Translation

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Consolidated Financial Results for the Year Ended March 31, 2026 (Based on Japanese GAAP)

May 14, 2026

Company name:	RAITO KOGYO CO.,LTD.		
Stock exchange listing:	Tokyo		
Stock code:	1926 URL https://www.raito.co.jp		
Representative:	President and Representative Director	Kazuhiro Akutsu	
Inquiries:	Senior Managing Director, General Manager of Corporate Planning Headquarters	Makoto Nishi	TEL 03-3265-2555

Scheduled date of ordinary general meeting of shareholders: June 25, 2026
Scheduled date to file Securities Report: June 24, 2026
Scheduled date to commence dividend payments: June 26, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	139,216	14.6	17,201	34.3	17,712	34.5	12,487	25.9
Year ended March 31, 2025	121,457	3.5	12,811	13.9	13,169	13.4	9,919	21.2

Note: Comprehensive income: Year ended March 31, 2026: ¥15,223 million [50.7%]
Year ended March 31, 2025: ¥10,104 million [(5.6)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2026	288.50	–	14.0	14.3	12.4
Year ended March 31, 2025	214.30	–	11.1	10.7	10.5

Reference: Share of profit (loss) of entities accounted for using equity method:
Year ended March 31, 2026: ¥33 million
Year ended March 31, 2025: ¥21 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	125,930	90,886	71.5	2,141.13
As of March 31, 2025	122,209	88,674	71.9	1,972.70

Reference: Equity:
As of March 31, 2026: ¥90,005 million
As of March 31, 2025: ¥87,833 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2026	13,662	(1,885)	(12,950)	29,975
Year ended March 31, 2025	10,354	(1,896)	(12,399)	30,947

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2025	–	30.00	–	70.00	100.00	4,517	46.7	5.2
Year ended March 31, 2026	–	40.00	–	105.00	145.00	6,159	50.3	7.0
Year ending March 31, 2027 (Forecast)	–	40.00	–	106.00	146.00		52.0	

3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	65,500	0.7	7,400	7.1	7,700	8.7	5,300	5.7	126.08
Full year	138,000	(0.9)	16,850	(2.0)	17,300	(2.3)	11,800	(5.5)	280.71

4. Notes

(1) Significant changes in the scope of consolidation during the year ended March 31, 2026: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2026	42,970,450 shares	As of March 31, 2025	45,467,550 shares

Number of treasury shares at the end of the period

As of March 31, 2026	933,772 shares	As of March 31, 2025	942,865 shares

Average number of shares during the period

Year ended March 31, 2026	43,283,968 shares	Year ended March 31, 2025	46,285,169 shares

[Reference] Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2026	115,255	13.8	15,126	33.1	15,534	32.9	10,607	21.1
Year ended March 31, 2025	101,304	3.3	11,361	4.5	11,688	4.1	8,762	11.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2026	245.07	–
Year ended March 31, 2025	189.31	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	105,617	69,255	65.6	1,647.49
As of March 31, 2025	98,898	70,428	71.2	1,581.78

Reference: Equity:
As of March 31, 2026: ¥69,255 million
As of March 31, 2025: ¥70,428 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	55,000	0.5	6,800	9.1	7,000	10.5	4,750	9.7	113.00
Full year	116,000	0.6	15,300	1.1	15,650	0.7	10,700	0.9	254.54

* The financial statements are not subject to audit by certified public accountant or auditing corporation.

* Explanation of the appropriate use of earnings forecasts and other special notes

The earnings forecasts are prepared based on information available as of the date of publication of this document, and actual results may differ from the forecasts due to various factors in the future.

Attached Materials Index

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year Ended March 31, 2026

During the fiscal year ended March 31, 2026, the Japanese economy maintained a gradual recovery trend under improvements in the employment and income environment. However, the economic outlook remains uncertain due to recent weak consumer sentiment resulting from rising prices, escalating tensions in the Middle East, and the impact of the U.S. tariff policy changes on the global economy, which could put downward pressure on the Japan's economy.

In the construction industry, private-sector, non-residential construction investment showed steady growth, supported by steady corporate earnings and demand for labor-saving measures amid labor shortages, which in turn bolstered capital investment. Government construction investment also remained firm, driven mainly by disaster prevention and mitigation, national resilience, and future-oriented measures to address aging infrastructure. Due to this and other factors, a favorable environment for orders has continued.

In this environment, the Raito Kogyo Group recorded ¥143,760 million in orders received (up 9.0% year on year) during the fiscal year ended March 31, 2026, driven by increases in orders in our specialized civil engineering field and construction business field amid a favorable environment for orders.

Net sales recorded ¥139,216 million (up 14.6% year on year) due to steady progress in executing on-hand construction projects at the Company and a U.S. subsidiary.

In terms of profit, gross profit was ¥30,326 million (up 20.8% year on year) due to an increase in net sales and improved profitability of construction projects.

Due to an increase in gross profit, operating profit and ordinary profit increased to ¥17,201 million (up 34.3% year on year) and ¥17,712 million (up 34.5% year on year), respectively.

Profit attributable to owners of parent was ¥12,487 million (up 25.9% year on year).

1) Segment Information

In the fiscal year ended March 31, 2026, the Group's orders received, net sales, and construction contracts carried forward were as shown below.

(Millions of yen)

By business/ construction type	Orders received		Net sales		Construction contracts carried forward	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Slope stabilization and protection	40,310	39,288	34,706	39,348	21,920	21,854
Foundations and ground improvement	53,293	63,603	52,487	62,689	33,290	34,168
Repair and reinforcement	9,685	10,490	9,656	8,589	7,336	9,276
Environmental remediation	2,188	2,142	1,284	2,322	1,617	1,437
General civil engineering	3,601	3,892	4,980	3,352	1,649	2,189
Building construction	21,426	22,498	16,463	20,954	21,044	22,588
Other construction	1,405	1,845	1,592	1,770	336	415
Construction segment total	131,910	143,760	121,170	139,027	87,195	91,929
Product and materials sales segment	–	–	286	189	–	–
Total	131,910	143,760	121,457	139,216	87,195	91,929

Orders received in the construction segment by construction type were as follows.

a. Slope stabilization and protection

Orders received amounted to ¥39,288 million, down 2.5% year on year, due to the absence of an order received from the private sector for a large-scale project for slope collapse prevention measures.

b. Foundations and ground improvement

Orders received amounted to ¥63,603 million, up 19.3% year on year, due to an increase in the orders received in the Company and a U.S. subsidiary.

c. Repair and reinforcement

Orders received amounted to ¥10,490 million, up 8.3% year on year, due to an increase in orders received from expressway companies for bridge repair work.

d. Environmental remediation

Orders received amounted to ¥2,142 million, down 2.1% year on year, due to a decrease in orders received from the private sector for soil contamination remediation work.

e. Building construction

Orders received amounted to ¥22,498 million, up 5.0% year on year, due to an increase in orders received for condominium construction work in the Tokyo metropolitan area.

f. General civil engineering and other construction

Orders received amounted to ¥5,738 million, up 14.6% year on year, due to an increase in orders received for general civil engineering work in a consolidated subsidiary.

(2) Overview of Financial Position for the Fiscal Year Ended March 31, 2026

Assets increased by ¥3,720 million from the end of the previous fiscal year due to increases in electronically recorded monetary claims - operating and investment securities, which exceeded a decrease in cash and deposits.

Liabilities increased by ¥1,509 million from the end of the previous fiscal year due to increases in income taxes payable and accrued expenses, which exceeded a decrease in notes payable, accounts payable for construction contracts and other.

Net assets increased by ¥2,211 million from the end of the previous fiscal year due to the increase of ¥12,487 million in profit attributable to owners of parent reported and the increase in valuation difference on available-for-sale securities, which exceeded the decreases due to payment of dividends to shareholders and purchase of treasury shares.

(3) Overview of Cash Flows for the Fiscal Year Ended March 31, 2026

Net cash provided by operating activities stood at ¥13,662 million compared to ¥10,354 million provided in the previous fiscal year. This was mainly due to the fact that inflows of ¥17,293 million in profit before income taxes exceeded outflows of ¥3,691 million in income taxes paid.

Net cash used in investing activities stood at ¥1,885 million compared to ¥1,896 million used in the previous fiscal year. This was mainly due to the fact that outflows of ¥3,214 million in purchase of property, plant and equipment exceeded inflows of ¥1,005 million in proceeds from maturity of insurance funds.

Net cash used in financing activities stood at ¥12,950 million compared to ¥12,399 million used in the previous fiscal year. This was mainly due to outflows of ¥4,860 million for dividends paid and ¥8,192 million for purchase of treasury shares.

As a result, cash and cash equivalents as of March 31, 2026 decreased by ¥971 million from the end of the previous fiscal year to ¥29,975 million.

(Reference) Changes in cash flow related indicators

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio	68.7%	72.5%	71.9%	71.5%
Equity ratio based on market value	77.9%	78.6%	89.7%	127.8%
Debt repayment period	0.36 years	0.10 years	0.14 years	0.13 years
Interest coverage ratio	93 times	119 times	100 times	117 times

Equity ratio: shareholders’ equity/total assets
Equity ratio based on market value: market capitalization/total assets
Debt repayment period: interest-bearing debt/operating cash flow
Interest coverage ratio: operating cash flow/interest payments

* All indicators are calculated based on consolidated financial statements.
* Market capitalization is calculated based on the number of shares outstanding excluding treasury shares.
* Interest-bearing debt are all liabilities on the consolidated balance sheets for which interest is paid, excluding lease liabilities.
* Operating cash flow is the net cash provided by operating activities in the consolidated statements of cash flows.
  For interest payments, the amount of interest paid in the consolidated statements of cash flows is used.

(4) Future Outlook

As for the outlook for the domestic construction market, private-sector construction investment is expected to remain steady, supported by steady corporate earnings as well as solid demand for labor-saving and digital-related investments amid labor shortages.

Government construction investment is expected to remain firm for the time being, as continued budget implementation under initiatives such as the "First Medium-Term Plan for National Resilience Implementation," is expected to focus on disaster prevention and mitigation and national resilience, which are highly compatible with the Group's core businesses, although rising construction costs are exerting downward pressure.

Given these factors, despite uncertainties due to developments in the global economy such as escalating tensions in the Middle East and U.S. trade policies as well as persistently high construction costs, we recognize that the domestic construction market, which forms the core of the Group's business, will remain generally firm.

In this environment, in the specialized civil engineering field, we will strive to secure business volume by strengthening sales activities that leverage the individuality of each site, including Group companies. We will also continue to screen orders with an emphasis on profitability and strive to secure profits. In addition to this, we will further enhance our construction and overseas businesses to secure the necessary profits for the Group as a whole.

For the fiscal year ending March 31, 2027, the Group forecasts consolidated net sales of ¥138.0 billion, operating profit of ¥16.85 billion, ordinary profit of ¥17.3 billion, and profit attributable to owners of parent of ¥11.8 billion.

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2026 and the Fiscal Year Ending March 31, 2027

The Company's basic policy on dividends of surplus is to continue to pay long-term, stable dividends from retained earnings, taking into consideration business performance and the business environment.

Based on the above basic policy and the goals of the current medium-term management plan, the Company plans to pay a year-end dividend of ¥105 per share for the fiscal year ended March 31, 2026, which will be proposed at the 79th Annual General Meeting of Shareholders. As a result, the annual dividend per share for the fiscal year ended March 31, 2026, including an interim dividend of ¥40 per share, will be ¥145 per share.

Regarding the dividend policy for the next and subsequent fiscal years, in addition to the above basic policy, we will continue to implement a progressive dividend policy throughout the current medium-term management plan period. In addition, we aim for a dividend payout ratio of 50% or more and target a dividend on equity ratio (DOE) of 6% or more in the final fiscal year (FY2027).

The Company plans to pay a dividend of ¥146 per share (including an interim dividend of ¥40 per share) for the fiscal year ending March 31, 2027.

2. Basic Approach to Selection of Accounting Standards

To ensure comparability of financial information with other Japanese companies in the same industry, the Group has adopted Japanese GAAP for its accounting standards.
The Group's policy is to consider the application of International Financial Reporting Standards (IFRS) in light of various circumstances.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	30,947	29,975
Notes receivable, accounts receivable from completed construction contracts and other	40,484	40,737
Electronically recorded monetary claims - operating	2,089	4,767
Costs on construction contracts in progress	1,492	1,500
Merchandise and finished goods	24	28
Raw materials and supplies	798	750
Accounts receivable - other	763	185
Other	1,846	2,126
Allowance for doubtful accounts	(33)	(33)
Total current assets	78,411	80,037
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,261	15,137
Accumulated depreciation	(6,639)	(6,888)
Buildings and structures, net	8,622	8,248
Machinery, vehicles, tools, furniture and fixtures	33,946	36,353
Accumulated depreciation	(27,251)	(29,231)
Machinery, vehicles, tools, furniture and fixtures, net	6,695	7,121
Land	11,058	11,104
Leased assets	200	180
Accumulated depreciation	(67)	(92)
Leased assets, net	132	88
Construction in progress	213	97
Total property, plant and equipment	26,722	26,661
Intangible assets		
Goodwill	360	331
Other	284	293
Total intangible assets	644	625
Investments and other assets		
Investment securities	8,313	10,026
Long-term prepaid expenses	35	42
Distressed receivables	6	6
Deferred tax assets	563	–
Retirement benefit asset	4,088	5,578
Other	3,788	3,311
Allowance for doubtful accounts	(365)	(359)
Total investments and other assets	16,431	18,607
Total non-current assets	43,798	45,893
Total assets	122,209	125,930

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	10,536	9,220
Electronically recorded obligations - operating	7,626	7,600
Short-term borrowings	1,447	1,737
Income taxes payable	1,985	3,954
Advances received on construction contracts in progress	1,134	1,813
Provision for warranties for completed construction	79	110
Provision for loss on construction contracts	32	203
Accrued expenses	2,986	4,282
Other	5,892	4,736
Total current liabilities	31,721	33,660
Non-current liabilities		
Long-term borrowings	–	7
Long-term accounts payable - other	30	12
Lease liabilities	114	83
Deferred tax liabilities	708	325
Deferred tax liabilities for land revaluation	769	758
Provision for share awards for directors	129	136
Other	61	60
Total non-current liabilities	1,813	1,384
Total liabilities	33,534	35,044
Net assets		
Shareholders’ equity		
Share capital	6,119	6,119
Capital surplus	6,447	6,447
Retained earnings	73,300	74,270
Treasury shares	(2,071)	(3,567)
Total shareholders’ equity	83,795	83,270
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,678	2,909
Revaluation reserve for land	(1,059)	(1,058)
Foreign currency translation adjustment	1,895	2,482
Remeasurements of defined benefit plans	1,523	2,401
Total accumulated other comprehensive income	4,037	6,735
Non-controlling interests	841	880
Total net assets	88,674	90,886
Total liabilities and net assets	122,209	125,930

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

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales		
Net sales from completed construction contracts	121,170	139,027
Net sales from sideline businesses	286	189
Total net sales	121,457	139,216
Cost of sales		
Cost of sales of completed construction contracts	96,149	108,791
Cost of sales of sideline businesses	210	99
Total cost of sales	96,360	108,890
Gross profit		
Gross profit on completed construction contracts	25,021	30,235
Gross profit on sideline businesses	76	90
Total gross profit	25,097	30,326
Selling, general and administrative expenses	12,285	13,124
Operating profit	12,811	17,201
Non-operating income		
Interest income	121	161
Dividend income	299	203
Royalty income	14	19
Insurance claim income	36	94
Rental income from non-current assets	416	409
Foreign exchange gains	–	128
Share of profit of entities accounted for using equity method	21	33
Other	175	194
Total non-operating income	1,085	1,246
Non-operating expenses		
Interest expenses	103	116
Loss on sale of notes receivable - trade	18	36
Commission expenses	62	79
Guarantee commission	55	70
Rental costs	324	322
Foreign exchange losses	27	–
Other	136	109
Total non-operating expenses	727	735
Ordinary profit	13,169	17,712
Extraordinary income		
Gain on sale of non-current assets	375	74
Gain on sale of investment securities	789	176
Total extraordinary income	1,165	251

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary losses		
Loss on sale and retirement of non-current assets	335	33
Impairment losses	–	541
Loss on sale of investment securities	29	30
Loss on valuation of shares of subsidiaries and associates	–	63
Loss on liquidation of subsidiaries and associates	–	1
Total extraordinary losses	364	670
Profit before income taxes	13,969	17,293
Income taxes - current	3,635	5,603
Income taxes - deferred	445	(805)
Total income taxes	4,081	4,797
Profit	9,888	12,495
Profit (loss) attributable to non-controlling interests	(30)	7
Profit attributable to owners of parent	9,919	12,487

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	9,888	12,495
Other comprehensive income		
Valuation difference on available-for-sale securities	(125)	1,231
Revaluation reserve for land	(21)	–
Foreign currency translation adjustment	(156)	423
Remeasurements of defined benefit plans, net of tax	717	878
Share of other comprehensive income of entities accounted for using equity method	(197)	194
Total other comprehensive income	215	2,728
Comprehensive income	10,104	15,223
Comprehensive income attributable to:		
Owners of parent	10,167	15,184
Non-controlling interests	(63)	39

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,119	6,447	78,867	(4,951)	86,483
Changes during period					
Dividends of surplus			(4,763)		(4,763)
Profit attributable to owners of parent			9,919		9,919
Purchase of treasury shares				(7,760)	(7,760)
Cancellation of treasury shares			(10,640)	10,640	–
Reversal of revaluation reserve for land			(82)		(82)
Delivery of treasury shares through the stock benefit trust					–
Change in scope of consolidation					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(5,567)	2,880	(2,687)
Balance at end of period	6,119	6,447	73,300	(2,071)	83,795

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,804	(1,120)	2,217	805	3,706	905	91,094
Changes during period							
Dividends of surplus							(4,763)
Profit attributable to owners of parent							9,919
Purchase of treasury shares							(7,760)
Cancellation of treasury shares							–
Reversal of revaluation reserve for land		82			82		–
Delivery of treasury shares through the stock benefit trust							–
Change in scope of consolidation							–
Net changes in items other than shareholders' equity	(125)	(21)	(321)	717	248	(63)	185
Total changes during period	(125)	61	(321)	717	331	(63)	(2,419)
Balance at end of period	1,678	(1,059)	1,895	1,523	4,037	841	88,674

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,119	6,447	73,300	(2,071)	83,795
Changes during period					
Dividends of surplus			(4,858)		(4,858)
Profit attributable to owners of parent			12,487		12,487
Purchase of treasury shares				(8,192)	(8,192)
Cancellation of treasury shares			(6,657)	6,657	–
Reversal of revaluation reserve for land			(0)		(0)
Delivery of treasury shares through the stock benefit trust				39	39
Change in scope of consolidation		(0)			(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	970	(1,496)	(525)
Balance at end of period	6,119	6,447	74,270	(3,567)	83,270

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,678	(1,059)	1,895	1,523	4,037	841	88,674
Changes during period							
Dividends of surplus							(4,858)
Profit attributable to owners of parent							12,487
Purchase of treasury shares							(8,192)
Cancellation of treasury shares							–
Reversal of revaluation reserve for land		0			0		–
Delivery of treasury shares through the stock benefit trust							39
Change in scope of consolidation							(0)
Net changes in items other than shareholders' equity	1,231	–	586	878	2,697	39	2,736
Total changes during period	1,231	0	586	878	2,697	39	2,211
Balance at end of period	2,909	(1,058)	2,482	2,401	6,735	880	90,886

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	13,969	17,293
Depreciation	3,050	3,062
Amortization of goodwill	45	47
Impairment losses	–	541
Increase (decrease) in allowance for doubtful accounts	(7)	(5)
Increase (decrease) in provision for warranties for completed construction	(30)	31
Increase (decrease) in provision for loss on construction contracts	(172)	170
Decrease (increase) in retirement benefit asset	129	(203)
Increase (decrease) in provision for share awards for directors	18	6
Interest and dividend income	(421)	(365)
Interest expenses	103	116
Loss on sale of notes receivable - trade	18	36
Share of loss (profit) of entities accounted for using equity method	(21)	(33)
Loss (gain) on sale and retirement of non-current assets	(40)	(40)
Loss (gain) on sale of investment securities	(760)	(146)
Loss on valuation of shares of subsidiaries and associates	–	63
Loss (gain) on liquidation of subsidiaries and associates	–	1
Decrease (increase) in trade receivables	(1,309)	(2,704)
Decrease (increase) in costs on construction contracts in progress	8	(4)
Decrease (increase) in inventories	20	53
Increase (decrease) in trade payables	(330)	(1,381)
Increase (decrease) in advances received on construction contracts in progress	(664)	678
Other, net	(8)	(80)
Subtotal	13,596	17,137
Interest and dividends received	424	369
Interest paid	(103)	(116)
Payments for sale of notes receivable - trade	(18)	(36)
Income taxes paid	(3,545)	(3,691)
Net cash provided by (used in) operating activities	10,354	13,662

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,719)	(3,214)
Proceeds from sale of property, plant and equipment	1,283	351
Purchase of intangible assets	(51)	(108)
Purchase of investment securities	(85)	(131)
Proceeds from sale of investment securities	1,098	437
Purchase of shares of subsidiaries and associates	–	(7)
Collection of loans receivable from subsidiaries and associates	4	4
Proceeds from sale of investment property	280	–
Purchase of insurance funds	(604)	(461)
Proceeds from maturity of insurance funds	822	1,005
Other, net	75	237
Net cash provided by (used in) investing activities	(1,896)	(1,885)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	192	227
Proceeds from long-term borrowings	–	7
Repayments of long-term borrowings	(59)	(62)
Purchase of treasury shares	(7,760)	(8,192)
Repayments of finance lease liabilities	(19)	(70)
Dividends paid	(4,752)	(4,860)
Net cash provided by (used in) financing activities	(12,399)	(12,950)
Effect of exchange rate change on cash and cash equivalents	(45)	202
Net increase (decrease) in cash and cash equivalents	(3,986)	(971)
Cash and cash equivalents at beginning of period	34,933	30,947
Cash and cash equivalents at end of period	30,947	29,975

(5) Notes to the Consolidated Financial Statements

Notes on Premise of Going Concern

No relevant items to report.

Notes on Segment Information, Etc.

Segment information

1. Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Company's Board of Directors to determine the allocation of management resources and evaluate their performance.

The Group has branches and consolidated subsidiaries in each region, and each branch and consolidated subsidiary formulates comprehensive domestic and overseas strategies and conducts business activities in the construction business, including order receipt, construction, and sales of products and materials.

Therefore, the Group consists of businesses that include civil engineering, building construction, and sales of products and materials based on branches and consolidated subsidiaries. In order to provide appropriate information on the nature of business activities and the business environment, multiple segments with similar business structures are aggregated and classified as the Construction Business reportable segment.

The Construction Business engages in slope stabilization and protection, foundations and ground improvement, repair and reinforcement, environmental remediation, general civil engineering, and building construction.

2. Calculation of the amounts of net sales, profit or loss, assets and other items by reportable segment

The accounting method for reported business segments is consistent with the accounting policies adopted in the preparation of the consolidated financial statements.

The figures for profit of reportable segments are based on operating profit.

Inter-segment transactions and transfers are based on prevailing market prices.

3. Information on the amounts of net sales, profit or loss, assets and other items by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment	Other (Note)	Total
	Construction Business		
Net sales			
Net sales to external customers	121,170	286	121,457
Inter-segment sales and transfers	41	1,122	1,163
Total	121,211	1,409	122,621
Segment expenses	108,423	1,387	109,810
Segment profit	12,788	22	12,810
Segment assets	82,930	1,096	84,027
Other			
Depreciation	3,025	24	3,050
Increase in property, plant and equipment and intangible assets	4,785	72	4,857

Note: Other is a business segment not included in the reportable segment and includes the product and materials sales business, the leasing business, and the home-visit care business.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segment	Other (Note)	Total
	Construction Business		
Net sales			
Net sales to external customers	139,027	189	139,216
Inter-segment sales and transfers	–	927	927
Total	139,027	1,117	140,144
Segment expenses	121,873	1,070	122,944
Segment profit	17,153	46	17,200
Segment assets	78,425	1,422	79,848
Other			
Depreciation	3,036	26	3,062
Increase in property, plant and equipment and intangible assets	3,572	8	3,580

Note: Other is a business segment not included in the reportable segment and includes the product and materials sales business, the leasing business, and the home-visit care business.

4. Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements and the main details of such difference (matters concerning reconciliation)

(Millions of yen)

Net sales	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segment total	121,211	139,027
Net sales of Other	1,409	1,117
Inter-segment eliminations	(1,163)	(927)
Net sales in consolidated financial statements	121,457	139,216

(Millions of yen)

Profit	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segment total	12,788	17,153
Profit of Other	22	46
Inter-segment eliminations	0	1
Operating profit in consolidated financial statements	12,811	17,201

(Millions of yen)

Assets	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segment total	82,930	78,425
Assets of Other	1,096	1,422
Corporate assets	39,300	47,100
Other adjustments	(1,117)	(1,018)
Total assets in consolidated financial statements	122,209	125,930

(Millions of yen)

Other	Reportable segment total		Other		Adjustments		Amount recorded in consolidated financial statements	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Depreciation	3,025	3,036	24	26	–	–	3,050	3,062
Increase in property, plant and equipment and intangible assets	4,785	3,572	72	8	–	–	4,857	3,580

5. Information on impairment loss on non-current assets, goodwill, etc. by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
No relevant items to report.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segment	Other	Total
	Construction Business		
Impairment loss	541	–	541

Related information

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information for each product and service

   Information for each product and service has been omitted here because the same information is disclosed in Segment Information.

2. Information for each region

   (1) Net sales

(Millions of yen)

Japan	North America	Other regions or countries	Total
110,478	7,613	3,365	121,457

   (2) Property, plant and equipment

   Information for property, plant and equipment has been omitted here as property, plant and equipment located in Japan exceeds 90% of the property, plant and equipment in the consolidated balance sheet.

3. Information for each main customer

   Of sales to external customers, there are no customers who account for 10% or more of net sales in the consolidated statement of income.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Information for each product and service

   Information for each product and service has been omitted here because the same information is disclosed in Segment Information.

2. Information for each region

   (1) Net sales

(Millions of yen)

Japan	North America	Other regions or countries	Total
123,181	11,358	4,676	139,216

   (2) Property, plant and equipment

   Information for property, plant and equipment has been omitted here as property, plant and equipment located in Japan exceeds 90% of the property, plant and equipment in the consolidated balance sheet.

3. Information for each main customer

   Of sales to external customers, there are no customers who account for 10% or more of net sales in the consolidated statement of income.

Information on amortization of goodwill and unamortized balance by reportable segment

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Construction Business	Other	Elimination/ Corporate	Total
Amortized amount	45	–	–	45
Unamortized balance	360	–	–	360

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Millions of yen)

	Construction Business	Other	Elimination/ Corporate	Total
Amortized amount	47	–	–	47
Unamortized balance	331	–	–	331

Information on gain on negative goodwill by reportable segment

No relevant items to report.

Notes on Per Share Information

(Yen)

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	1,972.70	2,141.13
Basic earnings per share	214.30	288.50

Notes: 1. Diluted earnings per share is not shown here as there are no shares with dilutive potential.

2. The basis for calculating the basic earnings per share is as shown below.

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of parent (Millions of yen)	9,919	12,487
Amounts not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	9,919	12,487
Average number of common shares outstanding in the fiscal year (Shares)	46,285,169	43,283,968

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

Item	As of March 31, 2025	As of March 31, 2026
Total net assets in consolidated balance sheet (Millions of yen)	88,674	90,886
Amount deducted from total net assets in consolidated balance sheet (Millions of yen)	841	880
[Of which non-controlling interests (Millions of yen)]	[841]	[880]
Net assets relating to common shares (Millions of yen)	87,833	90,005
Number of shares of common shares issued (Shares)	45,467,550	42,970,450
Number of treasury shares of common shares (Shares)	942,865	933,772
Number of shares of common shares used in the calculation of net assets per share (Shares)	44,524,685	42,036,678

4. The Company's shares held by the trust for the delivery of shares to Directors are included in treasury shares, which is deducted from the total number of issued shares at the end of the period for the purpose of calculating net assets per share (Fiscal year ended March 31, 2025: 145,060 shares, Fiscal year ended March 31, 2026: 129,162 shares).

   In addition, the Company's shares held by the trust for the delivery of shares to Directors are included in treasury shares, which is deducted from the average number of shares outstanding during the period for the purpose of calculating basic earnings per share (Fiscal year ended March 31, 2025: 145,060 shares, Fiscal year ended March 31, 2026: 135,276 shares).

Notes on Significant Subsequent Events

No relevant items to report.

4. Non-consolidated Financial Statements and Significant Notes Thereto

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	19,215	22,944
Notes receivable - trade	256	68
Electronically recorded monetary claims - operating	2,043	4,633
Accounts receivable from completed construction contracts	32,698	33,149
Costs on construction contracts in progress	1,295	1,391
Raw materials and supplies	608	523
Accounts receivable - other	905	299
Prepaid expenses	238	274
Advances paid	521	52
Other	279	226
Allowance for doubtful accounts	(33)	(33)
Total current assets	58,030	63,531
Non-current assets		
Property, plant and equipment		
Buildings	11,755	11,588
Accumulated depreciation	(4,240)	(4,469)
Buildings, net	7,515	7,118
Structures	2,282	2,323
Accumulated depreciation	(1,800)	(1,782)
Structures, net	481	540
Machinery and equipment	23,863	25,408
Accumulated depreciation	(19,951)	(21,199)
Machinery and equipment, net	3,911	4,208
Vehicles	283	335
Accumulated depreciation	(204)	(240)
Vehicles, net	78	94
Tools, furniture and fixtures	4,490	4,501
Accumulated depreciation	(3,949)	(4,091)
Tools, furniture and fixtures, net	540	409
Land	10,515	10,561
Leased assets	64	47
Accumulated depreciation	(43)	(26)
Leased assets, net	21	20
Construction in progress	213	72
Total property, plant and equipment	23,278	23,028
Intangible assets		
Software	263	265
Total intangible assets	263	265

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Investments and other assets		
Investment securities	4,354	5,992
Shares of subsidiaries and associates	6,674	6,517
Long-term loans receivable from employees	0	1
Long-term loans receivable from subsidiaries and associates	600	599
Distressed receivables	6	6
Long-term prepaid expenses	27	33
Prepaid pension costs	1,933	2,145
Deferred tax assets	544	768
Other	3,544	3,082
Allowance for doubtful accounts	(363)	(357)
Total investments and other assets	17,324	18,791
Total non-current assets	40,867	42,085
Total assets	98,898	105,617
Liabilities		
Current liabilities		
Notes payable - trade	960	256
Electronically recorded obligations - operating	7,626	7,600
Accounts payable for construction contracts	8,273	7,614
Lease liabilities	15	8
Accounts payable - other	622	853
Accrued expenses	2,346	2,772
Income taxes payable	1,691	3,771
Advances received on construction contracts in progress	994	1,589
Deposits received	122	126
Deposits received from subsidiaries and associates	–	7,024
Provision for warranties for completed construction	74	106
Provision for loss on construction contracts	32	203
Notes payable - facilities	317	221
Other	4,466	3,293
Total current liabilities	27,545	35,442
Non-current liabilities		
Deferred tax liabilities for land revaluation	769	758
Lease liabilities	12	12
Provision for share awards for directors	129	136
Other	13	11
Total non-current liabilities	924	919
Total liabilities	28,470	36,362

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Net assets		
Shareholders' equity		
Share capital	6,119	6,119
Capital surplus		
Legal capital surplus	6,358	6,358
Total capital surplus	6,358	6,358
Retained earnings		
Legal retained earnings	1,221	1,221
Other retained earnings		
Reserve for tax purpose reduction entry	9	8
General reserve	15,258	15,258
Retained earnings brought forward	42,914	42,005
Total retained earnings	59,403	58,494
Treasury shares	(2,071)	(3,567)
Total shareholders' equity	69,809	67,404
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,678	2,909
Revaluation reserve for land	(1,059)	(1,058)
Total valuation and translation adjustments	618	1,850
Total net assets	70,428	69,255
Total liabilities and net assets	98,898	105,617

(2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales		
Net sales from completed construction contracts	101,304	115,255
Total net sales	101,304	115,255
Cost of sales		
Cost of sales of completed construction contracts	79,303	88,714
Total cost of sales	79,303	88,714
Gross profit		
Gross profit on completed construction contracts	22,000	26,540
Total gross profit	22,000	26,540
Selling, general and administrative expenses		
Remuneration for directors	396	402
Employees' salaries and allowances	5,059	5,510
Retirement benefit expenses	198	133
Legal welfare expenses	796	848
Welfare expenses	142	147
Repair and maintenance expenses	11	21
Stationery expenses	234	260
Communication and transportation expenses	513	526
Power utilities expenses	50	50
Research and development expenses	872	911
Advertising expenses	24	33
Provision of allowance for doubtful accounts	(7)	(5)
Entertainment expenses	80	86
Donations	24	29
Rent expenses on land and buildings	395	395
Depreciation	346	396
Taxes and dues	473	399
Insurance expenses	73	115
Miscellaneous expenses	949	1,150
Total selling, general and administrative expenses	10,638	11,414
Operating profit	11,361	15,126
Non-operating income		
Interest income	22	22
Dividend income	298	297
Royalty income	14	19
Insurance claim income	3	34
Rental income from non-current assets	414	407
Foreign exchange gains	6	91
Miscellaneous income	147	170
Total non-operating income	908	1,044

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Non-operating expenses		
Interest expenses	1	37
Commission expenses	62	79
Loss on sale of notes receivable - trade	18	36
Guarantee commission	54	67
Rental costs	324	322
Miscellaneous expenses	121	92
Total non-operating expenses	582	636
Ordinary profit	11,688	15,534
Extraordinary income		
Gain on sale of non-current assets	381	96
Gain on sale of investment securities	789	176
Total extraordinary income	1,171	273
Extraordinary losses		
Loss on sale and retirement of non-current assets	343	33
Impairment losses	–	541
Loss on sale of investment securities	29	30
Loss on valuation of shares of subsidiaries and associates	–	63
Loss on liquidation of subsidiaries and associates	–	22
Total extraordinary losses	372	692
Profit before income taxes	12,486	15,116
Income taxes - current	3,279	5,310
Income taxes - deferred	444	(801)
Total income taxes	3,723	4,508
Profit	8,762	10,607

Completed Construction Contracts Cost Report

		Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026	
Classification	Note No.	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)
Material costs		22,150	27.9	23,141	26.1
Labor expenses		476	0.6	569	0.6
[Of which labor outsourcing expenses]		[–]	[–]	[–]	[–]
Outsourcing expenses		34,741	43.8	41,066	46.3
Expenses		21,935	27.6	23,936	27.0
[Of which personnel expenses]		[5,681]	[7.1]	[6,000]	[6.8]
Total		79,303	100.0	88,714	100.0

Note: The cost accounting method is job-order costing.

(3) Non-consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus		Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward			
Balance at beginning of period	6,119	6,358	6,358	1,221	11	15,258	49,636	66,127	(4,951)	73,653
Changes during period										
Dividends of surplus							(4,763)	(4,763)		(4,763)
Profit							8,762	8,762		8,762
Reversal of reserve for tax purpose reduction entry					(2)		2	–		–
Purchase of treasury shares									(7,760)	(7,760)
Cancellation of treasury shares							(10,640)	(10,640)	10,640	–
Reversal of revaluation reserve for land							(82)	(82)		(82)
Delivery of treasury shares through the stock benefit trust										–
Net changes in items other than shareholders' equity										
Total changes during period	–	–	–	–	(2)	–	(6,722)	(6,724)	2,880	(3,844)
Balance at end of period	6,119	6,358	6,358	1,221	9	15,258	42,914	59,403	(2,071)	69,809

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	1,804	(1,120)	683	74,336
Changes during period				
Dividends of surplus				(4,763)
Profit				8,762
Reversal of reserve for tax purpose reduction entry				–
Purchase of treasury shares				(7,760)
Cancellation of treasury shares				–
Reversal of revaluation reserve for land		82	82	–
Delivery of treasury shares through the stock benefit trust				–
Net changes in items other than shareholders' equity	(125)	(21)	(147)	(147)
Total changes during period	(125)	61	(64)	(3,908)
Balance at end of period	1,678	(1,059)	618	70,428

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus		Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
					Reserve for tax purpose reduction entry	General reserve	Retained earnings brought forward			
Balance at beginning of period	6,119	6,358	6,358	1,221	9	15,258	42,914	59,403	(2,071)	69,809
Changes during period										
Dividends of surplus							(4,858)	(4,858)		(4,858)
Profit							10,607	10,607		10,607
Reversal of reserve for tax purpose reduction entry					(0)		0	–		–
Purchase of treasury shares									(8,192)	(8,192)
Cancellation of treasury shares							(6,657)	(6,657)	6,657	–
Reversal of revaluation reserve for land							(0)	(0)		(0)
Delivery of treasury shares through the stock benefit trust									39	39
Net changes in items other than shareholders' equity										
Total changes during period	–	–	–	–	(0)	–	(908)	(909)	(1,496)	(2,405)
Balance at end of period	6,119	6,358	6,358	1,221	8	15,258	42,005	58,494	(3,567)	67,404

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	1,678	(1,059)	618	70,428
Changes during period				
Dividends of surplus				(4,858)
Profit				10,607
Reversal of reserve for tax purpose reduction entry				–
Purchase of treasury shares				(8,192)
Cancellation of treasury shares				–
Reversal of revaluation reserve for land		0	0	–
Delivery of treasury shares through the stock benefit trust				39
Net changes in items other than shareholders' equity	1,231	–	1,231	1,231
Total changes during period	1,231	0	1,232	(1,173)
Balance at end of period	2,909	(1,058)	1,850	69,255

(4) Notes to the Non-consolidated Financial Statements

Notes on Premise of Going Concern

No relevant items to report.