

Disclaimer: This financial information, a digest of Taisei Corporation's "Consolidated Financial Results for the Fiscal Year Ended March 31, 2026" ("Kessan Tanshin") disclosed at the Tokyo Stock Exchange on May 14, 2026 was translated into English and presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Tanshin" and this document, Japanese "Kessan Tanshin" will prevail.

May 14, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (FY2025) [Japanese GAAP]

| | |
|---|---|
| Listed company name: | Taisei Corporation |
| Stock exchange listings: | Tokyo Stock Exchange, Prime Market Nagoya Stock Exchange, Premier Market |
| Stock code: | 1801 |
| Location of headquarters: | Tokyo, Japan |
| Website: | https://www.taisei.co.jp/english |
| Representative: | Yoshiro Aikawa, President and Chief Executive Officer |
| Contact: | Yuichi Nakano, General Manager of Accounting Department |
| TEL: | 81-3-3348-1111 (from overseas) |
| Scheduled date of annual general meeting of shareholders: | June 23, 2026 |
| Scheduled date for dividend payment | June 24, 2026 |
| Scheduled date to file annual securities report: | June 16, 2026 |
| Supplementary materials for financial summaries: | Yes |
| Financial results briefing: | Yes (for analysts and institutional investors) |

1. Consolidated financial results for the fiscal year ended March 31, 2026 (FY2025)

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

(1) Operating results (cumulative total)

(Millions of yen, rounded down)

(Percentages indicate changes from the same period in the previous fiscal year.)

| | Net sales | | Operating income | | Ordinary income | | Net income attributable to owners of parent | |
|--|-------------------------|------------------------------|---------------------|------------------|--|--|---|-------|
| | | % | | % | | % | | % |
| FY2025 (Full year-end) As of March 31, 2026 | 2,089,091 | (3.0) | 187,973 | 56.4 | 195,777 | 45.6 | 170,004 | 37.3 |
| FY2024 (Full year-end) As of March 31, 2025 | 2,154,223 | 22.1 | 120,160 | 353.8 | 134,505 | 245.7 | 123,824 | 207.5 |
| (Note) Comprehensive income: | FY2025 (Full year-end) | | 209,307 million yen | | 348.2 % | | | |
| | FY2024 (Full year-end) | | 46,695 million yen | | (68.1 %) | | | |
| | Net income per share | Diluted net income per share | | Return on equity | Ratio of ordinary income to total assets | Ratio of operating income to net sales | | |
| | yen | yen | | % | % | % | | |
| FY2025 (Full year-end) As of March 31, 2026 | 1,025.53 | - | | 18.7 | 7.6 | 9.0 | | |
| FY2024 (Full year-end) As of March 31, 2025 | 682.78 | - | | 13.8 | 5.4 | 5.6 | | |
| (Reference) Equity in earnings in affiliates: | FY2025 (Full year-end): | | 5,729 million yen | | | | | |
| | FY2024 (Full year-end): | | 10,225 million yen | | | | | |

(2) Financial position

(Millions of yen, rounded down)

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-----------------------------------|----------------------|------------|---------------------|----------------------|
| | | | % | yen |
| As of March 31, 2026 | 2,714,550 | 989,931 | 34.9 | 5,816.09 |
| As of March 31, 2025 | 2,428,837 | 900,699 | 35.7 | 5,041.43 |
| (Reference) Shareholders' equity: | As of March 31, 2026 | | 948,075 million yen | |
| | As of March 31, 2025 | | 866,188 million yen | |

(3) Cash flows

(Millions of yen, rounded down)

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--|
| FY2025 (Full year-end) As of March 31, 2026 | 147,287 | (195,895) | 24,397 | 272,974 |
| FY2024 (Full year-end) As of March 31, 2025 | (13,841) | 10,531 | (133,769) | 295,963 |

2. Dividends

(Millions of yen, rounded down)

| | Dividends per share (yen) | | | | Total dividends (Full year) (yen) | Total dividends (annual) | Dividend payout ratio (consolidated) (%) | Ratio of dividends to equity (consolidated) (%) |
|-------------------|---------------------------|-------------|-------------------|----------|--------------------------------------|--------------------------|---|--|
| | First quarter-end | Interim-end | Third quarter-end | Year-end | | | | |
| | yen | yen | yen | yen | | | | |
| FY2024 | - | 65.00 | - | 145.00 | 210.00 | 36,817 | 30.8 | 4.2 |
| FY2025 | - | 125.00 | - | 185.00 | 310.00 | 50,751 | 30.2 | 5.7 |
| FY2026 (forecast) | - | 190.00 | - | 190.00 | 380.00 | | 41.0 | |

3. Consolidated results forecast for the fiscal year ending March 31, 2027 (FY2026)

(From April 1, 2026 to March 31, 2027)

(Millions of yen, rounded down)

(Percentages indicate the rate of change from the same period of the previous fiscal year)

| | Net sales | Operating income | | Ordinary income | | Net income attributable to owners of parent | Net income per share | |
|------------------|-----------|------------------|---------|-----------------|---------|---|----------------------|--------|
| | | % | | % | | % | yen | |
| Full fiscal year | 2,420,000 | 15.8 | 188,000 | 0.0 | 187,000 | (4.5) | 151,000 (11.2) | 926.33 |

Notes*(1) Significant changes in the scope of consolidation during the period****(Changes in specified subsidiaries accompanying changes in scope of consolidation):** Yes

Newly included: Toyo Construction Co., Ltd.

Excluded: None

(2) Changes in accounting principles, changes in accounting estimates and restatements

- (i) Changes in accounting principles due to revisions to accounting standards, etc.: None
- (ii) Changes due to accounting principles other than (i): None
- (iii) Changes in accounting estimates: None
- (iv) Restatements: None

(3) Number of shares outstanding (common stock)

- i. Number of shares outstanding at the end of period (including treasury stock)
 - As of March 31, 2026 163,185,872 shares
 - As of March 31, 2025 183,166,472 shares
- ii. Number of treasury stock at the end of period
 - As of March 31, 2026 176,753 shares
 - As of March 31, 2025 11,352,272 shares
- iii. Average number of shares during the period (quarterly cumulative total)
 - FY2025 (Full year-end) 165,771,810 shares
 - FY2024 (Full year-end) 181,353,961 shares

(Note) The number of treasury stock at the end of the period and number of treasury stock excluded for calculating average number of shares during the period include the Company's shares held by the Board Benefit Trust (BBT).

(As of March 31, 2026: 98,400 shares, As of March 31, 2025: 98,400 shares)

Reference: Summary of Non-consolidated financial statements

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (FY2025)

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

(1) Operating results

(Millions of yen, rounded down)

(Percentages indicate changes from the same period in the previous fiscal year.)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|--|-----------|--------|------------------|------|-----------------|-------|------------|-------|
| | | % | | % | | % | | % |
| FY2025 (Full year-end) As of March 31, 2026 | 1,452,294 | (11.3) | 142,890 | 78.0 | 149,080 | 71.2 | 145,423 | 53.5 |
| FY2024 (Full year-end) As of March 31, 2025 | 1,637,823 | 17.5 | 80,279 | - | 87,104 | 531.9 | 94,744 | 318.4 |

| | Net income per share | Diluted net income per share |
|--|----------------------|------------------------------|
| | yen | yen |
| FY2025 (Full year-end) As of March 31, 2026 | 877.09 | - |
| FY2024 (Full year-end) As of March 31, 2025 | 522.40 | - |

(2) Financial position

(Millions of yen, rounded down)

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|--------------|------------|--------------|----------------------|
| | % | % | % | yen |
| As of March 31, 2026 | 2,036,168 | 628,592 | 30.9 | 3,855.46 |
| As of March 31, 2025 | 1,948,640 | 593,481 | 30.5 | 3,453.60 |

(Reference) Shareholders' equity: As of March 31, 2026 628,592 million yen
As of March 31, 2025 593,481 million yen

2. Non-consolidated results forecast for the fiscal year ending March 31, 2027 (FY2026)

(From April 1, 2026 to March 31, 2027)

(Millions of yen, rounded down)

(Percentages indicate the rate of change from the same period of the previous fiscal year)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|------------------|-----------|------|------------------|-----|-----------------|-------|------------|-------|----------------------|
| | | % | | % | | % | | % | yen |
| Full fiscal year | 1,640,000 | 12.9 | 145,000 | 1.5 | 146,000 | (2.1) | 132,000 | (9.2) | 809.62 |

* This financial statement is exempt from audit by certified public accountants or an auditing firm.

* Proper use of forecasts of financial results, and other special matters

Forward-looking statements in this document, including the forecasts of financial results, etc., are based on information currently available to the Company and on certain assumptions that the Company deems reasonable and do not represent any promise by the Company. Actual results can be materially different from expectations due to a variety of factors.

For matters related to the forecasts of financial results, please refer to "1. Overview of Operating Results, etc. (1) Overview of operating results for the fiscal year under review" on page 2 of the Attachments.

The Company plans to hold a briefing for analysts and institutional investors on Thursday, May 14, 2026. The financial results materials to be distributed at the briefing will be posted on the Company's website immediately after the briefing.

Overview of Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027

(Unit: 100 million yen)

| | Full fiscal year | | | | | | |
|--|---|---|---------------|------------------------------|---------------|---|-----------------------------|
| | Previous fiscal year (From Apr. 1, 2024 to Mar. 31, 2025) | Current fiscal year (From Apr. 1, 2025 to Mar. 31, 2026) | | | | Next fiscal year (From Apr. 1, 2026 to Mar. 31, 2027) | |
| | Result | Forecast | Result | Over previous fiscal year | Over forecast | Forecast | Over current fiscal year |
| Amount of orders received | 24,375 | 21,900 | 24,362 | (13) | 2,462 | 23,300 | (1,062) |
| Civil engineering | 7,002 | 6,500 | 7,200 | 198 | 700 | 7,000 | (200) |
| Building construction | 15,731 | 13,900 | 15,538 | (193) | 1,638 | 14,600 | (938) |
| Real estate development | 1,507 | 1,400 | 1,457 | (49) | 57 | 1,500 | 42 |
| Other | 134 | 100 | 165 | 31 | 65 | 200 | 34 |
| Net sales | 21,542 | 20,900 | 20,890 | (651) | (9) | 24,200 | 3,309 |
| Civil engineering | 6,306 | 7,000 | 6,797 | 491 | (202) | 7,800 | 1,002 |
| Building construction | 13,725 | 12,400 | 12,485 | (1,239) | 85 | 14,700 | 2,214 |
| Real estate development | 1,375 | 1,400 | 1,441 | 65 | 41 | 1,500 | 58 |
| Other | 134 | 100 | 165 | 31 | 65 | 200 | 34 |
| Gross profit | 10.7 | 14.1 | 15.8 | 5.1 | 1.7 | 14.8 | (1.0) |
| | 2,311 | 2,940 | 3,300 | 989 | 360 | 3,570 | 269 |
| Civil engineering | 19.4 | 18.6 | 20.8 | 1.4 | 2.2 | 18.2 | (2.6) |
| Civil engineering | 1,220 | 1,300 | 1,414 | 194 | 114 | 1,420 | 5 |
| Building construction | 5.4 | 10.7 | 12.3 | 6.9 | 1.6 | 12.2 | (0.1) |
| Building construction | 744 | 1,330 | 1,535 | 790 | 205 | 1,790 | 254 |
| Real estate development | 22.8 | 20.7 | 22.0 | (0.8) | 1.3 | 21.3 | (0.7) |
| Real estate development | 313 | 290 | 316 | 2 | 26 | 320 | 3 |
| Other | 23.9 | 20.0 | 20.1 | (3.8) | 0.1 | 20.0 | (0.1) |
| Other | 32 | 20 | 33 | 1 | 13 | 40 | 6 |
| SG&A expenses | (5.2) | (7.0) | (6.8) | (1.6) | 0.2 | (7.0) | (0.2) |
| | (1,109) | (1,460) | (1,420) | (311) | 39 | (1,690) | (269) |
| Operating income | 5.6 | 7.1 | 9.0 | 3.4 | 1.9 | 7.8 | (1.2) |
| | 1,201 | 1,480 | 1,879 | 678 | 399 | 1,880 | 0 |
| Non-operating income | 188 | 115 | 145 | (43) | 30 | 110 | (35) |
| Non-operating expenses | (45) | (75) | (67) | (22) | 7 | (120) | (52) |
| (Net financial revenue) | 49 | 22 | 29 | (19) | 7 | (46) | (75) |
| Ordinary income | 6.2 | 7.3 | 9.4 | 3.2 | 2.1 | 7.7 | (1.7) |
| | 1,345 | 1,520 | 1,957 | 612 | 437 | 1,870 | (87) |
| Extraordinary gains | 488 | 513 | 552 | 63 | 39 | 460 | (92) |
| Extraordinary losses | (51) | (13) | (45) | 5 | (32) | – | 45 |
| Income before income taxes | 8.3 | 9.7 | 11.8 | 3.5 | 2.1 | 9.6 | (2.2) |
| | 1,782 | 2,020 | 2,464 | 681 | 444 | 2,330 | (134) |
| Income taxes | (503) | (610) | (715) | (212) | (105) | (780) | (64) |
| Net income | 5.9 | 6.7 | 8.4 | 2.5 | 1.7 | 6.4 | (2.0) |
| | 1,279 | 1,410 | 1,748 | 468 | 338 | 1,550 | (198) |
| Net income attributable to non-controlling interests | (41) | (40) | (48) | (7) | (8) | (40) | 8 |
| Net income attributable to owners of parent | 5.7 | 6.6 | 8.1 | 2.4 | 1.5 | 6.2 | (1.9) |
| | 1,238 | 1,370 | 1,700 | 461 | 330 | 1,510 | (190) |

* The forecast for the current fiscal year shows the figures in earnings forecasts released on February 6, 2026.

Overview of Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027

(Unit: 100 million yen)

| | Full year | | | | | | |
|-----------------------------------|---|--|---------------|------------------------------|---------------|---|-----------------------------|
| | Previous fiscal year (From Apr. 1, 2024 to Mar. 31, 2025) | Current fiscal year (From Apr. 1, 2025 to Mar. 31, 2026) | | | | Next fiscal year (From Apr. 1, 2026 to Mar. 31, 2027) | |
| | Result | Forecast | Result | Over previous fiscal year | Over forecast | Forecast | Over current fiscal year |
| Amount of orders received | 18,912 | 15,200 | 17,832 | (1,080) | 2,632 | 15,000 | (2,832) |
| Civil engineering | 4,651 | 3,500 | 4,257 | (393) | 757 | 3,600 | (657) |
| Domestic | 4,650 | 3,100 | 3,926 | (723) | 826 | 3,200 | (726) |
| Overseas | 1 | 400 | 330 | 329 | (69) | 400 | 69 |
| Building construction | 13,774 | 11,400 | 13,188 | (585) | 1,788 | 11,100 | (2,088) |
| Domestic | 13,662 | 11,150 | 13,119 | (542) | 1,969 | 11,000 | (2,119) |
| Overseas | 111 | 250 | 68 | (43) | (181) | 100 | 31 |
| Total | 18,425 | 14,900 | 17,445 | (979) | 2,545 | 14,700 | (2,745) |
| Real estate development | 382 | 204 | 255 | (126) | 51 | 200 | (55) |
| Other | 104 | 96 | 130 | 25 | 34 | 100 | (30) |
| Net sales | 16,378 | 14,300 | 14,522 | (1,855) | 222 | 16,400 | 1,877 |
| Civil engineering | 4,037 | 4,000 | 3,948 | (89) | (51) | 4,300 | 351 |
| Domestic | 3,822 | 3,750 | 3,717 | (104) | (32) | 4,000 | 282 |
| Overseas | 214 | 250 | 230 | 15 | (19) | 300 | 69 |
| Building construction | 11,969 | 10,000 | 10,214 | (1,755) | 214 | 11,800 | 1,585 |
| Domestic | 11,704 | 9,560 | 9,835 | (1,869) | 275 | 11,500 | 1,664 |
| Overseas | 264 | 440 | 378 | 113 | (61) | 300 | (78) |
| Total | 16,007 | 14,000 | 14,162 | (1,844) | 162 | 16,100 | 1,937 |
| Real estate development | 266 | 204 | 229 | (36) | 25 | 200 | (29) |
| Other | 104 | 96 | 130 | 25 | 34 | 100 | (30) |
| Gross profit | 9.2 | 13.7 | 15.8 | 6.6 | 2.1 | 14.6 | (1.2) |
| | 1,514 | 1,960 | 2,287 | 773 | 327 | 2,400 | 112 |
| Civil engineering | 20.7 | 21.0 | 23.0 | 2.3 | 2.0 | 18.8 | (4.2) |
| Domestic | 835 | 840 | 908 | 73 | 68 | 810 | (98) |
| Building construction | 4.4 | 10.0 | 11.9 | 7.5 | 1.9 | 12.2 | 0.3 |
| Domestic | 521 | 1,000 | 1,219 | 698 | 219 | 1,440 | 220 |
| Total | 8.5 | 13.1 | 15.0 | 6.5 | 1.9 | 14.0 | (1.0) |
| Domestic | 1,356 | 1,840 | 2,128 | 771 | 288 | 2,250 | 121 |
| Real estate development | 49.8 | 51.0 | 58.7 | 8.9 | 7.7 | 65.0 | 6.3 |
| Domestic | 132 | 104 | 134 | 2 | 30 | 130 | (4) |
| Other | 23.9 | 16.7 | 18.8 | (5.1) | 2.1 | 20.0 | 1.2 |
| Domestic | 25 | 16 | 24 | (0) | 8 | 20 | (4) |
| SG&A expenses | (4.3) | (6.1) | (5.9) | (1.6) | 0.2 | (5.8) | 0.1 |
| | (711) | (870) | (858) | (147) | 11 | (950) | (91) |
| Operating income | 4.9 | 7.6 | 9.8 | 4.9 | 2.2 | 8.8 | (1.0) |
| | 802 | 1,090 | 1,428 | 626 | 338 | 1,450 | 21 |
| Non-operating income | 92 | 100 | 111 | 18 | 11 | 100 | (11) |
| Non-operating expenses | (24) | (70) | (49) | (24) | 20 | (90) | (40) |
| (Net financial revenue) | 71 | 56 | 63 | (7) | 7 | 16 | (47) |
| Ordinary income | 5.3 | 7.8 | 10.3 | 5.0 | 2.5 | 8.9 | (1.4) |
| | 871 | 1,120 | 1,490 | 619 | 370 | 1,460 | (30) |
| Extraordinary gains | 444 | 513 | 543 | 99 | 30 | 450 | (93) |
| Extraordinary losses | (6) | (13) | (32) | (26) | (19) | - | 32 |
| Income before income taxes | 8.0 | 11.3 | 13.8 | 5.8 | 2.5 | 11.6 | (2.2) |
| | 1,308 | 1,620 | 2,001 | 693 | 381 | 1,910 | (91) |
| Income taxes | (361) | (480) | (547) | (186) | (67) | (590) | (42) |
| Net income | 5.8 | 8.0 | 10.0 | 4.2 | 2.0 | 8.0 | (2.0) |
| | 947 | 1,140 | 1,454 | 506 | 314 | 1,320 | (134) |

* The forecast for the current fiscal year shows the figures in earnings forecasts released on February 6, 2026.

Attachments- Contents

| | |
|--|----|
| 1. Overview of Operating Results, etc. | |
| (1) Overview of operating results for the fiscal year under review..... | 7 |
| (2) Overview of financial position for the fiscal year under review | 8 |
| (3) Overview of cash flows for the fiscal year under review | 8 |
| (4) Basic policy on profit distribution and dividends for the fiscal year under review and the next fiscal year..... | 8 |
| (5) Policy related to cross-shareholdings..... | 10 |
| 2. Management Policy | |
| (1) Basic management policy of the Company..... | 11 |
| (2) Medium- to long-term management strategies and issues to be addressed | 11 |
| (3) Target management indicators..... | 11 |
| (4) Other matters related to management policy..... | 11 |
| 3. Basic Policies for Selecting Accounting Standards..... | 11 |
| 4. Consolidated Financial Statements | |
| (1) Consolidated balance sheet | 12 |
| (2) Consolidated statement of income and consolidated statement of comprehensive income..... | 14 |
| (3) Consolidated statement of changes in net assets | 17 |
| (4) Consolidated statement of cash flows | 21 |
| (5) Notes to consolidated financial statements | 23 |
| 5. Non-consolidated Financial Statements | |
| (1) Non-consolidated balance sheet..... | 31 |
| (2) Non-consolidated statement of income | 33 |
| (3) Non-consolidated statement of changes in net assets..... | 34 |
| 6. Other | |
| (1) (Consolidated) Amount of orders received, net sales, and balance carried forward..... | 36 |
| (2) (Non-consolidated) Amount of orders received, net sales, and balance carried forward..... | 37 |

1. Overview of Operating Results, etc.

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

(i) Operating results for the fiscal year under review

(Overview of the fiscal year under review)

The Japanese economy has continued a moderate recovery trend, supported by a rebound in personal consumption and capital investment.

In the construction market, overall construction investment has been steady due to a recovery in private investment and solid public investment.

However, the situation in the Middle East and the outlook for U.S. trade policy remain uncertain and require continued monitoring.

Orders received and net sales

Orders received remained roughly the same year on year at ¥2,436.2 billion. Net sales decreased 3.0% year on year to ¥2,089.0 billion due to a decrease in the building construction business.

Operating income, ordinary income, and net income attributable to owners of parent

Operating income increased 56.4% year on year to ¥187.9 billion due to gross profit increasing 42.8% year on year to ¥330.0 billion reflecting a turnaround in profit margins in the civil engineering and building construction businesses, although selling, general and administrative expenses increased 28.0% year on year to ¥142.0 billion. Ordinary income increased 45.6% year on year to ¥195.7 billion due to an increase in operating income, despite a deterioration in non-operating income (expenses) due in part to a decrease in investment gain on equity method. Net income attributable to owners of parent increased 37.3% year on year to ¥170.0 billion due to a turnaround in extraordinary gains (losses) mainly because of an increase in gain on sales of investment securities. Return on equity (ROE) increased 4.9% year on year to 18.7%.

(Operating results by reportable segment including internal transactions between segments)

Civil engineering

Net sales increased 8.5% year on year to ¥720.2 billion due to an increase in sales by the consolidated subsidiaries. Operating income increased 9.1% year on year to ¥95.5 billion due not only to larger revenue but to an increase in gross profit from construction business reflecting the turnaround in profit margins for the Company and its consolidated subsidiaries.

Building construction

Net sales decreased 9.0% year on year to ¥1,274.4 billion due to a decrease in sales by the Company. Operating income increased 590.6% year on year to ¥78.3 billion due to an increase in gross profit from construction business reflecting the turnaround in profit margins for the Company and its consolidated subsidiaries.

Real estate development

In the real estate industry, recent vacancy rates in the building leasing market are declining and rents are on the rise due to the ongoing trend of workers returning to the office. The real estate sales market generally remained strong as investor appetite remained strong.

Net sales of the Group in the real estate development segment increased 5.1% year on year to ¥154.2 billion due to an increase in sales by its consolidated subsidiaries. Operating income increased 2.0% year on year to ¥23.9 billion due not only to larger revenue but to an increase in gross profit from development projects reflecting the turnaround in profit margins for the Company.

Others

Net sales increased 18.0% year on year to ¥20.7 billion, and operating income increased 1.4% to ¥2.3 billion.

(ii) Outlook for the next fiscal year

In FY2026, the Japanese economy is expected to maintain its gradual recovery trend, supported by improvements in the employment and income environment. On the other hand, geopolitical risks, including the situation in the Middle East, and U.S. trade policy trends could exert downward pressure on the economy.

In the construction market, overall construction investment is expected to remain steady, supported by a recovery in private investment and strong public investment. However, it should be noted that there are risks that rising material and energy prices and delivery delays associated with the situation in the Middle East and the impact of U.S. trade policies may curb construction investment.

With these circumstances taken into consideration, the consolidated results forecasts for the next fiscal year (April 1, 2026 to March 31, 2027) are net sales of ¥2,420.0 billion, operating income of ¥188.0 billion, ordinary income of ¥187.0 billion, and net income attributable to owners of parent of ¥151.0 billion. Orders received are expected to reach ¥2,330.0 billion.

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

Analysis of assets, liabilities, and net assets

Assets

Total assets increased by 11.8% or ¥285.7 billion year on year to ¥2,714.5 billion due in part to the consolidation of Toyo Construction Co., Ltd. as a subsidiary during the fiscal year under review.

Liabilities

Total liabilities increased by 12.9% or ¥196.4 billion year on year to ¥1,724.6 billion due in part to an increase in interest-bearing debt for fund-raising purposes.

Net assets

Net assets increased by 9.9% or ¥89.2 billion year on year to ¥989.9 billion due in part to the recording of net income attributable to owners of parent and an increase in remeasurements of defined benefit plans, despite repurchases of treasury stock.

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

Analysis of cash flows

Cash flows from operating activities

Net cash provided by operating activities totaled ¥147.2 billion (versus ¥13.8 billion used in the previous fiscal year) due in part to income before income taxes of ¥246.4 billion.

Cash flows from investing activities

Net cash used in investing activities totaled ¥195.8 billion (versus ¥10.5 billion provided in the previous fiscal year) due in part to the consolidation of Toyo Construction Co., Ltd. as a subsidiary during the fiscal year under review.

Cash flows from financing activities

Net cash provided by financing activities totaled ¥24.3 billion (versus ¥133.7 billion used in the previous fiscal year) due in part to an increase in interest-bearing debt for fund-raising purposes.

Accordingly, cash and cash equivalents at the end of the fiscal year under review amounted to ¥272.9 billion, down ¥22.9 billion year on year. The balance of interest-bearing debt for fund-raising purposes amounted to ¥463.4 billion, up ¥147.9 billion year on year. Of the interest-bearing debt for fund-raising purposes, non-recourse debt was ¥46.0 billion.

(4) Basic policy on profit distribution and dividends for the fiscal year under review and the next fiscal year

The Company's basic policy is to maintain a dividend payout ratio of 30% with a lower limit based on the premise of long-term stable dividends, while maintaining financial discipline and prioritizing growth investments, and to provide shareholder returns through flexible share repurchases and other measures based on financial policy.

Based on this policy, we have decided to pay a year-end dividend of ¥185 per share for the fiscal year under review, taking into consideration the financial results for the fiscal year under review and the future business environment, among other factors.

Accordingly, the annual dividend for the fiscal year, including the interim dividend, will be ¥310 per share (dividend payout ratio of 30.2%).

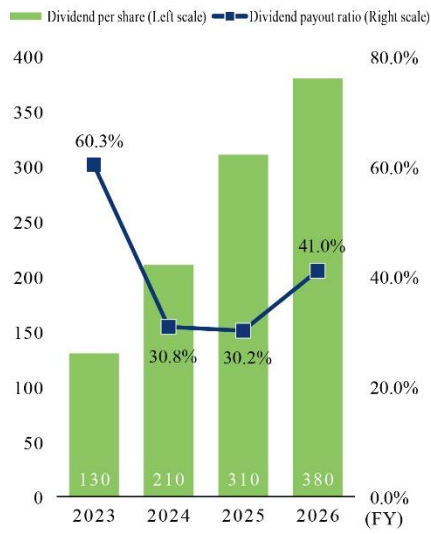
In addition, to further enhance shareholder returns, we will increase its dividend payout ratio to a "dividend payout ratio of 40% with a lower limit" from the next fiscal year.

Based on this policy, we will set an annual dividend of ¥380 per share as a minimum dividend amount for the next fiscal year (including an interim dividend of ¥190; a dividend payout ratio of 41.0%). This is equivalent to a 40% dividend payout ratio based on the initial forecast of consolidated net income. If the results exceed the forecast, we will revise the dividend forecast upward in accordance with the dividend payout ratio of 40%.

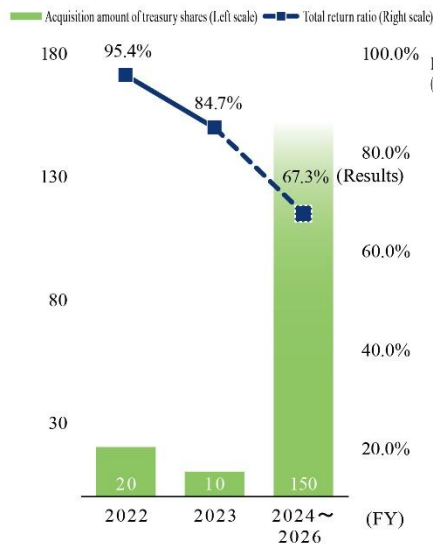
We also maintain a policy of acquiring treasury stock in a flexible manner while prioritizing growth investments.

Going forward, we will continue to improve our financial results and shareholder returns in order to meet the expectations of our shareholders.

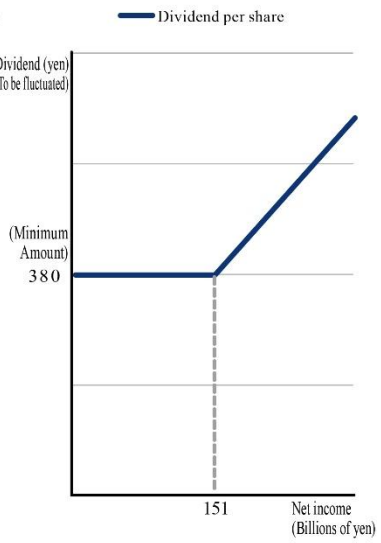
Dividend per share • Dividend payout ratio (Fiscal year) (yen)



Acquisition of treasury shares (Fiscal year) (Billions of yen)



Dividend payout ratio of 40% with a lower limit (Image)



(5) Policy related to cross-shareholdings

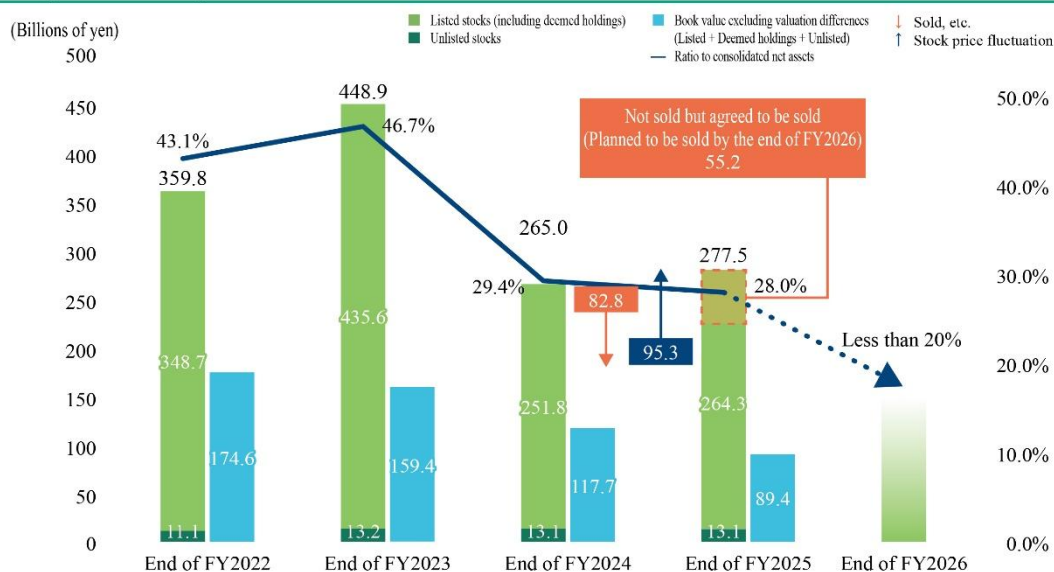
Reduction in the amount of cross-shareholdings

■ Target for reduction: We aim to reduce the said amounts to those equivalent to less than 20% of our consolidated net assets by the end of FY2026

| | | | | |
|--|---|-----|---------------|--|
| Current situation (as of the end of FY2025) | Balance of cross-shareholdings: ¥277.5 billion Ratio to consolidated net assets: 28.0% | »»» | Future policy | Implement an additional sale, etc. in order to steadily achieve the reduction target |
|--|---|-----|---------------|--|

Note: In accordance with our fund allocation policies, the proceeds from the additional sales will be allocated to growth investments and shareholder returns to sustainably enhance corporate value.

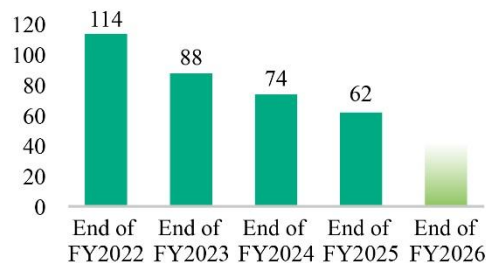
Changes in holding amount and ratio to consolidated net assets



Balance breakdown as of the end of FY2025

| | |
|---------------------------|--------------|
| Listed stocks | 208.1 |
| Deemed holdings of shares | 56.2 |
| Unlisted stocks | 13.1 |
| Total | 277.5 |

Number of issues Listed + Deemed holdings



Moving forward, we will consider and implement an additional sale, etc. in order to steadily achieve the reduction target, even in the event of fluctuations in stock prices and our consolidated net assets.

2. Management Policy

(1) Basic management policy of the Company

Under the Taisei Group Philosophy “To create a vibrant environment for all members of society,” all officers and employees share the “Taisei Spirit,” which is based on three values: active and transparent culture, value creation, and evolution of tradition. The Group creates safe, secure, and attractive spaces and high value in harmony with nature, and strives to build a global society filled with dreams and hopes for the next generation.

(2) Medium- to long-term management strategies and issues to be addressed

With a view to realizing its medium- to long-term vision, the Group formulated, in May 2024, the TAISEI VISION 2030 Achievement Plan, which organizes the policies and measures to be taken in a seven-year period, as well as the Medium-Term Management Plan (2024-2026), which has set numerical targets as milestones in a three-year period.

Based on these, we will develop medium- to long-term business strategies for our business segments as well as business foundations that support these strategies, and will also steadily implement the investments necessary to capture future growth and business profit opportunities.

The TAISEI VISION 2030 Achievement Plan and Medium-Term Management Plan (2024-2026) are posted on our website.
(URL) <https://www.taisei.co.jp/english/ir/policy/plan/>

(3) Target management indicators

Numerical management targets (consolidated) for the final year (FY2026) of the Medium-Term Management Plan (2024-2026)

(Billions of yen)

| | Medium-Term Management Plan (2024-2026) | | | |
|------------------------|---|---------|--------------------------------|-----------|
| | FY2024 | FY2025 | FY2026 | |
| | Results | Results | Numerical management targets*1 | Forecasts |
| Group operating income | 120.1 | 187.9 | 120.0 | 188.0 |
| Group net income | 123.8 | 170.0 | 80.0 | 151.0 |
| ROE | 13.8% | 18.7% | Approx. 8.5%*2 | 15.4% |
| (Reference) Net sales | 2,154.2 | 2,089.0 | Approx. 1,950.0 | 2,420.0 |

*1 As of the formulation of the Medium-Term Management Plan (May 2024)

*2 Approx. 10% if the sale of cross-shareholdings progresses as planned.

(4) Other matters related to management policy

In December 2020, the Company received a cease and desist order from the Japan Fair Trade Commission for violating the Antimonopoly Act in relation to the construction of new terminal stations (Shinagawa Station and Nagoya Station) using an underground excavation method for the Linear Chuo Shinkansen. In March 2021, the Company filed a lawsuit to revoke the cease and desist order, taking objection to the order. However, the Tokyo District Court in June 2024 and the Tokyo High Court in May 2025 each handed down a ruling dismissing our claim. In response, the Company filed a final appeal and a petition for acceptance of a final appeal with the Supreme Court in May 2025.

3. Basic Policies for Selecting Accounting Standards

The Japanese accounting standards, which has undergone convergence with the international accounting standards, is of proven quality, compares favorably internationally and is evaluated by the relevant authorities in Europe as being equivalent to the IFRS. The Group therefore adopts Japanese GAAP as its accounting standards.

Going forward, the Group will take into consideration domestic and international trends in deciding whether to adopt the IFRS as appropriate.

4. Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and time deposits | 240,689 | 278,336 |
| Notes and accounts receivable trade | 939,160 | 961,838 |
| Securities | 60,000 | - |
| Cost on uncompleted contracts | 69,013 | 89,410 |
| Real estate for sale and development projects in progress | 188,677 | 218,781 |
| Other inventories | 6,992 | 10,900 |
| Other current assets | 95,518 | 78,955 |
| Allowance for doubtful accounts | (353) | (511) |
| Total current assets | 1,599,698 | 1,637,711 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Buildings and structures | 179,616 | 199,111 |
| Machinery, vehicles and equipment | 88,070 | 115,302 |
| Land | 131,342 | 188,028 |
| Construction in progress | 14,352 | 47,740 |
| Accumulated depreciation | (166,635) | (202,371) |
| Total tangible fixed assets | 246,745 | 347,811 |
| Intangible fixed assets | | |
| Goodwill | 8,054 | 75,945 |
| Other intangible fixed assets | 19,484 | 40,255 |
| Total intangible fixed assets | 27,538 | 116,200 |
| Investments and other assets | | |
| Investment securities | 428,326 | 466,292 |
| Net defined benefit asset | 58,171 | 94,801 |
| Deferred income tax assets | 38,508 | 16,533 |
| Other fixed assets | 32,004 | 37,530 |
| Allowance for doubtful accounts | (2,155) | (2,332) |
| Total investments and other assets | 554,854 | 612,826 |
| Total fixed assets | 829,139 | 1,076,838 |
| Total assets | 2,428,837 | 2,714,550 |

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable trade | 553,376 | 501,553 |
| Short-term borrowings | 115,212 | 161,986 |
| Short-term non-recourse loans payable | 208 | 15 |
| Straight bonds due within one year | 10,000 | 10,000 |
| Lease obligations | 875 | 714 |
| Income taxes payable | 37,904 | 36,107 |
| Advances received and progress billings on uncompleted contracts | 211,132 | 283,340 |
| Deposit received | 193,483 | 223,751 |
| Provision for warranties on completed contracts | 4,129 | 3,525 |
| Provision for losses on construction contracts | 102,678 | 76,400 |
| Allowance for losses on orders received | 31 | - |
| Other current liabilities | 63,892 | 82,352 |
| Total current liabilities | 1,292,924 | 1,379,747 |
| Long-term liabilities | | |
| Straight bonds | 50,000 | 40,000 |
| Non-recourse bonds payable | 100 | 200 |
| Long-term borrowings | 127,799 | 205,428 |
| Long-term non-recourse loans payable | 12,201 | 45,851 |
| Lease obligations | 1,564 | 1,863 |
| Deferred income tax liabilities | - | 3,965 |
| Deferred income tax liabilities for revaluation of land | 4,596 | 6,805 |
| Retirement benefits for directors and corporate auditors | 933 | 938 |
| Provision for share-based remuneration for directors | 348 | 371 |
| Allowance for losses on investments in subsidiaries and affiliates | 3,033 | 1,154 |
| Net defined benefit liability | 17,418 | 19,875 |
| Other long-term liabilities | 17,216 | 18,416 |
| Total long-term liabilities | 235,213 | 344,871 |
| Total liabilities | 1,528,137 | 1,724,619 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 122,742 | 122,742 |
| Capital surplus | 30,461 | 30,439 |
| Retained earnings | 649,200 | 625,553 |
| Treasury stock | (73,168) | (927) |
| Total shareholders' equity | 729,234 | 777,806 |
| Accumulated other comprehensive income | | |
| Unrealized gains on available-for-sale securities, net of taxes | 87,254 | 100,604 |
| Unrealized gains (losses) on hedging derivatives, net of taxes | 4 | 409 |
| Revaluation reserve for land | 1,062 | 1,079 |
| Foreign currency translation adjustments | 8,040 | 7,452 |
| Remeasurements of defined benefit plans | 40,592 | 60,722 |
| Total accumulated other comprehensive income | 136,953 | 170,268 |
| Non-controlling interests | 34,511 | 41,855 |
| Total net assets | 900,699 | 989,931 |
| Total liabilities and net assets | 2,428,837 | 2,714,550 |

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

(Millions of yen)

| | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
|---|---|---|
| Net sales | | |
| Construction business | 1,975,150 | 1,895,789 |
| Development projects | 179,073 | 193,301 |
| Total net sales | 2,154,223 | 2,089,091 |
| Cost of sales | | |
| Construction business | 1,781,706 | 1,604,411 |
| Development projects | 141,377 | 154,624 |
| Total cost of sales | 1,923,083 | 1,759,035 |
| Gross profit | | |
| Construction business | 193,443 | 291,378 |
| Development projects | 37,696 | 38,677 |
| Total gross profit | 231,139 | 330,055 |
| Selling, general and administrative expenses | | |
| Selling expenses | 39,058 | 44,294 |
| General and administrative expenses | 71,920 | 97,787 |
| Total selling, general and administrative expenses | 110,978 | 142,081 |
| Operating income | 120,160 | 187,973 |
| Non-operating income | | |
| Interest income | 1,401 | 1,577 |
| Dividend income | 6,095 | 5,634 |
| Investment gain on equity method | 10,225 | 5,729 |
| Other non-operating income | 1,170 | 1,622 |
| Total non-operating income | 18,894 | 14,564 |
| Non-operating expenses | | |
| Interest expenses | 2,572 | 4,237 |
| Financing expenses | 850 | 621 |
| Taxes and dues | 707 | 1,035 |
| Other non-operating expenses | 418 | 866 |
| Total non-operating expenses | 4,549 | 6,760 |
| Ordinary income | 134,505 | 195,777 |

(Millions of yen)

| | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
|--|---|---|
| Extraordinary gains | | |
| Gain on sales of investment securities | 46,197 | 54,656 |
| Other extraordinary gains | 2,697 | 568 |
| Total extraordinary gains | 48,894 | 55,225 |
| Extraordinary losses | | |
| Loss on sales of fixed assets | 53 | 533 |
| Impairment losses on fixed assets | 1,302 | 3,532 |
| Loss on investments in subsidiaries and affiliates | 3,033 | - |
| Other extraordinary losses | 760 | 520 |
| Total extraordinary losses | 5,149 | 4,586 |
| Income before income taxes | 178,250 | 246,417 |
| Income taxes - current | 60,564 | 65,626 |
| Income taxes - deferred | (10,258) | 5,966 |
| Total income taxes | 50,306 | 71,592 |
| Net income | 127,944 | 174,824 |
| Net income attributable to non-controlling interests | 4,119 | 4,819 |
| Net income attributable to owners of parent | 123,824 | 170,004 |

Consolidated statement of comprehensive income

(Millions of yen)

| | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
|---|---|---|
| Net income | 127,944 | 174,824 |
| Other comprehensive income | | |
| Unrealized gains on available-for-sale securities, net of taxes | (66,816) | 13,824 |
| Unrealized gains (losses) on hedging derivatives, net of taxes | - | 440 |
| Revaluation reserve for land | (131) | - |
| Foreign currency translation adjustments | 3,812 | (175) |
| Remeasurements of defined benefit plans | (19,724) | 20,238 |
| Share of other comprehensive income of entities accounted for using equity method | 1,610 | 154 |
| Total other comprehensive income | (81,249) | 34,483 |
| Comprehensive income | 46,695 | 209,307 |
| Comprehensive income attributable to | | |
| Owners of parent | 42,362 | 203,197 |
| Non-controlling interests | 4,332 | 6,109 |

(3) Consolidated statement of changes in net assets**Consolidated fiscal year ended March 31, 2025**

(Millions of Yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of April 1, 2024 | 122,742 | 30,382 | 558,721 | (898) | 710,947 |
| Changes during the period | | | | | |
| Dividends | | | (23,877) | | (23,877) |
| Net income attributable to owners of parent | | | 123,824 | | 123,824 |
| Acquisition of treasury stock | | | | (82,273) | (82,273) |
| Disposal of treasury stock | | 0 | | 3 | 3 |
| Cancellation of treasury stock | | (9,999) | | 9,999 | - |
| Transfer from retained earnings to capital surplus | | 9,999 | (9,999) | | - |
| Reversal of revaluation reserve for land | | | (28) | | (28) |
| Changes in scope of consolidation | | (28) | 38 | | 9 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | 107 | | | 107 |
| Changes in scope of equity method | | | 522 | | 522 |
| Changes other than shareholders' equity, net (Note) | | | | | |
| Total changes during the period | - | 78 | 90,478 | (72,270) | 18,287 |
| Balance as of March 31, 2025 | 122,742 | 30,461 | 649,200 | (73,168) | 729,234 |

| | Accumulated other comprehensive income | | | | | | Non-controlling interests | Total net assets |
|---|---|--|------------------------------|--|---|--|---------------------------|------------------|
| | Unrealized gains on available-for-sale securities, net of taxes | Unrealized gains (losses) on hedging derivatives, net of taxes | Revaluation reserve for land | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance as of April 1, 2024 | 154,295 | (1) | 1,176 | 2,530 | 60,385 | 218,387 | 31,666 | 961,000 |
| Changes during the period | | | | | | | | |
| Dividends | | | | | | | | (23,877) |
| Net income attributable to owners of parent | | | | | | | | 123,824 |
| Acquisition of treasury stock | | | | | | | | (82,273) |
| Disposal of treasury stock | | | | | | | | 3 |
| Cancellation of treasury stock | | | | | | | | - |
| Transfer from retained earnings to capital surplus | | | | | | | | - |
| Reversal of revaluation reserve for land | | | 28 | | | 28 | | - |
| Changes in scope of consolidation | | | | | | | | 9 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | | 107 |
| Changes in scope of equity method | | | | | | | | 522 |
| Changes other than shareholders' equity, net (Note) | (67,041) | 5 | (143) | 5,509 | (19,793) | (81,461) | 2,844 | (78,617) |
| Total changes during the period | (67,041) | 5 | (114) | 5,509 | (19,793) | (81,433) | 2,844 | (60,301) |
| Balance as of March 31, 2025 | 87,254 | 4 | 1,062 | 8,040 | 40,592 | 136,953 | 34,511 | 900,699 |

(Note) Excluding the reversal of revaluation reserve for land.

Consolidated fiscal year ended March 31, 2026

(Millions of Yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of April 1, 2025 | 122,742 | 30,461 | 649,200 | (73,168) | 729,234 |
| Changes during the period | | | | | |
| Dividends | | | (45,502) | | (45,502) |
| Net income attributable to owners of parent | | | 170,004 | | 170,004 |
| Acquisition of treasury stock | | | | (77,969) | (77,969) |
| Disposal of treasury stock | | 324 | | 1,754 | 2,079 |
| Cancellation of treasury stock | | (148,457) | | 148,457 | - |
| Transfer from retained earnings to capital surplus | | 148,132 | (148,132) | | - |
| Reversal of revaluation reserve for land | | | (16) | | (16) |
| Changes in scope of consolidation | | | | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | (22) | | | (22) |
| Changes in scope of equity method | | | | | - |
| Changes other than shareholders' equity, net (Note) | | | | | |
| Total changes during the period | - | (22) | (23,647) | 72,241 | 48,571 |
| Balance as of March 31, 2026 | 122,742 | 30,439 | 625,553 | (927) | 777,806 |

| | Accumulated other comprehensive income | | | | | | Non-controlling interests | Total net assets |
|---|---|--|------------------------------|--|---|--|---------------------------|------------------|
| | Unrealized gains on available-for-sale securities, net of taxes | Unrealized gains (losses) on hedging derivatives, net of taxes | Revaluation reserve for land | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance as of April 1, 2025 | 87,254 | 4 | 1,062 | 8,040 | 40,592 | 136,953 | 34,511 | 900,699 |
| Changes during the period | | | | | | | | |
| Dividends | | | | | | | | (45,502) |
| Net income attributable to owners of parent | | | | | | | | 170,004 |
| Acquisition of treasury stock | | | | | | | | (77,969) |
| Disposal of treasury stock | | | | | | | | 2,079 |
| Cancellation of treasury stock | | | | | | | | - |
| Transfer from retained earnings to capital surplus | | | | | | | | - |
| Reversal of revaluation reserve for land | | | 16 | | | 16 | | - |
| Changes in scope of consolidation | | | | | | | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | | (22) |
| Changes in scope of equity method | | | | | | | | - |
| Changes other than shareholders' equity, net (Note) | 13,350 | 405 | | (588) | 20,130 | 33,298 | 7,344 | 40,642 |
| Total changes during the period | 13,350 | 405 | 16 | (588) | 20,130 | 33,314 | 7,344 | 89,231 |
| Balance as of March 31, 2026 | 100,604 | 409 | 1,079 | 7,452 | 60,722 | 170,268 | 41,855 | 989,931 |

(Note) Excluding the reversal of revaluation reserve for land.

(4) Consolidated statement of cash flows

(Millions of Yen)

| | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
|---|---|---|
| Cash flows from operating activities | | |
| Income before income taxes | 178,250 | 246,417 |
| Depreciation and amortization | 16,391 | 16,766 |
| Impairment losses on fixed assets | 1,302 | 3,532 |
| Amortization of goodwill | 529 | 5,796 |
| Increase (decrease) in allowance for doubtful accounts | (30) | 267 |
| Increase (decrease) in provision for losses on construction contracts | 6,017 | (26,678) |
| Increase (decrease) in net defined benefit liability | (1,014) | (1,469) |
| Decrease (increase) in net defined benefit asset | 22,175 | (35,780) |
| Increase (decrease) in remeasurements of defined benefit plans | (19,724) | 20,238 |
| Increase (decrease) in allowance for losses on investments in subsidiaries and affiliates | 3,033 | (1,878) |
| Interest and dividend income | (7,497) | (7,212) |
| Interest expenses | 2,572 | 4,237 |
| Foreign exchange losses (gains) | (209) | (783) |
| Loss (gain) on valuation of investment securities | 82 | 32 |
| Loss (gain) on sales of investment securities | (48,672) | (54,478) |
| Loss (gain) on sales of fixed assets | (90) | (21) |
| Investment loss (gain) on equity method | (10,225) | (5,729) |
| Decrease (increase) in trade receivables | (74,123) | 61,006 |
| Decrease (increase) in cost on uncompleted contracts | 10,962 | (16,427) |
| Decrease (increase) in real estate for sale and development projects in progress | (17,759) | (28,135) |
| Decrease (increase) in other inventories | (140) | (3,666) |
| Decrease (increase) in accounts receivable - other | 15,500 | 13,022 |
| Increase (decrease) in trade payables | (44,789) | (80,612) |
| Increase (decrease) in accrued expenses | 3,490 | 8,776 |
| Increase (decrease) in advances received and progress billings on uncompleted contracts | (4,580) | 62,119 |
| Increase (decrease) in deposit received | (3,435) | 17,842 |
| Increase (decrease) in accounts payable - other | 17,043 | 6,928 |
| Other, net | (6,452) | 5,539 |
| Subtotal | 38,605 | 209,648 |
| Interest and dividend received | 9,895 | 10,214 |
| Interest paid | (2,542) | (4,158) |
| Income taxes paid | (59,799) | (68,416) |
| Net cash provided by (used in) operating activities | (13,841) | 147,287 |

(Millions of yen)

| | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
|---|---|---|
| Cash flows from investing activities | | |
| Decrease (increase) in time deposits | (334) | (548) |
| Purchase of tangible and intangible assets | (31,939) | (77,579) |
| Proceeds from sales of tangible and intangible assets | 898 | 2,604 |
| Purchase of investment securities | (86,617) | (60,498) |
| Proceeds from sales and redemption of investment securities | 115,149 | 90,488 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | - | (150,480) |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation | 13,377 | - |
| Other, net | (2) | 117 |
| Net cash provided by (used in) investing activities | 10,531 | (195,895) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 3,532 | 4,840 |
| Proceeds from long-term borrowings | 26,400 | 132,200 |
| Repayment of long-term borrowings | (40,239) | (51,437) |
| Proceeds from long-term non-recourse borrowings | 7,998 | 33,690 |
| Repayment of long-term non-recourse loans payable | (261) | (233) |
| Proceeds from issuance of bonds | 9,944 | - |
| Redemption of bonds | - | (10,000) |
| Proceeds from issuance of non-recourse bonds | 90 | 93 |
| Acquisition of treasury stock | (82,071) | (77,968) |
| Decrease (increase) in deposits for the purchase of treasury stock | (32,640) | 32,640 |
| Dividends paid | (23,877) | (45,502) |
| Other, net | (2,644) | 6,075 |
| Net cash provided by (used in) financing activities | (133,769) | 24,397 |
| Effect of exchange rate changes on cash and cash equivalents | 2,287 | 1,221 |
| Net increase (decrease) in cash and cash equivalents | (134,791) | (22,988) |
| Cash and cash equivalents at beginning of year | 430,754 | 295,963 |
| Cash and cash equivalents at end of year | 295,963 | 272,974 |

(5) Notes to consolidated financial statements

(Notes regarding going concern assumption)

Not applicable.

(Additional Information)

Performance-based share remuneration plan for directors

(Overview of transactions)

The Company has introduced the performance-based share remuneration plan “Board Benefit Trust (the “BBT”)” for directors.

Shares of the Company’s common stock are acquired through the BBT with money contributed by the Company (the “Company Stock”). The directors will have the Company Stock and the amounts converted at fair value of the Company Stock (the “Company Stock, etc.,” which are provided through the BBT when directors retire in accordance with “Officers’ Share Benefit Regulation” as stipulated by the Company.

(Treasury stock held by the BBT)

The shares held by the BBT are reported by the book value of the BBT (excluding the incidental expenses) as part of the treasury stock in the net assets. At the end of the previous fiscal year and the current fiscal year, the book value of treasury stock held by the BBT was ¥363 million and ¥363 million, and the number of shares was 98 thousand shares and 98 thousand shares, respectively.

(Matters related to consolidated balance sheets)

1. Shares, etc., to non-consolidated subsidiaries and affiliated companies

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|--|----------------------|----------------------|
| | 148,186 | 189,243 |

2. Revaluation of land

Some of the domestic consolidated subsidiaries executed revaluation of their land for business use in accordance with the Act on Revaluation of Land (Act No. 34, March 31, 1998), and revaluation reserve for land is recognized in net assets section.

Method of revaluation

The revaluation is executed in accordance with the method prescribed in Article 2, Items 3, 4, and 5 of the Order of Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119, March 31, 1998).

Date of revaluation

March 31, 2000, November 30, 2001 and March 31, 2002

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|---|----------------------|----------------------|
| The difference between the fair value of the revalued land at the end of the current fiscal year and the book value after the revaluation | 2,365 | 4,715 |
| Of which, the difference related to investment and rental property | (80) | (1,485) |

3. Pledged assets

The following assets were pledged as collateral for borrowings and others of subsidiaries and affiliates.

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|--|----------------------|----------------------|
| Land | - | 16,049 |
| Buildings and structures | - | 979 |
| Investment securities | 930 | 858 |
| Investments and other assets /Other assets | 619 | 651 |
| Total | 1,549 | 18,539 |
| Liabilities related to the above | - | 760 |

4. Contingent liabilities

| | (Millions of yen) | |
|-----------------------|----------------------|----------------------|
| | As of March 31, 2025 | As of March 31, 2026 |
| Guarantee obligations | 6,713 | 16,736 |

5. Cost on uncompleted contracts corresponding to provision for losses on construction contracts

Cost on uncompleted contracts and provision for losses on construction contracts related to construction contracts that are likely to incur losses are separately presented, without being set off.

| | (Millions of yen) | |
|--|----------------------|----------------------|
| | As of March 31, 2025 | As of March 31, 2026 |
| | 889 | 4,217 |

6. Assets corresponding to non-recourse liabilities

| | (Millions of yen) | |
|----------------------|----------------------|----------------------|
| | As of March 31, 2025 | As of March 31, 2026 |
| Land | - | 34,308 |
| Real estate for sale | 16,570 | 29,463 |
| Other | 2,056 | 3,226 |

(Matters Related to Consolidated Statements of Income)

1. Provision for losses on construction contracts included in cost of sales

| | (Millions of yen) | |
|--|---|---|
| | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
| | 35,984 | 6,508 |

2. Research and development expenses included in general and administrative expenses and manufacturing costs

| | (Millions of yen) | |
|--|---|---|
| | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
| | 19,503 | 21,829 |

(Business combination, etc.)

Business combination through acquisition

1. Overview of business combination

(1) Name and business description of acquiree

Name of acquiree Toyo Construction Co., Ltd.

Business description General construction business (marine and land civil engineering, building construction), real estate business, etc.

(2) Main reasons for business combination

Under the [TAISEI VISION 2030] Achievement Plan, the Company focused more than ever on the healthy development of the construction industry through industry transformation (IX) to steadily implement transforming businesses utilizing M&A. At the same time, it explored every opportunity to build a new growth foundation specifying the following targets: vertical integration targeting to secure appropriate workforce and labor-saving, integration of value chains aimed at new value creation, and overseas business development aiming at business expansion. Amid this situation, the Company recognized the potential for various synergies by closely collaborating with the acquiree and mutually leveraging their respective strengths. The Company's expertise lies in onshore construction, while the acquiree has outstanding technology and an extensive track record in offshore construction. Based on this, the Company implemented a tender offer for the acquiree. Furthermore, to make the Company and Maeda Corporation the only shareholders of the acquiree, the acquiree conducted a share consolidation and acquired treasury shares targeting the acquiree's shares held by Maeda Corporation and others, thereby becoming a wholly owned subsidiary of the Company.

(3) Date of business combination

September 30, 2025

(4) Legal form of business combination

Acquisition of shares for cash consideration

(5) Name of entity after business combination

There is no change.

(6) Percentage of voting rights of acquired shares

Before the acquisition – %

After the tender offer 61.81%

After the treasury share acquisition 100.00%

(7) Main reason for deciding to acquire the entity

The shares were acquired for cash consideration.

2. Period of the acquiree's financial results included in the consolidated financial statements

From October 1, 2025 to March 31, 2026

3. Breakdown of the acquisition cost for the acquiree by type of consideration

| | | |
|-----------------------------------|-------------------|------------------|
| Consideration for the acquisition | Cash and deposits | ¥131,684 million |
|-----------------------------------|-------------------|------------------|

| | |
|------------------|------------------|
| Acquisition cost | ¥131,684 million |
|------------------|------------------|

The acquiree acquired treasury shares targeting the acquiree's shares held by Maeda Corporation (¥27,651 million).

4. Details and amount of major acquisition-related expenses

Advisory fees, etc. ¥920 million

5. Amount of goodwill recognized, reason for recognition, and method and period of amortization

(1) Amount of goodwill recognized

¥73,558 million

Following the allocation of the acquisition cost, customer-related intangible assets of ¥14,946 million (after tax effect) were recorded.

(2) Reason for recognition

Since the acquisition cost exceeded the fair value of net assets at the time of the business combination, the difference was recorded as goodwill.

6. Amounts of assets acquired and liabilities assumed as of the business combination date and their major components

| | |
|-----------------------|------------------|
| Current assets | ¥111,327 million |
| Fixed assets | ¥79,802 million |
| Total assets | ¥191,130 million |
| | |
| Current liabilities | ¥73,791 million |
| Long-term liabilities | ¥28,654 million |
| Total liabilities | ¥102,446 million |

(Segment Information, etc.)

[Segment Information]

1. General information on reportable segments

Each reportable segment of the Company is a business unit in the Company, whose discrete financial information is available. Reportable segments are reviewed periodically at the Board of Directors Meeting in order to determine distribution of management resources and evaluate business results of each reportable segment.

The Company has established headquarters at the head office for each product of construction and service. Each headquarters, along with consolidated subsidiaries, proposes comprehensive domestic and overseas strategies with respect to products and services, and operates its business activities.

The Company consists of segments identified by products and services based on the headquarters, and identifies the three segments, “Civil engineering,” “Building construction,” and “Real estate development” as reportable segments.

“Civil engineering” refers to construction of civil engineering, etc., “Building construction” refers to construction of buildings and housing, etc., and “Real estate development” refers to purchase, sale, lease, management, and brokerage of land and buildings, etc.

2. Basis of measurement of net sales, profit or loss, and other material items in reportable segment

The accounting method for each reportable segment is the same as that used to prepare the consolidated financial statements. The profit (loss) of a reportable segment is based on the operating income (loss) before amortization of goodwill in the consolidated statement of income. In addition, conditions of intersegment transactions and transfers are determined by considering market prices as in the case of other general transactions.

Assets of the Company are not allocated to the segments. However, the corresponding depreciation and amortization are allocated to the segments according to the rational basis such as the usage of assets.

3. Information of net sales, profit or loss, and other material items by reportable segment

Consolidated fiscal year ended March 31, 2025

(Millions of yen)

| | Reportable segments | | | | Others (Note 1) | Total | Adjustments (Note 2) | Book value in consolidated financial statements (Note 3) |
|---|----------------------|--------------------------|----------------------------|-----------|--------------------|-----------|-------------------------|---|
| | Civil engineering | Building construction | Real estate development | Subtotal | | | | |
| Net sales: | | | | | | | | |
| Sales on third party customers | 630,627 | 1,372,558 | 137,589 | 2,140,775 | 13,448 | 2,154,223 | - | 2,154,223 |
| Intersegment transactions or transfers | 33,294 | 27,439 | 9,199 | 69,933 | 4,120 | 74,054 | (74,054) | - |
| Total | 663,922 | 1,399,997 | 146,788 | 2,210,708 | 17,569 | 2,228,278 | (74,054) | 2,154,223 |
| Segment operating income | 87,580 | 11,348 | 23,487 | 122,416 | 2,327 | 124,743 | (4,582) | 120,160 |
| Other items | | | | | | | | |
| Depreciation and amortization | 6,118 | 7,480 | 2,748 | 16,347 | 181 | 16,528 | (137) | 16,391 |
| Increase (decrease) in provision for losses on construction contracts | 3,131 | 2,886 | - | 6,017 | - | 6,017 | - | 6,017 |

Notes: 1. Businesses that cannot be classified into the Company's reporting segments are shown as "Others."

This includes the incidental business of construction business such as cooperative research, technical service, and environmental measurement, and logistics business, and also, leisure-related business and other service business.

2. The adjustments of segment operating income of ¥(4,582) million includes elimination of intersegment transaction amounting to ¥(4,053) million and amortization of goodwill amounting to ¥(529) million.

3. Segment operating income is adjusted in accordance with operating income of the consolidated statement of income.

(Millions of yen)

| | Reportable segments | | | | Others (Note 1) | Total | Adjustments (Note 2) | Book value in consolidated financial statements (Note 3) |
|---|----------------------|--------------------------|----------------------------|-----------|--------------------|-----------|-------------------------|---|
| | Civil engineering | Building construction | Real estate development | Subtotal | | | | |
| Net sales: | | | | | | | | |
| Sales on third party customers | 679,740 | 1,248,588 | 144,174 | 2,072,503 | 16,588 | 2,089,091 | - | 2,089,091 |
| Intersegment transactions or transfers | 40,486 | 25,882 | 10,094 | 76,463 | 4,149 | 80,613 | (80,613) | - |
| Total | 720,226 | 1,274,470 | 154,269 | 2,148,966 | 20,737 | 2,169,704 | (80,613) | 2,089,091 |
| Segment operating income | 95,557 | 78,370 | 23,952 | 197,880 | 2,360 | 200,241 | (12,267) | 187,973 |
| Other items | | | | | | | | |
| Depreciation and amortization | 6,431 | 7,830 | 2,653 | 16,914 | 146 | 17,060 | (293) | 16,767 |
| Increase (decrease) in provision for losses on construction contracts | 915 | (27,593) | - | (26,678) | - | (26,678) | - | (26,678) |

Notes: 1. "Businesses that cannot be classified into the Company's reporting segments are shown as "Others."

This includes the incidental business of construction business such as cooperative research, technical service, and environmental measurement, and logistics business, and also, leisure-related business and other service business.

2. The adjustments of segment operating income of ¥(12,267) million includes elimination of intersegment transaction amounting to ¥(6,470) million and amortization of goodwill amounting to ¥(5,796) million.

3. Segment operating income is adjusted in accordance with operating income of the consolidated statement of income.

[Information about impairment losses on fixed assets of reportable segment]

Consolidated fiscal year ended March 31, 2025

(Millions of yen)

| | Reportable segments | | | | Others | Elimination and/or corporate | Total |
|-----------------------------------|---------------------|-----------------------|-------------------------|----------|--------|------------------------------|-------|
| | Civil engineering | Building Construction | Real estate development | Subtotal | | | |
| Impairment losses on fixed assets | 97 | - | 58 | 155 | 1,146 | - | 1,302 |

Consolidated fiscal year ended March 31, 2026

(Millions of yen)

| | Reportable segments | | | | Others | Elimination and/or corporate | Total |
|-----------------------------------|---------------------|-----------------------|-------------------------|----------|--------|------------------------------|-------|
| | Civil engineering | Building construction | Real estate development | Subtotal | | | |
| Impairment losses on fixed assets | 163 | 48 | 532 | 744 | 2,787 | - | 3,532 |

[Information about amortization and unamortized balance of goodwill of reportable segment]

Consolidated fiscal year ended March 31, 2025

(Millions of yen)

| | Reportable segments | | | | Others | Elimination and/or corporate | Total |
|---------------------------------|---------------------|-----------------------|-------------------------|----------|--------|------------------------------|-------|
| | Civil engineering | Building construction | Real estate development | Subtotal | | | |
| Amortization of goodwill | 19 | 509 | - | 529 | - | - | 529 |
| Unamortized balance of goodwill | 26 | 8,027 | - | 8,054 | - | - | 8,054 |

Consolidated fiscal year ended March 31, 2026

(Millions of yen)

| | Reportable segments | | | | Others | Elimination and/or corporate | Total |
|---------------------------------|---------------------|-----------------------|-------------------------|----------|--------|------------------------------|--------|
| | Civil engineering | Building construction | Real estate development | Subtotal | | | |
| Amortization of goodwill | 3,371 | 2,424 | - | 5,796 | - | - | 5,796 |
| Unamortized balance of goodwill | 43,584 | 32,360 | - | 75,945 | - | - | 75,945 |

(Per share data)

(yen)

| | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
|------------------------------|---|---|
| Net assets per share | 5,041.43 | 5,816.09 |
| Net income per share | 682.78 | 1,025.53 |
| Diluted net income per share | Diluted net income per share was not presented because the Company had no shares with dilutive effects such as bonds with share acquisition rights. | Same as on the left |

Notes: 1. The treasury shares held by the BBT in the net assets are included in the number of treasury stock, which is excluded from the number of outstanding shares at the end of the fiscal year and the average number of shares during the period for calculating the net assets per share and the net income per share.

The numbers of treasury stock held by the BBT at the end of the consolidated fiscal year excluded for calculation of net assets per shares for the consolidated fiscal years ended March 31, 2025 and 2026 were 98 thousand shares and 98 thousand shares, respectively, and the numbers of treasury stock held by the BBT during the period excluded for the calculation of net income per shares for the consolidated fiscal years ended March 31, 2025 and 2026 were 98 thousand shares and 98 thousand shares, respectively.

2. Calculation basis for net income per share is as follows:

(Millions of yen)

| | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
|---|---|---|
| Net income attributable to owners of parent | 123,824 | 170,004 |
| Net income not attributable to common stockholders | - | - |
| Net income attributable to owners of parent related to common stock | 123,824 | 170,004 |
| Average number of common stock during the period (Thousand shares) | 181,353 | 165,771 |

(Significant subsequent events)

Not applicable.

5. Non-consolidated Financial Statements

(1) Non-consolidated balance sheet

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and time deposits | 147,069 | 166,080 |
| Notes receivable trade | 14,636 | 37,402 |
| Accounts receivable trade | 741,330 | 638,201 |
| Securities | 60,000 | - |
| Real estate for sale | 32,672 | 34,325 |
| Cost on uncompleted contracts | 64,781 | 70,778 |
| Cost on development projects in progress | 11,690 | 12,145 |
| Other current assets | 83,788 | 59,146 |
| Allowance for doubtful accounts | (115) | (185) |
| Total current assets | 1,155,852 | 1,017,893 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Buildings | 97,503 | 104,165 |
| Accumulated depreciation | (50,582) | (52,615) |
| Buildings, net | 46,921 | 51,549 |
| Structures | 4,293 | 5,192 |
| Accumulated depreciation | (2,916) | (2,995) |
| Structures, net | 1,377 | 2,196 |
| Machinery and equipment | 18,172 | 18,420 |
| Accumulated depreciation | (13,579) | (14,741) |
| Machinery and equipment, net | 4,592 | 3,678 |
| Vehicles | 1,862 | 1,902 |
| Accumulated depreciation | (1,419) | (1,552) |
| Vehicles, net | 442 | 350 |
| Tools, furniture and fixtures | 11,008 | 11,762 |
| Accumulated depreciation | (9,154) | (9,721) |
| Tools, furniture and fixtures, net | 1,854 | 2,040 |
| Land | 97,286 | 101,847 |
| Construction in progress | 12,949 | 22,970 |
| Total tangible fixed assets | 165,424 | 184,632 |
| Intangible fixed assets | 15,337 | 14,559 |
| Investments and other assets | | |
| Investment securities | 265,752 | 252,658 |
| Shares of subsidiaries and affiliates | 215,183 | 354,066 |
| Investments in other securities of subsidiaries and affiliates | 59,675 | 120,362 |
| Long-term loans receivable from subsidiaries and affiliates | 7,134 | 36,674 |
| Long-term prepaid expenses | 386 | 5,522 |
| Prepaid pension costs | 9,367 | 8,793 |
| Deferred income tax assets | 40,448 | 28,531 |
| Other fixed assets | 21,276 | 20,391 |
| Allowance for doubtful accounts | (7,199) | (7,919) |
| Total investments and other assets | 612,024 | 819,082 |
| Total fixed assets | 792,787 | 1,018,274 |
| Total assets | 1,948,640 | 2,036,168 |

(Millions of yen)

| | As of March 31, 2025 | As of March 31, 2026 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable trade | 6,907 | 1,094 |
| Electronically recorded obligations | 99,825 | 77,932 |
| Accounts payable trade | 372,415 | 303,569 |
| Short-term borrowings | 79,752 | 98,696 |
| Straight bonds due within one year | 10,000 | 10,000 |
| Lease obligations | 496 | 267 |
| Income taxes payable | 27,233 | 25,974 |
| Advances received and progress billings on uncompleted contracts | 174,578 | 232,691 |
| Deposit received | 268,204 | 316,767 |
| Provision for warranties on completed contracts | 3,236 | 2,121 |
| Provision for losses on construction contracts | 102,279 | 75,362 |
| Other current liabilities | 47,627 | 60,904 |
| Total current liabilities | 1,192,555 | 1,205,381 |
| Long-term liabilities | | |
| Straight bonds | 50,000 | 40,000 |
| Long-term borrowings | 94,699 | 148,668 |
| Lease obligations | 519 | 529 |
| Provision for retirement benefits | 13,092 | 8,007 |
| Provision for share-based remuneration for directors | 72 | 128 |
| Allowance for losses on investments in subsidiaries and affiliates | - | 437 |
| Other long-term liabilities | 4,218 | 4,424 |
| Total long-term liabilities | 162,602 | 202,194 |
| Total liabilities | 1,355,158 | 1,407,576 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 122,742 | 122,742 |
| Capital surplus | | |
| Additional paid-in-capital | 30,686 | 30,686 |
| Total capital surplus | 30,686 | 30,686 |
| Retained earnings | | |
| Other retained earnings | | |
| Reserve for tax deferral on replacement of fixed assets | 1,395 | 1,395 |
| Reserve for purchase of specified shares | 250 | 250 |
| Other reserve | 319,500 | 226,500 |
| Retained earnings carried forward | 106,843 | 151,632 |
| Total retained earnings | 427,989 | 379,778 |
| Treasury stock | (72,966) | (724) |
| Total shareholders' equity | 508,451 | 532,482 |
| Accumulated gains from valuation | | |
| Unrealized gains on available-for-sale securities, net of Taxes | 85,030 | 96,109 |
| Total accumulated gains from valuation | 85,030 | 96,109 |
| Total net assets | 593,481 | 628,592 |
| Total liabilities and net assets | 1,948,640 | 2,036,168 |

(2) Non-consolidated statement of income

(Millions of yen)

| | From April 1, 2024 to March 31, 2025 | From April 1, 2025 to March 31, 2026 |
|--|---|---|
| Net sales | | |
| Construction business | 1,600,704 | 1,416,270 |
| Development projects | 37,118 | 36,023 |
| Total net sales | 1,637,823 | 1,452,294 |
| Cost of sales | | |
| Construction business | 1,465,047 | 1,203,439 |
| Development projects | 21,341 | 20,080 |
| Total cost of sales | 1,486,389 | 1,223,519 |
| Gross profit | | |
| Construction business | 135,657 | 212,831 |
| Development projects | 15,776 | 15,943 |
| Total gross profit | 151,433 | 228,774 |
| Selling, general and administrative expenses | 71,154 | 85,884 |
| Operating income | 80,279 | 142,890 |
| Non-operating income | | |
| Interest income | 448 | 749 |
| Interest on securities | 21 | 170 |
| Dividend income | 8,426 | 9,124 |
| Other non-operating income | 402 | 1,080 |
| Total non-operating income | 9,298 | 11,124 |
| Non-operating expenses | | |
| Interest expenses | 1,383 | 3,009 |
| Interest on bonds | 179 | 290 |
| Provision of allowance for doubtful accounts | - | 41 |
| Taxes and dues | 407 | 953 |
| Other non-operating expenses | 504 | 639 |
| Total non-operating expenses | 2,474 | 4,934 |
| Ordinary income | 87,104 | 149,080 |
| Extraordinary gains | | |
| Gains on sales of investment securities | 44,207 | 54,321 |
| Other extraordinary gains | 203 | 40 |
| Total extraordinary gains | 44,411 | 54,362 |
| Extraordinary losses | | |
| Loss on sales of fixed assets | - | 371 |
| Loss on retirement of fixed assets | 147 | 69 |
| Impairment losses on fixed assets | - | 1,043 |
| Loss on valuation of investment securities | 66 | 32 |
| Loss on investments in related companies | 33 | 1,506 |
| Loss on retirement of software | 312 | 2 |
| Other extraordinary losses | 94 | 231 |
| Total extraordinary losses | 654 | 3,257 |
| Income before income taxes | 130,861 | 200,185 |
| Income taxes - current | 45,330 | 47,939 |
| Income taxes - deferred | (9,213) | 6,822 |
| Total income taxes | 36,117 | 54,761 |
| Net income | 94,744 | 145,423 |

(3) Non-consolidated statement of changes in net assets

Fiscal year ended March 31, 2025

(Millions of Yen)

| | Shareholders' equity | | | | | | |
|---|----------------------|-----------------------|---|--|---------------|-----------------------------------|-------------------------|
| | Common stock | Capital surplus | Retained earnings | | | | Total retained earnings |
| | | Total capital surplus | Other retained earnings | | | Retained earnings carried forward | |
| | | | Reserve for tax deferral on replacement of fixed assets | Reserve for purchase of specified shares | Other reserve | | |
| Balance as of April 1, 2024 | 122,742 | 30,686 | 1,414 | 250 | 330,500 | 34,958 | 367,123 |
| Changes during the period | | | | | | | |
| Reversal of reserve for tax deferral on replacement of fixed assets | | | (18) | | | 18 | - |
| Reversal of other reserve | | | | | (11,000) | 11,000 | - |
| Dividends | | | | | | (23,877) | (23,877) |
| Net income | | | | | | 94,744 | 94,744 |
| Acquisition of treasury stock | | | | | | | |
| Disposal of treasury stock | | 0 | | | | | |
| Cancellation of treasury Stock | | (9,999) | | | | | |
| Transfer from retained earnings to capital surplus | | 9,999 | | | | (9,999) | (9,999) |
| Changes other than shareholders' equity, net | | | | | | | |
| Total changes during the period | - | - | (18) | - | (11,000) | 71,885 | 60,866 |
| Balance as of March 31, 2025 | 122,742 | 30,686 | 1,395 | 250 | 319,500 | 106,843 | 427,989 |

| | Shareholders' equity | | Accumulated gains from valuation | | Total net assets |
|---|----------------------|----------------------------|---|--|------------------|
| | Treasury stock | Total shareholders' equity | Unrealized gains on available-for-sale securities, net of taxes | Total accumulated gains from valuation | |
| Balance as of April 1, 2024 | (898) | 519,652 | 149,993 | 149,993 | 669,646 |
| Changes during the period | | | | | |
| Reversal of reserve for tax deferral on replacement of fixed assets | | - | | | - |
| Reversal of other reserve | | - | | | - |
| Dividends | | (23,877) | | | (23,877) |
| Net income | | 94,744 | | | 94,744 |
| Acquisition of treasury stock | (82,071) | (82,071) | | | (82,071) |
| Disposal of treasury stock | 3 | 3 | | | 3 |
| Cancellation of treasury stock | 9,999 | - | | | - |
| Transfer from retained earnings to capital surplus | | - | | | - |
| Changes other than shareholders' equity, net | | | (64,963) | (64,963) | (64,963) |
| Total changes during the period | (72,068) | (11,201) | (64,963) | (64,963) | (76,164) |
| Balance as of March 31, 2025 | (72,966) | 508,451 | 85,030 | 85,030 | 593,481 |

| | Shareholders' equity | | | | | | |
|---|----------------------|-----------------------|---|--|---------------|-----------------------------------|-------------------------|
| | Common stock | Capital surplus | Retained earnings | | | | Total retained earnings |
| | | Total capital surplus | Other retained earnings | | | Retained earnings carried forward | |
| | | | Reserve for tax deferral on replacement of fixed assets | Reserve for purchase of specified shares | Other reserve | | |
| Balance as of April 1, 2025 | 122,742 | 30,686 | 1,395 | 250 | 319,500 | 106,843 | 427,989 |
| Changes during the period | | | | | | | |
| Reversal of reserve for tax deferral on replacement of fixed assets | | | | | | | - |
| Reversal of other reserve | | | | | (93,000) | 93,000 | - |
| Dividends | | | | | | (45,502) | (45,502) |
| Net income | | | | | | 145,423 | 145,423 |
| Acquisition of treasury stock | | | | | | | |
| Disposal of treasury stock | | 324 | | | | | |
| Cancellation of treasury Stock | | (148,457) | | | | | |
| Transfer from retained earnings to capital surplus | | 148,132 | | | | (148,132) | (148,132) |
| Changes other than shareholders' equity, net | | | | | | | |
| Total changes during the period | - | - | - | - | (93,000) | 44,788 | (48,211) |
| Balance as of March 31, 2026 | 122,742 | 30,686 | 1,395 | 250 | 226,500 | 151,632 | 379,778 |

| | Shareholders' equity | | Accumulated gains from valuation | | Total net assets |
|---|----------------------|----------------------------|---|--|------------------|
| | Treasury stock | Total shareholders' equity | Unrealized gains on available-for-sale securities, net of taxes | Total accumulated gains from valuation | |
| Balance as of April 1, 2025 | (72,966) | 508,451 | 85,030 | 85,030 | 593,481 |
| Changes during the period | | | | | |
| Reversal of reserve for tax deferral on replacement of fixed assets | | - | | | - |
| Reversal of other reserve | | - | | | - |
| Dividends | | (45,502) | | | (45,502) |
| Net income | | 145,423 | | | 145,423 |
| Acquisition of treasury stock | (77,968) | (77,968) | | | (77,968) |
| Disposal of treasury stock | 1,754 | 2,079 | | | 2,079 |
| Cancellation of treasury stock | 148,457 | - | | | - |
| Transfer from retained earnings to capital surplus | | - | | | - |
| Changes other than shareholders' equity, net | | | 11,078 | 11,078 | 11,078 |
| Total changes during the period | 72,242 | 24,031 | 11,078 | 11,078 | 35,110 |
| Balance as of March 31, 2026 | (724) | 532,482 | 96,109 | 96,109 | 628,592 |

6. Other

(1) (Consolidated) Amount of orders received, net sales and balance carried forward

(i) Amount of orders received

(Millions of yen)

| | FY2024 April 1, 2024 to March 31, 2025 | FY2025 April 1, 2025 to March 31, 2026 | Change over previous year | Rate of change (%) |
|-------------------------|--|--|------------------------------|-----------------------|
| Civil engineering | 700,226 | 720,036 | 19,810 | 2.8 |
| Building construction | 1,573,187 | 1,553,868 | (19,319) | (1.2) |
| Real estate development | 150,729 | 145,755 | (4,974) | (3.3) |
| Other | 13,448 | 16,588 | 3,140 | 23.3 |
| Total | 2,437,591 | 2,436,248 | (1,342) | (0.1) |

(ii) Net sales

| | FY2024 April 1, 2024 to March 31, 2025 | FY2025 April 1, 2025 to March 31, 2026 | Change over previous year | Rate of change (%) |
|-------------------------|--|--|------------------------------|-----------------------|
| Civil engineering | 630,627 | 679,740 | 49,112 | 7.8 |
| Building construction | 1,372,558 | 1,248,588 | (123,969) | (9.0) |
| Real estate development | 137,589 | 144,174 | 6,585 | 4.8 |
| Other | 13,448 | 16,588 | 3,140 | 23.3 |
| Total | 2,154,223 | 2,089,091 | (65,131) | (3.0) |

(iii) Balance carried forward

| | FY2024 April 1, 2024 to March 31, 2025 | FY2025 April 1, 2025 to March 31, 2026 | Change over previous year | Rate of change (%) |
|-------------------------|--|--|------------------------------|-----------------------|
| Civil engineering | 1,241,248 (137,607) | 1,419,152 | 177,903 | 14.3 |
| Building construction | 2,184,888 (140,513) | 2,630,682 | 445,793 | 20.4 |
| Real estate development | 17,787 | 19,367 | 1,580 | 8.9 |
| Other | - | - | - | - |
| Total | 3,443,924 (278,120) | 4,069,202 | 625,278 | 18.2 |

Note: Adjustments arising from changes in the scope of consolidation during the fiscal year under review are shown in parentheses below the balance carried forward for FY2024 and are not included in the balance carried forward for FY2024.

(2) (Non-consolidated) Amount of orders received, net sales and balance carried forward

(i) Amount of orders received

(Millions of yen)

| | FY2024 April 1, 2024 to March 31, 2025 | | FY2025 April 1, 2025 to March 31, 2026 | | Change over previous year | Rate of change % |
|----------------------------------|--|--------------|--|--------------|------------------------------|---------------------|
| | (Note) | % | (Note) | % | | |
| Civil engineering (1) | | | | | | |
| Domestic public sector | 328,529 | 17.4 | 258,242 | 14.5 | (70,287) | (21.4) |
| Domestic private sector | 136,481 | 7.2 | 134,440 | 7.5 | (2,040) | (1.5) |
| Overseas | 117 | 0.0 | 33,091 | 1.8 | 32,974 | - |
| Total | 465,127 | 24.6 | 425,774 | 23.8 | (39,353) | (8.5) |
| Building construction (2) | | | | | | |
| Domestic public sector | 140,196 | 7.4 | 179,863 | 10.1 | 39,666 | 28.3 |
| Domestic private sector | 1,226,030 | 64.8 | 1,132,127 | 63.5 | (93,902) | (7.7) |
| Overseas | 11,185 | 0.6 | 6,828 | 0.4 | (4,357) | (39.0) |
| Total | 1,377,412 | 72.8 | 1,318,818 | 74.0 | (58,594) | (4.3) |
| Total (1) + (2) | | | | | | |
| Domestic public sector | 468,726 | 24.8 | 438,105 | 24.6 | (30,621) | (6.5) |
| Domestic private sector | 1,362,511 | 72.0 | 1,266,567 | 71.0 | (95,943) | (7.0) |
| Overseas | 11,302 | 0.6 | 39,919 | 2.2 | 28,616 | 253.2 |
| Subtotal | 1,842,540 | 97.4 | 1,744,593 | 97.8 | (97,947) | (5.3) |
| Real estate development | 38,224 | 2.0 | 25,574 | 1.4 | (12,650) | (33.1) |
| Other | 10,491 | 0.6 | 13,042 | 0.8 | 2,551 | 24.3 |
| Total | 1,891,256 | 100.0 | 1,783,210 | 100.0 | (108,046) | (5.7) |

Note: The percentages indicate the proportion.

Major new construction orders for FY2025

| Client | Project | Location |
|--|---|------------------|
| Keikyu Corporation | Shinagawa Station West Exit Area, District A New Construction Plan (tentative name) | Tokyo |
| Odori-nishi 4 South District Urban Redevelopment Association | New building construction work for Odori-nishi 4 South District, Category 1 Urban Redevelopment Project | Hokkaido |
| Tokyo Metropolitan Government | Shakujii-river upstream underground regulating reservoir works | Tokyo |
| Sumitomo Mitsui Banking Corporation | The plan for renovation, demolition and building construction work for the Osaka-Chuo Branch of Sumitomo Mitsui Banking Corporation | Osaka Prefecture |
| Himeji City | Kabutoyama Water Treatment Plant Upgrade Project, Construction of New Water Treatment Plant | Hyogo Prefecture |

(ii) Net sales

(Millions of yen)

| | FY2024 April 1, 2024 to March 31, 2025 | | FY2025 April 1, 2025 to March 31, 2026 | | Change over previous year | Rate of change % |
|----------------------------------|--|--------------|--|--------------|------------------------------|---------------------|
| | (Note) | % | (Note) | % | | |
| Civil engineering (1) | | | | | | |
| Domestic public sector | 270,553 | 16.5 | 251,098 | 17.3 | (19,455) | (7.2) |
| Domestic private sector | 111,688 | 6.8 | 120,690 | 8.3 | 9,001 | 8.1 |
| Overseas | 21,488 | 1.3 | 23,038 | 1.6 | 1,550 | 7.2 |
| Total | 403,730 | 24.6 | 394,827 | 27.2 | (8,902) | (2.2) |
| Building construction (2) | | | | | | |
| Domestic public sector | 160,925 | 9.8 | 123,291 | 8.5 | (37,633) | (23.4) |
| Domestic private sector | 1,009,559 | 61.7 | 860,284 | 59.2 | (149,275) | (14.8) |
| Overseas | 26,489 | 1.6 | 37,867 | 2.6 | 11,378 | 43.0 |
| Total | 1,196,974 | 73.1 | 1,021,443 | 70.3 | (175,530) | (14.7) |
| Total (1) + (2) | | | | | | |
| Domestic public sector | 431,478 | 26.3 | 374,389 | 25.8 | (57,088) | (13.2) |
| Domestic private sector | 1,121,248 | 68.5 | 980,974 | 67.5 | (140,273) | (12.5) |
| Overseas | 47,977 | 2.9 | 60,906 | 4.2 | 12,928 | 26.9 |
| Subtotal | 1,600,704 | 97.7 | 1,416,270 | 97.5 | (184,433) | (11.5) |
| Real estate development | 26,627 | 1.6 | 22,980 | 1.6 | (3,646) | (13.7) |
| Other | 10,491 | 0.7 | 13,042 | 0.9 | 2,551 | 24.3 |
| Total | 1,637,823 | 100.0 | 1,452,294 | 100.0 | (185,528) | (11.3) |

Note: The percentages indicate the proportion.

Major construction projects completed in FY2025

| Client | Project | Location |
|---|---|--------------------|
| Mitsui Fudosan Residential Co., Ltd. Mitsubishi Estate Residence Co., Ltd. | Minato-ku Mita 1-chome Project (tentative name) | Tokyo |
| MORI TRUST CO., LTD NTT Urban Development Corporation | New Building Construction Work for Akasaka 2-chome Project (tentative name) | Tokyo |
| Tokyo Electron Miyagi Ltd. | Tokyo Electron Miyagi Ltd. New Building Construction Work for Development Building No. 3 | Miyagi Prefecture |
| Japan Water Agency | Construction of the Nanma Dam's primary structure | Tochigi Prefecture |
| Tokyo Metropolitan Government Bureau of Waterworks | Construction work of Distribution Reservoir for Oji Water Supply Station (tentative name) | Tokyo |

(iii) Balance carried forward

(Millions of yen)

| | FY2024 April 1, 2024 to March 31, 2025 | | FY2025 April 1, 2025 to March 31, 2026 | | Change over previous year | Rate of change % |
|----------------------------------|--|--------------|--|--------------|------------------------------|---------------------|
| | (Note) | % | (Note) | % | | |
| Civil engineering (1) | | | | | | |
| Domestic public sector | 635,356 | 21.0 | 642,500 | 19.1 | 7,144 | 1.1 |
| Domestic private sector | 326,147 | 10.8 | 339,897 | 10.2 | 13,750 | 4.2 |
| Overseas | 61,797 | 2.0 | 71,850 | 2.1 | 10,052 | 16.3 |
| Total | 1,023,301 | 33.8 | 1,054,248 | 31.4 | 30,946 | 3.0 |
| Building construction (2) | | | | | | |
| Domestic public sector | 284,710 | 9.4 | 341,282 | 10.2 | 56,571 | 19.9 |
| Domestic private sector | 1,633,170 | 53.9 | 1,905,013 | 56.7 | 271,843 | 16.6 |
| Overseas | 71,312 | 2.4 | 40,272 | 1.2 | (31,039) | (43.5) |
| Total | 1,989,193 | 65.7 | 2,286,568 | 68.1 | 297,375 | 14.9 |
| Total (1) + (2) | | | | | | |
| Domestic public sector | 920,067 | 30.4 | 983,783 | 29.3 | 63,715 | 6.9 |
| Domestic private sector | 1,959,317 | 64.7 | 2,244,910 | 66.9 | 285,593 | 14.6 |
| Overseas | 133,109 | 4.4 | 112,122 | 3.3 | (20,987) | (15.8) |
| Subtotal | 3,012,494 | 99.5 | 3,340,816 | 99.5 | 328,322 | 10.9 |
| Real estate development | 14,536 | 0.5 | 17,130 | 0.5 | 2,593 | 17.8 |
| Other | - | - | - | - | - | - |
| Total | 3,027,031 | 100.0 | 3,357,947 | 100.0 | 330,915 | 10.9 |

Note: The percentages indicate the proportion.

Major construction orders carried over into next fiscal period

| Client | Project | Location |
|--|---|----------|
| Odakyu Electric Railway Co., Ltd. Tokyo Metro Co., Ltd. TOKYU LAND CORPORATION | Shinjuku Station West Exit Area Development Project | Tokyo |
| Yaesu 1-chome North district Urban redevelopment association | New Building Construction Work (South district) for Yaesu 1-chome North District Category 1 Urban Redevelopment Project | Tokyo |
| Metropolitan Expressway Co., Ltd | Detail Design and Construction Works for tunnel of Tokiwabashi district | Tokyo |
| Nishi-Azabu 3-chome Northeast district Urban redevelopment association | New Building Construction Work (district A) for Nishi-Azabu 3-chome Northeast district Category 1 Urban Redevelopment Project | Tokyo |
| East Nippon Expressway Company Limited | Construction work of the Tokyo Outer Ring Road Oizumi South | Tokyo |