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

May 14, 2026

Company name: HAZAMA ANDO CORPORATION
Stock exchange listing: Tokyo Stock Exchange
Code number: 1719
URL: https://www.ad-hzm.co.jp/english/
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Scheduled date of ordinary general meeting of shareholders: June 26, 2026
Scheduled date of filing securities report: June 25, 2026
Scheduled date of commencing dividend payments: June 29, 2026
Availability of supplementary briefing material on financial results: Yes
Schedule of financial results briefing session: Yes (For analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	439,615	3.4	33,618	(4.6)	33,257	(2.3)	29,746	12.5
March 31, 2025	425,160	7.9	35,243	89.6	34,053	83.6	26,444	90.5

(Note) Comprehensive income: Fiscal year ended March 31, 2026: ¥49,888 million [83.5%]
Fiscal year ended March 31, 2025: ¥27,183 million [29.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	189.68	—	15.7	8.5	7.6
March 31, 2025	168.75	—	16.3	9.6	8.3

(Reference)Share of profit (loss) of entities accounted for using equity method:
Fiscal year ended March 31, 2026: ¥ (110) million
Fiscal year ended March 31, 2025: ¥ (206) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	411,575	209,380	50.6	1,327.51
As of March 31, 2025	371,974	172,183	46.0	1,092.12

(Reference) Equity: As of March 31, 2026: ¥208,264 million
As of March 31, 2025: ¥171,206 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	Million yen	Million yen	Million yen	Million yen
March 31, 2026	28,432	(6,363)	(13,770)	64,591
March 31, 2025	11,176	1,600	(5,751)	55,772

2. Dividends

	Annual dividends					Total dividends paid	Dividend payout ratio (consolidated)	Ratio of dividends to equity (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	—	30.00	—	40.00	70.00	11,207	41.5	6.8
Fiscal year ended March 31, 2026	—	40.00	—	40.00	80.00	12,808	42.2	6.6
Fiscal year ending March 31, 2027 (Forecast)	—	42.00	—	42.00	84.00		59.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	490,000	11.5	34,000	1.1	33,600	1.0	22,200	(25.4)	141.51

*** Notes:**

(1) Significant changes in scope of consolidation during the fiscal year ended March 31, 2026: Yes

Newly included: 1 company (QXY Resources Pte. Ltd.)

Excluded: None

(Note) For details, please see "3. Consolidated Financial Statements and Key Notes (5) Notes to Consolidated Financial Statements (Matters related to business combinations, etc.)" on page 17 of the attachments.

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2026: 181,021,197 shares

March 31, 2025: 181,021,197 shares

2) Total number of treasury shares at the end of the period:

March 31, 2026: 24,138,125 shares

March 31, 2025: 24,255,409 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2026: 156,820,276 shares

Fiscal year ended March 31, 2025: 156,704,281 shares

1,237,029 shares held by the management board incentive plan trust and 1,990,911 shares held by the employee stock ownership plan trust are included in the total number of treasury shares at the end of the period, and the average number of shares during the period is calculated and stated taking into account the shares held by the trusts.

As of the end of the fiscal year in March 2025, the management board incentive plan trust held 1,255,055 shares and the employee stock ownership plan trust held 2,092,177 shares.

(Reference) Summery of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	413,353	3.4	31,896	(6.1)	31,766	(4.1)	28,976	12.4
March 31, 2025	399,926	10.3	33,973	101.5	33,141	94.1	25,776	98.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	184.78	—
March 31, 2025	164.49	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	374,868	184,651	49.3	1,177.00
As of March 31, 2025	346,531	153,195	44.2	977.23

(Reference) Equity: As of March 31, 2026: ¥184,651million
As of March 31, 2025: ¥153,195million

2. Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	457,000	10.6	32,300	1.3	31,800	0.1	21,000	(27.5)	133.86

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

* Explanation of the proper use of financial results forecast and other notes

(1) The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to a wide range of factors. For assumptions used in forecasting operating results and points to consider in utilizing such forecasts, please see "1. Overview of Operating Results, etc. (4) Future outlook" on page 4 of the attachments.

(2) The Company plans to hold a financial results briefing session for analysts and institutional investors on Monday, May 18, 2026. The financial results briefing materials distributed at this briefing will be posted on the Company website.

○ Table of Contents of Attachments

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period

During the consolidated period under review, the Japanese economy remained on a moderate recovery trend as the employment and income environment continued to improve.
Going forward, while a recovery trend is expected to continue, we must monitor downside risks such as the impact of the situation in the Middle East and developments in U.S. trade policy. In addition, we still need to pay close attention to the impact of fluctuations in financial and capital markets, among other factors.
In the construction industry, both government construction investment and private construction investment generally remained robust. But it remains imperative to closely monitor developments, particularly with regard to material prices, labor costs and other related matters.
Under these circumstances, the Group’s results for the consolidated period under review were as follows. Net sales were ¥439.6 billion (up 3.4% year on year), operating profit came to ¥33.6 billion (down 4.6% year on year), ordinary profit was ¥33.2 billion (down 2.3% year on year), and profit attributable to owners of parent was ¥29.7 billion (up 12.5% year on year).
Business results by segment are as follows:
(Civil engineering business)
Net sales were ¥140.8 billion (up 6.1% year on year) and operating profit was ¥15.4 billion (up 2.0% year on year).
(Building construction business)
Net sales were ¥262.2 billion (up 0.4% year on year) and operating profit was ¥24.3 billion (down 9.4% year on year).
(Group business)
Net sales were ¥26.5 billion (up 11.5% year on year) and operating profit was ¥2.0 billion (up 90.5% year on year).
(Other)
Net sales were ¥9.9 billion (up 37.6% year on year) and operating profit was ¥0.9 billion (up 46.5% year on year).

The construction orders received and completed are as follows:

[Main construction projects among orders received]

Ministry of Land, Infrastructure, Transport and Tourism Shikoku Regional Development Bureau	Construction work of the main body of Yamatosaka dam (phase 1) FY2025-2029
Ministry of Land, Infrastructure, Transport and Tourism Kinki Regional Development Bureau	Construction work of the tunnel of Obamine Pass in Obamine Pass Road
Nagasaki City	Design and Construction work for joint development project of new water purification plant, Nagasaki City and Nagayo Town
Musashi-Kosugi Special Purpose Company	Construction work of DPL Musashi-Kosugi (tentative name)
Shibakoen 4-chome redevelopment project LLC	Construction work for Shibakoen site B project (tentative name)
Ministry of Defense, Tohoku Defense Bureau	Misawa Air Base Facility Optimization Project (FY2025) - Technical Cooperation Work

[Main completed construction projects]

TEPCO Power Grid, Incorporated	Construction work of new pipeline near Kasaibashi-dori Avenue
Iwate Prefecture	Disaster Restoration (Tunnel Construction) Work in Oishi area, National Route 107
Ministry of Public Works Indonesia	Countermeasure for Sediment in Wonogiri Multipurpose Dam Reservoir II, Construction of Closure Dike and Overflow Dike (Package No. 2-1)
Tokyo Tatemono Co., Ltd.	Construction work of T-LOGI Sagamihara (tentative name)
HORIBA STEC Co., Ltd.	Construction work of Kyoto Fukuchiyama Factory, Horiba STEC
North American Lighting Mexico, S.A. de C.V.	Construction work of Koito Manufacturing Mexico Plant-2

(2) Overview of Financial Position for the Period

Assets at the end of the period under review increased by ¥39.6 billion from the end of the previous period to ¥411.5 billion. This was due to an increase of ¥21.4 billion in investment securities, which exceeded a decrease of ¥13.5 billion in notes receivable, accounts receivable from completed construction contracts and other.

Liabilities increased by ¥2.4 billion from the end of the previous period to ¥202.1 billion. This was due to an increase of ¥3.5 billion in deferred tax liabilities and an increase of ¥1.9 billion in deposits received, which exceeded a decrease of ¥3.6 billion in advances received on construction contracts in progress.

Net assets increased by ¥37.1 billion from the end of the previous period to ¥209.3 billion. This was due to an increase of ¥16.9 billion in retained earnings and an increase of ¥15.1 billion in valuation difference on available-for-sale securities.

(3) Overview of Cash Flows for the Period

Cash and cash equivalents at the end of the consolidated period under review increased by ¥8.8 billion from the beginning of the period to ¥64.5 billion. The following is a summary of the cash flows and underlying factors during the period under review:

Cash flows from operating activities increased by ¥28.4 billion, compared with an increase of ¥11.1 billion in the previous period. This was due to cash-increasing factors, such as the posting of ¥43.0 billion in profit before income taxes, outweighing cash-decreasing factors, such as a ¥13.4 billion in income taxes paid.

Cash flows from investing activities decreased by ¥6.3 billion, compared with an increase of ¥1.6 billion in the previous period. This was due to cash-decreasing factors, such as ¥3.4 billion in purchase of shares of subsidiaries resulting in change in scope of consolidation, outweighing cash-increasing factors, such as a ¥2.5 billion in proceeds from sales of short-term and long-term investment securities.

Cash flows from financing activities decreased by ¥13.7 billion, compared with a decrease of ¥5.7 billion in the previous period. This was due to cash-decreasing factors, such as ¥12.8 billion in dividends paid and ¥4.2 billion in repayments of long-term borrowings, outweighing cash-increasing factors, such as ¥3.7 billion in proceeds from long-term borrowings.

Trends in Cash Flow-Related Indicators

Indicator	FY3/2023	FY3/2024	FY3/2025	FY3/2026
Equity ratio	44.2%	46.0%	46.0%	50.6%
Market value-based equity ratio	42.1%	55.6%	57.6%	74.4%
Operating cash flow to interest-bearing debt ratio	0.75 years	-	2.50 years	0.97 years
Interest coverage ratio	92.1	-	20.4	41.9

(Notes)
1. The calculation criteria for each indicator are as follows: Please note that all figures are calculated on the basis of consolidated financial data.
   Equity ratio: Shareholders' equity / Total assets
   Market value-based equity ratio: Market capitalization / Total assets
   Operating cash flow to interest-bearing debt ratio: Interest-bearing debts / Operating cash flow
   Interest coverage ratio: Operating cash flow / Interest payments
2. Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of common shares outstanding (less treasury shares) at the end of the period.
3. Operating cash flow is calculated using cash flows from operating activities in the consolidated statement of cash flows.
4. Interest-bearing debts refer to all liabilities recorded on the balance sheet that incur interest payments.
5. Interest paid uses the amount paid for the interest in the consolidated statement of cash flows.
6. Operating cash flow to interest-bearing debt ratio and interest coverage ratio for the fiscal years ended March 31, 2024 are not stated due to negative operating cash flow.

(4) Future Outlook

Although the business environment is expected to continue recovering, we must monitor downside risks such as the impact of the situation in the Middle East and developments in U.S. trade policy. In addition, we still need to pay close attention to the impact of fluctuations in financial and capital markets, among other factors.

The construction industry is currently facing several challenges, including a long-term downward trend in construction investments due to a population decline, a shortage of skilled workers, and an aging workforce. To address these issues, ongoing measures are necessary to improve productivity through work style reforms and technological innovation, as well as to enhance human capital through measures such as human capital development and improved working conditions. Additionally, the industry is increasingly required to contribute to the realization of a sustainable society through measures such as addressing climate change and decarbonization. Meanwhile, the current situation remains challenging due to ongoing concerns about trends in labor costs and material prices.

In order to achieve sustainable growth in today's rapidly changing and uncertain environment, the Group developed the "Medium-Term Management Plan 2025" in May 2023, aligning it with the long-term vision of "HAZAMA ANDO VISION2030." Since then, we have implemented various initiatives guided by the principles of increasing corporate value and enhancing the Company's appeal.

In the fiscal year under review, the final year of the plan, we achieved significant results in terms of enhancing business growth, including advancing construction automation and labor-saving measures through ICT and AI technological development; commencing commercial operations at the Sakaide Biomass Power Plant; continuing solar power purchase agreement business initiatives; and acquiring a 100% equity share of a Singapore-based construction company to support long-term business growth in Southeast Asia.

In addition, to increase the value of human capital and realize a decarbonized society, we have steadily pursued various initiatives, including revising our personnel systems to become "a company that values employees more than any other in the construction industry," formulating a roadmap to carbon neutrality, and reacquiring SBT certification.

As a result of our three-year initiative, and bolstered by substantial construction investment, we have successfully achieved our targets for consolidated ordinary profit and ROE among our KPIs. Additionally, our GHG emission reduction rate and employee engagement score have also generally reached our target levels. With respect to shareholder returns, although the total return ratio fell short of the target, we achieved our total return target by continually increasing dividends.

As part of the "Medium-Term Management Plan 2028," which commenced in April 2026, we have added "creating business partner value" as a fifth pillar of value creation, joining the four existing pillars of customer value, shareholder value, environmental value, and employee value outlined in the Group's long-term vision at the time of the plan's formulation. We have established a basic policy: "Work toward creating five values—Continue to grow in appeal as an attractive company," and are pursuing various initiatives in accordance with the policy. In addition to our commitment to leveraging our human resources and technological capabilities to the greatest extent possible, we are dedicated to making strategic investments, including in technology development. Moreover, to "continue to grow in appeal as an attractive company," the Group will work in unison to drive its business forward with a sense of urgency.

(5) Basic Policy for Determination of Dividends, etc. from Surplus

We maintain a fundamental policy to pay dividends to our shareholders on a stable and continual basis, while striving to balance investment activities aimed at future growth with the maintenance of financial soundness, and taking into account our business performance, financial condition, and operating environment.

In addition, to enhance opportunities for returning profits to our shareholders, we will continue to pay dividends twice a year—an interim dividend and a year-end dividend.

We will consider and implement share buybacks after a comprehensive evaluation of our financial position and other relevant factors, with a focus on enhancing capital efficiency and further returning profits to our shareholders.

In the Medium-Term Management Plan 2028, we have a policy to implement progressive dividends of 80 yen or more per share annually.

(6) Management Policy

< Overview of HAZAMA ANDO VISION2030 and the Medium-Term Management Plan 2028 >

(1) Long-term vision

Through the acceleration of innovation and tireless efforts to take on each new challenge, create new value and contribute to the resolution of social issues

・ Transform our business portfolio into one that ensures a balance between businesses that generate stand-alone and recurring profit
・ Undertake continuous and strategic growth investments that strengthen mainstay businesses and create new businesses

(2) Medium-Term Business Plan 2028

(i) Period of the Plan

FY3/27-FY3/29

(ii) Basic policy

Work toward creating five values―Continue to grow in appeal as an attractive company―
Create customer value / Create shareholder value / Create environmental value / Create business partner value / Create employee value

(iii) Outline of the plan

We aim to secure sustainable business growth and enhance corporate value by augmenting our business strategies as well as our management foundation.

Augmenting the business strategies

・Civil Engineering in Japan・Building Construction in Japan・Life Cycle Support (LCS) Business
・Energy Business・Overseas Business・Group Business・Non-Construction Business

Strengthening the management foundation

・Human Capital Strategies・Technology Development Strategies・Digital Transformation (DX) Strategies
・Business Partner Strategies・Sustainability Strategies

(iv) Numerical targets

	FY3/29 (Final Fiscal Year of the Plan)
Consolidated ordinary profit	¥36.5 billion
Consolidated ROE	12% or more
Annual dividend per share	¥80 or more (progressive dividend)
Engagement rating	A
GHG emission reduction rate (Base year: FY3/25)	Scope1+2 23% Scope3 14%

2. Basic Approach to the Selection of Accounting Standards

Considering the comparability of periods and between companies in consolidated financial statements, we will continue to prepare consolidated financial statements in accordance with Japanese standards for the time being. Regarding the adoption of International Financial Reporting Standards (IFRS), we will respond based on various domestic and international circumstances.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	57,294	66,170
Notes receivable, accounts receivable from completed construction contracts and other	214,186	200,657
Costs on construction contracts in progress	3,583	5,452
Other inventories	4,686	6,536
Other	8,319	21,939
Allowance for doubtful accounts	(257)	(21)
Total current assets	287,813	300,735
Non-current assets		
Property, plant and equipment		
Buildings and structures	29,110	29,645
Machinery, vehicles, tools, furniture and fixtures	16,150	17,315
Land	15,620	15,644
Other	462	2,260
Accumulated depreciation	(25,904)	(29,092)
Total property, plant and equipment	35,440	35,773
Intangible assets	1,772	5,574
Investments and other assets		
Investment securities	28,048	49,544
Long-term loans receivable	33	21
Deferred tax assets	5,809	687
Retirement benefit asset	5,548	9,209
Other	7,508	10,028
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	46,947	69,492
Total non-current assets	84,160	110,839
Total assets	371,974	411,575

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	58,138	59,764
Short-term borrowings	20,982	20,995
Income taxes payable	7,781	7,171
Advances received on construction contracts in progress	35,333	31,657
Deposits received	47,461	49,400
Provision for warranties for completed construction	2,266	1,746
Provision for bonuses	3,585	3,990
Provision for loss on construction contracts	966	605
Other	9,957	11,049
Total current liabilities	186,473	186,382
Non-current liabilities		
Long-term borrowings	6,916	6,519
Deferred tax liabilities	—	3,531
Retirement benefit liability	3,338	1,633
Provision for management board incentive plan trust	383	618
Provision for employee stock ownership plan trust	1,228	1,635
Other	1,448	1,874
Total non-current liabilities	13,316	15,812
Total liabilities	199,790	202,195
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,678	17,678
Retained earnings	145,412	162,349
Treasury shares	(21,455)	(21,335)
Total shareholders' equity	158,641	175,698
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,788	21,968
Deferred gains or losses on hedges	2,996	4,720
Foreign currency translation adjustment	398	473
Remeasurements of defined benefit plans	2,383	5,402
Total accumulated other comprehensive income	12,565	32,565
Non-controlling interests	976	1,115
Total net assets	172,183	209,380
Total liabilities and net assets	371,974	411,575

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Million 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	398,142	409,206
Sales in other businesses	27,018	30,409
Total net sales	425,160	439,615
Cost of sales		
Cost of sales of completed construction contracts	340,361	349,392
Cost of sales in other businesses	23,835	26,262
Total cost of sales	364,197	375,655
Gross profit		
Gross profit on completed construction contracts	57,780	59,813
Gross profit - other business	3,182	4,146
Total gross profit	60,962	63,959
Selling, general and administrative expenses	25,718	30,341
Operating profit	35,243	33,618
Non-operating income		
Interest income	125	83
Dividend income	613	767
Compensation for forced relocation	—	270
Other	699	348
Total non-operating income	1,438	1,469
Non-operating expenses		
Interest expenses	528	664
Share of loss of entities accounted for using equity method	206	110
Foreign exchange losses	289	277
Commission expenses	377	441
Other	1,226	337
Total non-operating expenses	2,628	1,831
Ordinary profit	34,053	33,257

(Million yen)

	For the Fiscal year ended March 31, 2025	For the Fiscal year ended March 31, 2026
Extraordinary income		
Subsidy income	51	31
Gain on sales of non-current assets	331	138
Gain on sales of investment securities	4,033	10,388
Total extraordinary income	4,416	10,558
Extraordinary losses		
Impairment loss	32	—
Loss on tax purpose reduction entry of non-current assets	51	31
Loss on retirement of non-current assets	77	117
Loss on valuation of investment securities	—	205
Loss on sale of investment securities	—	396
Loss on litigation	16	15
Total extraordinary losses	178	766
Profit before income taxes	38,292	43,049
Income taxes - current	11,899	12,686
Income taxes - deferred	(33)	561
Total income taxes	11,866	13,248
Profit	26,425	29,800
Profit (loss) attributable to non-controlling interests	(18)	54
Profit attributable to owners of parent	26,444	29,746

(Consolidated Statements of Comprehensive Income)

(Million yen)

	For the Fiscal year ended March 31, 2025	For the Fiscal year ended March 31, 2026
Profit	26,425	29,800
Other comprehensive income		
Valuation difference on available-for-sale securities	149	15,180
Foreign currency translation adjustment	212	163
Remeasurements of defined benefit plans	(625)	3,019
Share of other comprehensive income of entities accounted for using equity method	1,021	1,724
Total other comprehensive income	758	20,087
Comprehensive income	27,183	49,888
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27,104	49,746
Comprehensive income attributable to non-controlling interests	79	142

(3) Consolidated Statements of Changes in Equity

(Fiscal year ended March 31, 2025) (Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,006	17,678	128,575	(21,595)	141,664
Changes in items during period					
Dividends of surplus			(9,606)		(9,606)
Profit attributable to owners of parent			26,444		26,444
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				142	142
Net changes in items other than shareholders' equity					
Total changes in items during period	—	—	16,837	139	16,976
Balance at end of period	17,006	17,678	145,412	(21,455)	158,641

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,638	1,974	283	3,008	11,905	900	154,470
Changes in items during period							
Dividends of surplus							(9,606)
Profit attributable to owners of parent							26,444
Purchase of treasury shares							(2)
Disposal of treasury shares							142
Net changes in items other than shareholders' equity	149	1,021	114	(625)	660	76	736
Total changes in items during period	149	1,021	114	(625)	660	76	17,713
Balance at end of period	6,788	2,996	398	2,383	12,565	976	172,183

(Fiscal year ended March 31, 2026) (Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,006	17,678	145,412	(21,455)	158,641
Changes in items during period					
Dividends of surplus			(12,809)		(12,809)
Profit attributable to owners of parent			29,746		29,746
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				124	124
Net changes in items other than shareholders' equity					
Total changes in items during period	―	―	16,937	120	17,057
Balance at end of period	17,006	17,678	162,349	(21,335)	175,698

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,788	2,996	398	2,383	12,565	976	172,183
Changes in items during period							
Dividends of surplus							(12,809)
Profit attributable to owners of parent							29,746
Purchase of treasury shares							(3)
Disposal of treasury shares							124
Net changes in items other than shareholders' equity	15,180	1,724	75	3,019	20,000	138	20,138
Total changes in items during period	15,180	1,724	75	3,019	20,000	138	37,196
Balance at end of period	21,968	4,720	473	5,402	32,565	1,115	209,380

(4) Consolidated Statements of Cash Flows

(Million 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	38,292	43,049
Depreciation	3,504	3,658
Loss on tax purpose reduction entry of non-current assets	51	31
Subsidy income	(51)	(31)
Impairment loss	32	—
Increase (decrease) in allowance for doubtful accounts	(493)	(236)
Increase (decrease) in provision for warranties for completed construction	159	(519)
Increase (decrease) in provision for loss on construction contracts	512	(360)
Increase (decrease) in retirement benefit liability	(683)	(594)
Decrease (increase) in retirement benefit asset	(373)	(370)
Interest and dividend income	(738)	(850)
Interest expenses	528	664
Foreign exchange losses (gains)	140	(362)
Loss (gain) on sales of investment securities	(4,033)	(9,992)
Share of loss (profit) of entities accounted for using equity method	206	110
Decrease (increase) in trade receivables	(32,609)	13,890
Decrease (increase) in costs on construction contracts in progress	1,419	181
Decrease (increase) in other inventories	(534)	(1,849)
Decrease (increase) in advances paid	556	(4,225)
Decrease (increase) in consumption taxes refund receivable	1,008	113
Increase (decrease) in trade payables	2,815	(22)
Increase (decrease) in advances received on construction contracts in progress	1,760	(3,666)
Increase (decrease) in deposits received	2,465	1,928
Increase (decrease) in accrued consumption taxes	1,888	(143)
Other, net	3,247	1,769
Subtotal	19,073	42,172
Interest and dividends received	705	739
Interest paid	(547)	(679)
Compensation paid for damage	(445)	(370)
Income taxes paid	(7,993)	(13,474)
Proceeds from insurance income	383	43
Net cash provided by (used in) operating activities	11,176	28,432

(Million yen)

	For the Fiscal year ended March 31, 2025	For the Fiscal year ended March 31, 2026
Cash flows from investing activities		
Payments into time deposits	(1,426)	(1,417)
Proceeds from withdrawal of time deposits	1,426	1,508
Purchase of short-term and long-term investment securities	(118)	(1,727)
Proceeds from sales of short-term and long-term investment securities	4,816	2,572
Purchase of property, plant and equipment	(4,126)	(2,521)
Proceeds from sales of property, plant and equipment	1,857	180
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(3,435)
Payments for investments in capital of subsidiaries and associates	(331)	(922)
Subsidies received	51	31
Other, net	(549)	(632)
Net cash provided by (used in) investing activities	1,600	(6,363)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,911	(13)
Proceeds from long-term borrowings	3,962	3,797
Repayments of long-term borrowings	(4,558)	(4,277)
Redemption of bonds	(35)	—
Dividends paid	(9,606)	(12,809)
Dividends paid to non-controlling interests	(3)	(3)
Other, net	(420)	(463)
Net cash provided by (used in) financing activities	(5,751)	(13,770)
Effect of exchange rate change on cash and cash equivalents	(101)	521
Net increase (decrease) in cash and cash equivalents	6,923	8,819
Cash and cash equivalents at beginning of period	48,848	55,772
Cash and cash equivalents at end of period	55,772	64,591

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Additional information)

(Performance-linked stock compensation plan)

The Company has introduced a performance-linked stock compensation plan for board directors and executive officers and an employee stock ownership plan trust for employees as a performance-linked stock compensation plan.

1 Performance-linked stock compensation plan for board directors and executive officers

(1) Transaction summary

In FY2016, the Company introduced a performance-linked stock compensation plan (the “Plan”) as an incentive plan for its board directors and executive officers (excluding a board director who is an audit and supervisory committee member, external board directors, and domestic non-residents; hereinafter collectively referred to as “the Board Directors, etc.”). The Plan is highly transparent and objective and is closely linked with the Company’s performance, with the aim of increasing awareness of the importance of helping to enhance the corporate value and performance of the Company over the medium to long term.

Specifically, the Plan adopts a mechanism called the Board Incentive Plan (BIP) Trust (“BIP Trust”) where the Company’s shares acquired through the BIP Trust and cash equivalent to the value of the Company’s shares upon conversion are provided to the Board Directors, etc., according to their titles and the level of achievement of performance targets, etc.

(2) The Company’s stock in the Trust

The Company’s shares remaining in the Trust are recorded as treasury shares under net assets based on the book value in the Trust (excluding ancillary expenses). The book value and the number of these treasury shares in the Trust were ¥1,210 million and 1,255,055 shares, respectively, at the end of the previous consolidated fiscal year, while they were ¥1,193 million and 1,237,029 shares, respectively, at the end of the consolidated period under review.

2 Employee stock ownership plan trust

(1) Transaction summary

In FY2022, the Company introduced an Employee Stock Ownership Plan Trust (“ESOP Trust”) as an incentive plan for its employees (the “Employees”). The ESOP Trust is an incentive plan intended to improve treatment of Employees and raise their awareness about the Company’s performance over the medium to long term and its stock price, thereby further promoting business operations aimed at the sustainable improvement of corporate value. At the same time, it is designed to strengthen the linkage with the development and achievement of the Company’s future management personnel and the development of the Company and its corporate value.

Specifically, the Company’s shares acquired through the ESOP Trust and cash equivalent to the value of the Company’s shares upon conversion are provided to the beneficiaries, who are the Employees meeting certain requirements, according to their working status and performance targets achieved during the trust period.

(2) The Company’s stock in the Trust

The Company’s shares remaining in the Trust are recorded as treasury shares under net assets based on the book value in the Trust (excluding ancillary expenses). The book value and the number of these treasury shares in the Trust were ¥2,203 million and 2,092,177 shares, respectively, at the end of the previous consolidated fiscal year, while they were ¥2,096 million and 1,990,911 shares, respectively, at the end of the consolidated period under review.

(Matters related to business combinations, etc.)

Business combination through acquisition

1 Overview of business combination

(1) Name and business description of the acquired company

Name of the acquired company	QXY Resources Pte. Ltd. and two other companies
Business description	Building Construction N.E.C.

(2) Main reason for the business combination

The Group formulated the Medium-Term Management Plan 2025 in May 2023 and has been implementing various measures to "Increase corporate value" and "Enhance the Company's appeal." As part of this, in the Overseas Business, with a focus on business stability, the Group has been working to strengthen business foundations and systems in order to achieve future growth.

QXY Resources Pte. Ltd. is a Singapore-based construction company with an extensive track record and a strong competitive advantage in the refurbishment construction field. Based on its vision of "Leading a new era of urban renewal focused on sustainability by unlocking value of the built environment for tomorrow," QXY Resources has undertaken many refurbishment projects in diverse sectors, including offices, commercial facilities, and educational facilities, winning high recognition as a highly reliable company in the Singapore construction industry. This share acquisition is implemented with the aim of long-term business growth in Southeast Asia, a priority area for the Company's Overseas Business under the policy of the abovementioned Medium-Term Management Plan. The Company will continue strengthening the earnings base of the entire Group and working for the sustainable increase of corporate value.

(3) Date of the business combination

January 5, 2026 (Deemed acquisition date: December 31, 2025)

(4) Legal form of the business combination

Creation of subsidiaries through acquisition of shares

(5) Name of the company after the business combination

Unchanged

(6) Ratio of voting rights acquired

100.0%

(7) Main grounds for determining the acquirer

The Company acquired 100% of voting rights through the acquisition of shares for cash consideration.

2 Period during which the financial results of the acquired company are included in the consolidated financial statements

As only the balance sheets were consolidated at the end of the fiscal year under review, the consolidated statements of income does not include the financial results of the acquired company. The acquired company's fiscal year ends on December 31, three months earlier than the Group's consolidated fiscal closing date of March 31.

3 Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for the acquisition	¥4,510 million in cash
Acquisition cost	¥4,510 million

4 Details and amount of major acquisition-related expenses

Advisory fees, etc. ¥265 million

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

(1) Amount of goodwill recognized

¥3,710 million

(Note) This amount is calculated on a provisional basis because the allocation of acquisition costs for the fiscal year under review has not yet been completed.

(2) Reason for recognition

Because the acquisition cost exceeded the fair value of the net assets acquired at the time of the business combination, the difference is recognized as goodwill.

(3) Amortization method and period

Straight-line amortization over 10 years

6 The amounts of assets acquired and liabilities assumed as of the business combination date, and a breakdown thereof

Current assets	¥3,518 million
Non-current assets	¥233 million
Total assets	¥3,751 million
Current liabilities	¥2,856 million
Non-current liabilities	¥103 million
Total liabilities	¥2,959 million

7 Estimated impact on the consolidated statements of income for the fiscal year under review, assuming the business combination was completed on the first day of the fiscal year, and the calculation method thereof;

The estimated impact is not stated because it is material.

(Notes on Segment information, etc.)

[Segment information]

1 Overview of Reportable Segments

The Group's reportable segments are components of the Group for which separate financial information is available that are reviewed regularly by the Company's Board of Directors to allocate management resources and assess performance.

While our Group is primarily engaged in the construction industry and related businesses, our Company, as a general contractor, divides its construction business into civil engineering and building construction. We develop business activities by formulating comprehensive strategies for domestic and overseas production based on orders. With regard to the Group business, each consolidated subsidiary formulates its own strategy and conducts business activities accordingly in cooperation with our Company.

Therefore, the Company is organized into business segments based on civil engineering, building construction, and consolidated subsidiaries, and has three reportable segments: "Civil Engineering Business," "Building Construction Business," and "Group Business," which combines seven consolidated subsidiaries.

The business activities of each reportable segment are as follows.

- Civil engineering business: Businesses related to civil engineering in general, both in Japan and abroad, of the submitting company
- Building construction business: Businesses related to building construction in general, both in Japan and abroad, of the submitting company
- Group business: Sales and leasing of construction materials, civil engineering and building construction, etc., in consolidated subsidiaries

2 Methods of Calculating Net Sales, Profit or Loss, Assets, Liabilities and Other Items by Reportable Segment

The accounting methods used for the reportable segments are generally the same as those used to prepare the consolidated financial statements. Reportable segment profit is based on operating profit. Intersegment sales and transfers are based on prices that would be paid by third parties.

Of the reportable segments, the civil engineering and building construction businesses do not have financial information related to assets. Therefore, assets are not allocated to these segments. However, depreciation and amortization expense related to such assets is allocated to the civil engineering and building construction businesses on a reasonable basis based on the extent to which they benefit from such assets.

3 Information on Amounts of Net Sales, Profit or Loss, Assets, Liabilities and Other Items by Reportable Segment
Previous period (April 1, 2024, to March 31, 2025)

(Million yen)

	Reportable segments				Other, net (Note 1.)	Total	Reconciliation (Note 2.)	Amount Recognized in Consolidated Financial Statements (Note 3.)
	Civil Engineering Business	Building Construction Business	Group Business	Total				
Net sales								
External customers	132,785	261,348	23,792	417,926	7,234	425,160	-	425,160
Intersegment	-	-	57,176	57,176	11	57,187	(57,187)	-
Total	132,785	261,348	80,968	475,102	7,245	482,348	(57,187)	425,160
Segment profit	15,173	26,903	1,060	43,138	680	43,818	(8,575)	35,243
Segment assets	(Note 4.)	(Note 4.)	38,614	287,095	11,325	298,420	73,553	371,974
Other items								
Depreciation	822	1,638	538	2,999	231	3,230	274	3,504
Increase in property, plant and equipment and intangible assets	(Note 4.)	(Note 4.)	1,930	3,722	712	4,434	105	4,539

(Notes)
1. The "Other" segment consists of operations not attributed to "Reportable segments" and includes research, commissioned operations and other activities.
2. The adjusted amounts are as follows:
   (1) Reconciliation of segment profit amounting to ¥(8,575) million includes ¥(23) million in intersegment eliminations and others, and ¥(8,551) million in corporate expenses that are not allocated to any reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributed to reportable segments.
   (2) Reconciliation of segment assets amounting to ¥73,553 million includes ¥(13,105) million in intersegment eliminations and others, and ¥86,659 million in corporate assets that are not allocated to any reportable segment. Corporate assets consist primarily of cash and deposits and investment securities that are not allocated to reportable segments.
3. Segment profit is reconciled to operating profit of the consolidated financial statements.
4. As described in "2 Methods of calculating net sales, profit or loss, assets, liabilities and other items by reportable segment," the civil engineering and building construction segments do not have financial information on assets. As a result, assets and increases in property, plant and equipment and intangible assets are not allocated to these segments. Total segment assets of the civil engineering and building construction segments amounted to ¥248,480 million, and the total increase in property, plant and equipment and intangible assets amounted to ¥1,791 million.

Period under review (April 1, 2025, to March 31, 2026)

(Million yen)

	Reportable segments				Other, net (Note 1.)	Total	Reconciliation (Note 2.)	Amount Recognized in Consolidated Financial Statements (Note 3.)
	Civil Engineering Business	Building Construction Business	Group Business	Total				
Net sales								
External customers	140,863	262,273	26,522	429,659	9,956	439,615	-	439,615
Intersegment	-	-	67,292	67,292	13	67,305	(67,305)	-
Total	140,863	262,273	93,814	496,951	9,969	506,920	(67,305)	439,615
Segment profit	15,484	24,371	2,020	41,876	997	42,873	(9,255)	33,618
Segment assets	(Note 4.)	(Note 4.)	46,979	279,648	12,143	291,792	119,783	411,575
Other items								
Depreciation	929	1,727	483	3,141	252	3,394	264	3,658
Increase in property, plant and equipment and intangible assets	(Note 4.)	(Note 4.)	1,277	3,659	176	3,835	114	3,949

(Notes)
1. The “Other” segment consists of operations not attributed to “Reportable segments” and includes research, commissioned operations and other activities.
2. The adjusted amounts are as follows:
   (1) Reconciliation of segment profit amounting to ¥(9,255) million includes ¥(270) million in intersegment eliminations and others, and ¥(8,984) million in corporate expenses which are not allocated to any reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributed to reportable segments.
   (2) Reconciliation of segment assets amounting to ¥119,783 million includes ¥(14,126) million in intersegment eliminations and others, and ¥133,909 million in corporate assets that are not allocated to any reportable segment. Corporate assets consist primarily of cash and deposits and investment securities that are not allocated to reportable segments.
3. Segment profit is reconciled to operating profit of the consolidated financial statements.
4. As described in “2 Methods of calculating net sales, profit or loss, assets, liabilities and other items by reportable segment,” the civil engineering and building construction segments do not have financial information on assets. As a result, assets and increases in property, plant and equipment and intangible assets are not allocated to these segments. Total segment assets of the civil engineering and building construction segments amounted to ¥232,669 million, and the total increase in property, plant and equipment and intangible assets amounted to ¥2,381 million.

(Per share information)

Previous Period (April 1, 2024, to March 31, 2025)		Period Under Review (April 1, 2025, to March 31, 2026)	
Net assets per share	1,092.12 Yen	Net assets per share	1,327.51 Yen
Basic earnings per share	168.75 Yen	Basic earnings per share	189.68 Yen

(Notes) 1. Diluted basic earnings per share is not stated due to absence of dilutive shares.
2. The basis for calculating basic earnings per share is as follows:

Items	Previous Period (April 1, 2024, to March 31, 2025)	Period Under Review (April 1, 2025, to March 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	26,444	29,746
Amount not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent related to common stock (millions of yen)	26,444	29,746
Average number of common shares during period (in thousands)	156,704	156,820

Company shares held by the BIP Trust for officers' remuneration and by the ESOP Trust for share awards are included in the treasury shares and deducted in calculating the average number of shares during the period for the purpose of calculating profit per share. The average number of such treasury shares during the period was 24,316 thousand shares for the previous period and 24,200 thousand shares for the period under review. Of which, the average number of Company shares held by the BIP Trust for officers' remuneration during the period was 1,291 thousand shares in the previous period and 1,243 thousand shares for the period under review. The average number of Company shares held by the ESOP Trust for share awards during the period was 2,118 thousand shares in the previous period and 2,047 thousand shares for the period under review.

3. The basis for calculating net assets per share is as follows:

Items	Previous Period (March 31, 2025)	Period Under Review (March 31, 2026)
Net assets per share		
Total net assets (millions of yen)	172,183	209,380
Amount deducted from total net assets (millions of yen)	976	1,115
(Of which, non-controlling interests (millions of yen))	(976)	(1,115)
Net assets related to common stock at the end of the period (millions of yen)	171,206	208,264
Number of common shares at the end of the period used in the calculation of net assets per share (in thousands)	156,765	156,883

Company shares held by the BIP Trust for officers' remuneration and by the ESOP Trust for share awards are included in the treasury shares deducted from the total number of shares issued and outstanding at the end of the period for the purpose of calculating net assets per share. The number of such treasury shares at the end of the period was 24,255 thousand shares for the previous period and 24,138 thousand shares for the period under review. Of which, the number of Company shares held by the BIP Trust for officers' remuneration at the end of the period was 1,255 thousand shares for the previous period and 1,237 thousand shares for the period under review. The number of Company shares held by the ESOP Trust for share awards at the end of the period was 2,092 thousand shares in the previous period and 1,990 thousand shares for the period under review.

(Material subsequent event)

Not applicable.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	42,932	50,297
Notes receivable - trade	459	31
Electronically recorded monetary claims - operating	8,125	10,979
Accounts receivable from completed construction contracts	201,777	185,295
Accounts receivable- other business	818	1,162
Real estate for sale	504	504
Costs on construction contracts in progress	3,422	2,886
Costs on other business	1,937	1,847
Raw materials and supplies	13	265
Prepaid expenses	214	349
Other	7,583	21,171
Allowance for doubtful accounts	(255)	(20)
Total current assets	267,533	274,771
Non-current assets		
Property, plant and equipment		
Buildings	22,532	22,557
Accumulated depreciation	(11,452)	(12,378)
Buildings, net	11,080	10,179
Structures	2,257	2,255
Accumulated depreciation	(1,809)	(1,848)
Structures, net	448	407
Machinery and equipment	7,742	8,298
Accumulated depreciation	(4,041)	(5,464)
Machinery and equipment, net	3,701	2,834
Vehicles	203	221
Accumulated depreciation	(146)	(146)
Vehicles, net	56	74
Tools, furniture and fixtures	3,529	3,673
Accumulated depreciation	(2,969)	(3,127)
Tools, furniture and fixtures, net	560	545
Land	13,216	13,241
Leased assets	588	633
Accumulated depreciation	(245)	(275)
Leased assets, net	342	357
Construction in progress	—	1,072
Total property, plant and equipment	29,406	28,712

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Intangible assets		
Leasehold interests in land	75	75
Software	1,215	1,253
Other	252	318
Total intangible assets	1,544	1,648
Investments and other assets		
Investment securities	27,577	49,043
Shares of subsidiaries and associates	2,866	7,645
Investments in capital	25	24
Investments in capital of subsidiaries and associates	2,328	3,249
Long-term loans receivable from employees	0	0
Long-term loans receivable from subsidiaries and associates	2,669	3,009
Long-term prepaid expenses	256	121
Prepaid pension costs	3,870	4,240
Deferred tax assets	6,112	—
Other	2,341	2,401
Allowance for doubtful accounts	(3)	(0)
Total investments and other assets	48,046	69,735
Total non-current assets	78,997	100,096
Total assets	346,531	374,868
Liabilities		
Current liabilities		
Accounts payable for construction contracts	56,592	56,502
Accounts payable - other business	473	493
Short-term borrowings	20,936	20,950
Lease liabilities	120	128
Accounts payable - other	3,692	3,599
Accrued expenses	49	48
Income taxes payable	7,588	6,501
Advances received on construction contracts in progress	33,980	30,357
Advances received on other business	1,678	1,249
Deposits received	45,220	47,152
Unearned revenue	46	10
Provision for warranties for completed construction	2,265	1,746
Provision for bonuses	3,425	3,689
Provision for loss on construction contracts	960	602
Other	2,294	2,055
Total current liabilities	179,324	175,087

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Non-current liabilities		
Long-term borrowings	6,748	6,396
Lease liabilities	247	256
Provisions for retirement benefits	4,194	3,554
Deferred tax liabilities	—	1,205
Provision for management board incentive plan trust	383	618
Provision for employee stock ownership plan trust	1,228	1,635
Asset retirement obligations	531	534
Other	676	927
Total non-current liabilities	14,010	15,128
Total liabilities	193,335	190,216
Net assets		
Shareholders’ equity		
Share capital	17,006	17,006
Capital surplus		
Legal capital surplus	17,123	17,123
Other capital surplus	619	619
Total capital surpluses	17,743	17,743
Retained earnings		
Other retained earning		
Retained earnings brought forward	133,144	149,312
Total retained earnings	133,144	149,312
Treasury shares	(21,455)	(21,335)
Total shareholders' equity	146,438	162,726
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,757	21,925
Total valuation and translation adjustments	6,757	21,925
Total net assets	153,195	184,651
Total liabilities and net assets	346,531	374,868

(2) Non-Consolidated Statements of Income

(Million 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	392,680	403,384
Sales in other businesses	7,245	9,969
Total net sales	399,926	413,353
Cost of sales		
Cost of sales of completed construction contracts	335,684	344,570
Cost of sales in other businesses	6,514	8,953
Total cost of sales	342,198	353,524
Gross profit		
Gross profit on completed construction contracts	56,996	58,813
Gross profit - other business	731	1,015
Total gross profit	57,727	59,829
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	260	276
Provision for management board incentive plan trust	206	251
Employees' salaries and allowances	7,004	8,527
Provision for bonuses	2,759	3,573
Provision for employee stock ownership plan trust	143	163
Retirement benefit expenses	295	332
Legal welfare expenses	1,366	1,671
Welfare expenses	412	467
Repair and maintenance expenses	320	350
Stationery expenses	375	665
Communication and transportation expenses	1,332	1,471
Power utilities expenses	117	126
Research study expenses	2,695	2,841
Advertising expenses	1,066	1,072
Provision of allowance for doubtful accounts	(495)	(233)
Entertainment expenses	338	333
Donations	62	96
Rent expenses on land and buildings	806	908
Depreciation	2,209	2,268
Taxes and dues	1,131	1,283
Insurance expenses	313	355
Miscellaneous expenses	1,032	1,128
Selling, general and administrative expenses	23,754	27,933
Operating profit	33,973	31,896

(Million yen)

	For the Fiscal year ended March 31, 2025	For the Fiscal year ended March 31, 2026
Non-operating income		
Interest income	105	86
Dividend income	757	897
Compensation for forced relocation	—	270
Other	690	325
Total non-operating income	1,553	1,580
Non-operating expenses		
Interest expenses	524	658
Interest expenses on bonds	0	—
Commission expenses	377	441
Foreign exchange losses	282	279
Other	1,200	330
Total non-operating expenses	2,384	1,709
Ordinary profit	33,141	31,766
Extraordinary income		
Subsidy income	51	31
Gain on sales of non-current assets	—	137
Gain on sales of investment securities	4,033	10,388
Total extraordinary income	4,084	10,557
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	51	31
Loss on sale of investment securities	—	396
Impairment loss	32	—
Loss on valuation of investment securities	—	205
Loss on litigation	16	15
Loss on retirement of non-current assets	74	112
Total extraordinary losses	174	761
Profit before income taxes	37,051	41,562
Income taxes - current	11,364	11,957
Income taxes - deferred	(89)	629
Total income taxes	11,275	12,586
Profit	25,776	28,976

(3) Non-Consolidated Statements of Changes in Equity

(Fiscal year ended March 31, 2025) (Million yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	17,006	17,123	619	17,743	116,975	116,975	(21,595)	130,129
Changes in items during period								
Dividends of surplus					(9,606)	(9,606)		(9,606)
Profit					25,776	25,776		25,776
Purchase of treasury shares							(2)	(2)
Disposal of treasury shares							142	142
Net changes in items other than shareholders’ equity								
Total changes in items during period	—	—	—	—	16,169	16,169	139	16,308
Balance at end of period	17,006	17,123	619	17,743	133,144	133,144	(21,455)	146,438

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	6,599	6,599	136,728
Changes in items during period			
Dividends of surplus			(9,606)
Profit			25,776
Purchase of treasury shares			(2)
Disposal of treasury shares			142
Net changes in items other than shareholders’ equity	158	158	158
Total changes in items during period	158	158	16,467
Balance at end of period	6,757	6,757	153,195

(Fiscal year ended March 31, 2026) (Million yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	17,006	17,123	619	17,743	133,144	133,144	(21,455)	146,438
Changes in items during period								
Dividends of surplus					(12,809)	(12,809)		(12,809)
Profit					28,976	28,976		28,976
Purchase of treasury shares							(3)	(3)
Disposal of treasury shares							124	124
Net changes in items other than shareholders' equity								
Total changes in items during period	―	―	―	―	16,167	16,167	120	16,288
Balance at end of period	17,006	17,123	619	17,743	149,312	149,312	(21,335)	162,726

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	6,757	6,757	153,195
Changes in items during period			
Dividends of surplus			(12,809)
Profit			28,976
Purchase of treasury shares			(3)
Disposal of treasury shares			124
Net changes in items other than shareholders' equity	15,167	15,167	15,167
Total changes in items during period	15,167	15,167	31,455
Balance at end of period	21,925	21,925	184,651

5. Other

(1) Results for the fiscal year ended March 31, 2026 and forecasts for the fiscal year ending March 31, 2027

1. Consolidated (Unit: Million yen. Rounded down to the unit)

Items	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026				Fiscal year ending March 31, 2027		
	Results	Revised forecast (announced in March 30, 2026)	Results	YoY change		Forecast	vs. Actual results (Current period)	
				Amount	%		Amount	%
Gross sales	**425,160**	**438,000**	**439,615**	14,455	**3.4**	**490,000**	**50,384**	**11.5**
Gross profit	60,962 [14.3%]	62,400 [14.2%]	63,959 [14.5%]	2,997	4.9	67,700 [13.8%]	3,740	5.8
Selling, general and administrative expenses	25,718	30,400	30,341	4,622	18.0	33,700	3,358	11.1
Operating profit	**35,243** [8.3%]	**32,000** [7.3%]	**33,618** [7.6%]	**(1,625)**	**(4.6)**	**34,000** [6.9%]	**381**	**1.1**
Ordinary profit	**34,053** [8.0%]	**31,400** [7.2%]	**33,257** [7.6%]	**(796)**	**(2.3)**	**33,600** [6.9%]	**342**	**1.0**
Profit attributable to owners of parent	**26,444** [6.2%]	**28,400** [6.5%]	**29,746** [6.8%]	**3,302**	**12.5**	**22,200** [4.5%]	**(7,546)**	**(25.4)**

2. Non-consolidated

(Unit: Million yen. Rounded down to the unit)

Items		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026				Fiscal year ending March 31, 2027		
		Results	Revised forecast (announced in March 30, 2026)	Results	YoY change		Forecast	vs. Actual results (Current period)	
					Amount	%		Amount	%
	Civil engineering	129,941	138,000	143,578	13,636	10.5	140,000	(3,578)	(2.5)
	Building construction	297,672	385,000	390,005	92,332	31.0	320,000	(70,005)	(17.9)
Orders received		427,614	523,000	533,583	105,969	24.8	460,000	(73,583)	(13.8)
	Civil engineering	131,261	141,000	141,127	9,865	7.5	140,000	(1,127)	(0.8)
	Building construction	261,419	260,000	262,257	838	0.3	310,000	47,742	18.2
	Net sales of completed construction contracts	392,680	401,000	403,384	10,703	2.7	450,000	46,615	11.6
	Sales in other business	7,245	10,000	9,969	2,723	37.6	7,000	(2,969)	(29.8)
Gross sales		**399,926**	**411,000**	**413,353**	**13,427**	**3.4**	**457,000**	**43,646**	**10.6**
	Civil engineering	19,724 [15.0%]	23,000 [16.3%]	22,870 [16.2%]	3,146	16.0	21,400 [15.3%]	(1,470)	(6.4)
	Building construction	37,272 [14.3%]	34,600 [13.3%]	35,942 [13.7%]	(1,329)	(3.6)	40,200 [13.0%]	4,257	11.8
	Gross profit on completed construction contracts	56,996 [14.5%]	57,600 [14.4%]	58,813 [14.6%]	1,817	3.2	61,600 [13.7%]	2,786	4.7
	Gross profit – other business	731	1,000	1,015	284	38.9	700	(315)	(31.1)
Gross profit		57,727 [14.4%]	58,600 [14.3%]	59,829 [14.5%]	2,101	3.6	62,300 [13.6%]	2,470	4.1
Selling, general and administrative expenses		23,754	28,000	27,933	4,178	17.6	30,000	2,066	7.4
Operating profit		**33,973** [8.5%]	**30,600** [7.4%]	**31,896** [7.7%]	**(2,076)**	**(6.1)**	**32,300** [7.1%]	**403**	**1.3**
Non-operating income/expenses		(831)	(200)	(129)	702	(84.4)	(500)	(370)	286.4
Ordinary profit		**33,141** [8.3%]	**30,400** [7.4%]	**31,766** [7.7%]	**(1,374)**	**(4.1)**	**31,800** [7.0%]	**33**	0.1
Extraordinary income/losses		3,910	9,500	9,795	5,885	150.5	—	(9,795)	—
Profit before income taxes		37,051	39,900	41,562	4,510	12.2	31,800	(9,762)	(23.5)
Tax expenses		11,275	11,900	12,586	1,310	11.6	10,800	(1,786)	(14.2)
Profit		**25,776** [6.4%]	**28,000** [6.8%]	**28,976** [7.0%]	**3,200**	**12.4**	**21,000** [4.6%]	**(7,976)**	**(27.5)**

(2) Non-consolidated orders received, net sales, and year-end backlog

(Orders received for the construction business) (Unit: Million yen. Rounded down to the unit)

Category		For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026		Increase / decrease	
		Amount	%	Amount	%	Amount	% change
Civil engineering	Domestic (Government sector)	81,482	19.1	97,065	18.2	15,582	19.1
	Domestic (Private sector)	39,837	9.3	42,458	8.0	2,620	6.6
	Domestic (Total)	121,320	28.4	139,524	26.1	18,203	15.0
	Overseas	8,620	2.0	4,054	0.8	(4,566)	(53.0)
	Total	129,941	30.4	143,578	26.9	13,636	10.5
Building construction	Domestic (Government sector)	39,223	9.2	22,501	4.2	(16,722)	(42.6)
	Domestic (Private sector)	238,586	55.8	352,462	66.1	113,875	47.7
	Domestic (Total)	277,810	65.0	374,963	70.3	97,153	35.0
	Overseas	19,862	4.6	15,041	2.8	(4,820)	(24.3)
	Total	297,672	69.6	390,005	73.1	92,332	31.0
Sum total	Domestic (Government sector)	120,706	28.2	119,567	22.4	(1,139)	(0.9)
	Domestic (Private sector)	278,424	65.1	394,920	74.0	116,496	41.8
	Domestic (Total)	399,131	93.3	514,487	96.4	115,356	28.9
	Overseas	28,483	6.7	19,095	3.6	(9,387)	(33.0)
	Total	427,614	100.0	533,583	100.0	105,969	24.8

(Net sales for the construction business) (Unit: Million yen. Rounded down to the unit)

Category		For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026		Increase / decrease	
		Amount	%	Amount	%	Amount	% change
Civil engineering	Domestic (Government sector)	81,606	20.8	90,484	22.4	8,877	10.9
	Domestic (Private sector)	43,760	11.1	46,056	11.4	2,295	5.2
	Domestic (Total)	125,366	31.9	136,540	33.8	11,173	8.9
	Overseas	5,894	1.5	4,586	1.1	(1,307)	(22.2)
	Total	131,261	33.4	141,127	35.0	9,865	7.5
Building construction	Domestic (Government sector)	52,028	13.2	34,496	8.6	(17,532)	(33.7)
	Domestic (Private sector)	183,565	46.7	207,727	51.5	24,161	13.2
	Domestic (Total)	235,594	60.0	242,223	60.0	6,628	2.8
	Overseas	25,824	6.6	20,034	5.0	(5,790)	(22.4)
	Total	261,419	66.6	262,257	65.0	838	0.3
Sum total	Domestic (Government sector)	133,635	34.0	124,980	31.0	(8,655)	(6.5)
	Domestic (Private sector)	227,326	57.9	253,783	62.9	26,457	11.6
	Domestic (Total)	360,961	91.9	378,763	93.9	17,801	4.9
	Overseas	31,719	8.1	24,620	6.1	(7,098)	(22.4)
	Total	392,680	100.0	403,384	100.0	10,703	2.7

(Year-end backlog for the construction business) (Unit: Million yen. Rounded down to the unit)

Category		For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026		Increase / decrease	
		Amount	%	Amount	%	Amount	% change
Civil engineering	Domestic (Government sector)	119,882	21.5	126,463	18.4	6,581	5.5
	Domestic (Private sector)	144,744	25.9	141,146	20.5	(3,597)	(2.5)
	Domestic (Total)	264,626	47.4	267,610	38.9	2,983	1.1
	Overseas	6,853	1.2	6,360	0.9	(493)	(7.2)
	Total	271,480	48.6	273,971	39.8	2,490	0.9
Building construction	Domestic (Government sector)	50,330	9.0	38,335	5.6	(11,994)	(23.8)
	Domestic (Private sector)	218,749	39.2	363,485	52.8	144,735	66.2
	Domestic (Total)	269,080	48.2	401,820	58.4	132,740	49.3
	Overseas	17,502	3.1	12,399	1.8	(5,103)	(29.2)
	Total	286,582	51.4	414,219	60.2	127,637	44.5
Sum total	Domestic (Government sector)	170,212	30.5	164,799	23.9	(5,413)	(3.2)
	Domestic (Private sector)	363,494	65.1	504,632	73.3	141,137	38.8
	Domestic (Total)	533,707	95.6	669,431	97.3	135,724	25.4
	Overseas	24,355	4.4	18,759	2.7	(5,596)	(23.0)
	Total	558,062	100.0	688,190	100.0	130,128	23.3