

# Consolidated Financial Statements

From April 1, 2024 to March 31, 2025

(The 165<sup>th</sup> Business Term)

TAISEI CORPORATION

# 1. Consolidated Financial Statements, etc.

## (1) Consolidated Financial Statements

### 1) Consolidated Balance Sheets

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
<b>Assets</b>			
Current assets			
Cash and time deposits	*8 434,711	*8 240,689	1,609,747
Notes and accounts receivable trade	*1, *9 864,694	*1 939,160	6,281,170
Securities	—	60,000	401,284
Cost on uncompleted contracts	*7 79,903	*7 69,013	461,566
Real estate for sale and development projects in progress	*8 166,293	*8 188,677	1,261,890
Other inventories	6,841	6,992	46,763
Other current assets	*8, *9 79,106	*8 95,518	638,833
Allowance for doubtful accounts	(375)	(353)	(2,365)
Total current assets	1,631,175	1,599,698	10,698,890
Fixed assets			
Tangible fixed assets			
Buildings and structures	*5, *8 173,894	*5 179,616	1,201,284
Machinery, vehicles and equipment	84,429	88,070	589,021
Land	*3, *8 219,316	*3 131,342	878,425
Construction in progress	15,426	14,352	95,992
Accumulated depreciation	(160,351)	(166,635)	(1,114,472)
Total tangible fixed assets	332,715	246,745	1,650,252
Intangible fixed assets	27,151	27,538	184,181
Investments and other assets			
Investment securities	*2, *4 478,191	*2, *4 428,326	2,864,676
Net defined benefit asset	80,316	58,171	389,052
Deferred income tax assets	4,504	38,508	257,545
Other fixed assets	*4, *8 31,751	*4, *8 32,004	214,047
Allowance for doubtful accounts	(2,164)	(2,155)	(14,414)
Total investments and other assets	592,599	554,854	3,710,907
Total fixed assets	952,466	829,139	5,545,341
Total assets	2,583,641	2,428,837	16,244,231

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable trade	*9 597,704	553,376	3,701,020
Short-term borrowings	*10 110,530	115,212	770,549
Short-term non-recourse loans payable	261	208	1,391
Straight bonds due within one year	–	10,000	66,880
Lease obligations	731	875	5,854
Income taxes payable	37,059	37,904	253,506
Advances received and progress billings on uncompleted contracts	*1 215,432	*1 211,132	1,412,071
Deposit received	196,991	193,483	1,294,030
Provision for warranties on completed contracts	3,467	4,129	27,619
Provision for losses on construction contracts	*7 96,661	*7 102,678	686,722
Allowance for losses on orders received	71	31	208
Other current liabilities	*9 43,802	63,892	427,314
Total current liabilities	1,302,713	1,292,924	8,647,168
Long-term liabilities			
Straight bonds	50,000	50,000	334,403
Non-recourse bonds payable	–	100	668
Long-term borrowings	142,787	127,799	854,731
Long-term non-recourse loans payable	72,686	12,201	81,605
Lease obligations	1,533	1,564	10,462
Deferred income tax liabilities	11,953	–	–
Deferred income tax liabilities for revaluation of land	4,480	4,596	30,743
Retirement benefits for directors and corporate auditors	840	933	6,243
Provision for share-based remuneration for directors	271	348	2,333
Allowance for losses on investments in subsidiaries and affiliates	–	3,033	20,285
Net defined benefit liability	18,417	17,418	116,497
Other long-term liabilities	16,957	17,216	115,145
Total long-term liabilities	319,927	235,213	1,573,121
Total liabilities	1,622,641	1,528,137	10,220,289
<b>Net assets</b>			
Shareholders' equity			
Common stock	122,742	122,742	820,907
Capital surplus	30,382	30,461	203,726
Retained earnings	558,721	649,200	4,341,897
Treasury stock	(898)	(73,168)	(489,358)
Total shareholders' equity	710,947	729,234	4,877,173
Accumulated other comprehensive income			
Unrealized gains on available-for-sale securities, net of taxes	154,295	87,254	583,563
Unrealized gains (losses) on hedging derivatives, net of taxes	(1)	4	29
Revaluation reserve for land	1,176	1,062	7,103
Foreign currency translation adjustments	2,530	8,040	53,774
Remeasurements of defined benefit plans	60,385	40,592	271,485
Total accumulated other comprehensive income	218,387	136,953	915,955
Non-controlling interests	31,666	34,511	230,812
Total net assets	961,000	900,699	6,023,941
Total liabilities and net assets	2,583,641	2,428,837	16,244,231

## 2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Net sales			
Construction business	1,602,000	1,975,150	13,209,939
Development projects	163,023	179,073	1,197,655
Total net sales	*1 1,765,023	*1 2,154,223	14,407,594
Cost of sales			
Construction business	*2, *3 1,509,665	*2, *3 1,781,706	11,916,174
Development projects	*3 127,957	*3 141,377	945,541
Total cost of sales	1,637,622	1,923,083	12,861,716
Gross profit			
Construction business	92,334	193,443	1,293,764
Development projects	35,066	37,696	252,113
Total gross profit	127,400	231,139	1,545,878
Selling, general and administrative expenses			
Selling expenses	*4 40,756	*4 39,058	261,227
General and administrative expenses	*3, *4 60,163	*3, *4 71,920	481,007
Total selling, general and administrative expenses	100,920	110,978	742,235
Operating income	26,480	120,160	803,643
Non-operating income			
Interest income	1,315	1,401	9,376
Dividend income	5,958	6,095	40,768
Foreign exchange gains	2,581	209	1,400
Investment gain on equity method	4,195	10,225	68,391
Other non-operating income	646	961	6,430
Total non-operating income	14,697	18,894	126,367
Non-operating expenses			
Interest expenses	1,080	2,572	17,205
Financing expenses	149	850	5,688
Taxes and dues	542	707	4,734
Other non-operating expenses	*7 494	*7 418	2,797
Total non-operating expenses	2,266	4,549	30,426
Ordinary income	38,910	134,505	899,584

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Extraordinary gains			
Gain on sales of investment securities	17,908	46,197	308,969
Other extraordinary gains	1,970	2,697	18,039
Total extraordinary gains	19,879	48,894	327,008
Extraordinary losses			
Impairment losses on fixed assets	*5 586	*5 1,302	8,709
Loss on retirement of fixed assets	726	210	1,407
Loss on investments in subsidiaries and affiliates	—	*6 3,033	20,285
Compensation for damages	204	—	—
Other extraordinary losses	178	603	4,036
Total extraordinary losses	1,695	5,149	34,438
Income before income taxes	57,093	178,250	1,192,154
Income taxes - current	48,482	60,564	405,062
Income taxes - deferred	(32,722)	(10,258)	(68,607)
Total income taxes	15,760	50,306	336,454
Net income	41,333	127,944	855,699
Net income attributable to non-controlling interests	1,060	4,119	27,552
Net income attributable to owners of parent	40,272	123,824	828,146

Consolidated Statements of Comprehensive Income

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Net income	41,333	127,944	855,699
Other comprehensive income			
Unrealized gains on available-for-sale securities, net of taxes	57,481	(66,816)	(446,871)
Unrealized gains (losses) on hedges derivatives, net of taxes	4	–	–
Revaluation reserve for land	–	(131)	(878)
Foreign currency translation adjustments	2,267	3,812	25,500
Remeasurements of defined benefit plans	45,087	(19,724)	(131,921)
Share of other comprehensive income of entities accounted for using equity method	221	1,610	10,770
Total other comprehensive income	*1 105,063	*1 (81,249)	(543,398)
Comprehensive income	146,396	46,695	312,300
Comprehensive income attribute to			
Owners of parent	144,523	42,362	283,324
Non-controlling interests	1,873	4,332	28,976

### 3) Consolidated Statements of Changes in Net Assets

Consolidated fiscal year March 31, 2024

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2023	122,742	30,382	562,774	(906)	714,992
Changes during the period					
Dividends			(24,384)		(24,384)
Net income attributable to owners of parent			40,272		40,272
Acquisition of treasury stock				(20,010)	(20,010)
Disposal of treasury stock		0		18	18
Cancellation of treasury stock		(19,999)		19,999	—
Transfer from retained earnings to capital surplus		19,999	(19,999)		—
Reversal of revaluation reserve for land			58		58
Changes in scope of consolidation					—
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Changes in scope of equity method					—
Changes other than shareholders' equity, net (Note)					
Total changes during the period	—	(0)	(4,052)	7	(4,045)
Balance as of March 31, 2024	122,742	30,382	558,721	(898)	710,947

	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, 2023	97,090	(6)	1,235	237	15,638	114,194	4,756	833,944
Changes during the period								
Dividends								(24,384)
Net income attributable to owners of parent								40,272
Acquisition of treasury stock								(20,010)
Disposal of treasury stock								18
Cancellation of treasury stock								—
Transfer from retained earnings to capital surplus								—
Reversal of revaluation reserve for land			(58)			(58)		—
Changes of scope of consolidation								—
Change in ownership interest of parent due to transactions with non-controlling interests								(0)
Changes of scope of equity method								—
Changes other than shareholders' equity, net (Note)	57,205	5		2,293	44,747	104,250	26,909	131,160
Total changes during the period	57,205	5	(58)	2,293	44,747	104,192	26,909	127,056
Balance as of March 31, 2024	154,295	(1)	1,176	2,530	60,385	218,387	31,666	961,000

	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 of scope of consolidation		(28)	38		9
Change in ownership interest of parent due to transactions with non-controlling interests		107			107
Changes of 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 of scope of consolidation								9
Change in ownership interest of parent due to transactions with non-controlling interests								107
Changes of 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



	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2024	820,907	203,199	3,736,768	(6,011)	4,754,864
Changes during the period					
Dividends			(159,697)		(159,697)
Net income attributable to owners of parent			828,146		828,146
Acquisition of treasury stock				(550,250)	(550,250)
Disposal of treasury stock		0		25	25
Cancellation of treasury stock		(66,878)		66,878	–
Transfer from retained earnings to capital surplus		66,877	(66,877)		–
Reversal of revaluation reserve for land			(190)		(190)
Changes of scope of consolidation		(193)	256		62
Change in ownership interest of parent due to transactions with non-controlling interests		720			720
Changes of scope of equity method			3,492		3,492
Changes other than shareholders' equity, net (Note)					
Total changes during the period	–	526	605,129	(483,347)	122,308
Balance as of March 31, 2025	820,907	203,726	4,341,897	(489,358)	4,877,173

	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	1,031,938	(9)	7,871	16,923	403,864	1,460,587	211,787	6,427,239
Changes during the period								
Dividends								(159,697)
Net income attributable to owners of parent								828,146
Acquisition of treasury stock								(550,250)
Disposal of treasury stock								25
Cancellation of treasury stock								–
Transfer from retained earnings to capital surplus								–
Reversal of revaluation reserve for land			190			190		–
Changes of scope of consolidation								62
Change in ownership interest of parent due to transactions with non-controlling interests								720
Changes of scope of equity method								3,492
Changes other than shareholders' equity, net (Note)	(448,374)	39	(958)	36,850	(132,379)	(544,822)	19,025	(525,796)
Total changes during the period	(448,374)	39	(767)	36,850	(132,379)	(544,631)	19,025	(403,297)
Balance as of March 31, 2025	583,563	29	7,103	53,774	271,485	915,955	230,812	6,023,941

[Marginal Notes to Consolidated Statements of Changes in Net Assets]

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

## 4) Consolidated Statements of Cash Flows

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Cash flows from operating activities			
Income before income taxes	57,093	178,250	1,192,154
Depreciation and amortization	13,110	16,391	109,628
Impairment losses on fixed assets	586	1,302	8,709
Increase (decrease) in allowance for doubtful accounts	173	(30)	(204)
Increase (decrease) in provision for losses on construction contracts	48,281	6,017	40,246
Increase (decrease) in net defined benefit liability	(855)	(1,014)	(6,782)
Decrease (increase) in net defined benefit asset	(67,401)	22,175	148,309
Increase (decrease) in allowance for losses on investments in subsidiaries and affiliates	–	3,033	20,285
Interest and dividend income	(7,273)	(7,497)	(50,144)
Interest expenses	1,080	2,572	17,205
Foreign exchange losses (gains)	(2,581)	(209)	(1,400)
Loss (gain) on valuation of investment securities	25	82	549
Loss (gain) on sales of investment securities	(17,895)	(48,672)	(325,524)
Loss (gain) on sales of fixed assets	(589)	(90)	(602)
Loss on retirement of fixed assets	726	210	1,407
Investment loss (gain) on equity method	(4,195)	(10,225)	(68,391)
Decrease (increase) in trade receivables	(105,106)	(74,123)	(495,740)
Decrease (increase) in cost on uncompleted contracts	(7,322)	10,962	73,316
Decrease (increase) in real estate for sale and development projects in progress	(20,846)	(17,759)	(118,774)
Decrease (increase) in other inventories	(1,002)	(140)	(941)
Increase (decrease) in trade payables	92,137	(44,789)	(299,553)
Increase (decrease) in advances received and progress billings on uncompleted contracts	25,503	(4,580)	(30,632)
Increase (decrease) in deposit received	24,342	(3,435)	(22,978)
Increase (decrease) in accounts payable - other	(7,206)	17,043	113,989
Other, net	37,254	(6,867)	(45,931)
Subtotal	58,038	38,605	258,197
Interest and dividend received	8,685	9,895	66,180
Interest paid	(1,020)	(2,542)	(17,005)
Income taxes paid	(25,091)	(59,799)	(399,944)
Net cash provided by (used in) operating activities	40,611	(13,841)	(92,571)

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Cash flows from investing activities			
Decrease (increase) in time deposits	(3,864)	(334)	(2,239)
Purchase of tangible and intangible assets	(122,308)	(31,939)	(213,615)
Proceeds from sales of tangible and intangible assets	1,424	898	6,010
Purchase of investment securities	(26,757)	(86,617)	(579,304)
Proceeds from sales and redemption of investment securities	40,203	115,149	770,129
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (27,365)	—	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	*3 13,377	89,472
Other, net	(79)	(2)	(14)
Net cash provided by (used in) investing activities	(138,747)	10,531	70,438
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(1,295)	3,532	23,626
Proceeds from long-term borrowings	94,010	26,400	176,565
Repayment of long-term borrowings	(21,122)	(40,239)	(269,124)
Proceeds from long-term non-recourse borrowings	72,830	7,998	53,491
Repayment of long-term non-recourse loans payable	(11)	(261)	(1,746)
Proceeds from issuance of bonds	9,944	9,944	66,507
Proceeds from issuance of non-recourse bonds	—	90	603
Acquisition of treasury stock	(20,010)	(82,071)	(548,899)
Decrease (increase) in deposits for the purchase of treasury stock	—	(32,640)	(218,298)
Dividends paid	(24,384)	(23,877)	(159,697)
Other, net	(568)	(2,644)	(17,687)
Net cash provided by (used in) financing activities	109,392	(133,769)	(894,661)
Effect of exchange rate changes on cash and cash equivalents	3,633	2,287	15,298
Net increase (decrease) in cash and cash equivalents	14,890	(134,791)	(901,495)
Cash and cash equivalents at beginning of year	415,863	430,754	2,880,917
Cash and cash equivalents at end of year	*1 430,754	*1 295,963	1,979,421

[Notes to Consolidated Financial Statements]

(Significant Matters Providing the Basis of Presenting Consolidated Financial Statements)

The accompanying consolidated financial statements of Taisei Corporation (the “Company”) and its consolidated subsidiaries (collectively the “Group”) have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The accompanying consolidated financial statements have been translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law.

Japanese yen are rounded down to the nearest million yen. Similarly, U.S. dollars are rounded down to the nearest thousand U.S. dollars.

The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2025, which is ¥149.52 to U.S. \$ 1. The translations should not be construed as representations of what the Japanese yen amounts have been, could have been, or could in the future be when converted into U.S. dollars at this or any other rate of exchange.

1. Matters concerning scope of consolidation

(1) The number of consolidated subsidiaries: 61 companies

TAISEI YURAKU REAL ESTATE Co., Ltd.

TAISEI ROTEC CORPORATION

PS CONSTRUCTION Co., Ltd.

Of the consolidated subsidiaries, TAISEI INDIA PRIVATE LIMITED and 4 other companies were included in the scope of consolidation due to their new establishment during the consolidated fiscal year ended March 31, 2025.

SH ARCHITECT OFFICE CORPORATION and one other company were excluded from the scope of consolidation due to liquidation. TS INVESTMENT 1 LLC, which became a company accounted for using the equity method due to the transfer of a portion of equity interest, was excluded from the scope of consolidation.

(2) Names, etc., of main non-consolidated subsidiaries

EHIME HOSPITAL PARTNERS Ltd.

OMIYA CROSS POINT Co., Ltd.

(The reason for excluding these subsidiaries from consolidation)

Non-consolidated subsidiaries are excluded from the scope of consolidation because these companies are small companies and the sums of each of the total assets, net sales, net income (equal to share interest) and retained earnings (equal to share interest) of these companies have not had any significant impacts on the consolidated financial statements.

2. Matters concerning application of equity method

(1) The number of non-consolidated subsidiaries accounted for using the equity method: 15 companies

Names of main non-consolidated subsidiaries

EHIME HOSPITAL PARTNERS Ltd.

OMIYA CROSS POINT Co., Ltd.

From the consolidated fiscal year ended March 31, 2025, 1 company whose shares were transferred by the Company was excluded from the scope of equity method.

(2) The number of affiliated companies accounted for using the equity method: 52 companies

HEIWA REAL ESTATE CO., Ltd.

CSECE-TAISEI CONSTRUCTION, LTD.

From the consolidated fiscal year ended March 31, 2025, 3 newly established companies, 3 companies whose shares were acquired by the Company, and 1 company excluded from the scope of consolidation due to the transfer of a portion of equity interest were included in the scope of the equity method.

In addition, 1 company whose equity interests were transferred by the Company and 1 liquidated company were excluded from the scope of the equity method.

- (3) Non-consolidated subsidiaries and affiliates are excluded from scope of the equity method because not only each company's net income (equal to share interest) and retained earnings (equal to share interest) but also sums of each of these figures have no significant impact on the consolidated financial statements.

### 3. Matters concerning the fiscal year of consolidated subsidiaries

Among the Company's consolidated subsidiaries, the balance sheet date of VINATA INTERNATIONAL Co., Ltd. and 26 other companies is December 31. Their financial statements as of December 31 are used in preparation of the consolidated financial statements. Significant transactions, if any, in the period from January 1 to March 31 have been adjusted in the consolidated financial statements.

All consolidated subsidiaries other than the above have the same balance sheet date, March 31, corresponding with that of the Company.

### 4. Matters concerning accounting policies

#### (1) Standard and method of valuation of significant assets

##### (a) Securities

- Debt securities intended to be held to maturity

The amortized cost method using the straight-line method

- Available-for-sale securities

Other than equity securities without market prices

The fair value method based on the market price as of the balance sheet date

(Unrealized gains on available-for-sale securities are included directly in the net assets and costs of selling available-for-sale securities is calculated by the moving-average method.)

Equity securities without market prices

The cost method using the moving-average method

##### (b) Derivatives

The fair value method

##### (c) Inventories

- Cost on uncompleted contracts

The cost method mainly using the specific-identification cost method

- Real estate for sale and development project in progress

The cost method mainly using the specific-identification cost method

(Values on the balance sheet are subject to the book value reduction method based on decreased profitability.)

- Other inventories

Costs on other projects

The cost method mainly using the specific-identification cost method

(Values on the balance sheet are subject to the book value reduction method based on decreased profitability.)

Raw materials and supplies

The cost method mainly using the moving-average method

(Values on the balance sheet are subject to the book value reduction method based on decreased profitability.)

#### (2) Depreciation method of significant depreciable assets

##### (a) Buildings and structures

Mainly the straight-line method

The useful life and residual value are mainly determined on the same basis as that of the method provided in the Corporation Tax Act.

(b) Other tangible fixed assets

Mainly the declining-balance method

The useful life and residual value are mainly determined on the same basis as that of the method provided in the Corporation Tax Act.

(c) Intangible fixed assets

Mainly the straight-line method

The useful life is mainly determined on the same basis as that of the method provided in the Corporation Tax Act.

(d) Capitalized leased assets relating to finance lease transactions whose ownership is not transferred to lessee

The straight-line method with the lease period being the useful life and the residual value being zero

(3) Accounting standards for significant allowances

(a) Allowance for doubtful accounts

Allowance for doubtful accounts is provided to reserve probable losses from bad debt. It consists of the estimated uncollectible amount of certain identified doubtful receivables and the amount estimated on the basis of the past default ratio for normal receivables.

(b) Provision for warranties on completed contracts

Provision for warranties on completed contracts is provided for expenses and others required to cure the non-conformity of performance on the grounds of non-conformity with the terms of the contract, in the amount estimated using an actual ratio of related losses during the past certain periods.

(c) Provision for losses on construction contracts

Provision for losses on construction contracts is provided for future losses on construction contracts, based on the estimated losses on construction contracts in hand as of the end of this consolidated fiscal year, for which losses are expected and the amount of such losses can be reasonably estimated.

(d) Allowance for losses on order received

Allowance for losses on order received is provided with respect to orders (excluding construction contracts) for which eventual losses are reasonably estimated.

(e) Retirement benefits for directors and corporate auditors

At certain consolidated subsidiaries, amount payable at the end of this consolidated fiscal year is recognized in accordance with each company's regulations to provide for retirement benefits for directors, corporate auditors and executive officers.

(f) Provision for share-based remuneration for directors

At the Company and some of its consolidated subsidiaries, provision for share-based remuneration for directors (including executive officers in the Company's certain consolidated subsidiaries) is provided for future provision of the Company's shares to directors, based on estimated amount of share-based remuneration obligation at the end of this consolidated fiscal year in accordance with the "Officers' Share Benefit Regulation."

(g) Allowance for losses on investments in subsidiaries and affiliates

Allowance for losses on investments in subsidiaries and affiliates is provided for estimated losses from certain subsidiaries and affiliates in liquidation, etc.

(4) Accounting method for retirement benefit

(a) Method of attributing estimated amounts of retirement benefits to the period

In calculating projected benefit obligations, the method of attributing estimated amounts of retirement benefits to the period until this consolidated fiscal year is based on the benefit formula basis.

(b) Accounting methods for actuarial differences and past service costs

Past service costs are amortized using the straight-line method (some consolidated subsidiaries use the declining-balance method) over 1-10 years, which is not longer than an average remaining service period of the employees when the costs are incurred.

Actuarial gains and losses are amortized from the subsequent fiscal year (some consolidated subsidiaries amortize actuarial gains and losses from the current fiscal year) using the straight-line method (some consolidated subsidiaries use the declining-balance method) over 1-12 years, which is not longer than an estimated average remaining service period of the employees when the gains or losses are incurred.

(5) Recognition criteria for net sales of construction business

The main details of performance obligations related to revenue from contracts with customers in the Group's main projects and the ordinary timing of satisfaction of these performance obligations (i.e., ordinary timing of revenue recognition) are as follows.

Since the performance obligations under construction contracts in the Building Construction Business and the Civil Engineering Business are satisfied over time as the construction progress, revenue associated with construction contracts is recognized based on the progress towards satisfaction of performance obligations except that the contract amount is small or the period is very short. The progress is estimated by the percentage-of-completion method and the percentage at the end of the consolidated fiscal year is determined by the percentage of the cost incurred to the estimated total costs, so called "cost-proportional method".

In addition, except the initial stages of the contracts, revenue is recognized by the cost recovery method when it is not possible to reasonably estimate the progress towards satisfaction of performance obligations, but it is probable that the costs incurred will be recovered. Regarding the construction projects of which the contract amount is small or the period is very short, revenue is recognized at the time of completion of construction.

In the current consolidated fiscal year, there are no construction contracts with a significant financing component in the transaction price, although the timing of receipt of the consideration for the transaction varies depending on the terms of the contracts.

(6) Methods for significant hedge accounting

(a) Hedge accounting

The deferral accounting method is applied for accounting for hedging transactions.

However, interest rate swaps that meet the requirements for special treatment are treated in accordance with such treatment.

(b) Hedging instruments and hedged items

- Hedging instruments

Derivative transactions (interest rate swaps, interest rate options, foreign exchange forward contracts and forward transactions in securities, etc.)

- Hedged items

Assets or liabilities for which there is a possibility of loss due to market fluctuations, etc., but for which market fluctuations, etc., are not reflected in the valuation and for which the possibility of loss due to market fluctuations, etc., is avoided by fixing the cash flows.

(c) Hedging policy

In order to mitigate interest rate fluctuation risk, reduce financial expenses and foreign exchange risk, and mitigate price fluctuation risk of securities, the Company implements derivative transactions in accordance with each company's regulations, which stipulate the authority, responsibilities, and practices related to the execution and management of derivative transactions.

(d) Evaluation method for hedge effectiveness

The effectiveness is evaluated by the ratio of the change in fair market value of the hedging instrument to that of the hedged item, and the verification of effectiveness is performed every 6 months.

Comprehensive fair market value including the time value of options and other factors is used to evaluate the effectiveness.



(7) Method and period of amortization of goodwill

Goodwill is amortized over the period within 20 years for which the goodwill is expected to contribute to consolidated net income, using the straight-line method, or is charged to income in the year incurred if the amount of goodwill is immaterial.

(8) Scope of funds in the consolidated statements of cash flows

Funds (cash and cash equivalents) in the consolidated statements of cash flows refer to cash on hand, readily available deposits and short-term highly liquid investments with maturities not exceeding 3 months at the date of purchase and with insignificant risks of change in value.

(9) Other significant matters concerning preparation of the consolidated financial statements

Accounting policies and procedures adopted in the absence of requirements in relevant accounting standards, etc., that specifically apply

The Company and certain consolidated subsidiaries do not recognize the Construction Joint Venture (the “JV”) as an independent accounting unit, but incorporate it into their accounting in the way of recording the amount of revenue and cost of sales associated with construction contracts according to the interests held in the JV.

(Significant Accounting Estimates)

1. Net sales of construction business recognized over time

(1) Carrying amounts in the consolidated statements of income

Millions of Yen		Thousands of U.S. Dollars
Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
1,357,698	1,736,366	11,612,939

(2) Information on the nature of significant accounting estimates for identified items

Net Sales of construction business recognized over time using the cost-proportional method are based on reasonable estimates of total revenue, total construction costs and the progress towards satisfaction of performance obligations at the end of the consolidated fiscal year. Since the estimates involve a high degree of uncertainty, in the case that estimates need to be revised, net sales of construction business may change and affect the results of following accounting periods.

(Changes in accounting policies)

1. Application of Accounting Standard for Current Income Taxes

Accounting Standard for Current Income Taxes (ASBJ Statement No.27, October 28, 2022) (hereinafter referred to as “Revised Accounting Standard 2022”), etc. have been adopted from the beginning of the current consolidated fiscal year.

From the current consolidated year, calculated amounts of current income taxes on earnings, etc. (“Corporate Taxes, etc.”) are recorded in profit or loss, shareholders’ equity or other comprehensive income depending on the transactions as the source.

Additionally, if the amount of Corporate Taxes, etc., not recorded in profit or loss is insignificant and the taxable transaction is related to not only profit or loss but also shareholders’ equity or other comprehensive income and it is difficult to calculate the amount of Corporate Taxes, etc., charged on shareholders’ equity or other comprehensive income, all the amounts of such taxes are recorded in profit or loss.

Regarding the treatment of the deferred recognition for tax purposes of profit or loss resulting from sale of shares of subsidiaries, etc. between consolidated subsidiaries, when deferred tax assets or liabilities are recorded for temporary differences related to such profit or loss in the financial statements of the entity that sold the shares of subsidiaries, etc., in the consolidation process, it has been decided to reverse the deferred tax assets or liabilities related to such temporary differences.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) (hereinafter referred to as “Revised Implementation Guidance 2022”). These changes in accounting policies have no impact on the consolidated financial statements.

For the amendment to changes in accounting treatment of the consolidated financial statements, when gains or losses on sale of shares in subsidiaries resulting from transactions between the consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the current consolidated fiscal year.

This change in accounting policies has no impact on the consolidated financial statements.

(Accounting standards and guidance not yet applied)

Following accounting standards and guidance are those issued but not yet applied.

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)

- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

In addition, other revisions to relevant accounting standard statements, implementation guidance, practical solutions, and transferred guidance

#### 1. Overview

Consistent with international accounting standards, the standards and guidance require lessees to recognize assets and liabilities for all leases.

#### 2. Effective date

The standards and guidance will be effective from the beginning of the consolidated fiscal year ending March 31, 2028.

#### 3. Effects of application of the standards and guidance

The effects of application of Accounting Standard for Leases, etc. on the consolidated financial statements are under evaluation at the time of preparing these consolidated financial statements

(Changes in Presentation Method)

- Consolidated statements of income

1. Changes in presentation method concerning taxes and dues

“Financing expenses” which was previously included in “Other non-operating expenses” under non-operating expenses, is presented as a separate line item in the consolidated fiscal year ended March 31, 2025, as it exceeded 10% of the total non-operating expenses. In order to reflect this change in presentation, the consolidated financial statements for the consolidated fiscal year March 31, 2024 have been reclassified.

As a result, ¥643 million (\$4,306 thousand) of “Other non-operating expenses” presented under non-operating expenses in the consolidated statements of income for the consolidated fiscal year ended March 31, 2024 is reclassified into “Financing expenses” of ¥149 million (\$997 thousand) and “Other non-operating expenses” of ¥494 million (\$3,309 thousand).

2. Changes in presentation method concerning loss on sales of fixed assets and loss on valuation of investment securities

“Loss on sales of fixed assets” and “Loss on valuation of investment securities” which were previously presented as separate line items under extraordinary losses, are included in “Other extraordinary losses” in the consolidated fiscal year ended March 31, 2025, because their amounts have become less significant. In order to reflect this change in presentation, the consolidated financial statements for the consolidated fiscal year March 31, 2024 have been reclassified.

As a result, ¥47 million (\$320 thousand) of “Loss on sales of fixed assets” and ¥25 million (\$169 thousand) of “Loss on valuation of investment securities” presented under extraordinary losses in the consolidated statements of income for the consolidated fiscal year March 31, 2024 are reclassified into “Other extraordinary losses.”

- Consolidated statements of cash flows

1. Changes in presentation method concerning increase (decrease) in remeasurements of defined benefit plans

“Increase (decrease) in remeasurements of defined benefit plans,” which was previously presented as a separate line item under cash flows from operating activities, is included in “Other, net” in the consolidated fiscal year ended March 31, 2025, because its amount has become less significant. In order to reflect this change in presentation, the consolidated financial statements for the consolidated fiscal year ended March 31, 2024 have been reclassified.

As a result, ¥45,087 million (\$301,550 thousand) of “Increase (decrease) in remeasurements of defined benefit plans” presented under cash flows from operating activities in the consolidated statements of cash flows for the consolidated fiscal year ended March 31, 2024 is reclassified as “Other, net.”

(Additional Information)

- Performance-based share remuneration plan for directors

1. Overview of transactions

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

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

2. 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 consolidated fiscal year and this consolidated fiscal year, the book value of treasury stock held by the BBT was ¥367 million and ¥363 million (\$2,430 thousand), and the number of shares was 99 thousand shares and 98 thousand shares, respectively.

(Matters Related to Consolidated Balance Sheets)

- \*1. The balances of receivables from contracts with customers, contract assets and contract liabilities included in notes and accounts receivable trade and advances received and progress billings on uncompleted contracts

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Notes receivable trade	31,673	20,143	134,720
Accounts receivable trade	832,823	918,833	6,145,224
Of which, receivables from contracts with customers	311,127	257,480	1,722,046
Advances received and progress billings on uncompleted contracts	214,443	210,120	1,405,297

Note: The entire amount of notes receivable trade comprises receivables from contracts with customers.

- \*2. Shares, etc., to non-consolidated subsidiaries and affiliated companies

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
	65,394	148,186	991,080

- \*3. 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 the 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

November 30, 2001 and March 31, 2002

Note: Yuho Building Corporation, which was merged with YURAKU REAL ESTATE CO., LTD. (currently known as TAISEI YURAKU REAL ESTATE Co., Ltd.) on December 1, 2001, executed the revaluation on November 30, 2001.

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
The difference between the fair value of the revalued land at the end of the current consolidated fiscal year and the book value after the revaluation	3,544	2,365	15,820
Of which, the difference related to investment and rental property	263	80	537

- \*4. Pledged assets

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

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Investment securities	1,110	930	6,221
Investments and other assets /Other assets	659	619	4,140
Total	1,769	1,549	10,362

\*5. Amount of advanced depreciation by the direct write-off method

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Buildings and structures	233	210	1,411

6. Contingent liabilities

- Guarantee obligations

The Company and its consolidated subsidiaries are contingently liable as the guarantors for borrowings of the following companies that are not consolidated.

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
FUKUSHIMA-KORIYAMA MIRAI ENERGY LLC	3,783	3,785	25,319
SQUARE 487 GL LLC	—	1,698	11,358
Others	773	1,229	8,224
Total	4,557	6,713	44,902

\*7. 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		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
	3,802	889	5,949

\*8. Assets corresponding to non-recourse liabilities

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Real estate for sale	5,829	16,570	110,823
Land	91,271	—	—
Other	8,212	2,056	13,752

\*9. Amount of notes receivable and notes payable with maturity on the balance sheet date (the “Date”) and the day before the Date (the bank holidays)

Notes receivable and notes payable with maturity on the Date are processed on the clearing date or the settlement date. As the Date and the day before the Date for the consolidated fiscal year ended March 31, 2024 were bank holidays, notes receivable and notes payable maturing on that days could not be settled and were included in the consolidated balance sheets, as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Notes receivable trade	199	—	—
Electronically recorded monetary claims	12,114	—	—
Non-operating notes receivable	88	—	—
Non-operating electronically recorded monetary claims	33	—	—
Notes payable trade	4,922	—	—
Electronically recorded obligations	42,003	—	—
Non-operating electronically recorded obligations	2	—	—

\*10. Committed line of credit agreement

Some of the consolidated subsidiaries have entered into syndicated committed line of credit agreements in order to maintain flexibility for funding needs in the event of emergencies. The agreed credit limit and the balance of unexecuted loans as of March 31, 2024 and 2025 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Credit limit of the committed line	17,300	17,300	115,703
Balance of executed loans	2,000	—	—
Balance of unexecuted loans	15,300	17,300	115,703

(Matters Related to Consolidated Statements of Income)

\*1. Revenue from contracts with customers

The amount of revenue from contracts with customers is as stated in “1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, (Matters Related to Revenue Recognition) 1. Disaggregation of revenue from contracts with customers.”

\*2. Provision for losses on construction contracts included in cost of sales

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
	63,549	35,984	240,663

\*3. Research and development expenses included in general and administrative expenses and manufacturing costs

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
	18,646	19,503	130,440

\*4. Major items and amounts included in selling, general and administrative expenses

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Employees' salaries and allowances	34,856	40,771	272,681
Retirement benefit expenses	1,232	(514)	(3,441)
Research study expenses	11,996	12,720	85,077

\*5. Impairment losses on fixed assets

Impairment losses on fixed assets consisted of the following:

Consolidated fiscal year March 31, 2024

Use	Type of assets	Location	No. of assets
Assets for business use	Machinery and equipment, land, buildings, and others	Okayama Prefecture and others	10 lots
Rental property	Land	Tokyo	1 lot
Idle assets	Land and others	Aichi Prefecture and others	3 lots

The Company and its consolidated subsidiaries grouped their fixed assets based on units, for which decisions for investments were made. As a result, the book value of 14 lots including assets for business use was reduced to recoverable amounts, and the decrease was recorded as impairment losses on fixed assets (¥586 million) under extraordinary losses. The main components of the impairment losses on fixed assets were assets for business use of ¥311 million (machinery and

equipment: ¥120 million, land: ¥120 million, buildings: ¥60 million, others: ¥9 million), rental property of ¥234 million (land: ¥234 million), and idle assets of ¥40 million (land: ¥38 million, others: ¥1 million).

The recoverable amount of the fixed assets was mainly their net realizable value, such as the appraisal value calculated according to the Japanese Real Estate Appraisal Standards.

Consolidated fiscal year March 31, 2025

Use	Type of assets	Location	No. of assets
Assets for business use	Construction in progress and buildings	Niigata Prefecture and others	10 lots
Idle assets	Land, buildings, and others	Hokkaido	1 lot

The Company and its consolidated subsidiaries grouped their fixed assets based on units, for which decisions for investments were made. As a result, the book value of 11 lots including assets for business use was reduced to recoverable amounts, and the decrease was recorded as impairment losses on fixed assets (¥1,302 million (\$8,709 thousand)) under extraordinary losses. The main components of the impairment losses on fixed assets were assets for business use of ¥1,216 million (\$8,136 thousand) (construction in progress: ¥1,146 million (\$7,670 thousand) and others: ¥69 million (\$466 thousand) and idle assets of ¥85 million (\$572 thousand) (land: ¥76 million (\$510 thousand), buildings: ¥9 million (\$61 thousand), and others: ¥0 million (\$0 thousand)).

The recoverable amount of the fixed assets was mainly calculated by using value in use (discount rate of 6.6%).

\*6. Components of loss on investments in subsidiaries and affiliates

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Provision of allowance for losses on investments in subsidiaries and affiliates	—	3,033	20,285

\*7. Provision of allowance included in other non-operating expenses

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Provision of allowance for doubtful accounts	16	36	244

## (Matters Related to Consolidated Statements of Comprehensive Income)

## \*1. Recycling adjustments and income taxes and tax effects for each component of other comprehensive income

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Unrealized gains on available-for-sale securities			
Amount incurred	100,255	(48,537)	(324,624)
Recycling	(17,438)	(46,050)	(30,798)
Before income taxes and tax effect	82,816	(94,587)	(632,609)
Income taxes and tax effect	(25,335)	27,771	185,738
Unrealized gains on available-for-sale securities, net of taxes	57,481	(66,816)	(446,871)
Unrealized gains (losses) on hedging derivatives			
Amount incurred	4	—	—
Recycling	2	—	—
Before income taxes and tax effect	6	—	—
Income taxes and tax effect	(2)	—	—
Unrealized gains (losses) on hedging derivatives, net of taxes	4	—	—
Revaluation reserve for land			
Income taxes and tax effect	—	(131)	(878)
Foreign currency translation adjustments			
Amount incurred	2,267	3,812	25,500
Recycling	—	—	—
Foreign currency translation adjustments	2,267	3,812	25,500
Remeasurements of defined benefit plans			
Amount incurred	68,603	(17,693)	(118,335)
Recycling	(3,636)	(9,965)	(66,648)
Before income taxes and tax effect	64,967	(27,658)	(184,984)
Income taxes and tax effect	(19,879)	7,934	53,063
Remeasurements of defined benefit plans, net of taxes	45,087	(19,724)	(131,921)
Share of other comprehensive income of entities accounted for using equity method			
Amount incurred	221	1,610	10,770
Total other comprehensive income	105,063	(81,249)	(543,398)



(Matters Related to Consolidated Statements of Changes in Net Assets)

Consolidated fiscal year March 31, 2024

1. Matters concerning the type and total number of shares of issued stocks and the type and number of shares of treasury stocks

(Thousand shares)

Type of stock	No. of shares at beginning of the consolidated fiscal year	No. of shares increased during the consolidated fiscal year	No. of shares decreased during the consolidated fiscal year	No. of shares at end of the consolidated fiscal year
Issued stock				
Common stock	188,771	—	3,976	184,795
Treasury stock				
Common stock	405	3,978	3,981	403

Notes: 1. The decrease of 3,976 thousand shares in issued stock of common stock was due to the cancelation of treasury stock according to the resolution of the Board Meeting held on March 29, 2024.

2. The number of shares in treasury stock of common stock at the end of the consolidated fiscal year includes 99 thousand shares held by the BBT.

3. The increase of 3,978 thousand shares in treasury stock of common stock was due to an increase of 3,976 thousand shares from the acquisition of treasury stock according to the resolution of the Board Meeting held on May 12, 2023, and an increase of 2 thousand shares from the purchase of shares less than one unit.

4. The decrease of 3,981 thousand shares in treasury stock of common stock was due to the cancelation of 3,976 thousand shares of treasury stock according to the resolution of the Board Meeting held on March 29, 2024, the decrease of 4 thousand shares from the delivery of the BBT, and the decrease of 0 thousand shares due to requests for additional purchase of shares less than one unit.

2. Matters concerning dividends

(1) Dividends paid

Resolution	Type of stocks	Total amount of dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
June 27, 2023 General Meeting of Shareholders	Common stock	12,250	65.00	March 31, 2023	June 28, 2023
November 13, 2023 Board Meeting	Common stock	12,134	65.00	September 30, 2023	December 4, 2023

Notes: 1. Total amount of dividends in accordance with the resolution of the General Meeting of Shareholders on June 27, 2023 includes ¥6 million which were dividends for the shares held by the BBT.

2. Total amount of dividends in accordance with the resolution of the Board on November 13, 2023 includes ¥6 million which were dividends for the shares held by the BBT.

(2) Dividends of the record date in the consolidated fiscal year ended March 31, 2024, for which the effective date comes in the subsequent consolidated fiscal year

Resolution	Type of stocks	Capital for dividends	Total amount of dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
June 20, 2024 General Meeting of Shareholders	Common stock	Retained earnings	11,991	65.00	March 31, 2024	June 21, 2024

Note: Total amount of dividends in accordance with the resolution of the General Meeting of Shareholders on June 20, 2024 includes ¥6 million which were dividends for the shares held by the BBT.

Consolidated fiscal year March 31, 2025

1. Matters concerning the type and total number of shares of issued stocks and the type and number of shares of treasury stocks

(Thousand shares)

Type of stock	No. of shares at beginning of the consolidated fiscal year	No. of shares increased during the consolidated fiscal year	No. of shares decreased during the consolidated fiscal year	No. of shares at end of the consolidated fiscal year
Issued stock				
Common stock	184,795	–	1,629	183,166
Treasury stock				
Common stock	403	12,579	1,630	11,352

Notes: 1. The decrease of 1,629 thousand shares in issued stock of common stock was due to the cancelation of treasury stock according to the resolution of the Board Meeting held on September 27, 2024.

2. The number of shares in treasury stock of common stock at the end of the consolidated fiscal year includes 98 thousand shares held by the BBT.

3. The increase of 12,579 thousand shares in treasury stock of common stock was due to an increase of 12,546 thousand shares from the acquisition of treasury stock according to the resolution of the Board Meetings held on April 26 and November 7, 2024, 30 thousand shares from the acquisition of the Company's shares by equity method affiliate, and 2 thousand shares from the purchase of shares less than one unit.

4. The decrease of 1,630 thousand shares in treasury stock of common stock was due to the cancellation of 1,629 thousand shares of treasury stock according to the resolution of the Board Meeting held on September 27, 2024, the decrease of 1 thousand shares from the delivery of the BBT, and the decrease of 0 thousand shares due to requests for additional purchase of shares less than one unit.

2. Matters concerning dividends

(1) Dividends paid

Resolution	Type of stocks	Total amount of dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
June 20, 2024 General Meeting of Shareholders	Common stock	11,991	65.00	March 31, 2024	June 21, 2024
November 7, 2024 Board Meeting	Common stock	11,886	65.00	September 30, 2024	December 3, 2024

Resolution	Type of stocks	Total amount of dividends (Thousands of U.S. Dollars)	Dividends per share (U.S. Dollars)	Record date	Effective date
June 20, 2024 General Meeting of Shareholders	Common stock	80,203	0.43	March 31, 2024	June 21, 2024
November 7, 2024 Board Meeting	Common stock	79,494	0.43	September 30, 2024	December 3, 2024

Notes: 1. Total amount of dividends in accordance with the resolution of the General Meeting of Shareholders on June 20, 2024 includes ¥6 million (\$43 thousand) which were dividends for the shares held by the BBT.

2. Total amount of dividends in accordance with the resolution of the Board on November 7, 2024 includes ¥6 million (\$42 thousand) which were dividends for the shares held by the BBT.

- (2) Dividends of the record date in the consolidated fiscal year ended March 31, 2025, for which the effective date comes in the subsequent consolidated fiscal year

The following resolution is scheduled to be adopted at the General Meeting of Shareholders on June 24, 2025.

Resolution	Type of stocks	Capital for dividends	Total amount of dividends (Millions of Yen)	Dividends per share (Yen)	Record date	Effective date
June 24, 2025 General Meeting of Shareholders	Common stock	Retained earnings	24,931	145.00	March 31, 2025	June 25, 2025

Resolution	Type of stocks	Capital for dividends	Total amount of dividends (Thousands of U.S. Dollars)	Dividends per share (U.S. Dollars)	Record date	Effective date
June 24, 2025 General Meeting of Shareholders	Common stock	Retained earnings	166,745	0.96	March 31, 2025	June 25, 2025

Note: Total amount of dividends in accordance with the resolution of the General Meeting of Shareholders on June 24, 2025 includes ¥14 million (\$95 thousand) which were dividends for the shares held by the BBT.

(Matters Related to Consolidated Statements of Cash Flows)

- \*1. Relationship between the balance of cash and cash equivalents at the end of the fiscal year and the amount of items stated in the consolidated balance sheets

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Cash and time deposits	434,711	240,689	1,609,747
Certificates of deposit included in securities	—	60,000	401,284
Time deposits with maturities exceeding three months	(3,957)	(4,726)	(31,610)
Cash and cash equivalents	430,754	295,963	1,979,421

- \*2. Major breakdown of assets and liabilities of companies made consolidated subsidiaries via acquisition of shares

Consolidated fiscal year March 31, 2024

The breakdown of assets and liabilities of P.S. MITSUBISHI CONSTRUCTION Co., Ltd. (currently known as PS CONSTRUCTION Co., Ltd.) at the time of consolidation through the acquisition of shares, and the relationship between the share acquisition cost and acquisition expenses (net cost) were as follows.

Current assets	¥89,146 million
Fixed assets	¥25,772 million
Current liabilities	¥(48,647) million
Long-term liabilities	¥(16,225) million
Gain on negative goodwill	¥(1,094) million
Non-controlling interests	¥(24,923) million
Share acquisition cost	¥24,028 million
Cash and cash equivalents	¥(9,229) million
Net: acquisition expenses	¥14,798 million

Consolidated fiscal year March 31, 2025

Not applicable.

\*3. Major breakdown of assets and liabilities of companies excluded from the scope of consolidation via sales of shares

Consolidated fiscal year March 31, 2024

Not applicable.

Consolidated fiscal year March 31, 2025

The breakdown of assets and liabilities of TS INVESTMENT 1 LLC at the time of exclusion from the scope of consolidation resulting from transferring a portion of equity interest, and the transfer price and proceeds from the sales of equity interest (net amount) were as follows.

Current assets	¥2,350 million	(\$15,720 thousand)
Fixed assets	¥96,297 million	(\$644,042 thousand)
Current liabilities	¥(581) million	(\$ (3,889) thousand)
Long-term liabilities	¥(68,389) million	(\$ (457,395) thousand)
Investment account after transfer of equity interests	¥(14,882) million	(\$ (99,532) thousand)
Gain on sales of shares of affiliated companies	¥350 million	(\$2,345 thousand)
Transfer price of equity interest	¥15,145 million	(\$101,290 thousand)
Cash and cash equivalents	¥(1,767) million	(\$ (11,818) thousand)
Net: Proceeds from sales	¥13,377 million	(\$89,472 thousand)

(Matters Related to Lease Transactions)

1. Operating leases

Future minimum lease payments related to non-cancellable operating lease transactions

Lessee

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Due within one year	2,005	2,463	16,475
Due after one year	6,072	5,475	36,622
Total	8,078	7,939	53,098

Lessor

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Due within one year	2,428	2,369	15,846
Due after one year	10,991	9,657	64,586
Total	13,419	12,026	80,433

(Matters Related to Financial Instruments)

1. Matters concerning status of financial instruments

(1) Policies for using financial instruments

The Group restricts investments to low risk assets such as short-term deposits, and raises funds by indirect finance such as borrowings from banks as well as by direct finance such as issuing straight bonds or commercial paper.

Derivative transactions are employed mainly for hedging fluctuation risks in interest rates and foreign currency exchange, not for speculation.

(2) Detail and risks of financial instruments and risk management system

(Notes and accounts receivable trade)

Notes and accounts receivable trade are trade receivables and are exposed to the credit risks of customers. In order to reduce such risks, the Group conducts strict credit examinations when orders are received, and afterward manages the receivables individually and makes an effort to detect concerns about collection early until the collection is completed.

(Investment securities)

Investment securities are mainly debt securities intended to be held to maturity and shares in the companies with business relationships, and they are exposed to the fluctuation risk of market prices. The Group regularly monitors the fair value or financial positions of the invested companies, and revises the portfolio in a timely manner (except for debt securities intended to be held to maturity) considering the relationship with them.

(Notes and accounts payable trade)

Notes and accounts payable trade are trade payables, and they are debts mostly due within one year.

(Borrowings, non-recourse loans payable, commercial paper, straight bonds, and non-recourse bonds payable)

Borrowings, non-recourse loans payable, commercial paper, and straight bonds are primarily for working capital, and the Group is working to diversify the timing of refinancing by adjusting the balance of long-term and short-term funding in consideration of the market environment. Long-term borrowings and straight bonds have maturity dates of five years or less in principle, some of which have floating interest rates and are exposed to interest rate fluctuation risk; however, the risk is hedged by derivative transactions (interest rate swap contracts).

(Derivative transactions)

The Group primarily utilizes derivative transactions related to interest rates in order to mitigate the fluctuation risk in interest rates or to reduce financing expenses, and derivative transactions related to currency in order to mitigate the foreign exchange risk. These transactions are exposed to the fluctuation risk in interest rates and the foreign exchange. However, the Group is exposed to limited risk, because the transactions are conducted for hedging. The Group considers the credit risk to be low, because it conducts derivative transactions solely with reliable international financial institutions.

The Group executes and manages derivative transactions in accordance with internal rules that stipulate authority, responsibility, and details of practices. Its finance departments are responsible for conducting and evaluating transactions as well as managing related risks.

(3) Supplementary explanation of matters concerning fair value, etc., of financial instruments

The contract amounts of derivative transactions in the notes of “Matters Related to Derivative Transactions” do not in themselves indicate the magnitude of risk involved in derivative transactions.

## 2. Matters concerning fair value of financial instruments

Book value of the financial instruments included in the consolidated balance sheets, the fair value of said items, and their differences as of March 31, 2024 and 2025 were as follows.

(Millions of Yen)

	As of March 31, 2024			As of March 31, 2025		
	Book value	Fair value	Difference	Book value	Fair value	Difference
[Assets]						
Notes and accounts receivable trade	864,694	864,694	—	939,160	939,160	—
Investment securities						
Debt securities intended to be held to maturity	198	198	0	9	8	(0)
Available-for-sale securities	362,886	362,886	—	231,895	231,895	—
[Liabilities]						
Short-term borrowings	110,530	110,658	(127)	115,212	115,298	(85)
Short-term non-recourse loans payable	261	262	(1)	208	210	(2)
Straight bonds due within one year	—	—	—	10,000	9,990	10
Straight bonds	50,000	49,505	495	50,000	48,726	1,274
Non-recourse bonds payable	—	—	—	100	102	(2)
Long-term borrowings	142,787	143,092	(305)	127,799	126,945	853
Long-term non-recourse loans payable	72,686	73,932	(1,245)	12,201	12,419	(217)
[Derivative transactions]	—	—	—	—	—	—

(Thousands of U.S. Dollars)

	As of March 31, 2025		
	Book value	Fair value	Difference
[Assets]			
Notes and accounts receivable trade	6,281,170	6,281,170	—
Investment securities			
Debt securities intended to be held to maturity	60	60	(0)
Available-for-sale securities	1,550,929	1,550,929	—
[Liabilities]			
Short-term borrowings	770,545	771,120	(575)
Short-term non-recourse loans payable	1,391	1,404	(13)
Straight bonds due within one year	66,880	66,813	66
Straight bonds	334,403	325,882	8,520
Non-recourse bonds payable	668	682	(13)
Long-term borrowings	854,728	849,016	5,711
Long-term non-recourse loans payable	81,605	83,061	(1,455)
[Derivative transactions]	—	—	—

\*1 Description of “Cash and time deposits,” certificates of deposit included in “Securities,” “Notes and accounts payable trade,” and deposit received are omitted because these financial instruments are cash and the fair values of them are almost equivalent to their book value due to the short term settlements.

\*2 Equity securities without market prices and investments in partnerships for which equity interests are recorded on a net basis are not included in the above “[Assets], Investment securities, Available-for-sale securities.” The book values of those financial instruments in the consolidated balance sheets were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Unlisted equity securities, etc.	109,267	191,574	1,281,262
Investments in partnerships for which equity interests are recorded on a net basis	5,840	4,847	32,417

Note 1: Scheduled redemption amounts after the consolidated balance sheet date for monetary claims and securities with period of maturities

(Millions of Yen)

	As of March 31, 2024			As of March 31, 2025		
	Due within one year	Due after one year but within five years	Due after five years but within ten years	Due within one year	Due after one year but within five years	Due after five years but within ten years
Cash and time deposits						
Time deposits	434,370	—	—	239,496	—	—
Notes and accounts receivable trade	864,694	—	—	939,160	—	—
Securities and investment securities						
Debt securities intended to be held to maturity						
Government bonds, etc.	189	9	—	9	—	—
Available-for-sale securities with maturity date						
Certificates of deposit	—	—	—	60,000	—	—
Debt securities						
Government bonds, etc.	113	—	—	198	—	—
Total	1,299,367	9	—	1,238,865	—	—

(Thousands of U.S. Dollars)

	As of March 31, 2025		
	Due within one year	Due after one year but within five years	Due after five years but within ten years
Cash and time deposits			
Time deposits	1,601,771	—	—
Notes and accounts receivable trade	6,281,170	—	—
Securities and Investment securities			
Debt securities intended to be held to maturity			
Government bonds, etc.	60	—	—
Available-for-sale securities with maturity date			
Certificates of deposit	401,284	—	—
Debt securities			
Government bonds, etc.	1,330	—	—
Total	8,285,617	—	—



Note 2: Scheduled repayments of straight bonds, long-term borrowings and other interest-bearing debt after the consolidated balance sheet date

(Millions of Yen)

	As of March 31, 2024						As of March 31, 2025					
	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	70,291	—	—	—	—	—	73,825	—	—	—	—	—
Straight bonds	—	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Non-recourse bonds payable	—	—	—	—	—	—	—	—	—	100	—	—
Long-term borrowings	40,239	38,291	35,195	42,800	26,500	—	41,387	38,291	45,898	29,430	14,180	—
Long-term non-recourse loans payable	261	490	15	15	72,124	42	208	15	15	7,904	4,240	27
Total	110,792	48,781	45,210	52,815	108,624	10,042	125,420	48,306	55,913	47,434	28,420	10,027

(Thousands of U.S. Dollars)

	As of March 31, 2025					
	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years
Short-term borrowings	493,746	—	—	—	—	—
Straight bonds	66,880	66,880	66,880	66,880	66,880	66,880
Non-recourse bonds payable	—	—	—	668	—	—
Long-term borrowings	276,802	256,096	306,968	196,829	94,836	—
Long-term non-recourse loans payable	1,391	100	100	52,866	28,357	180
Total	838,820	323,077	373,949	317,246	190,074	67,061

### 3. Fair value information of financial instruments by level of inputs

The fair values of financial instruments are categorized into the following three levels based on the observability and significance of the inputs used to calculate fair values.

Level 1 fair value: The fair values which are calculated by using observable inputs that reflect the quoted market prices for identical assets or liabilities in active markets

Level 2 fair value: The fair values which are calculated by using observable inputs that are not included in Level 1

Level 3 fair value: The fair values which are calculated by using unobservable inputs

If multiple inputs that have significant impact on calculation of fair values are used, the fair values are categorized in the lowest priority level in calculation of fair values among the levels to which these inputs belong.

#### (1) Financial instruments of which fair value is recognized in the consolidated balance sheets

	As of March 31, 2024				As of March 31, 2025			
	Fair value (Millions of Yen)				Fair value (Millions of Yen)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
[Assets]								
Investment securities								
Available-for-sale securities								
Equity securities	360,147	—	—	360,147	228,333	—	—	228,333
Government bonds, etc.	—	113	—	113	—	198	—	198
Others	389	2,235	—	2,625	—	3,363	—	3,363

	As of March 31, 2025			
	Fair value (Thousands of U.S. Dollars)			
	Level 1	Level 2	Level 3	Total
[Assets]				
Investment securities				
Available-for-sale securities				
Equity securities	1,527,106	—	—	1,527,106
Government bonds, etc.	—	1,324	—	1,324
Others	—	22,491	—	22,491

## (2) Financial instruments of which fair value is not recognized in the consolidated balance sheets

	As of March 31, 2024				As of March 31, 2025			
	Fair value (Millions of Yen)				Fair value (Millions of Yen)			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
[Assets]								
Notes and accounts receivable trade	—	864,694	—	864,694	—	939,160	—	939,160
Investment securities								
Debt securities intended to be held to maturity								
Government bonds, etc.	198	—	—	198	8	—	—	8
[Liabilities]								
Short-term borrowings	—	110,658	—	110,658	—	115,298	—	115,298
Short-term non-recourse loans payable	—	262	—	262	—	210	—	210
Straight bonds due within one year	—	—	—	—	—	9,990	—	9,990
Straight bonds	—	49,505	—	49,505	—	48,726	—	48,726
Non-recourse bonds payable	—	—	—	—	—	102	—	102
Long-term borrowings	—	143,092	—	143,092	—	126,945	—	126,945
Long-term non-recourse loans payable	—	73,932	—	73,932	—	12,419	—	12,419

	As of March 31, 2025			
	Fair value (Thousands of U.S. Dollars)			
	Level 1	Level 2	Level 3	Total
[Assets]				
Notes and accounts receivable trade	—	6,281,170	—	6,281,170
Investment securities				
Debt securities intended to be held to maturity				
Government bonds, etc.	53	—	—	53
[Liabilities]				
Short-term borrowings	—	771,120	—	771,120
Short-term non-recourse loans payable	—	1,404	—	1,404
Straight bonds due within one year	—	66,813	—	66,813
Straight bonds	—	325,882	—	325,882
Non-recourse bonds payable	—	682	—	682
Long-term borrowings	—	849,016	—	849,016
Long-term non-recourse loans payable	—	83,059	—	83,059

(Note) Description of the valuation techniques and inputs used to measure fair value

- Notes and accounts receivable trade

The fair values of these financial instruments are almost equivalent to the book value, due to the short term settlements; although, the fair value of notes and accounts receivable, trade due over one year are based on the present value of discounted cash flows using the interest rate determined by the factors of the estimated collection terms and credit risks, with respect to each receivable categorized by collection terms. These financial instruments are classified as Level 2.

- Investment securities

The fair values of the stocks are based on the quoted market prices, and the stocks are traded in active markets. Therefore, these financial instruments are classified as Level 1. The bonds based on the quoted market prices are classified as Level 1, and the bonds based on the net asset value or the present value of discounted future cash flows are classified as Level 2.

- Short-term borrowings

The fair values of these financial instruments are almost equivalent to the book value, due to the short term settlements; although the fair value of long-term borrowings due within one year are based on the same method for long-term borrowings.

- Short-term non-recourse loans payable, long-term borrowings, and long-term non-recourse loans payable

The fair values of these loans and borrowings are based on the present value of discounted cash flows using the supposed interest rate which may be applicable to the same kind of loans and borrowings. These financial instruments are classified as Level 2.

- Straight bonds due within one year, straight bonds, and non-recourse bonds payable

The fair values of the marketable bonds are based on the quoted market prices, otherwise the fair values of the bonds without the quoted market prices are based on the present value of discounted cash flows using the interest rate determined by the factors of the estimated redemption terms and issuer's credit risk. These financial instruments are classified as Level 2.

## (Matters Related to Securities)

## 1. Debt securities intended to be held to maturity

Type	Millions of Yen						Thousands of U.S. Dollars		
	As of March 31, 2024			As of March 31, 2025			As of March 31, 2025		
	Book value	Fair value	Difference	Book value	Fair value	Difference	Book value	Fair value	Difference
(1) Securities with fair value exceeding book value									
Government bonds, etc.	198	198	0	—	—	—	—	—	—
Subtotal	198	198	0	—	—	—	—	—	—
(2) Securities with fair value not exceeding book value									
Government bonds, etc.	—	—	—	9	8	(0)	60	60	(0)
Subtotal	—	—	—	9	8	(0)	60	60	(0)
Total	198	198	0	9	8	(0)	60	60	(0)

## 2. Available-for-sale securities

Type	Millions of Yen						Thousands of U.S. Dollars		
	As of March 31, 2024			As of March 31, 2025			As of March 31, 2025		
	Book value	Acquisition cost	Difference	Book value	Acquisition cost	Difference	Book value	Acquisition cost	Difference
(1) Securities with book value exceeding acquisition costs									
Equity securities	357,427	132,735	224,691	223,869	93,766	130,103	1,497,257	627,116	870,140
Certificates of deposit	—	—	—	—	—	—	—	—	—
Debt securities									
Government bonds, etc.	113	108	4	197	196	0	1,320	1,316	4
Others	2,025	1,479	546	3,363	2,774	588	22,492	18,558	3,933
Subtotal	359,566	134,323	225,242	227,430	96,738	130,692	1,521,070	646,991	874,079
(2) Securities with book value not exceeding acquisition costs									
Equity securities	2,720	3,264	(544)	4,464	5,133	(669)	29,855	34,335	(4,479)
Certificates of deposit	—	—	—	60,000	60,000	—	401,284	401,284	—
Debt securities									
Government bonds, etc.	—	—	—	1	1	(0)	9	10	(0)
Others	600	600	—	—	—	—	—	—	—
Subtotal	3,320	3,864	(544)	64,465	65,135	(669)	431,149	435,629	(4,480)
Total	362,886	138,188	224,697	291,895	161,873	130,022	1,952,219	1,082,621	869,598

3. Total sales of available-for-sale securities and the related gains and losses for the consolidated fiscal years ended March 31, 2024 and 2025

(Millions of Yen)

Type	Consolidated fiscal year March 31, 2024			Consolidated fiscal year March 31, 2025		
	Total amount of available-for-sale securities sold	Gains on sales of available-for-sale securities	Losses on sales of available-for-sale securities	Total amount of available-for-sale securities sold	Gains on sales of available-for-sale securities	Losses on sales of available-for-sale securities
Equity securities	30,121	17,908	13	84,620	46,197	75
Others	—	—	—	—	—	—
Total	30,121	17,908	13	84,620	46,197	75

(Thousands of U.S. Dollars)

Type	Consolidated fiscal year March 31, 2025		
	Total amount of available-for-sale securities sold	Gains on sales of available-for-sale securities	Losses on sales of available-for-sale securities
Equity securities	565,946	308,969	505
Others	—	—	—
Total	565,946	308,969	505

4. Impairment losses on securities

Millions of Yen

Thousands of U.S. Dollars

Classification	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Write-down of marketable and investment securities	25	82	549

(Matters Related to Derivative Transactions)

1. Derivative financial instruments which were not accounted for by hedge accounting

Not applicable.

2. Derivative financial instruments which were accounted for by hedge accounting

(1) Currency-related transactions

Not applicable.

(2) Interest rate-related derivatives

As of March 31, 2024

(Millions of Yen)

Method of hedge accounting	Type of transaction	Main items hedged	Contract amount	Contract amount due after one year	Fair value
Special treatment of swap	Interest rate swaps Receive floating rate, pay fixed rate	Long-term borrowings	17,100	5,100	—

Note: Fair value of interest rate swaps is included in the corresponding hedged long-term borrowings (long-term borrowings due within one year was considered as short-term borrowings) as those interest rate swaps are recorded as an adjustment to the corresponding hedged long-term borrowings under special treatment.

As of March 31, 2025

(Millions of Yen)

Method of hedge accounting	Type of transaction	Main items hedged	Contract amount	Contract amount due after one year	Fair value
Special treatment of swap	Interest rate swaps Receive floating rate, pay fixed rate	Long-term borrowings	4,000	4,000	—

(Thousands of U.S. Dollars)

Method of hedge accounting	Type of transaction	Main items hedged	Contract amount	Contract amount due after one year	Fair value
Special treatment of swap	Interest rate swaps Receive floating rate, pay fixed rate	Long-term borrowings	26,752	26,752	—

Note: Fair value of interest rate swaps is included in the corresponding hedged long-term borrowings as those interest rate swaps are recorded as an adjustment to the corresponding hedged long-term borrowings under special treatment.

(Matters Related to Retirement Benefits)

1. Overview of pension plans adopted

The Company and its main consolidated subsidiaries have adopted the defined-benefit pension plans and defined-contribution pension plans.

The defined-benefit pension plans adopted consist of defined-benefit corporate pension plans and lump-sum payment plans. The Company, upon the retirement of employees, may also pay additional retirement benefits which are not subject to retirement benefit obligations through actuarial calculation in accordance with retirement benefit accounting.

The Company and some of its consolidated subsidiaries have established retirement benefit trusts.

2. Defined-benefit pension plans

(1) Adjustments between balances at beginning and end of the year of retirement benefit obligations

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Balance at beginning of the year	125,326	131,716	880,928
Current service cost	6,523	6,841	45,756
Interest cost	1,208	1,625	10,873
Actuarial loss (gain)	(3,799)	(6,522)	(43,620)
Retirement benefits paid	(10,012)	(11,497)	(76,894)
Past service costs	(47)	(2,896)	(19,370)
Increase (decrease) resulting from change in scope of consolidation	12,188	—	—
Other	328	237	1,590
Balance at end of the year	131,716	119,505	799,263

Notes: 1. Some of the consolidated subsidiaries use the simplified method for the calculation of retirement benefit obligations.

2. Retirement benefit expenses in the consolidated subsidiaries applying the simplified method are recorded in current service cost.

(2) Adjustments between balances at beginning and end of the year of plan assets

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Balance at beginning of the year	121,164	193,614	1,294,907
Expected return on plan assets	2,491	1,981	13,254
Actuarial loss (gain)	64,755	(27,112)	(181,327)
Contributions paid by the employer	837	718	4,806
Retirement benefits paid	(4,698)	(4,923)	(32,928)
Increase (decrease) resulting from change in scope of consolidation	10,016	—	—
Other	(952)	(4,021)	(26,893)
Balance at end of the year	193,614	160,258	1,071,818



(3) Adjustments between the balances of retirement benefit obligations and plan assets at end of the year and net defined benefit liability and net defined benefit asset in the consolidated balance sheets

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Funded retirement benefit obligations	125,893	113,349	758,090
Plan assets	(193,614)	(160,258)	(1,071,818)
	(67,720)	(46,908)	(313,728)
Unfunded retirement benefit obligations	5,822	6,156	41,172
Net total in the consolidated balance sheets at end of the year	(61,898)	(40,752)	(272,555)
Net defined benefit liability	18,417	17,418	116,497
Net defined benefit asset	(80,316)	(58,171)	(389,052)
Net total in the consolidated balance sheets at end of the year	(61,898)	(40,752)	(272,555)

(4) Retirement benefit expenses and their components

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Current service cost	6,523	6,841	45,756
Interest cost	1,208	1,625	10,873
Expected return on plan assets	(2,491)	(1,981)	(13,254)
Net actuarial loss amortization	(3,457)	(9,775)	(65,379)
Past service costs amortization	(178)	(189)	(1,269)
Other	7	125	838
Total retirement benefit expenses related to defined-benefit pension plans for the year	1,612	(3,354)	(22,435)

(5) Remeasurements of defined benefit plans

Items recorded in remeasurements of defined benefit plans (before income taxes and tax effect) were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Past service costs	(130)	2,706	18,101
Actuarial loss (gain)	65,097	(30,365)	(203,086)
Total balance	64,967	(27,658)	(184,984)

(6) Accumulated remeasurements of defined benefit plans

Items recorded in accumulated remeasurements of defined benefit plans (before income taxes and tax effect) were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Unrecognized past service costs	(647)	(3,354)	(22,433)
Unrecognized actuarial loss (gain)	(86,827)	(56,462)	(377,622)
Total balance	(87,475)	(59,816)	(400,055)

(7) Matters concerning plan assets

(a) Major components of plan assets

The ratio of each major category to total plan assets is as follows:

	(%)	
	As of March 31, 2024	As of March 31, 2025
Equity securities	49	24
Debt securities	8	33
General accounts	11	12
Special accounts	1	2
Short-term assets	25	22
Other	6	7
Total	100	100

Note: The retirement benefit trust established for corporate pension plans accounted for 70% and 67% of total plan assets for the consolidated fiscal years ended March 31, 2024 and 2025, respectively.

(b) Method for determining the long-term expected rate of return

Current and target asset allocations, as well as current and long-term target rate of return on various categories of plan assets have been considered in determining the rate of long-term expected return on plan assets.

(8) Matters concerning actuarial assumptions

Principal actuarial assumptions

	(%)	
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025
Discount rate		
- The Company and its consolidated domestic subsidiaries	0.4–1.5	0.8–2.2
- Consolidated overseas subsidiaries	6.1–7.0	6.1–7.0
Long-term expected rate of return	0.0–3.0	0.0–3.0

3. Defined-contribution pension plans

Amount payable for defined-contribution pension plans of the Company and its consolidated subsidiaries were ¥2,570 million and ¥2,527 million (\$16,907 thousand) for the consolidated fiscal years ended March 31, 2024 and 2025, respectively.

## (Matters Related to Tax Effect Accounting)

## 1. Major components of deferred income tax assets and deferred income tax liabilities

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Deferred income tax assets:			
Disallowed portion of expenses and losses:			
Inventories	38,782	41,590	278,160
Net defined benefit liability	35,318	36,623	244,942
Accrued bonuses	7,298	8,589	57,444
Fixed assets	4,154	3,426	22,913
Enterprise taxes payable	2,074	2,421	16,198
Advances received	2,212	2,344	15,679
Others	6,922	8,351	55,858
Tax loss carryforward	585	423	2,835
Unrealized profits	7,807	7,768	51,954
Subtotal of deferred income tax assets	105,156	111,540	745,988
Valuation allowance	(6,688)	(6,632)	(44,358)
Total of deferred income tax assets	98,468	104,907	701,629
Deferred income tax liabilities:			
Unrealized gains on available-for-sale securities	(68,668)	(40,896)	(273,520)
Net defined benefit asset	(24,538)	(18,212)	(121,807)
Gains on securities contribution to employee retirement benefit trust	(10,895)	(5,941)	(39,740)
Others	(1,814)	(1,348)	(9,016)
Total of deferred income tax liabilities	(105,916)	(66,399)	(444,084)
Net total of deferred income tax assets (liabilities)	(7,448)	38,508	257,545
Note: In addition to the deferred income taxes shown above, deferred income tax liabilities concerning revaluation presented in the consolidated balance sheets	4,480	4,596	30,743

2. Breakdown by major components causing the difference between the statutory tax rate and the effective income tax rate

	(%)	
	As of March 31, 2024	As of March 31, 2025
Statutory tax rate	30.6	30.6
(Adjustments)		
Permanently non-deductible expenses	2.4	1.0
Permanently non-taxable income	(1.1)	(0.3)
Per capita inhabitant tax	1.0	0.4
Change in valuation allowance	(0.1)	(0.0)
Investment gain on equity method	(1.0)	(1.8)
Tax credit for Tax Measure to Promote Wage Increases	(2.7)	(1.6)
Upward adjustment to year-end deferred income tax assets due to change in tax rate	—	(0.8)
Others	(1.5)	0.7
Effective tax rate	27.6	28.2

3. Adjustment to the amounts of deferred income tax assets and liabilities due to changes in income tax rate

Following the enactment of the Act for Partial Amendment to the Income Tax Act, etc. on March 31, 2025, the statutory effective tax rate used to calculate deferred income tax assets and liabilities for the consolidated fiscal year ended March 31, 2025 was changed from 30.6% in the consolidated fiscal year ended March 31, 2024 to 31.5% for temporary differences expected to be recovered or settled on or after April 1, 2026.

As a result, the amount of deferred income tax assets (net of deferred income tax liabilities) decreased by ¥253 million (\$1,698 thousand), and income taxes - deferred; unrealized gains on available-for-sale securities; and remeasurements of defined benefit plans recorded for the consolidated fiscal year ended March 31, 2025 decreased by ¥1,450 million (\$9,702 thousand), ¥1,167 million (\$7,808 thousand), ¥537 million (\$3,592 thousand), respectively. In addition, the amount of deferred income tax liabilities for revaluation of land increased by ¥131 million (\$878 thousand), resulting in a corresponding decrease of ¥131 million (\$878 thousand) in revaluation reserve for land.

4. Accounting for corporate tax, local corporate tax and tax effect accounting

The Company and some of its domestic consolidated subsidiaries have applied the Group Tax Sharing System, and corporate tax and local corporate tax, as well as their tax effects, are accounted for and disclosed under the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021).

(Matters Related to Investment and Rental Property)

The Company and certain consolidated subsidiaries hold some office buildings for rent in Tokyo and other areas. The rental income on office buildings for rent was ¥3,433 million and ¥3,276 million (\$21,914 thousand) for the years ended March 31, 2024 and 2025, respectively. Rental income is mainly booked under net sales of development projects, and rental cost is mainly booked under cost of sales development projects.

The amounts of investment and rental property which are booked in consolidated balance sheets, the amounts of increase or decrease, and fair value as of March 31, 2023 and 2024 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Book value			
Balance at beginning of the year	93,703	194,886	1,303,415
Decrease (increase) during the year	101,183	(94,837)	(634,282)
Balance at end of the year	194,886	100,048	669,133
Fair value at end of the year	225,308	134,981	902,762

Notes: 1. The book value is the amount after accumulated depreciation and impairment losses on fixed assets are deducted from the cost of acquisition.

2. The main reason of increase for the consolidated fiscal year ended March 31, 2024 was acquisition of fixed assets of ¥106,906 million. The main reason of decrease for the consolidated fiscal year ended March 31, 2024 was transfer to real estate for sale and development projects in progress of ¥5,381 million. The main reason of increase for the consolidated fiscal year ended March 31, 2025 was acquisition of fixed assets of ¥7,578 million (\$50,684 thousand). The main reasons of decrease for the consolidated fiscal year ended March 31, 2025 were changes of scope of consolidation of ¥96,075 million (\$642,556 thousand) and transfer to real estate for sale and development projects in progress of ¥6,134 million (\$41,033 thousand).

3. The book value as of March 31, 2024 and 2025 included asset retirement obligations of ¥360 million and ¥693 million (\$4,635 thousand), respectively.

4. The fair value of investment and rental property as of March 31, 2024 and 2025 is mainly calculated by the Company according to the Japanese Real Estate Appraisal Standards (it may include adjustments using official indices).

(Matters Related to Revenue Recognition)

1. Disaggregation of revenue from contracts with customers

Consolidated fiscal year March 31, 2024

(Millions of Yen)

(Millions of Rupees)

	Reportable segments						Others (Note)	Total
	Civil engineering		Building construction		Real estate development	Subtotal		
	Domestic	Overseas	Domestic	Overseas				
Revenue from contracts with customers	483,812	21,692	1,053,074	64,205	112,457	1,735,242	11,813	1,747,055
Other revenue	—	—	—	—	17,269	17,269	698	17,967
Sales on third party	483,812	21,692	1,053,074	64,205	129,726	1,752,511	12,512	1,765,023

Note: “Others” includes the incidental business of construction business such as cooperative research, technical service, environmental measurement, and logistics business, and also, leisure-related business and other service business, which are not included in reportable segments.

Consolidated fiscal year March 31, 2025

(Millions of Yen)

</

(Thousands of U.S. Dollars)

(Thousands of U.S. Dollars)

	Reportable segments						Others (Note)	Total
	Civil engineering		Building construction		Real estate development	Subtotal		
	Domestic	Overseas	Domestic	Overseas				
Revenue from contracts with customers	4,060,333	157,348	8,824,223	355,538	809,089	14,206,533	85,258	14,291,791
Other revenue	—	—	—	—	111,117	111,117	4,685	115,803
Sales on third party	4,060,333	157,348	8,824,223	355,538	920,207	14,317,651	89,943	14,407,594

Note: “Others” includes the incidental business of construction business such as cooperative research, technical service, environmental measurement, and logistics business, and also, leisure-related business and other service business, which are not included in reportable segments.

2. Information related to the relationship between the satisfaction of performance obligations based on contracts with customers and the cash flows resulting from such contracts, as well as the amounts and timing of revenue from contracts with customers that existed as of March 31, 2025, which is expected to be recognized in or after the consolidated fiscal year ending March 31, 2026

(1) Balances, etc. of contract assets and contract liabilities

	(Millions of Yen)		(Thousands of U.S. Dollars)	
	Balance as of April 1, 2023	Balance as of March 31, 2024	Balance as of March 31, 2025	Balance as of March 31, 2025
Receivables from contracts with customers	278,072	342,801	277,623	1,856,767
Contract assets	410,562	521,696	661,353	4,423,177
Contract liabilities	180,620	214,443	210,120	1,405,297

Contract assets are unbilled rights to the consideration for revenue recognized as construction progresses and are transferred to receivables from contracts with customers when the rights to the consideration become billable.

Contract liabilities consist mainly of advances received from customers, which are reversed as revenue is recognized as construction progresses.

Balance of the contract liability at the beginning of the previous consolidated fiscal year is mostly recognized as revenue in the previous consolidated fiscal year, and therefore the amount carried forward to the subsequent consolidated fiscal years is not material. In addition, the amount of revenue recognized in the previous consolidated fiscal year for performance obligations that were satisfied (or partially satisfied) in the past consolidated fiscal years is not material.

Balance of the contract liability at the beginning of the current consolidated fiscal year is mostly recognized as revenue in the current consolidated fiscal year, and therefore the amount carried forward to the subsequent consolidated fiscal years is not material. In addition, the amount of revenue recognized in the current consolidated fiscal year for performance obligations that were satisfied (or partially satisfied) in the past consolidated fiscal years is not material.

(2) Transaction price allocated to the remaining performance obligations

The total transaction price allocated to the remaining performance obligations in the previous consolidated fiscal year is ¥3,160,556 million. These remaining performance obligations are expected to be recognized as revenue generally within 5 years.

The total transaction price allocated to the remaining performance obligations in the current consolidated fiscal year is ¥3,443,924 million (\$23,033,204 thousand). These remaining performance obligations are expected to be recognized as revenue generally within 5 years.

(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 headquarter, 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,” “Construction contracts,” and “Real estate development” as reportable segments.

“Civil engineering” refers to construction of civil engineering, etc., “Construction contracts” 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 set forth in the “Significant Matters Providing the Basis of Presenting Consolidated Financial Statements.” The profit (loss) of a reportable segment is based on the operating income (loss) before amortization of goodwill in the consolidated statements 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 March 31, 2024

(Millions of Yen)

	Reportable segments				Others (Note 1)	Total	Adjustments (Note 2)	Book value in consolidated financial statements (Note 3)
	Civil engineering	Construction contracts	Real estate development	Subtotal				
Net sales:								
Sales on third party customers	505,504	1,117,280	129,726	1,752,511	12,512	1,765,023	—	1,765,023
Intersegment transactions or transfers	34,834	23,694	8,556	67,085	3,856	70,941	(70,941)	—
Total	540,338	1,140,974	138,282	1,819,596	16,368	1,835,965	(70,941)	1,765,023
Segment operating income (loss)	61,454	(56,143)	23,369	28,680	1,852	30,532	(4,052)	26,480
Other items								
Depreciation and amortization	4,787	5,894	2,322	13,005	200	13,205	(95)	13,110
Increase (decrease) in provision for losses on construction contracts	4,031	44,250	—	48,281	—	48,281	—	48,281

Notes: 1. “Others” includes the incidental business of construction business such as cooperative research, technical service, environmental measurement, and logistics business, and also, leisure-related business and other service business, which are not included in reportable segments.

2. Adjustments of segment operating income (loss) of ¥(4,052) million include intersegment transaction elimination amounting to ¥(3,920) million and amortization of goodwill amounting to ¥(132) million.

3. Segment operating income (loss) is adjusted against operating income of the consolidated statements of income.



## Consolidated fiscal year 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	Construction contracts	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 (loss)	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

(Thousands of U.S. Dollars)

	Reportable segments				Others (Note 1)	Total	Adjustments (Note 2)	Book value in consolidated financial statements (Note 3)
	Civil engineering	Construction contracts	Real estate development	Subtotal				
Net sales:								
Sales on third party customers	4,217,681	9,179,762	920,207	14,317,651	89,943	14,407,594	–	14,407,594
Intersegment transactions or transfers	222,678	183,516	61,526	467,721	27,560	495,281	(495,281)	–
Total	4,440,359	9,363,279	981,733	14,785,372	117,503	14,902,876	(495,281)	14,407,594
Segment operating income (loss)	585,743	75,897	157,086	818,727	15,563	834,290	(30,647)	803,643
Other items								
Depreciation and amortization	40,920	50,030	18,380	109,331	1,214	110,545	(916)	109,628
Increase (decrease) in provision for losses on construction contracts	20,941	19,305	–	40,246	–	40,246	–	40,246

Notes: 1. "Others" includes the incidental business of construction business such as cooperative research, technical service, environmental measurement, and logistics business, and also, leisure-related business and other service business, which are not included in reportable segments.

2. Adjustments of segment operating income (loss) of ¥(4,582) million (\$ (30,647) thousand) includes intersegment transaction elimination amounting to ¥(4,053) million (\$ (27,107) thousand) and amortization of goodwill amounting to ¥(529) million (\$ (3,540) thousand).

3. Segment operating income (loss) is adjusted against operating income of the consolidated statements of income.

[Related Information]

Consolidated fiscal year March 31, 2024

1. Information about products and services

See “[Segment Information], 3. Information of net sales, profit or loss, and other material items by reportable segment.”

2. Information about geographic areas

(1) Net sales

The information about net sales is not presented for the consolidated fiscal year March 31, 2024 since net sales to unaffiliated customers in Japan accounted for more than 90% of net sales on the consolidated statements of income.

(2) Tangible fixed assets

The information about tangible fixed assets is not presented for the consolidated fiscal year March 31, 2024 since the amounts of tangible fixed assets that are located in Japan accounted for more than 90% of the amounts of tangible fixed assets on the consolidated balance sheets.

3. Information about major customers

In net sales to unaffiliated customers, there is no customer that accounts for 10% or more of the amounts of net sales on the consolidated statements of income.

Consolidated fiscal year March 31, 2025

1. Information about products and services

See “[Segment Information], 3. Information of net sales, profit or loss, and other material items by reportable segment.”

2. Information about geographic areas

(1) Net sales

The information about net sales is not presented for the consolidated fiscal year March 31, 2025 since net sales to unaffiliated customers in Japan accounted for more than 90% of net sales on the consolidated statements of income.

(2) Tangible fixed assets

The information about tangible fixed assets is not presented for the consolidated fiscal year March 31, 2025 since the amounts of tangible fixed assets that are located in Japan accounted for more than 90% of the amounts of tangible fixed assets on the consolidated balance sheets.

3. Information about major customers

In net sales to unaffiliated customers, there is no customer that accounts for 10% or more of the amounts of net sales on the consolidated statements of income.

[Information about Impairment Losses on Fixed Assets of Reportable Segment]

Consolidated fiscal year March 31, 2024

(Millions of Yen)

	Reportable segments				Others	Elimination and/or corporate	Total
	Civil engineering	Construction contracts	Real estate development	Subtotal			
Impairment losses on fixed assets	443	106	36	586	—	—	586

Consolidated fiscal year March 31, 2025

(Millions of Yen)

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

(Thousands of U.S. Dollars)

	Reportable segments				Others	Elimination and/or corporate	Total
	Civil engineering	Construction contracts	Real estate development	Subtotal			
Impairment losses on fixed assets	649	—	389	1,038	7,670	—	8,709

Notes: "Others" figures pertain to assets for business use

[Information about Amortization and Unamortized Balance of Goodwill of Reportable Segment]

Consolidated fiscal year March 31, 2024

(Millions of Yen)

	Reportable segments				Others	Elimination and/or corporate	Total
	Civil engineering	Construction contracts	Real estate development	Subtotal			
Amortization of goodwill	4	127	—	132	—	—	132
Unamortized balance of goodwill	45	8,537	—	8,583	—	—	8,583

Consolidated fiscal year March 31, 2025

(Millions of Yen)

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

(Thousands of U.S. Dollars)

	Reportable segments				Others	Elimination and/or corporate	Total
	Civil engineering	Construction contracts	Real estate development	Subtotal			
Amortization of goodwill	131	3,408	—	3,540	—	—	3,540
Unamortized balance of goodwill	175	57,952	—	58,128	—	—	58,128

[Information about Gains on Negative Goodwill of Reportable Segment]

Consolidated fiscal year March 31, 2024

Gains on negative goodwill of ¥1,094 million were recorded in “Civil engineering” and “Construction contracts” segments as the Company acquired shares of P.S. MITSUBISHI CONSTRUCTION Co., Ltd. (currently known as PS CONSTRUCTION Co., Ltd.) and made it a consolidated subsidiary.

Consolidated fiscal year March 31, 2025

Not applicable.

(Related Party Information)

1. Related party transactions

(1) Related party transactions by the Company

Not applicable.

(2) Related party transactions by the Company’s consolidated subsidiaries

Not applicable.

2. Information on parent company and significant affiliated companies

- Information on parent company

The Company does not have a parent company.

- Summary financial information of significant affiliated companies

Not applicable.

(Per Share Data)

	Yen		U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Net assets per share	5,039.98	5,041.43	33.72
Net income per share	215.75	682.78	4.57
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	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 consolidated 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 number 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, 2024 and 2025 was 99 thousand shares and 98 thousand shares, respectively, and the number 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, 2024 and 2025 was 100 thousand shares and 98 thousand shares, respectively.

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

	Millions of Yen		Thousands of U.S. Dollars
	Consolidated fiscal year March 31, 2024	Consolidated fiscal year March 31, 2025	Consolidated fiscal year March 31, 2025
Net income attributable to owners of parent	40,272	123,824	828,146
Net income not attributable to common stockholders	—	—	—
Net income attributable to owners of parent related to common stock	40,272	123,824	828,146
Average number of common stock during the period (Thousand shares)	186,667	181,353	—

(Significant Subsequent Events)

Not applicable.

## 5) Consolidated Supplementary Schedules

## [Schedule of Straight Bonds]

Company name	Name of bonds	Date of issue	Balance at beginning of the year (Millions of Yen)	Balance at end of the year (Millions of Yen) (Note 1)	Balance at end of the year (Thousands of U.S. Dollars)	Interest rate (%)	Collateral	Date of maturity
The Company	The 37th Unsecured Bond	July 24, 2017	10,000	10,000	66,880	0.38	None	July 23, 2027
The Company	The 38th Unsecured Bond	June 16, 2020	10,000	10,000 [10,000]	66,880 [66,880]	0.18	None	June 16, 2025
The Company	The 39th Unsecured Bond	June 16, 2020	10,000	10,000	66,880	0.37	None	June 14, 2030
The Company	The 40th Unsecured Bond	December 9, 2021	10,000	10,000	66,880	0.10	None	December 9, 2026
The Company	The 41st Unsecured Bond	December 7, 2023	10,000	10,000	66,880	0.654	None	December 7, 2028
The Company	The 42nd Unsecured Bond	February 28, 2025	—	10,000	66,880	1.365	None	February 28, 2030
Sapporo Shinhassamu Special Purpose Company	The 1st Secured Specified Bond (Note 2)	February 29, 2024	—	100	668	1.29	Secured	February 28, 2029
Total		—	50,000	60,100 [10,000]	401,952 [66,880]	—	—	—

Notes: 1. The amounts in square brackets [ ] in the “Balance at end of the year” column indicate amounts indicated as straight bonds due within one year on the consolidated balance sheets, as they are due within one year, and are represented in the figures stated above them.

2. These bonds are non-recourse liabilities.

3. The scheduled redemption amount within five years after the consolidated balance sheet date is as follows:

(Millions of Yen)

Classification	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Straight bonds	10,000	10,000	10,000	10,000	10,000
Non-recourse bonds payable	—	—	—	100	—

(Thousands of U.S. Dollars)

Classification	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Straight bonds	66,880	66,880	66,880	66,880	66,880
Non-recourse bonds payable	—	—	—	668	—

[Schedule of Borrowings, etc.]

Classification	Balance at beginning of the year (Millions of Yen)	Balance at end of the year (Millions of Yen)	Balance at end of the year (Thousands of U.S. Dollars)	Average interest rate (%)	Period of repayment
Short-term borrowings	70,291	73,825	493,746	1.1	–
Long-term borrowings due within one year	40,239	41,387	276,802	0.7	–
Short-term non-recourse loans payable	–	193	1,290	1.8	–
Long-term non-recourse loans payable due within one year	261	15	100	2.0	–
Lease obligations due within one year	731	875	5,854	–	–
Long-term borrowings (excluding those due within one year)	142,787	127,799	854,731	0.8	From 2026 to 2030
Long-term non-recourse loans payable (excluding those due within one year)	72,686	12,201	81,605	1.7	From 2026 to 2031
Lease obligations (excluding those due within one year)	1,533	1,564	10,462	–	From 2026 to 2037
Total	328,530	257,861	1,724,594	–	–

Notes: 1. “Average interest rate” is the weighted average interest rate on the balance of borrowings at the end of the fiscal year.

The “average interest rate” for lease obligations is not stated because lease obligations are recorded on the consolidated balance sheets before the deduction of the amount equivalent to interest included in total lease payments.

2. The scheduled repayment amounts of long-term borrowings, long-term non-recourse loans payable, and lease obligations (excluding those due within one year) within five years after the consolidated balance sheet date were as follows:

(Millions of Yen)

Classification	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	38,291	45,898	29,430	14,180
Long-term non-recourse loans payable	15	15	7,904	4,240
Lease obligations	451	300	234	121

(Thousands of U.S. Dollars)

Classification	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years
Long-term borrowings	256,096	306,968	196,829	94,836
Long-term non-recourse loans payable	100	100	52,866	28,357
Lease obligations	3,020	2,013	1,565	811

[Schedule of Asset Retirement Obligations]

As amounts of asset retirement obligations at the beginning and the end of the consolidated fiscal year March 31, 2025 are less than or equal to 1% of total liabilities and net assets, the preparation of this schedule is omitted.

(Unaudited)

Reference Information

Details of audit fees

a. Fees paid to the certified public accountants, etc.

Category	Previous consolidated fiscal year		Current consolidated fiscal year	
	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
The Company	100	180	110	35
Consolidated subsidiaries	102	11	159	12
Total	203	192	269	47

Category	Current consolidated fiscal year	
	Fees for audit services (Thousands of U.S. Dollars)	Fees for non-audit services (Thousands of U.S. Dollars)
The Company	741	235
Consolidated subsidiaries	1,064	80
Total	1,805	316

b. Fees for member firms of certified public accountants, etc. (KPMG Group) (excluding a.)

Category	Previous consolidated fiscal year		Current consolidated fiscal year	
	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)	Fees for audit services (Millions of Yen)	Fees for non-audit services (Millions of Yen)
The Company	—	2	—	25
Consolidated subsidiaries	13	11	15	17
Total	13	13	15	43

Category	Current consolidated fiscal year	
	Fees for audit services (Thousands of U.S. Dollars)	Fees for non-audit services (Thousands of U.S. Dollars)
The Company	—	170
Consolidated subsidiaries	101	118
Total	101	288