (Forecast)	—	—	—	—	—		—	

Note: As stated in the announcement titled “Notice Regarding Statement of Opinion in Support of the Tender Offer for Shares of the Company by Shimizu Corporation, the Company’s Parent Company, and Recommendation to Tender” released on May 14, 2025, the Company is expected to become a wholly-owned subsidiary of Shimizu Corporation (hereinafter the “Tender Offeror”) through a tender offer for the Company’s common shares (hereinafter the “Company Shares”) by the Tender Offeror and a series of subsequent procedures. As a result, the Company Shares are expected to be delisted. Accordingly, no dividend forecast has been provided for the fiscal year ending March 31, 2026.

3. Consolidated financial results forecast 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 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	%	
Full year	167,000	1.6	9,400	(5.0)	9,500	(6.3)	6,100	(3.5)	Yen 138.82

* **Notes**

(1) Significant changes in the scope of consolidation during the period: 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: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “3. Consolidated Financial Statements and Major Notes (5) Notes to consolidated financial statements (Note on changes in accounting policies)” on page 12 of the attached materials.

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

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

As of March 31, 2025	3,826 shares
As of March 31, 2024	3,105 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	43,942,888 shares
Fiscal year ended March 31, 2024	43,943,759 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, 2025
(from April 1, 2024 to March 31, 2025)**

(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, 2025	141,928	1.3	7,364	32.4	7,538	33.0	4,707	30.3
March 31, 2024	140,116	3.7	5,561	49.6	5,667	45.3	3,611	(18.8)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	107.12	—
March 31, 2024	82.18	—

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, 2025	135,267	84,189	62.2	1,915.90
March 31, 2024	131,165	82,096	62.6	1,868.24

Reference: Equity

As of March 31, 2025: ¥84,189 million

As of March 31, 2024: ¥82,096 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 audit conducted by certified public accountants or an audit firm.

* 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. (4) Future outlook” on page 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 maintained a recovery trend despite temporary signs of stagnation, supported by improvement in the employment and income environment due to steady corporate revenue and robust capital investment, which contributed to a return to an inflationary economy across a wide range of sectors.

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 high 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 other Shimizu Group companies as a member of 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 ¥138,036 million (down 3.8% year-on-year), the amount of construction sales was ¥133,482 million (up 1.4% year-on-year), and total net sales including products were ¥164,294 million (up 2.4% year-on-year).

Concerning profits, mainly due to increased profitability with appropriate price pass-through in construction pricing and thorough construction management in the Construction Business, gross profit was ¥20,748 million (up 13.6% year-on-year), operating income was ¥9,895 million (up 26.3% year-on-year), ordinary income was ¥10,134 million (up 26.8% year-on-year), and profit attributable to owners of parent amounted to ¥6,324 million (up 25.1% year-on-year).

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

Starting from the beginning of the fiscal year under review, the Company has changed the classification of its reportable segments. The following year-on-year comparisons have been analyzed using figures for the previous fiscal year that were reclassified according to the new segment classification.

(Construction Business)

As the Group's key division, net sales amounted to ¥133,487 million (up 1.4% year-on-year) and operating income was ¥11,545 million (up 27.6% 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 Tohoku Regional Development Bureau	Paving works at Imaizumi district, etc.	Akita
East Nippon Expressway Company Limited	KAN-ETSU EXPWY 2024 pavement repair works within the jurisdiction of Yuzawa	Gunma, Niigata
Honshu-Shikoku Bridge Expressway Company Limited	FY2024 SETO CHUO EXPWY pavement repair and other works	Okayama, Kagawa
Ministry of Defense Hokkaido Defense Bureau	Hokkaido Large Training Area (6) road maintenance and improvement works (five construction areas)	Hokkaido
SANKYOFONTIER CO., LTD.	(Tentative name) SANKYOFONTIER CO., LTD. Koga Plant site preparation works	Ibaraki

Main completed construction projects

Client	Name of construction project	Location
Ministry of Land, Infrastructure, Transport and Tourism Chugoku Regional Development Bureau	FY2023 Koryo-Taki Road paving works at Hisamura district, etc.	Shimane
Central Nippon Expressway Company Limited	CHUO EXPWY (special renewal, etc.) pavement repair works between Ihoku IC and Iida IC (up line) (FY2022)	Nagano
Ministry of Defense Kyushu Defense Bureau	Tsuiki AB (4) parking apron development, civil, and other works	Fukuoka
TOKYOTOKEIBA Co., Ltd.	Kobayashi Ranch new construction and other works within training tracks and at gallop tracks in Area C	Chiba
Shimizu Corporation	Expo 2025 Osaka exterior construction works for Japan Pavillion	Osaka

(Manufacturing & Sales Business)

Net sales amounted to ¥33,772 million (up 4.8% year-on-year) and operating income was ¥2,154 million (down 11.9% year-on-year).

(Co-creation Business)

Net sales amounted to ¥8,359 million (up 3.6% year-on-year) and operating income was ¥855 million (up 4.2% 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 ¥156,741 million (up ¥6,815 million year-on year, or up 4.5%), current assets were ¥115,204 million (up ¥6,161 million year-on-year, or up 5.7%), and non-current assets were ¥41,537 million (up ¥654 million year-on-year, or up 1.6%).

The main factors were an increase of ¥8,675 million in cash and deposits, and decreases of ¥1,560 million in notes receivable, accounts receivable from completed construction contracts and other and ¥1,219 million in electronically recorded monetary claims.

(Liabilities)

Total liabilities for the fiscal year under review amounted to ¥51,980 million (up ¥2,268 million year-on year, or up 4.6%), current liabilities amounted to ¥41,904 million (up ¥1,473 million year-on-year, or up 3.6%), and non-current liabilities amounted to ¥10,076 million (up ¥794 million year-on-year, or up 8.6%).

The main factors were increases of ¥1,372 million in advances received on uncompleted construction contracts and ¥744 million in income taxes payable, and a decrease of ¥747 million in notes payable, accounts payable for construction contracts and other.

(Net assets)

Total net assets for the fiscal year under review totaled ¥104,761 million (up ¥4,546 million year-on-year, or up 4.5%).

The main factors were a recording of ¥6,324 million to profit attributable to owners of parent and a payment of ¥2,636 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 ¥15,117 million in net cash provided by operating activities, ¥3,896 million in net cash used in financing activities, and ¥2,640 million in net cash used in investing activities.

As a result, cash and cash equivalents at the end of the fiscal year under review increased by ¥8,672 million from the end of the previous fiscal year to ¥42,258 million (¥33,585 million at the end of the previous fiscal year).

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 15,117 million (net cash provided during the previous fiscal year was ¥92 million) due to recording ¥9,490 million in profit before income taxes, increases of ¥2,896 million owing to decrease in notes and accounts receivable – trade and ¥1,369 million owing to increase in advances received on uncompleted construction contracts, and a decrease of ¥2,593 million owing to income

taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥3,896 million (net cash used during the previous fiscal year was ¥5,204 million) due to a decrease of ¥2,970 million owing to acquisition of tangible fixed assets stemming from the expansion and upgrade of manufacturing and sales locations aimed at strengthening the recycling business and promoting environmental measures.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥2,640 million (net cash provided during the previous fiscal year was ¥536 million) due to a decrease of ¥2,636 million owing to dividends paid.

(4) Future outlook

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 FY2025, 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 strong, 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 0.0% year-on-year), total net sales of ¥167,000 million (up 1.6% year-on-year), operating income to be ¥9,400 million (down 5.0% year-on-year), ordinary income of ¥9,500 million (down 6.3% year-on-year), and profit attributable to owners of parent of ¥6,100 million (down 3.5% year-on-year) for the fiscal year ending March 31, 2026.

U.S. tariff policies may influence private-sector capital investment decisions, particularly in export-oriented industries, and the Company believes it is necessary to closely monitor future developments. Once the impact becomes clear, the Company will disclose relevant qualitative or quantitative information in a timely manner.

(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.

In addition, with respect to the dividend for the next fiscal year, no forecast has been provided for the fiscal year ending March 31, 2026, as the Company Shares are expected to be delisted following the tender offer for the Company's common shares by Shimizu Corporation and a series of subsequent procedures.

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, 2024)	Consolidated fiscal year under review (March 31, 2025)
Assets		
Current assets		
Cash and deposits	33,601	42,277
Notes receivable, accounts receivable from completed construction contracts and other	56,613	55,052
Electronically recorded monetary claims	6,100	4,881
Lease receivables and investment assets	8,067	8,294
Merchandise	160	194
Costs of uncompleted construction contracts	63	66
Raw materials	1,158	1,122
Other	3,314	3,354
Less: allowance for doubtful accounts	(37)	(39)
Total current assets	109,042	115,204
Non-current assets		
Tangible fixed assets		
Buildings and structures	24,521	23,943
Machinery, equipment, vehicle, tools, furniture and fixtures	40,491	41,206
Leased assets	4,227	4,521
Land	17,035	16,780
Construction in progress	164	280
Less: accumulated depreciation	(50,783)	(51,498)
Total tangible fixed assets	35,657	35,234
Intangible assets	2,180	2,015
Investments and other assets		
Investment securities	1,624	1,947
Retirement benefit asset	–	842
Deferred tax assets	578	429
Other	925	1,148
Less: allowance for doubtful accounts	(83)	(81)
Total investments and other assets	3,044	4,287
Total non-current assets	40,883	41,537
Total assets	149,926	156,741

(Unit: millions of yen)

	Previous consolidated fiscal year (March 31, 2024)	Consolidated fiscal year under review (March 31, 2025)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	27,663	26,915
Electrically recorded obligations	2,275	2,578
Short-term loans payable	1,000	100
Accounts payable – other	2,168	2,753
Accrued expenses	2,272	2,799
Income taxes payable	2,082	2,826
Advances received on uncompleted construction contracts	1,373	2,746
Warranty provision for completed construction contracts	90	84
Provision for loss on construction contracts	36	65
Accrued bonus to directors and statutory auditors	81	122
Other	1,386	911
Total current liabilities	40,430	41,904
Non-current liabilities		
Long-term loans payable	8,700	9,600
Net defined benefit liability	251	–
Other	330	476
Total non-current liabilities	9,281	10,076
Total liabilities	49,711	51,980
Net assets		
Shareholders' equity		
Capital stock	12,290	12,290
Capital surplus	14,523	14,523
Retained earnings	72,884	76,569
Less: treasury stock	(4)	(6)
Total shareholders' equity	99,693	103,377
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	442	455
Foreign currency translation adjustments	(403)	(257)
Retirement benefits liability adjustments	320	998
Total accumulated other comprehensive income	358	1,196
Non-controlling interests	162	186
Total net assets	100,214	104,761
Total liabilities and net assets	149,926	156,741

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

(Unit: millions of yen)

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)
Net sales		
Construction contracts	131,578	133,482
Products	21,984	23,625
Co-creation Business	6,956	7,186
Total net sales	160,519	164,294
Cost of sales		
Construction contracts	117,076	116,216
Products	19,664	21,550
Co-creation Business	5,513	5,778
Total cost of sales	142,254	143,545
Gross profit		
Construction contracts	14,501	17,265
Products	2,319	2,075
Co-creation Business	1,443	1,407
Total gross profit	18,264	20,748
Selling, general and administrative expenses	10,430	10,852
Operating income	7,833	9,895
Non-operating income		
Interest income	22	35
Dividend income	43	37
Dividend income of group term insurance	18	30
Foreign currency transaction gain	38	42
Reversal of allowance for doubtful accounts	12	5
Subsidy income	13	102
Other	66	58
Total non-operating income	216	312
Non-operating expenses		
Interest expense	26	46
Other	29	27
Total non-operating expenses	55	73
Ordinary income	7,994	10,134
Extraordinary income		
Gain on sale of tangible fixed assets	660	12
Gain on receipt of donated non-current assets	—	33
Gain on sales of investment securities	2	13
Total extraordinary income	662	60
Extraordinary loss		
Loss on disposal of tangible fixed assets	295	281
Impairment loss on tangible fixed assets	502	417
Other	43	5
Total extraordinary loss	841	704
Profit before income taxes	7,816	9,490
Current	2,797	3,311
Deferred	(51)	(172)
Total income taxes	2,745	3,139
Profit	5,070	6,351
Profit attributable to non-controlling interests	17	26
Profit attributable to owners of parent	5,053	6,324

(Consolidated statements of comprehensive income)

(Unit: millions of yen)

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)
Profit	5,070	6,351
Other comprehensive income		
Valuation difference on available-for-sale securities	196	13
Foreign currency translation adjustments	29	146
Retirement benefits liability adjustments	472	678
Total other comprehensive income	698	838
Comprehensive income	5,769	7,189
Comprehensive income attributable to:		
Owners of parent	5,752	7,162
Non-controlling interests	17	26

(3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (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 from 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 from 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

Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)

(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	14,523	72,884	(4)	99,693
Change of items during the period					
Dividends from surplus			(2,636)		(2,636)
Profit attributable to owners of parent for the period			6,324		6,324
Acquisition of treasury stock				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests					—
Change of scope of consolidation			(2)		(2)
Items other than changes in shareholders' equity					
Total change of items during the period	—	—	3,685	(1)	3,684
Balance at the end of current period	12,290	14,523	76,569	(6)	103,377

	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	442	(403)	320	358	162	100,214
Change of items during the period						
Dividends from surplus						(2,636)
Profit attributable to owners of parent for the period						6,324
Acquisition of treasury stock						(1)
Change in ownership interest of parent due to transactions with non-controlling interests						—
Change of scope of consolidation						(2)
Items other than changes in shareholders' equity	13	146	678	838	24	862
Total change of items during the period	13	146	678	838	24	4,546
Balance at the end of current period	455	(257)	998	1,196	186	104,761

(4) Consolidated statements of cash flows

(Unit: millions of yen)

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit before income taxes	7,816	9,490
Depreciation	3,627	3,968
Increase / (Decrease) in allowance for doubtful accounts	(7)	(0)
Increase / (Decrease) in net defined benefit liability	(43)	(65)
Interest and dividends income	(65)	(72)
Interest expenses	85	105
Net loss / (gain) on sale of tangible fixed assets	(654)	(7)
Loss on disposal of fixed assets	295	281
Loss / (Gain) on sale of investment securities	(2)	(13)
Loss on disposal of leased assets	54	28
Acquisition of leased assets	(407)	(507)
Decrease / (Increase) in notes and accounts receivable – trade	(346)	2,896
Decrease / (Increase) in costs of uncompleted construction contracts	13	(3)
Decrease (Increase) in other inventories	(30)	3
Increase / (Decrease) in accounts payable-trade	(8,430)	(507)
Increase / (Decrease) in advances received on uncompleted construction contracts	(125)	1,369
Increase / (Decrease) in accounts payable – other	1,087	712
Others	(9)	66
Subtotal	2,853	17,743
Interest and dividends received	65	72
Interest paid	(85)	(105)
Income taxes paid	(2,742)	(2,593)
Net cash provided by operating activities	92	15,117
Cash flows from investing activities		
Acquisition of tangible fixed assets	(5,708)	(2,970)
Proceeds from sale of tangible fixed assets	1,334	136
Proceeds from sale of investment securities	3	15
Others	(833)	(1,078)
Net cash provided by (used in) investing activities	(5,204)	(3,896)
Cash flows from financing activities		
Proceeds from long-term loans payable	3,100	1,000
Repayment of long-term loans payable	(100)	(1,000)
Purchase of treasury stock	(1)	(1)
Dividends paid	(2,460)	(2,636)
Dividends paid to non-controlling interests	(0)	(2)
Net cash provided by (used in) financing activities	536	(2,640)
Effect of exchange rate changes on cash and cash equivalents	32	91
Increase / (Decrease) in cash and cash equivalents	(4,543)	8,672
Cash and cash equivalents at beginning of year	38,129	33,585
Cash and cash equivalents at end of year	33,585	42,258

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

(Note on changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the "2022 Revised Accounting Standard") and other regulations from the beginning of the fiscal year under review.

Regarding the amendments on the classification of income taxes, etc. (taxation on other comprehensive income), the Company complies with the transitional treatments specified in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso to paragraph 65-2, (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "2022 Revised Guidance"). This change in accounting policy has no impact on the consolidated financial statements.

Furthermore, regarding the amendments related to the review of the treatment in the consolidated financial statements for the deferral of tax on gains and losses arising from the sale of shares of subsidiaries within the group, the Company has applied the 2022 Revised Guidance from the beginning of the fiscal year under review. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been restated accordingly. This change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Note on changes in presentation)

(Consolidated statements of income)

"Subsidy income," which was included in "other" under "non-operating income" in the previous fiscal year, exceeded 10% of the total amount of non-operating income. Accordingly, it has been presented separately from the fiscal year under review. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the consolidated statements of income for the previous fiscal year, the ¥80 million previously presented in "other" under "non-operating income" has been reclassified as "subsidy income" of ¥13 million and "other" of ¥66 million.

(Note on changes in accounting estimates)

Not applicable.

(Note on restatements)

Not applicable.

(Note on 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 previously consisted of the Construction Business, the Manufacturing & Sales Business, and the Leasing Business. However, starting from the beginning of the fiscal year under review, the Company has unified some reportable segments from the previous "Leasing Business" and "Other" to "Co-creation Business" to promote new business development with multi-stakeholders. Accordingly, the Company's reportable segments have been changed into three categories: "Construction Business," "Manufacturing & Sales Business," and "Co-creation 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, sale, and recycling of asphalt mixture and other materials for pavement. The Co-creation Business conducts leases, etc. of automobiles, office equipment, etc., real estate business, development and sales of computer software, sales of office equipment, insurance agency business, planning and operation of sports facilities, etc., and others.

The disclosed segment information for the previous fiscal year has been prepared based on the revised reportable segment classification.

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, 2023 to March 31, 2024)

(Unit: millions of yen)

	Reportable segment			
	Construction Business	Manufacturing & Sales Business	Co-creation Business	Total
Net sales				
Net sales to external customers	131,578	21,984	6,956	160,519
Inter-segment net sales and transfers	3	10,253	1,113	11,370
Total	131,582	32,237	8,070	171,889
Segment profit	9,050	2,443	821	12,316
Other items				
Depreciation	1,169	1,487	497	3,153
Increase in tangible fixed assets and intangible assets	3,929	1,721	469	6,120

	Adjustments (Note) 1	Per consolidated financial statements (Note) 2
Net sales		
Net sales to external customers	—	160,519
Inter-segment net sales and transfers	(11,370)	—
Total	(11,370)	160,519
Segment profit	(4,482)	7,833
Other items		
Depreciation	474	3,627
Increase in tangible fixed assets and intangible assets	605	6,725

Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)

(Unit: millions of yen)

	Reportable segment			
	Construction Business	Manufacturing & Sales Business	Co-creation Business	Total
Net sales				
Net sales to external customers	133,482	23,625	7,186	164,294
Inter-segment net sales and transfers	4	10,146	1,173	11,325
Total	133,487	33,772	8,359	175,619
Segment profit	11,545	2,154	855	14,555
Other items				
Depreciation	1,371	1,579	480	3,431
Increase in tangible fixed assets and intangible assets	1,113	1,730	731	3,575

	Adjustments (Note) 1	Per consolidated financial statements (Note) 2
Net sales		
Net sales to external customers	—	164,294
Inter-segment net sales and transfers	(11,325)	—
Total	(11,325)	164,294
Segment profit	(4,659)	9,895
Other items		
Depreciation	536	3,968
Increase in tangible fixed assets and intangible assets	311	3,887

Notes: 1. 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	9	(74)
Corporate expenses*	(4,491)	(4,585)
Total	(4,482)	(4,659)

* 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.

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

[Related information]

Previous consolidated fiscal year (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 statements 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 sheets.

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

Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)

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 statements 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 sheets.

3. Information by major customer

Information is omitted as there was no external customer accounting for 10% or more of net sales on the consolidated statements of income.

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

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Unit: millions of yen)

	Construction Business	Manufacturing & Sales Business	Co-creation Business	Total	Corporate & Elimination	Total
Impairment loss	489	—	13	502	—	502

Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)

(Unit: millions of yen)

	Construction Business	Manufacturing & Sales Business	Co-creation Business	Total	Corporate & Elimination	Total
Impairment loss	417	—	—	417	—	417

[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.

(Note on per share information)

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)
Net assets per share	2,276.83 yen	2,379.79 yen
Basic earnings per share	115.00 yen	143.92 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, 2024)	Consolidated fiscal year under review (March 31, 2025)
Total net assets (million yen)	100,214	104,761
Deduction for total net assets (million yen)	162	186
(Non-controlling interests) (million yen)	(162)	(186)
Net assets related to common stock at fiscal year-end (million yen)	100,051	104,574
Number of shares of common stock at fiscal year-end used for calculating net assets per share (thousand shares)	43,943	43,942

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

	Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)	Consolidated fiscal year under review (from April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (million yen)	5,053	6,324
Amount not attributable to common stock (million yen)	—	—
Profit attributable to owners of parent related to common stock (million yen)	5,053	6,324
Weighted average number of common shares outstanding during the period (thousand shares)	43,943	43,942

(Note on significant events after reporting period)

At the Board of Directors meeting held on May 14, 2025, the Company resolved to express its opinion in support of the tender offer (hereinafter, the “Tender Offer”) by Shimizu Corporation, the parent company of the Company (hereinafter, the “Tender Offeror”), for the Company’s common shares (hereinafter, the “Company Shares”), in addition to recommending that the Company’s shareholders tender their shares in the Tender Offer.

This resolution by the Board of Directors is based on the premise that the Tender Offeror intends, through the Tender Offer and the subsequent series of procedures, to make the Company a wholly-owned subsidiary of the Tender Offeror, and that the Company Shares are scheduled to be delisted.

For details regarding this tender offer, please refer to the announcement titled “Notice Regarding Statement of Opinion in Support of the Tender Offer for Shares of the Company by Shimizu Corporation, the Company’s Parent Company, and Recommendation to Tender,” released on May 14, 2025.

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, 2023 to March 31, 2024)		Fiscal year under review (from April 1, 2024 to March 31, 2025)		Increase or decrease	
			Amount	Proportion	Amount	Proportion	Amount	Percentage change
Orders received	Construction Business	Pavement construction	81,973	53.5	73,428	51.3	(8,544)	(10.4)
		Civil works construction	46,978	30.7	41,595	29.1	(5,382)	(11.5)
		Construction	19	0.0	2,424	1.7	2,405	—
		Total	128,970	84.2	117,448	82.1	(11,522)	(8.9)
	Manufacturing & Sales Business		24,117	15.7	25,460	17.8	1,342	5.6
	Co-creation Business		76	0.1	85	0.1	8	11.3
	Total		153,164	100	142,993	100	(10,171)	(6.6)
Net sales	Construction Business	Pavement construction	75,455	53.8	73,624	51.9	(1,830)	(2.4)
		Civil works construction	40,082	28.6	42,205	29.7	2,122	5.3
		Construction	384	0.3	553	0.4	168	43.9
		Total	115,921	82.7	116,383	82.0	461	0.4
	Manufacturing & Sales Business		24,117	17.2	25,460	17.9	1,342	5.6
	Co-creation Business		76	0.1	85	0.1	8	11.3
	Total		140,116	100	141,928	100	1,812	1.3
Amount carried forward to next period	Construction Business	Pavement construction	47,860	62.1	47,664	61.0	(196)	(0.4)
		Civil works construction	29,248	37.9	28,639	36.6	(609)	(2.1)
		Construction	4	0.0	1,875	2.4	1,871	—
		Total	77,113	100	78,179	100	1,065	1.4
	Manufacturing & Sales Business		—	—	—	—	—	—
	Co-creation Business		—	—	—	—	—	—
	Total		77,113	100	78,179	100	1,065	1.4