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TOTETSU

May 14, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: TOTETSU KOGYO CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 1835
URL: https://www.totetsu.co.jp/english/
Representative: Katsumi Ise, President, Representative Director
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Telephone: +81-3-5369-7687
Scheduled date of annual general meeting of shareholders: June 25, 2026
Scheduled date to commence dividend payments: June 26, 2026
Scheduled date to file annual securities report: June 11, 2026
Preparation of supplementary material on financial results: Yes
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, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	163,018	1.9	17,601	13.4	18,220	13.6	12,845	11.1
March 31, 2025	160,047	12.8	15,526	32.1	16,035	32.5	11,564	39.4

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥18,531 million [45.5%]
For the fiscal year ended March 31, 2025: ¥12,733 million [13.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Operating profit margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	372.99	—	10.2	9.5	10.8
March 31, 2025	335.87	—	10.1	9.2	9.7

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2026: ¥102 million
For the fiscal year ended March 31, 2025: ¥118 million

(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, 2026	203,845	133,975	65.1	3,851.87
March 31, 2025	181,115	120,777	66.0	3,473.85

Reference: Equity

As of March 31, 2026: ¥132,665 million

As of March 31, 2025: ¥119,615 million

(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, 2026	5,241	(4,899)	4,517	20,574
March 31, 2025	4,160	(1,247)	(3,579)	15,714

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, 2025	—	50.00	—	85.00	135.00	4,661	40.2	4.0
Fiscal year ended March 31, 2026	—	70.00	—	80.00	150.00	5,179	40.2	4.1
Fiscal year ending March 31, 2027 (Forecast)	—	76.00	—	76.00	152.00		40.3	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(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
Full year	167,000	2.4	18,000	2.3	18,500	1.5	13,000	1.2	377.48

*** 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: None

(ii) Changes in accounting policies due to other reasons: 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, 2026	36,100,000 shares
As of March 31, 2025	36,100,000 shares

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

As of March 31, 2026	1,658,239 shares
As of March 31, 2025	1,666,989 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	34,439,018 shares
Fiscal year ended March 31, 2025	34,430,912 shares

(Note) The Company has introduced a "Board Benefit Trust" (BBT) performance-linked stock-based compensation system, and the number of treasury shares at the end of the period includes the Company's shares (84,900 shares as of March 31, 2026 and 93,800 shares as of March 31, 2025) held by the Trust Account E for the BBT. In addition, the Company's shares held by the Trust Account E are included in the treasury stock excluded from the calculation of the average number of shares outstanding during the period. (87,704 shares for the fiscal year ended March 31, 2026 and 95,942 shares for the fiscal year ended March 31, 2025)

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	151,427	2.0	15,521	12.8	15,969	13.0	11,430	10.1
March 31, 2025	148,435	12.6	13,763	37.2	14,126	36.8	10,383	40.1

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	331.90	—
March 31, 2025	301.57	—

(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, 2026	185,598	114,018	61.4	3,310.47
March 31, 2025	166,373	104,573	62.9	3,037.01

Reference: Equity

As of March 31, 2026: ¥114,018 million

As of March 31, 2025: ¥104,573 million

2. Non-consolidated financial result forecasts for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	155,000	2.4	16,000	3.1	16,500	3.3	12,000	5.0	348.44

* 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

1. The earnings forecasts and other forward-looking statements herein are based on currently available information and certain assumptions deemed reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors. Please refer to "1. Overview of Operating Results (4) Future Outlook" on page 4 of the Attachment for assumptions on financial results forecasts and notes on the use of such forecasts.
2. The Company plans to hold a briefing for institutional investors and analysts on June 1, 2026. The financial results presentation materials distributed at this briefing will be posted on the Company's website shortly after the briefing.

Table of Contents - Attachments

1. Overview of Operating Results

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

During the fiscal year under review, the Japanese economy was on a gradual recovery track, with improvements in corporate earnings and employment situation, while uncertainty in the outlook remained due to the situation in the Middle East.

In the construction industry, private residential construction investment declined, while government construction investment and non-residential construction investment showed strengths. Overall, construction investment is projected to exceed the previous fiscal year's level.

In these circumstances, in the railway field, where the Totetsu Group (the "Group") excels, transportation volume is growing year by year, driven by demand from inbound visitors and other factors. To fulfill the Group's social mission of "ensuring safe and stable railway transportation," we at TOTETSU KOGYO CO., LTD. (the "Company") have continued to carry out works necessary to maintain social infrastructure, including seismic reinforcement measures in preparation for large earthquakes and responses to increasingly severe natural disasters.

Under the five-year Medium-term Management Plan: Action Plan 2029, the Group is advancing business expansion that contributes to solving social issues, centered on the three key business fields: (i) JR East and other public and private railways; (ii) railway-related fields such as railway-adjacent projects; and (iii) public and private entities.

In the JR East and other public and private railways, we have focused on safety-related construction, primarily for JR East's project-related works, such as large-scale earthquake countermeasure work, platform improvement work related to the installation of platform doors, and station facility improvement work, which is our key safety measure. Additionally, we have undertaken large-scale works aimed at enhancing convenience, including construction works of over-track station buildings and the commercial facilities and office buildings adjacent to stations. In the case of public and private railways, as maintaining maintenance systems becomes a management issue for each railway company, the Company has contributed to a safe and stable transportation infrastructure by providing construction know-how utilizing technical expertise cultivated through years of railway works and large-scale track maintenance machinery for labor savings.

In the railway-related fields such as railway-adjacent projects, we have addressed the growing demand for service life extension at railway crossovers with roads and other structures nationwide. Leveraging the Group's special qualifications and technical expertise, we have undertaken highly complex works, including service life extension works for road bridges and under-railway track works.

As for public and private entities, demand is expanding for infrastructure-related works such as roads ordered by public entities, and for life extension works on civil engineering and architectural structures owned by private entities. Leveraging the high-value-added construction capabilities refined through railway works, we have contributed to solving issues across the entire social infrastructure.

In addition, as the basic strategy of the Medium-term Management Plan, we are promoting initiatives centered on five strategies: Safety strategy, Order receiving strategy, Human resource strategy, Productivity increase strategy, and ESG strategy.

In the case of the safety strategy, based on the management philosophy of "Safety first above all else," we have pursued the ultimate safety and peace of mind for our customers, local communities, partner companies, and employees, as well as aimed to secure trust. Accordingly, we have implemented various measures, including safety training utilizing IT.

As for the order receiving strategy, we have actively developed it centered on the aforementioned three key business fields.

For the productivity increase strategy, we have strengthened our construction capabilities by enhancing safety and productivity through working on technological improvements that help to enhance efficiency and secure safety in platform door construction works, further development of scaffolding used for repair of railway footbridges, and further evolution of non-welding systems in station building renovation works. Furthermore, in response to Japan's declining population and the increasingly challenging environment surrounding the construction industry, we are aggressively advancing digitalization at construction sites in order to secure construction capacities, led by the DX Promotion Office. With the use of ICT and IoT technologies, we are building an environment where engineers can concentrate on construction, such as by improving the efficiency of construction operations using 3D scanners, digital twins, and generative AI.

In the case of the human resource strategy, we are further advancing measures to "enhance human resources capabilities." To secure competent employees and improve work style satisfaction, we have implemented various measures including raising starting salaries, providing continuous and appropriate base salary increases, promoting young employees from an early stage, open job posting system, developing female managers and executive candidates, strengthening recruitment of female technical staff, raising retirement age, and expanding support systems for childcare-age employees to improve work-life balance. As part of initiatives for health management, we have developed a workplace environment where everyone can work comfortably and implemented events with the themes of "exercise, diet, quitting smoking, and reducing BMI" to support lifestyle improvements. We have continuously been recognized as an Outstanding Organization of KENKO Investment for Health (Large Enterprise Category). Moving forward, we will continue to actively invest in human capital.

In the ESG strategy, we are committed to promoting sincere management that earns the trust of stakeholders. Our policy is to link SDGs (Sustainable Development Goals) and ESG to our business activities, aiming to fulfill the Group's social mission through the business activities. Through this process, in addressing "Environment (E)," as an initiative to reduce CO_2 emissions in line with the TCFD recommendations, we are advancing ZEB and ZEH businesses toward the target of achieving net-zero CO_2 emissions by FY2050. In addition, in order to raise awareness of environmental issues, many employees are working to pass the Eco Test. In addressing "Society (S)," we have aimed to maintain and enhance a solid construction system by strengthening partnerships with partner companies. To this end, we have continuously implemented human rights due diligence and conducted supply chain management and monitoring. In addressing "Corporate governance (G)," in order to ensure thorough compliance across the entire Group, we implemented training sessions on important laws and regulations including the Construction Business Act, the Industrial Safety and Health Act, the Antimonopoly Act, and the Act on Proper Transactions with Small and Medium-sized Entrusted Business Operators, and enhanced internal control audits. Additionally, we are progressing with the sale of cross-shareholdings while verifying their holding rationale, taking into full account the strategic importance of management as well as the need to build, maintain, and strengthen good and smooth relationships with business partners.

While advancing initiatives based on the above five strategies, we have promoted a "trinity management" involving the Company, Group companies, and partner companies. As part of our initiatives to support Group companies, we have promoted personnel exchanges and facilitated the joint purchase and use of machinery and materials, strengthening integrated management with the Company. As part of our initiatives to support partner companies, we have worked to maintain and expand our construction systems through measures such as assisting with raising the wage levels of their employees. We have also engaged in management support including recruitment assistance and employee development utilizing the Totetsu Training Institute, thereby enhancing the overall capabilities of the Totetsu Kogyo Group. By advancing these initiatives, we have been committed to achieving the Group's sustainable growth, corporate value enhancement, and common value creation with our stakeholders.

As a result, for the fiscal year under review, the Company posted orders received of ¥145,360 million (down ¥4,093 million year on year), while net sales amounted to ¥163,018 million (up ¥2,970 million year on year).

In terms of profit, gross profit came to ¥28,080 million (up ¥3,413 million year on year), operating profit was ¥17,601 million (up ¥2,075 million year on year), ordinary profit came to ¥18,220 million (up ¥2,185 million year on year), and profit attributable to owners of parent amounted to ¥12,845 million (up ¥1,280 million year on year).

Operating results by segment are as follows. Net sales in each segment are presented as net sales to outside customers.

(Civil Engineering Business)

Orders received were ¥99,300 million (down 1.2% year on year), net sales were ¥107,980 million (up 7.1% year on year), and balance carried forward was ¥74,401 million.

Segment profit totaled ¥9,829 million (up 14.6% year on year).

(Architectural Business)

Orders received were ¥46,060 million (down 5.9% year on year), net sales were ¥45,905 million (down 7.6% year on year), and balance carried forward was ¥33,689 million.

Segment profit totaled ¥6,367 million (up 17.3% year on year).

(Other Businesses)

Net sales amounted to ¥9,132 million (down 4.3% year on year), the principal source of which is manufacturing and sales income of railway-related products.

Segment profit totaled ¥1,400 million (down 6.9% year on year).

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

Total assets as of March 31, 2026 amounted to ¥203,845 million (an increase of ¥22,730 million from the end of the previous fiscal year). Main factors included additional purchase and market value valuation of investment securities.

Total liabilities amounted to ¥69,870 million (an increase of ¥9,532 million from the end of the previous fiscal year). Main factors included an increase in short-term borrowings.

Total net assets amounted to ¥133,975 million (an increase of ¥13,197 million from the end of the previous fiscal year). The equity-to-asset ratio decreased from 66.0% at the end of the previous fiscal year to 65.1%.

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

Cash and cash equivalents as of March 31, 2026 amounted to ¥20,574 million (an increase of ¥4,860 million from the end of the previous fiscal year). The cash flow status for the fiscal year under review and its contributing factors are as follows.

(Cash flows from operating activities)

Mainly due to a decrease in trade receivables, net cash provided by operating activities increased by ¥1,080 million to ¥5,241 million.

(Cash flows from investing activities)

Mainly due to an increase in purchase of shares of subsidiaries and associates, as well as an increase in purchase of property, plant and equipment, net cash used in investing activities increased by ¥3,652 million year on year to ¥4,899 million.

(Cash flows from financing activities)

Mainly due to an increase in proceeds from short-term borrowings, net cash provided by financing activities increased by ¥8,096 million year on year to ¥4,517 million.

(4) Future Outlook

The Japanese economy is expected to see a mild recovery underpinned by improvement in the environments for employment and income as well as the effects of various policy measures. However, impacts from the situation in the Middle East, the changes in the financial market, the U.S. trade policies, and other factors on the economy need to be watched closely.

In the environment surrounding the construction industry, private residential construction investment is expected to pick up, while continued growth is expected in government construction investment and non-residential construction investment. Overall, construction investment is projected to exceed the previous fiscal year's level.

In the medium to long run, owing to the growing needs of society for safety, security and convenience, it is likely that the business environment will continue to offer opportunities for the Group to demonstrate its specialties such as safety measures, disaster prevention and mitigation, and service life extension of infrastructure, among others. In the railway-related fields, the needs for securing safe and stable transportation are also expected to rise, such as seismic reinforcement measures in preparation for large earthquakes, rain disaster prevention measures in responses to increasingly severe natural disasters, and works to install barrier-free accessibility equipment such as platform doors, among others, and Shinkansen large-scale renovation works.

Meanwhile, in the face of pressing issues such as the shortage of skilled workers and responding to work style reforms, the Company will actively invest in human capital, such as through raising wages to secure talents for the Group and its partner companies and providing training for employees' skills development, as well as maintaining and strengthening construction execution system, while also sincerely responding to requests from members of the supply chain to pass on increased costs.

On November 11, 2025, the Company underwent an on-site inspection by the Japan Fair Trade Commission concerning bids for track maintenance work on the Toei Subway and other railways, in connection with a suspected violation of the Antimonopoly Act. The Company will fully cooperate with the Commission's inspection.

Full-year consolidated financial results forecasts for the fiscal year ending March 31, 2027, are as shown below.

(Millions of yen)

	Orders received	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal year ended March 31, 2026, results	145,360	163,018	17,601	18,220	12,845
Fiscal year ending March 31, 2027, forecast	153,000	167,000	18,000	18,500	13,000
Change (%)	7,639 +5.3	3,981 +2.4	398 +2.3	279 +1.5	154 +1.2

(5) Basic Policy on Distribution of Profit and Dividend Payout for the Fiscal Year under Review and Next Fiscal Year

With regard to distribution of profits, the Company's basic policy is to continue to offer stable dividends, to maintain internal reserves for enhancing shareholders' equity and capital investment, and to grant dividends proportional to revenue.

Based on this policy and in consideration of the Group's results for the fiscal year under review, as well as future business development, the Company plans to pay a year-end dividend of ¥80 per share for the fiscal year. Accordingly, including the interim dividend of ¥70, the annual dividend for the fiscal year under review will be ¥150 per share.

The above matters will be voted on at the 83rd Ordinary General Meeting of Shareholders to be held on June 25, 2026.

An annual dividend of ¥152 per share (including interim dividend of ¥76) is planned for the next fiscal year.

2. State of the Corporate Group

The Group comprises the Company and five subsidiaries. Together with an affiliated company, the Group engages mainly in businesses related to construction. The positioning of the Company and its related companies in their businesses, as well as their connection to each of the segments, is as described below. The categories presented below are consistent with the business segments.

(Civil Engineering Business)

The Company engages in general construction business. In the Civil Engineering Business, we conduct planning, design, construction work, supervision, and other activities related to civil engineering works in general. Portions of construction works are contracted out to Totetsu Maintenance Koji Co., Ltd. and Zenyo Co., Ltd., which are consolidated subsidiaries. East Japan Railway Company, which is the Company's "other related company," is a major customer.

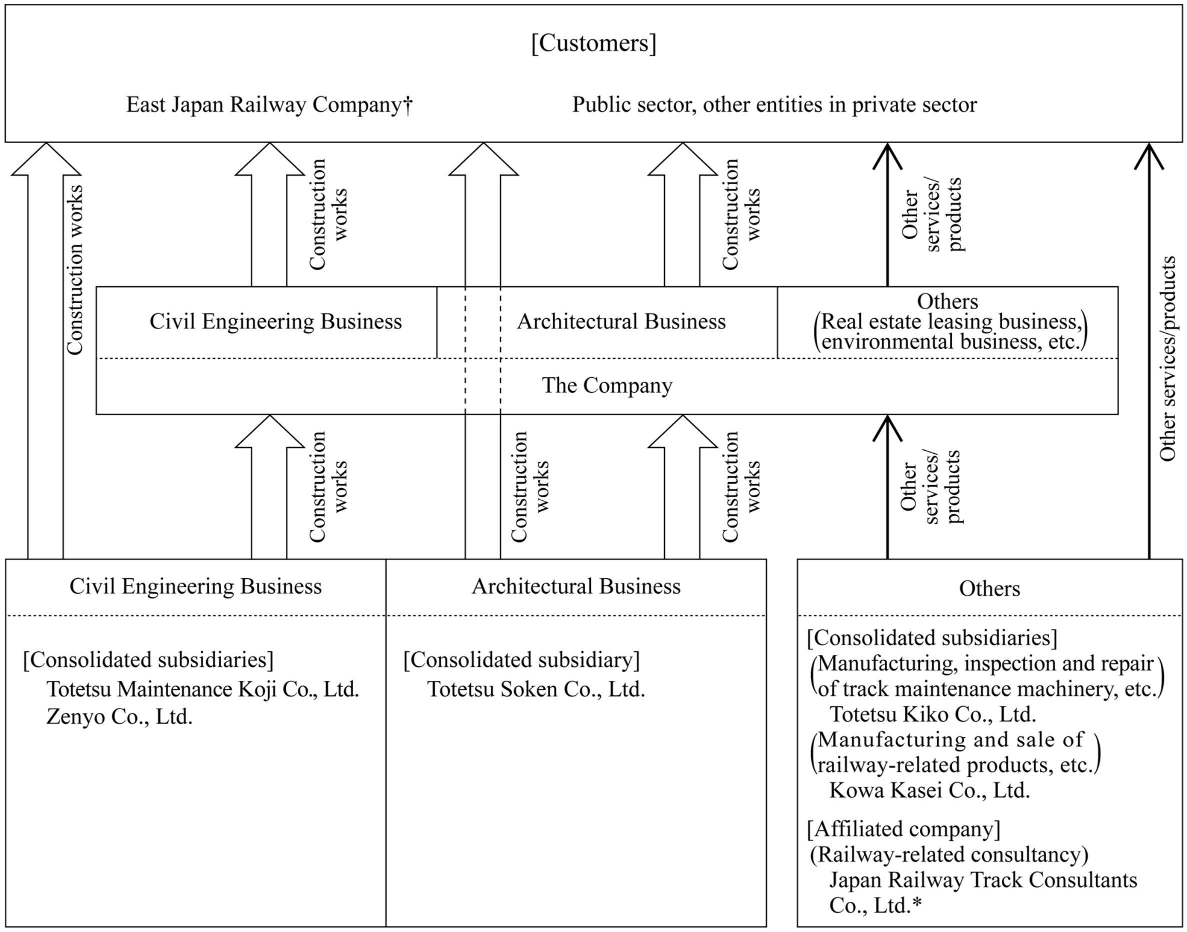
(Architectural Business)

The Company engages in general construction business. In the Architectural Business, we conduct planning, design, construction work, supervision and other activities related to architectural construction works in general. Portions of construction works are contracted out to Totetsu Soken Co., Ltd., a consolidated subsidiary. East Japan Railway Company, which is the Company's "other related company," is a major customer.

(Others)

The Company engages in the leasing business of commercial buildings and other properties and environmental business including power generation business and greening business. Totetsu Kiko Co., Ltd., a consolidated subsidiary, engages in manufacturing, inspection and repair of track maintenance machinery, while Kowa Kasei Co., Ltd., also a consolidated subsidiary, engages in manufacturing and sale of railway-related products. Japan Railway Track Consultants Co., Ltd., an affiliated company, engages in railway-related consultancy.

The diagram below summarizes the above descriptions.



* indicates an affiliated company accounted for using the equity method.

† indicates an "other related company."

3. Management Policies

(1) Basic Corporate Management Policies

The Group has in place the Management Philosophy, the Business Vision and the Corporate Message as shown below. The Group works under these basic management policies to pursue sustainable growth and enhance corporate value over the medium to long term.

1) Management Philosophy

- Safety first above all else -
Making the best use of railway-related special expertise, as a general construction company, we contribute to creating safe and comfortable transportation networks and social infrastructure.

2) Business Vision

- As a leading company of transportation infrastructure maintenance that focuses on railway-related works, such as maintenance and improvement,
- Based on trust brought by its highly sophisticated technical expertise and high-quality construction achievements
- Through constructing and sustaining sound infrastructures, and creating and preserving excellent environments,
- Realize sustainable growth, in order to contribute to creating an environmentally friendly society where all stakeholders can live with a safe and secure mind,
- As a specialized professional group, continues to be number one company in the railway maintenance industry and the only one choice in the construction industry

3) Corporate Message

Faithful ☆ Shining ☆ Number One & Only One
[Faithful]: Promote faithful management trusted by stakeholders
[Shining]: Provide the highest level of safety and quality, as a specialist supporting safe and stable transportation
[Number one]: Be number one with railway works know-how that greatly surpasses competitors
[Only one]: Be the only one in the construction industry, by leveraging high-value added construction capabilities refined in railway works and demonstrating our uniqueness of Railway Track Maintenance, Civil Engineering, Architectural, and Environmental Businesses and synergies between them for the solution of entire social infrastructure issues

(2) Medium- to Long-term Corporate Management Strategies

1) Long-term Vision

In this age of shorter socioeconomic change spans, and continued diversification of sense of value, the Totetsu Kogyo Group reached its 80th anniversary of foundation in 2024. Looking ahead to the 100th anniversary in the future, we have formulated the long-term vision in order that the Group unites to further strongly promote our business. We have defined its 2043 vision as a “leading company of transportation infrastructure maintenance,” and are promoting initiatives that center on five strategies of safety strategy, order receiving strategy, productivity increase strategy, human resource strategy, and ESG strategy, to achieve the vision.

As stated in the Business Vision, we recognize “contribution to realizing a sustainable society that is safe, secure, and environment-friendly” as the Group’s social mission. There are major changes in the external environment such as the worsening issues surrounding the whole construction industry. However, we have some projects that have already begun, and consider that the long-term outlook is bright. Facing a turning point of the era, we will encourage employees to shift gears to raise their awareness of being a specialized professional group. At the same time, through high-value-added construction capability refined in railway works, and active investments in human development and technical development, we will pursue tougher and more resilient organizational capability. This is the time to recollect the spirit at the time of foundation to thoroughly ensure the safety and security (stability) of railways through the thorough enhancement of the business base, and thereby we will pursue sustainable growth together with all stakeholders, and make efforts for “Jump toward the 100th anniversary of foundation.”

[Long-term Vision TOTETSU VISION 100]

<Totetsu Kogyo Group’s vision>

<u>Leading company in transportation infrastructure maintenance</u>

<Jump toward the 100th anniversary of foundation>

- Continue to be the number one company in the railway maintenance industry and the only one choice in the construction industry
- Realize sustainable growth, in order to contribute to creating a society where all stakeholders can live with a safe mind

2) Action Plan 2029

To achieve Totetsu Kogyo Group’s vision for the 100th anniversary, we have formulated Action Plan 2029, our priority measures to implement from 2024 onward, which centers on the five strategies set out in our long-term vision. By actively expanding business in the three key business fields and further advancing “trinity management” of Totetsu Kogyo, the Group companies, and partner companies, we will strive to increase the satisfaction degree of the Group’s employees and their families as well as of partner companies and fulfill client needs, while at the same time contributing to the revitalization of local communities by delivering happiness to customers who use infrastructures.

Besides, we will promote management conscious of cost of capital and stock price and seek to enhance our corporate value over the medium to long term, while realizing sustainable growth together with all stakeholders.

[Growth Story]

(a) Business expansion that contributes to solving social issues centering on the three key business fields

In the field of “JR East and other public and private railways,” we will work to achieve safety, high quality, and low cost more than ever in order to secure our number one position. As the company that looks after the life cycle of railway infrastructure in eastern Japan, we aim to further expand our business. In the “railway-related fields such as railway-adjacent projects,” in response to the growing need to address aging infrastructure across the country, we will undertake highly complex works such as large-scale works and works commissioned by local authorities for railway crossovers with roads and other structures, drawing on the Group’s special qualifications and technical expertise. In the field of “public and private entities,” where the demand for dealing with aging infrastructure is also rising, we will leverage the high-value-added construction capabilities refined through railway works to show our presence as the “only one” company and grow as a company that contributes to solving issues facing social infrastructure in general, such as through service life extension of transportation infrastructure and emergency responses in times of disaster.

(b) Thorough enhancement of business base and advancement of “trinity management”
As a specialist in supporting safe and stable transportation, we will actively adopt IT, AI, and other new technologies in our efforts towards ensuring safety and improving productivity through digital transformation (DX). In addition, we will make the largest ever investment in human capital in order to develop human resources that lead the industry in this labor shortage situation, while also working to enhance employees’ satisfaction with work styles. By raising our organizational capability in terms of toughness and resilience, we aim to thoroughly enhance our business base.

Through efforts towards integrated management of the Company and Group companies and coexistence and co-prosperity of the Company and partner companies, we will work to sustain and strengthen our construction execution system and actively deal with the needs in the fields where we can bring our strengths into play.

We will secure a solid position in the construction industry founded on our unique business model and tough business base and aim to become a leading company in transportation infrastructure maintenance. We believe that achieving sustainable growth and corporate value enhancement of the Group and society by maximizing the synergy between railway construction works and general construction works will itself be a stakeholder return. The whole company will work as one to push on with the initiatives set down in the Action Plan 2029 towards achieving the long-term vision.

[Five strategies]

Strategy	Direction of initiatives
Safety strategy	- Achieve zero fatal accidents of customers and employees - Strengthen proactive prevention and measures through both tangible and intangible approaches, by actively utilizing IT, AI and DX
Order receiving strategy	- Enhance our presence by conducting steady works including railway facilities maintenance and improvement project works - Provide maintenance structures for public and private railway companies, with highly sophisticated and abundant machine capabilities and construction know-how - Handle aging infrastructure works other than railway infrastructure, with our techniques and experience cultivated in railway works
Productivity increase strategy	- Prepare for decreased construction skilled workers and increased future orders that are expected over the medium to long term - Aim to increase productivity by combining our new techniques and ICTs and IoT
Human resource strategy	- Secure competent employees and those of partner companies - Sustainable skills development - Create work environments which help the employees of the Totetsu Kogyo Group and those of partner companies to have a sense of fulfillment
ESG strategy	- Challenge for carbon neutrality in 2050 - Address societal issues such as disaster prevention and mitigation, and life extension works for infrastructures - Promote and strengthen corporate governance management that places emphasis on both aggressive aspects (revenue/capital efficiency) and defensive aspects (risk management)

[Numerical targets]

(a) Consolidated net sales, ROE, DOE, and shareholder return policy

(Consolidated)	Fiscal year ending March 31, 2029 (performance target for the final year)
Net sales (fiscal year ending March 31, 2029)	**¥190.0 billion or more**
ROE	**10% or more**
DOE	**3% or more**
Shareholder return policy	**Progressive dividends**

(b) Investment plans

Aiming to establish the Company's own unique and solid earnings base towards achieving the long-term vision TOTETSU VISION 100, we plan to make growth investments totaling ¥70.0 billion over five years.

1) Human capital investment (enhancement of systems, education and training expenses, improvement in wage levels)

Key projects	Total investment
- Construction execution system enhancement (employees/partner companies) - Enhanced construction methods/techniques/lower costs/proposal capabilities (engineers/estimates) brought by strengthened organizational structures - Sufficient budget for safety training and education - Base-pay increase, better treatment - Support for improving the wage levels and work environment of partner companies	**¥20.0 billion**

2) Technical development investment and mechanization investment (DX and GX investments, machinery and systems development, costs for equipment maintenance and renewal)

Key projects	Total investment
- Increase the number of large-scale track maintenance machinery and their functions, and replacement - Development of machines that bring higher efficiency and labor savings - Development of construction methods, materials, and construction machines for Shinkansen large-scale renovations (including joint projects with JR East) - Full-scale implementation of IT and AI - Operational efficiency increase brought by digitalization - Decarbonization technology enhancement - Replacement of in-house systems and enhancement of facilities - Support promoting mechanization for partner companies	**¥50.0 billion**

(c) Non-financial KPIs (Initiatives for ESG/SDGs)
While improving capabilities of safety and quality in business, we aim to enhance our corporate value in terms of ESG and pursue SDG achievement under TOTETSU VISION 100.

Category	Indicator
Enforcement of safety and quality first	- Number of cases of major accidents and fatal occupational injuries (zero occurrence)
Environmental initiatives	- CO_2 emissions reduction rate (comparison with FY2023) (FY2030 Scope 1+2: 42% reduction, Scope 3: 25% reduction) (FY2050 Net zero emissions)
Responses to social issues	- Continued implementation of initiatives based on the basic policy for preventing negative human rights impacts (continued implementation of human rights due diligence, etc.) - Continued implementation of fair transactions with suppliers based on the Company's procurement policy - Contribution to local communities through business (track maintenance, disaster recovery, disaster prevention/mitigation, platform doors, barrier-free accessibility at stations, etc.) - Active promotion of Kenko Investment for Health for the happiness of employees and their families - Promotion of work-life balancing and diversity aimed at increasing female managers Number of female engineers (1.5-fold increase from FY2023) Rate of childcare leave taken by male employees (100%, including childbirth leave for partners) Used days in annual paid leave (15 days or more, including accumulated days)
Enhancement of corporate governance	- Consideration on making flexible responses to the changes in business environment with regard to corporate governance structure - Continued efforts to increase the ratio of female officers - Number of material legal violation cases (zero occurrence)

4. Basic Policy on Selection of Accounting Standards

The Group adopts the Japanese Generally Accepted Accounting Principles (GAAP), taking into account the comparability of consolidated financial statements between periods and the features of the Group's business. Regarding the adoption of International Financial Reporting Standards (IFRS), the Group will consider circumstances both in Japan and globally and work out as appropriate.

5. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	15,714,414	20,574,436
Notes receivable, accounts receivable from completed construction contracts and other	116,468,682	121,605,185
Costs on construction contracts in progress	4,088,130	4,369,278
Other	1,693,601	2,080,222
Allowance for doubtful accounts	(9,905)	(6,829)
Total current assets	137,954,924	148,622,293
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,982,892	14,639,742
Machinery, vehicles, tools, furniture and fixtures	24,557,213	26,691,044
Land	5,113,690	5,113,690
Leased assets	1,251,505	1,324,254
Construction in progress	5,038	170,730
Accumulated depreciation	(22,415,248)	(24,931,837)
Total property, plant and equipment	22,495,091	23,007,624
Intangible assets	651,020	418,087
Investments and other assets		
Investment securities	15,046,446	22,164,087
Retirement benefit asset	4,090,433	7,861,961
Other	923,884	1,815,224
Allowance for doubtful accounts	(46,378)	(43,813)
Total investments and other assets	20,014,386	31,797,460
Total non-current assets	43,160,498	55,223,172
Total assets	181,115,422	203,845,466

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	30,506,594	26,420,466
Short-term borrowings	10,000,000	20,000,000
Income taxes payable	2,999,820	3,286,955
Advances received on construction contracts in progress	881,616	1,140,148
Provision for warranties for completed construction	282,018	186,008
Provision for loss on construction contracts	85,319	67,843
Provision for bonuses	2,329,523	2,608,754
Asset retirement obligations	—	138,314
Other	8,398,700	8,580,238
Total current liabilities	55,483,592	62,428,730
Non-current liabilities		
Long-term accounts payable - other	8,795	10,700
Lease liabilities	536,988	474,379
Long-term leasehold and guarantee deposits received	331,843	336,563
Deferred tax liabilities	1,717,872	4,160,202
Provision for repairs	1,163,625	1,301,779
Retirement benefit liability	845,745	870,974
Provision for share awards for directors (and other officers)	93,987	123,731
Provision for retirement benefits for directors (and other officers)	17,070	22,389
Asset retirement obligations	138,547	140,986
Total non-current liabilities	4,854,477	7,441,707
Total liabilities	60,338,069	69,870,437
Net assets		
Shareholders' equity		
Share capital	2,810,000	2,810,000
Capital surplus	3,166,700	3,166,700
Retained earnings	111,041,273	118,534,905
Treasury shares	(3,879,539)	(3,859,211)
Total shareholders' equity	113,138,434	120,652,394
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,465,969	7,924,585
Remeasurements of defined benefit plans	2,010,687	4,088,154
Total accumulated other comprehensive income	6,476,657	12,012,740
Non-controlling interests	1,162,261	1,309,893
Total net assets	120,777,353	133,975,028
Total liabilities and net assets	181,115,422	203,845,466

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales		
Net sales of completed construction contracts	150,505,285	153,885,989
Net sales for incidental businesses	9,542,317	9,132,364
Total net sales	160,047,602	163,018,353
Cost of sales		
Cost of sales of completed construction contracts	128,287,153	128,249,410
Cost of sales on incidental businesses	7,093,531	6,688,335
Total cost of sales	135,380,684	134,937,745
Gross profit		
Gross profit on completed construction contracts	22,218,131	25,636,578
Gross profit on incidental businesses	2,448,786	2,444,028
Total gross profit	24,666,917	28,080,607
Selling, general and administrative expenses	9,140,905	10,479,093
Operating profit	15,526,012	17,601,513
Non-operating income		
Interest income	1,723	14,312
Dividend income	333,820	471,282
Share of profit of entities accounted for using equity method	118,454	102,756
Other	88,065	88,562
Total non-operating income	542,063	676,913
Non-operating expenses		
Interest expenses	31,480	57,270
Other	1,234	663
Total non-operating expenses	32,714	57,933
Ordinary profit	16,035,361	18,220,493
Extraordinary income		
Gain on sale of non-current assets	769	3,471
Gain on sale of investment securities	644,375	218,271
Other	—	819
Total extraordinary income	645,145	222,562
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	76,665	33,557
Other	—	1,693
Total extraordinary losses	76,665	35,250
Profit before income taxes	16,603,841	18,407,804
Income taxes - current	4,792,243	5,498,932
Income taxes - deferred	130,977	(63,358)
Total income taxes	4,923,221	5,435,574
Profit	11,680,620	12,972,230
Profit attributable to non-controlling interests	116,172	126,949
Profit attributable to owners of parent	11,564,447	12,845,281

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	11,680,620	12,972,230
Other comprehensive income		
Valuation difference on available-for-sale securities	373,093	3,481,454
Remeasurements of defined benefit plans, net of tax	679,321	2,077,467
Total other comprehensive income	1,052,415	5,558,921
Comprehensive income	12,733,035	18,531,151
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,622,798	18,381,364
Comprehensive income attributable to non-controlling interests	110,236	149,787

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,810,000	3,166,700	102,929,517	(3,894,896)	105,011,321
Changes during period					
Dividends of surplus	—	—	(3,452,691)	—	(3,452,691)
Profit attributable to owners of parent	—	—	11,564,447	—	11,564,447
Purchase of treasury shares	—	—	—	(623)	(623)
Disposal of treasury shares	—	—	—	15,980	15,980
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	—	—	8,111,756	15,356	8,127,113
Balance at end of period	2,810,000	3,166,700	111,041,273	(3,879,539)	113,138,434

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,086,940	1,331,366	5,418,306	1,053,864	111,483,492
Changes during period					
Dividends of surplus	—	—	—	—	(3,452,691)
Profit attributable to owners of parent	—	—	—	—	11,564,447
Purchase of treasury shares	—	—	—	—	(623)
Disposal of treasury shares	—	—	—	—	15,980
Net changes in items other than shareholders' equity	379,029	679,321	1,058,350	108,396	1,166,747
Total changes during period	379,029	679,321	1,058,350	108,396	9,293,860
Balance at end of period	4,465,969	2,010,687	6,476,657	1,162,261	120,777,353

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,810,000	3,166,700	111,041,273	(3,879,539)	113,138,434
Changes during period					
Dividends of surplus	—	—	(5,351,650)	—	(5,351,650)
Profit attributable to owners of parent	—	—	12,845,281	—	12,845,281
Purchase of treasury shares	—	—	—	(586)	(586)
Disposal of treasury shares	—	—	—	20,915	20,915
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	—	—	7,493,631	20,328	7,513,960
Balance at end of period	2,810,000	3,166,700	118,534,905	(3,859,211)	120,652,394

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,465,969	2,010,687	6,476,657	1,162,261	120,777,353
Changes during period					
Dividends of surplus	—	—	—	—	(5,351,650)
Profit attributable to owners of parent	—	—	—	—	12,845,281
Purchase of treasury shares	—	—	—	—	(586)
Disposal of treasury shares	—	—	—	—	20,915
Net changes in items other than shareholders' equity	3,458,616	2,077,467	5,536,083	147,631	5,683,715
Total changes during period	3,458,616	2,077,467	5,536,083	147,631	13,197,675
Balance at end of period	7,924,585	4,088,154	12,012,740	1,309,893	133,975,028

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	16,603,841	18,407,804
Depreciation	2,761,373	2,970,543
Increase (decrease) in allowance for doubtful accounts	(363,753)	(5,641)
Increase (decrease) in long-term accounts payable - other	8,054	1,904
Increase (decrease) in provision for loss on construction contracts	(81,620)	115,427
Increase (decrease) in provision for warranties for completed construction	12,093	(96,010)
Increase (decrease) in provision for bonuses	305,853	279,231
Increase (decrease) in retirement benefit liability	41,807	25,228
Increase (decrease) in provision for share awards for directors (and other officers)	22,198	29,743
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2,170	5,318
Increase (decrease) in provision for repairs	176,648	138,153
Interest and dividend income	(335,544)	(485,594)
Interest expenses	31,480	57,270
Share of loss (profit) of entities accounted for using equity method	(118,454)	(102,756)
Loss (gain) on sale and retirement of property, plant and equipment	75,895	30,086
Loss (gain) on sale of investment securities	(644,375)	(218,271)
Decrease (increase) in trade receivables	(12,371,606)	(5,136,502)
Decrease (increase) in costs on construction contracts in progress	(330,092)	(281,147)
Increase (decrease) in trade payables	801,456	(4,038,198)
Increase (decrease) in advances received on construction contracts in progress	9,099	258,531
Increase (decrease) in accrued consumption taxes	738,184	74,566
Other, net	585,284	(1,826,559)
Subtotal	7,929,996	10,070,226
Interest and dividends received	335,544	485,594
Interest paid	(31,480)	(57,270)
Income taxes paid	(4,073,179)	(5,256,733)
Net cash provided by (used in) operating activities	4,160,881	5,241,817
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,678,833)	(3,055,233)
Proceeds from sale of property, plant and equipment	3,833	3,545
Purchase of investment securities	(828)	(521)
Proceeds from sale of investment securities	661,950	264,325
Purchase of intangible assets	(181,460)	(132,958)
Purchase of shares of subsidiaries and associates	—	(1,964,649)
Other, net	(51,804)	(13,926)
Net cash provided by (used in) investing activities	(1,247,143)	(4,899,419)

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Proceeds from short-term borrowings	41,000,000	74,000,000
Repayments of short-term borrowings	(41,000,000)	(64,000,000)
Repayments of lease liabilities	(125,055)	(130,346)
Purchase of treasury shares	(623)	(586)
Dividends paid	(3,451,795)	(5,349,287)
Dividends paid to non-controlling interests	(1,840)	(2,155)
Net cash provided by (used in) financing activities	(3,579,313)	4,517,623
Net increase (decrease) in cash and cash equivalents	(665,575)	4,860,022
Cash and cash equivalents at beginning of period	16,379,989	15,714,414
Cash and cash equivalents at end of period	15,714,414	20,574,436

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Significant matters that serve as the basis for preparation of Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 5

(2) Names of consolidated subsidiaries

Totetsu Kiko Co., Ltd.
Totetsu Maintenance Koji Co., Ltd.
Totetsu Soken Co., Ltd.
Kowa Kasei Co., Ltd.
Zenyo Co., Ltd.

2. Application of equity method

(1) Number of affiliated companies accounted for using the equity method: 1

(2) Name of affiliated company accounted for using the equity method

Japan Railway Track Consultants Co., Ltd.

3. Fiscal years of consolidated subsidiaries, etc.

The fiscal years of consolidated subsidiaries end on the Company’s fiscal year-end.

4. Accounting policies

(1) Valuation standards and methods for significant assets

(i) Securities

Available-for-sale securities

Securities other than shares, etc. that do not have a market price

Fair value method

(with the entire amount of valuation differences inserted directly into net assets, and the cost of sales calculated using the moving average method)

Shares, etc. that do not have a market price

Moving average cost method

(ii) Inventories (Costs on construction contracts in progress, etc.)

a. Costs on construction contracts in progress

Specific identification method

b. Costs on service contracts in progress

Specific identification method

(with carrying value on balance sheet written down as profitability declines)

c. Merchandise and finished goods

Gross average cost method

(with carrying value on balance sheet written down as profitability declines)

d. Raw materials and supplies

Moving average cost method

(with amount shown on balance sheet written down as profitability declines)

(2) Depreciation method for significant depreciable assets

(i) Property, plant and equipment (excluding leased assets)

The declining balance method is primarily applied. However, the straight-line method is applied for large-scale track maintenance machinery included in machinery, vehicles, tools, furniture and fixtures, for buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, and for facilities attached to buildings and for structures acquired on or after April 1, 2016.

For estimated service lives and residual values, the same standards as those stipulated in Corporation Tax Act are applied.

(ii) Intangible assets (excluding leased assets)

The straight-line method is applied.

For software (in-house use), the straight-line method is applied over an estimated useful life (five years) for in-house use.

(iii) Leased assets

Leased assets related to finance lease transactions with the right of ownership not transferred

The straight-line method is applied using the lease term as service life and a residual value of zero.

(3) Recognition criteria for significant provisions

(i) Allowance for doubtful accounts

To provide for losses from non-payment of receivables, the estimated irrecoverable amount is recorded as follows: for general receivables, the historical default rate is used; and for specific receivables designated as potentially irrecoverable, the amounts are determined in consideration of the recoverability of each individual claim.

(ii) Provision for warranties for completed construction

To provide for the costs arising from contractual non-conformance liability concerning completed construction and other factors, the estimated future costs of warranties for the net sales of completed construction contracts for the fiscal year under review are recorded. For specific projects, estimated future costs of warranties are recorded for each individual project.

(iii) Provision for bonuses

To provide for the payment of employee bonuses, the portion of projected payment amount which is to be paid during the fiscal year under review is recorded.

(iv) Provision for loss on construction contracts

To provide for future losses related to ordered construction works, the projected amount of loss on construction works in hand as of the end of the fiscal year under review from which loss is expected and for which the amount of loss can be reasonably estimated is recorded.

(v) Provision for repairs

To provide for expenditure on periodic maintenance and repairs of track maintenance vehicles and other equipment, the portion of projected amount of such expenditure which is to be incurred by the end of the fiscal year under review is recorded.

(vi) Provision for share awards for directors (and other officers)

To provide for the awarding of the Company’s shares to directors (and other officers), the estimated amount of share award obligations as of the end of the fiscal year under review in accordance with internal regulations is recorded.

(vii) Provision for retirement benefits for directors (and other officers)

To provide for the payment of retirement benefits to directors (and other officers), some of the subsidiaries record the amount payable as of the end of the fiscal year in accordance with their internal regulations.

(4) Accounting treatment related to retirement benefits

(i) Method for attribution of projected retirement benefits to periods

In calculating retirement benefit obligations, the benefit formula method is applied to attribute projected retirement benefits to the periods until the end of the fiscal year under review.

(ii) Recognition of actuarial gains and losses and past service costs

Past service costs are recognized pro rata, using the straight-line method, over the determined years (15 years) that are no longer than the average remaining service years of the employees at the time of occurrence.

Actuarial gains and losses are recognized pro rata, using the straight-line method, over the determined years (15 years) that are no longer than the average remaining service years of employees at the time of occurrence for each fiscal year, beginning from the fiscal year following the time of occurrence.

(iii) Adoption of simplified method for small companies, etc.

In calculating liabilities related to retirement benefits and retirement benefit expenses, consolidated subsidiaries apply simplified method for small companies, which uses the amount of retirement benefits payable upon voluntary resignations at the end of the fiscal year as retirement benefit obligations.

(5) Recognition criteria for significant revenue and expenses

Details of main performance obligations in the major businesses related to revenue generated from contracts with customers of the Company and its consolidated subsidiaries and the timing at which these performance obligations are typically fulfilled (when revenue is typically recognized) are as follows:

Civil Engineering Business and Architectural Business

The Company and its consolidated subsidiaries engage in the planning, design, construction works, supervision, and other activities related to civil engineering and architectural construction works in general. The total construction revenue is calculated, in principle, using the value of construction contracts with customers. However, in case where work has been carried out before a contract is signed, based on the employer's work order, etc., the amount of revenue without contract is calculated by estimation based on the content of the employer's work order, etc. In these businesses, the Company has obligations to perform civil engineering and architectural construction works primarily based on construction contracts with customers. With regard to such performance obligations, since the control of assets is deemed to be transferred over time to the customer in step with the progress of works, revenue is recognized over time based on progress toward complete satisfaction of such performance obligation as measured at the end of the fiscal year under review. Progress towards satisfaction of performance obligation is estimated for each contract based on the proportion of cumulative cost incurred as of the end of reporting period to the total cost of sales of construction contract (input method). In case where the Company is unable to reasonably estimate the progress towards satisfaction of performance obligation but expects to recover the costs incurred while satisfying such performance obligation, the cost recovery method is applied. For projects with very short construction period, revenue is recognized at the point in time when the performance obligation is completely satisfied, instead of over time.

Net sales of completed construction contracts recorded using the method to recognize revenue over time amounted to ¥107,826,644 thousand.

(6) Scope of funds in consolidated cash flow statements

The statements include: cash on hand; demand deposits; and highly liquid short-term investments with maturity of three months or less from the acquisition date that are readily convertible to cash and subject to an insignificant risk of changes in value.

(Additional information)

(Stock-based compensation system "Board Benefit Trust (BBT)")

The Company has introduced a "Board Benefit Trust (BBT; hereinafter referred to as the "Plan")," a performance-linked and stock-based compensation system for Directors and executive officers of the Company (excluding outside directors; hereinafter referred to as "Directors, etc.") based on the resolution of the 79th Ordinary General Meeting of Shareholders held on June 28, 2022.

1. Outline of the Plan

The Plan is a performance-linked and stock-based compensation system under which money contributed by the Company is used as funds to acquire Company shares through a trust (hereinafter the trust set up under the Plan is referred to as the "Trust"), and the Company shares and cash equivalent to the market price of the Company shares (hereinafter referred to as the "Company Shares, etc.") are provided to Directors, etc. through the Trust in accordance with the Regulations on Share-based Remuneration for Officers stipulated by the Company. It should be noted that the Directors, etc. will receive benefits of the Company Shares, etc. upon the date of their retirement from office as a general rule.

2. Shares of the Company remaining in the trust

The Company records its shares remaining in the trust as treasury shares under net assets at book value of the trust (excluding incidental expenses). The book value of the said treasury shares as of the end of the fiscal year under review is ¥199,515 thousand, and the number of the said treasury shares is 84 thousand shares.

(Segment information, etc.)

[Segment Information]

1. Overview of reportable segments

The Group's business segments are the units comprising the Group for which discrete financial information is available and the Board of Directors can regularly review in order to make decisions on the allocation of management resources and evaluate performance.

The Group's reportable segments consist of Civil Engineering Business and Architectural Business.

In the Civil Engineering Business, we conduct planning, design, construction work, supervision, and other activities related to civil engineering works in general.

In the Architectural Business, we conduct planning, design, construction work, supervision and other activities related to architectural construction works in general.

2. Method for calculating the amounts of net sales, profit and loss, assets, liabilities and other items by reportable segment

The methods of accounting treatment for reportable segments are on the whole same as the accounting treatment methods stated under "Significant matters that serve as the basis for preparation of Consolidated Financial Statements."

Figures for segment profit are based on operating profit. Inter-segment sales and transfers are recorded based on prevailing market prices.

3. Information on net sales, profit (loss), assets, liabilities and other items and information on disaggregation of revenue by reportable segment

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

(Thousands of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Civil Engineering Business	Architectural Business	Total				
Net sales							
Goods or services transferred at a point in time	32,990,347	7,051,311	40,041,658	8,960,169	49,001,827	—	49,001,827
Goods or services transferred over time	67,846,787	42,616,839	110,463,626	143,866	110,607,493	—	110,607,493
Revenue from contracts with customers	100,837,134	49,668,150	150,505,285	9,104,035	159,609,321	—	159,609,321
Revenue from other sources	—	—	—	438,281	438,281	—	438,281
Net sales to outside customers	100,837,134	49,668,150	150,505,285	9,542,317	160,047,602	—	160,047,602
Inter-segment net sales or transfers	8,040	278,278	286,318	1,712,653	1,998,972	(1,998,972)	—
Total	100,845,174	49,946,429	150,791,603	11,254,971	162,046,575	(1,998,972)	160,047,602
Segment profit	8,573,807	5,428,526	14,002,333	1,504,093	15,506,427	19,585	15,526,012
Segment assets	99,648,926	45,335,431	144,984,357	12,940,588	157,924,945	23,190,476	181,115,422
Other items							
Depreciation	2,474,819	143,942	2,618,762	142,611	2,761,373	—	2,761,373
Increase in property, plant and equipment and intangible assets	1,716,929	183,184	1,900,114	76,951	1,977,065	—	1,977,065

(Notes) 1. The "Others" category is a business segment not included in reportable segments, and includes manufacturing and sale of railway-related products, real estate leasing business and environmental business, etc.

2. Adjustments are as shown below. The adjustments in segment profit represent inter-segment eliminations.

(1) Segment profit adjustment of ¥19,585 thousand includes unrealized gain (loss) on non-current assets of ¥10,394 thousand.

(2) Segment assets adjustment of ¥23,190,476 thousand consists of elimination of inter-segment receivables and payables of ¥(5,748,312) thousand and corporate assets that do not belong to individual reportable segment of ¥28,938,789 thousand.

3. Segment profit is adjusted with operating profit in the Consolidated Statements of Income.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Civil Engineering Business	Architectural Business	Total				
Net sales							
Goods or services transferred at a point in time	36,324,790	9,734,554	46,059,345	8,671,121	54,730,466	—	54,730,466
Goods or services transferred over time	71,655,886	36,170,757	107,826,644	—	107,826,644	—	107,826,644
Revenue from contracts with customers	107,980,676	45,905,312	153,885,989	8,671,121	162,557,110	—	162,557,110
Revenue from other sources	—	—	—	461,243	461,243	—	461,243
Net sales to outside customers	107,980,676	45,905,312	153,885,989	9,132,364	163,018,353	—	163,018,353
Inter-segment net sales or transfers	6,890	569,088	575,978	2,101,478	2,677,457	(2,677,457)	—
Total	107,987,566	46,474,400	154,461,967	11,233,842	165,695,810	(2,677,457)	163,018,353
Segment profit	9,829,747	6,367,991	16,197,738	1,400,300	17,598,039	3,474	17,601,513
Segment assets	109,583,619	42,305,884	151,482,164	13,206,529	164,688,693	39,156,772	203,845,466
Other items							
Depreciation	2,631,716	181,915	2,813,632	156,911	2,970,543	—	2,970,543
Increase in property, plant and equipment and intangible assets	3,580,550	345,885	3,926,436	167,083	4,093,520	—	4,093,520

(Notes) 1. The “Others” category is a business segment not included in reportable segments, and includes manufacturing and sale of railway-related products, real estate leasing business and environmental business, etc.

2. Adjustments are as shown below. The adjustments in segment profit represent inter-segment eliminations.

(1) Segment profit adjustment of ¥3,474 thousand includes unrealized gain (loss) on non-current assets of ¥(5,594) thousand.

(2) Segment assets adjustment of ¥26,397,667 thousand consists of elimination of inter-segment receivables and payables of ¥(6,044,784) thousand and corporate assets that do not belong to individual reportable segment of ¥45,201,556 thousand.

3. Segment profit is adjusted with operating profit in the Consolidated Statements of Income.

[Related Information]

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

1. Information by product and service
This information is omitted, since similar information is provided under Segment Information.

2. Information by region
(1) Net sales
This information is omitted, since net sales to outside customers in Japan account for more than 90% of net sales recorded on the Consolidated Statements of Income.

(2) Property, plant and equipment
There is no relevant information, since the Company does not hold any property, plant or equipment outside Japan.

3. Information by major customer (Thousands of yen)

Name of customer	Net sales	Relevant segment
East Japan Railway Company	111,600,127	Civil Engineering Business, Architectural Business, Others

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Information by product and service
This information is omitted, since similar information is provided under Segment Information.

2. Information by region
(1) Net sales
This information is omitted, since net sales to outside customers in Japan account for more than 90% of net sales recorded on the Consolidated Statements of Income.

(2) Property, plant and equipment
There is no relevant information, since the Company does not hold any property, plant or equipment outside Japan.

3. Information by major customer (Thousands of yen)

Name of customer	Net sales	Relevant segment
East Japan Railway Company	118,458,246	Civil Engineering Business, Architectural Business, Others

[Information on impairment loss on non-current assets by reportable segment]
Not applicable.

[Information on amortization of goodwill and unamortized balance by reportable segment]
Not applicable.

[[Information on gain on negative goodwill by reportable segment]
Not applicable.

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥3,473.85	¥3,851.87
Basic earnings per share	¥335.87	¥372.99

Notes: 1. Diluted earnings per share is not shown, since there are no dilutive shares.
2. Basis for calculating basic earnings per share is as shown below.

Item	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit attributable to owners of parent (Thousands of yen)	11,564,447	12,845,281
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent related to common shares (Thousands of yen)	11,564,447	12,845,281
Average number of common shares outstanding during the period (Thousands of shares)	34,430	34,439

3. Basis for calculating net assets per share is as shown below.

Item	As of March 31, 2025	As of March 31, 2026
Total net assets (Thousands of yen)	120,777,353	133,975,028
Amount deducted from total net assets (Thousands of yen)	1,162,261	1,309,893
[Of which, non-controlling interests (Thousands of yen)]	[1,162,261]	[1,309,893]
Net assets related to common shares at the end of the period (Thousands of yen)	119,615,091	132,665,135
Number of common shares outstanding at the end of the period used in calculating net assets per share (Thousands of shares)	34,433	34,441

4. In calculating net assets per share and basic earnings per share, the shares held by the Board Benefit Trust (BBT) are included in the treasury stock excluded from the calculation of the number of shares outstanding at the end of the period and the average number of shares outstanding during the period. The number of the Company's shares held by BBT at the end of period were 93 thousand shares as of March 31, 2025 and 84 thousand shares as of March 31, 2026. The average number of the Company's shares outstanding during the period were 95 thousand shares for the fiscal year ended March 31, 2025 and 87 thousand shares for the fiscal year ended March 31, 2026.

(Significant subsequent events)
Not applicable.

6. Non-consolidated Financial Statements and Principal Notes

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	9,675,767	14,201,099
Notes receivable - trade	1,321,200	—
Electronically recorded monetary claims - operating	65,156	384,802
Accounts receivable from completed construction contracts	65,602,651	66,779,883
Accounts receivable - trade	675,568	597,182
Contract assets	45,978,423	51,446,207
Costs on construction contracts in progress	1,570,590	1,441,856
Costs on service contracts in progress	194,585	269,651
Merchandise and finished goods	10,000	10,000
Raw materials and supplies	1,248,607	1,398,973
Prepaid expenses	854,737	1,029,059
Accounts receivable - other	380,531	622,498
Advances paid	230,017	169,454
Other	244,165	247,278
Allowance for doubtful accounts	(1,022)	(1,036)
Total current assets	128,050,981	138,596,912

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Non-current assets		
Property, plant and equipment		
Buildings	12,376,203	12,956,885
Accumulated depreciation	(5,890,616)	(6,369,385)
Buildings, net	6,485,587	6,587,499
Structures	1,124,794	1,187,066
Accumulated depreciation	(392,383)	(449,789)
Structures, net	732,410	737,276
Machinery and equipment	958,792	976,163
Accumulated depreciation	(763,775)	(788,873)
Machinery and equipment, net	195,016	187,289
Vehicles	17,696,826	19,158,366
Accumulated depreciation	(9,256,739)	(10,740,941)
Vehicles, net	8,440,086	8,417,424
Tools, furniture and fixtures	4,494,403	5,056,666
Accumulated depreciation	(3,619,462)	(3,910,428)
Tools, furniture and fixtures, net	874,940	1,146,238
Land	4,136,559	4,136,559
Leased assets	1,238,322	1,272,012
Accumulated depreciation	(609,893)	(723,612)
Leased assets, net	628,428	548,399
Construction in progress	5,038	168,790
Total property, plant and equipment	21,498,067	21,929,478
Intangible assets		
Software	283,006	268,671
Software in progress	253,553	21,190
Other	104,129	104,126
Total intangible assets	640,689	393,988
Investments and other assets		
Investment securities	4,702,496	7,564,321
Shares of subsidiaries and associates	9,905,675	13,848,081
Distressed receivables	5,087	4,987
Long-term accounts receivable - other	2,465	—
Prepaid pension costs	1,154,265	1,892,109
Other	458,609	1,411,120
Allowance for doubtful accounts	(44,798)	(42,233)
Total investments and other assets	16,183,800	24,678,386
Total non-current assets	38,322,558	47,001,853
Total assets	166,373,540	185,598,765

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable - trade	132,238	—
Electronically recorded obligations - operating	4,368,536	—
Accounts payable for construction contracts	24,097,089	25,691,618
Accounts payable - trade	147,727	152,792
Short-term borrowings	10,000,000	20,000,000
Lease liabilities	123,184	132,123
Accounts payable - other	2,985,059	3,457,315
Accrued expenses	1,043,300	1,127,461
Income taxes payable	2,687,378	2,861,718
Accrued consumption taxes	4,138,887	4,185,916
Advances received on construction contracts in progress	881,616	1,087,148
Deposits received	5,359,932	5,124,127
Provision for warranties for completed construction	282,018	197,308
Provision for loss on construction contracts	85,319	67,843
Provision for bonuses	2,154,959	2,412,673
Asset retirement obligations	—	138,314
Other	117,701	134,542
Total current liabilities	58,604,950	66,770,905
Non-current liabilities		
Long-term accounts payable - other	7,934	10,057
Lease liabilities	529,887	439,625
Long-term leasehold and guarantee deposits received	331,843	336,563
Provision for repairs	1,301,594	1,465,967
Deferred tax liabilities	808,509	2,314,388
Provision for share awards for directors (and other officers)	93,987	123,731
Asset retirement obligations	121,287	119,272
Total non-current liabilities	3,195,045	4,809,607
Total liabilities	61,799,995	71,580,513
Net assets		
Shareholders' equity		
Share capital	2,810,000	2,810,000
Capital surplus		
Legal capital surplus	2,264,004	2,264,004
Other capital surplus	89,098	89,098
Total capital surplus	2,353,102	2,353,102
Retained earnings		
Legal retained earnings	686,939	686,939
Other retained earnings		
Reserve for tax purpose reduction entry of replacement assets	363,214	363,214
General reserve	84,150,727	87,150,727
Retained earnings brought forward	13,694,587	16,773,283
Total retained earnings	98,895,468	104,974,163
Treasury shares	(3,879,539)	(3,859,211)

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Total shareholders' equity	100,179,031	106,278,055
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,394,512	7,740,196
Total valuation and translation adjustments	4,394,512	7,740,196
Total net assets	104,573,544	114,018,252
Total liabilities and net assets	166,373,540	185,598,765

(2) Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales		
Net sales of completed construction contracts	146,543,867	149,662,459
Net sales for incidental businesses	1,891,146	1,765,318
Total net sales	148,435,013	151,427,778
Cost of sales		
Cost of sales of completed construction contracts	125,637,852	125,863,911
Cost of sales on incidental businesses	1,349,541	1,179,511
Total cost of sales	126,987,394	127,043,423
Gross profit		
Gross profit on completed construction contracts	20,906,014	23,798,547
Gross profit on incidental businesses	541,604	585,807
Total gross profit	21,447,619	24,384,355
Selling, general and administrative expenses	7,684,250	8,863,067
Operating profit	13,763,368	15,521,287
Non-operating income		
Interest income	318	8,030
Dividend income	325,227	461,023
Other	90,760	77,068
Total non-operating income	416,306	546,123
Non-operating expenses		
Interest expenses	53,161	97,678
Other	207	288
Total non-operating expenses	53,369	97,966
Ordinary profit	14,126,305	15,969,443
Extraordinary income		
Gain on sale of non-current assets	24	2,791
Gain on sale of investment securities	644,375	218,220
Other	—	819
Total extraordinary income	644,399	221,831
Extraordinary losses		
Loss on sale of non-current assets	0	—
Loss on retirement of non-current assets	75,741	33,261
Other	—	306
Total extraordinary losses	75,741	33,567
Profit before income taxes	14,694,964	16,157,707
Income taxes - current	4,179,045	4,761,435
Income taxes - deferred	132,442	(34,073)
Total income taxes	4,311,488	4,727,362
Profit	10,383,475	11,430,345

(3) Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	2,810,000	2,264,004	89,098	2,353,102
Changes during period				
Provision of general reserve	—	—	—	—
Dividends of surplus	—	—	—	—
Profit	—	—	—	—
Purchase of treasury shares	—	—	—	—
Disposal of treasury shares	—	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—
Total changes during period	—	—	—	—
Balance at end of period	2,810,000	2,264,004	89,098	2,353,102

	Shareholders' equity					
	Retained earnings					Treasury shares
	Legal retained earnings	Other retained earnings			Total retained earnings	
		Reserve for tax purpose reduction entry of replacement assets	General reserve	Retained earnings brought forward		
Balance at beginning of period	686,939	363,214	80,150,727	10,763,803	91,964,684	(3,894,896)
Changes during period						
Provision of general reserve	—	—	4,000,000	(4,000,000)	—	—
Dividends of surplus	—	—	—	(3,452,691)	(3,452,691)	—
Profit	—	—	—	10,383,475	10,383,475	—
Purchase of treasury shares	—	—	—	—	—	(623)
Disposal of treasury shares	—	—	—	—	—	15,980
Net changes in items other than shareholders' equity	—	—	—	—	—	—
Total changes during period	—	—	4,000,000	2,930,784	6,930,784	15,356
Balance at end of period	686,939	363,214	84,150,727	13,694,587	98,895,468	(3,879,539)

(Thousands of yen)

	Shareholders' equity	Valuation and translation adjustments		
	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	Total net assets
Balance at beginning of period	93,232,890	3,972,139	3,972,139	97,205,030
Changes during period				
Provision of general reserve	—	—	—	—
Dividends of surplus	(3,452,691)	—	—	(3,452,691)
Profit	10,383,475	—	—	10,383,475
Purchase of treasury shares	(623)	—	—	(623)
Disposal of treasury shares	15,980	—	—	15,980
Net changes in items other than shareholders' equity	—	422,372	422,372	422,372
Total changes during period	6,946,141	422,372	422,372	7,368,514
Balance at end of period	100,179,031	4,394,512	4,394,512	104,573,544

For the fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	2,810,000	2,264,004	89,098	2,353,102
Changes during period				
Provision of general reserve	—	—	—	—
Dividends of surplus	—	—	—	—
Profit	—	—	—	—
Purchase of treasury shares	—	—	—	—
Disposal of treasury shares	—	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—
Total changes during period	—	—	—	—
Balance at end of period	2,810,000	2,264,004	89,098	2,353,102

	Shareholders' equity					
	Retained earnings					Treasury shares
	Legal retained earnings	Other retained earnings			Total retained earnings	
		Reserve for tax purpose reduction entry of replacement assets	General reserve	Retained earnings brought forward		
Balance at beginning of period	686,939	363,214	84,150,727	13,694,587	98,895,468	(3,879,539)
Changes during period						
Provision of general reserve	—	—	3,000,000	(3,000,000)	—	—
Dividends of surplus	—	—	—	(5,351,650)	(5,351,650)	—
Profit	—	—	—	11,430,345	11,430,345	—
Purchase of treasury shares	—	—	—	—	—	(586)
Disposal of treasury shares	—	—	—	—	—	20,915
Net changes in items other than shareholders' equity	—	—	—	—	—	—
Total changes during period	—	—	3,000,000	3,078,695	6,078,695	20,328
Balance at end of period	686,939	363,214	87,150,727	16,773,283	104,974,163	(3,859,211)

(Thousands of yen)

	Shareholders' equity	Valuation and translation adjustments		
	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	Total net assets
Balance at beginning of period	100,179,031	4,394,512	4,394,512	104,573,544
Changes during period				
Provision of general reserve	—	—	—	—
Dividends of surplus	(5,351,650)	—	—	(5,351,650)
Profit	11,430,345	—	—	11,430,345
Purchase of treasury shares	(586)	—	—	(586)
Disposal of treasury shares	20,915	—	—	20,915
Net changes in items other than shareholders' equity	—	3,345,683	3,345,683	3,345,683
Total changes during period	6,099,023	3,345,683	3,345,683	9,444,707
Balance at end of period	106,278,055	7,740,196	7,740,196	114,018,252

(4) Notes to Non-consolidated Financial Statements

(Additional Information)

(Performance-linked stock-based compensation system "Board Benefit Trust (BBT)")

Notes on the Board Benefit Trust (BBT), a performance-linked stock-based compensation system for Directors, etc. are omitted, since identical information is provided in (Additional information) under the "Notes to Consolidated Financial Statements."

7. Supplementary Information

Status of orders received, net sales and balance carried forward

1) Consolidated

Comparison of orders received by consolidated division

(Figures of less than one million yen are rounded down.)

Category		For the fiscal year ended March 31, 2025	Composition ratio		For the fiscal year ended March 31, 2026	Composition ratio
<Construction business>		Millions of yen			Millions of yen	
Civil Engineering		100,504	67.2%		99,300	68.3%
Architectural		48,949	32.8%		46,060	31.7%
Total		149,454	100.0%		145,360	100.0%
Public sector		8,769	5.8%		7,282	5.0%
	Railway	2,546	1.7%	Railway	2,539	1.7%
	General	6,223	4.1%	General	4,742	3.3%
Private sector		140,684	94.2%		138,078	95.0%
	Railway	121,770	81.5%	Railway	120,635	83.0%
	General	18,914	12.7%	General	17,443	12.0%
Total		149,454	100.0%		145,360	100.0%
	Railway	124,316	83.2%	Railway	123,175	84.7%
	General	25,137	16.8%	General	22,185	15.3%

Comparison of net sales by consolidated division

(Figures of less than one million yen are rounded down.)

Category		For the fiscal year ended March 31, 2025	Composition ratio		For the fiscal year ended March 31, 2026	Composition ratio
<Construction business> Net sales of completed construction contracts		Millions of yen			Millions of yen	
Civil Engineering		100,837	67.0%		107,980	70.2%
Architectural		49,668	33.0%		45,905	29.8%
Total		150,505	100.0%		153,885	100.0%
Public sector		11,912	7.9%		10,343	6.7%
	Railway	3,315	2.2%	Railway	4,073	2.6%
	General	8,596	5.7%	General	6,269	4.1%
Private sector		138,592	92.1%		143,542	93.3%
	Railway	115,711	76.9%	Railway	126,216	82.0%
	General	22,880	15.2%	General	17,326	11.3%
Total		150,505	100.0%		153,885	100.0%
	Railway	119,027	79.1%	Railway	130,289	84.6%
	General	31,477	20.9%	General	23,596	15.4%
<Incidental businesses> Net sales		9,542	—		9,132	—
Net sales total		160,047	—		163,018	—

Comparison of balance carried forward by consolidated division

(Figures of less than one million yen are rounded down.)

Category		For the fiscal year ended March 31, 2025	Composition ratio		For the fiscal year ended March 31, 2026	Composition ratio
<Construction business>		Millions of yen			Millions of yen	
Civil Engineering		83,082	71.2%		74,401	68.8%
Architectural		33,533	28.8%		33,689	31.2%
Total		116,616	100.0%		108,091	100.0%
Public sector		10,438	9.0%		7,378	6.9%
	Railway	3,443	3.0%	Railway	1,910	1.8%
	General	6,995	6.0%	General	5,467	5.1%
Private sector		106,177	91.0%		100,713	93.1%
	Railway	96,505	82.7%	Railway	90,924	84.0%
	General	9,671	8.3%	General	9,788	9.1%
Total		116,616	100.0%		108,091	100.0%
	Railway	99,949	85.7%	Railway	92,835	85.8%
	General	16,666	14.3%	General	15,255	14.2%

2) Non-consolidated

Comparison of orders received by non-consolidated division

(Figures of less than one million yen are rounded down.)

Category		For the fiscal year ended March 31, 2025	Composition ratio		For the fiscal year ended March 31, 2026	Composition ratio
<Construction business>		Millions of yen			Millions of yen	
Civil Engineering		99,389	68.2%		97,793	69.7%
Architectural		46,291	31.8%		42,538	30.3%
Total		145,681	100.0%		140,332	100.0%
Public sector		8,767	6.1%		7,281	5.2%
	Railway	2,545	1.8%	Railway	2,539	1.8%
	General	6,222	4.3%	General	4,741	3.4%
Private sector		136,913	93.9%		133,051	94.8%
	Railway	121,419	83.3%	Railway	119,531	85.2%
	General	15,493	10.6%	General	13,519	9.6%
Total		145,681	100.0%		140,332	100.0%
	Railway	123,965	85.1%	Railway	122,071	87.0%
	General	21,715	14.9%	General	18,260	13.0%

Comparison of net sales by non-consolidated division

(Figures of less than one million yen are rounded down.)

Category		For the fiscal year ended March 31, 2025	Composition ratio		For the fiscal year ended March 31, 2026	Composition ratio
<Construction business> Net sales of completed construction contracts		Millions of yen			Millions of yen	
Civil Engineering		99,722	68.0%		106,474	71.1%
Architectural		46,821	32.0%		43,188	28.9%
Total		146,543	100.0%		149,662	100.0%
Public sector		11,880	8.1%		10,341	6.9%
	Railway	3,284	2.2%	Railway	4,073	2.7%
	General	8,595	5.9%	General	6,268	4.2%
Private sector		134,663	91.9%		139,320	93.1%
	Railway	115,363	78.7%	Railway	125,593	83.9%
	General	19,299	13.2%	General	13,726	9.2%
Total		146,543	100.0%		149,662	100.0%
	Railway	118,648	80.9%	Railway	129,666	86.6%
	General	27,895	19.1%	General	19,995	13.4%
<Incidental businesses> Net sales		1,891	—		1,765	—
Net sales total		148,435	—		151,427	—

Comparison of balance carried forward by non-consolidated division

(Figures of less than one million yen are rounded down.)

Category		For the fiscal year ended March 31, 2025	Composition ratio		For the fiscal year ended March 31, 2026	Composition ratio
<Construction business>		Millions of yen			Millions of yen	
Civil Engineering		83,082	71.6%		74,401	69.7%
Architectural		32,982	28.4%		32,333	30.3%
Total		116,065	100.0%		106,735	100.0%
Public sector		10,438	9.0%		7,378	6.9%
	Railway	3,443	3.0%	Railway	1,910	1.8%
	General	6,995	6.0%	General	5,467	5.1%
Private sector		105,626	91.0%		99,357	93.1%
	Railway	96,502	83.1%	Railway	90,440	84.7%
	General	9,124	7.9%	General	8,916	8.4%
Total		116,065	100.0%		106,735	100.0%
	Railway	99,946	86.1%	Railway	92,351	86.5%
	General	16,119	13.9%	General	14,384	13.5%