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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]



November 14, 2025

Company name: Sumitomo Mitsui Construction Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 1821
 URL: <https://www.smcon.co.jp/en/>
 Representative: Toshio Shibata, Representative Director, President
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 Scheduled date to file semi-annual securities report: November 14, 2025
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	189,250	(13.3)	4,749	—	3,417	—	2,696	—
September 30, 2024	218,251	(5.4)	(6,809)	—	(9,270)	—	(14,581)	—

Note: Comprehensive income For the six months ended September 30, 2025: ¥2,085 million [—%]
 For the six months ended September 30, 2024: ¥(12,687) million [—%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	17.19	—
September 30, 2024	(93.02)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	375,342	77,172	18.7
March 31, 2025	393,474	77,315	17.8

Reference: Equity

As of September 30, 2025: ¥70,095 million

As of March 31, 2025: ¥70,110 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	0.00	—	14.00	14.00
Fiscal year ending March 31, 2026	—	0.00			
Fiscal year ending March 31, 2026 (Forecast)			—	—	—

Note: As announced in “Notice of Holding of Extraordinary Shareholders’ Meeting for Share Consolidation, Abolition of Provisions on Share Unit Numbers, and Partial Amendments to Articles of Incorporation” dated September 30, 2025, the Company will become a wholly-owned subsidiary of INFRONEER Holdings Inc. and the Company shares will be delisted after completing the prescribed procedures. Therefore, the dividend forecasts for the fiscal year ending March 31, 2026 are not provided.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

As announced in “Notice of Holding of Extraordinary Shareholders’ Meeting for Share Consolidation, Abolition of Provisions on Share Unit Numbers, and Partial Amendments to Articles of Incorporation” dated September 30, 2025, the Company will become a wholly-owned subsidiary of INFRONEER Holdings Inc. and the Company shares will be delisted after completing the prescribed procedures. Therefore, consolidated financial result forecasts for the fiscal year ending March 31, 2026 are not provided.

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	162,673,321 shares
As of March 31, 2025	162,673,321 shares

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

As of September 30, 2025	5,795,470 shares
As of March 31, 2025	5,788,439 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	156,883,062 shares
Six months ended September 30, 2024	156,758,416 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts and other special matters

As announced in “Notice of Holding of Extraordinary Shareholders’ Meeting for Share Consolidation, Abolition of Provisions on Share Unit Numbers, and Partial Amendments to Articles of Incorporation” dated September 30, 2025, the Company will become a wholly-owned subsidiary of INFRONEER Holdings Inc. and the Company shares will be delisted after completing the prescribed procedures. Therefore, consolidated financial result forecasts for the fiscal year ending March 31, 2026 are not provided.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Six Months under Review

During the six months under review, the Japanese economy has been expected to show a gradual recovery due to an improvement in the employment and income environment and the effects of various policy measures. On the other hand, it is exposed to downside risks, warranting close attention, including U.S. trade policy and the impact of persistently higher prices on consumer spending.

In the domestic construction market, public-sector investment remained robust and private-sector investment also showed signs of gradual recovery. However, the business environment remained challenging, due in part to ongoing high prices for construction materials and tight labor supply and demand.

Under these circumstances, the financial results of the Group for the six months under review were as follows.

Net sales decreased by 29.0 billion yen year on year to 189.3 billion yen. In terms of profits, operating profit was 4.7 billion yen (the result for the same period of the previous fiscal year was an operating loss of 6.8 billion yen, ordinary profit was 3.4 billion yen (the result for the same period of the previous fiscal year was an ordinary loss of 9.3 billion yen), and profit attributable to owners of parent was 2.7 billion yen (the result for the same period of the previous fiscal year was a loss of 14.6 billion yen).

The financial results by segment for Civil Construction and Building Construction, respectively, were as follows. Data by segment is presented including internal net sales or transfers.

(Civil Construction)

Net sales was 94.3 billion yen (a decrease of 3.3 billion yen year on year) and gross profit was 12.0 billion yen (an increase of 1.2 billion yen year on year).

(Building Construction)

Net sales was 95.0 billion yen (a decrease of 25.7 billion yen year on year) and gross profit was 7.0 billion yen (the result for the same period of the previous fiscal year was a gross loss of 4.6 billion yen).

(2) Overview of Financial Position for the Six Months under Review

(Assets)

Trade notes receivable, accounts receivable on completed construction contracts and other increased by 2.7 billion yen from the end of the previous fiscal year, and investment and other assets increased by 1.6 billion yen. However, cash and deposits decreased by 15.8 billion yen and other current assets decreased by 4.8 billion yen from the end of the previous fiscal year.

As a result, total assets at the end of the six months under review decreased by 18.1 billion yen from the end of the previous fiscal year to 375.3 billion yen.

(Liabilities)

The balance of interest bearing debt which is the total of short-term bank loans and current portion of long-term debt and corporate bond payable (including current portion of bonds payable) and long-term debt increased by 13.1 billion yen from the end of the previous fiscal year, and advances received on construction contracts in progress increased by 3.1 billion yen. However, payables which are the total of trade notes payable, accounts payable on construction contracts and other and electronically recorded payable decreased by 24.2 billion yen from the end of the previous fiscal year, and provision for loss on construction contracts decreased by 8.1 billion yen.

As a result, total liabilities at the end of the six months under review decreased by 18.0 billion yen from the end of the previous fiscal year to 298.2 billion yen.

(Net assets)

Shareholders' equity increased by 0.5 billion yen from the end of the previous fiscal year as a result of the recording of profit attributable to owners of parent of 2.7 billion yen, as well as dividends from surplus of

2.2 billion yen, etc.

Accumulated other comprehensive income decreased by 0.5 billion yen, due in part to a decrease in translation adjustments.

As a result, total net assets at the end of the six months under review decreased by 0.1 billion yen from the end of the previous fiscal year to 77.2 billion yen.

The equity-to-asset ratio improved by 0.9 percentage points to 18.7% from 17.8% at the end of the previous fiscal year.

(3) Information Regarding Consolidated Financial Result Forecasts and Other Forward-Looking Statements

As announced in “Notice of Holding of Extraordinary Shareholders’ Meeting for Share Consolidation, Abolition of Provisions on Share Unit Numbers, and Partial Amendments to Articles of Incorporation” dated September 30, 2025, the Company will become a wholly-owned subsidiary of INFRONEER Holdings Inc. and the Company shares will be delisted after completing the prescribed procedures. Therefore, consolidated financial result forecasts for the fiscal year ending March 31, 2026 are not provided.

(4) Business and Financial Issues to be Addressed on a Priority Basis

- 1) With regard to a condominium which was constructed by the Company and is located in the city of Yokohama, on November 28, 2017, Mitsui Fudosan Residential Co., Ltd. (hereinafter, “Residential”), one of the parties who ordered the condominium in question, filed a lawsuit against the Company and two piling companies, claiming compensation for the expenses, etc. required for rebuilding the entire condominium in question in a total amount of approximately 45.9 billion yen (subsequently increased to approximately 51.0 billion yen on July 11, 2018 and then decreased from approximately 51.0 billion yen to approximately 50.6 billion yen on September 30, 2022). The Company believes that the claim made by Residential is groundless and lacks justification, and will continue to properly present our arguments in the trial.
- 2) SMCR Co., Ltd., which is a subsidiary of the Company, underwent an on-site inspection by the Japan Fair Trade Commission in April 2025, on suspicion of violating the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, in association with an order received for a large-scale repair project of a condominium located in the Kanto area. SMCR takes seriously the situation of being subject to such an investigation, and it will fully cooperate with the investigation conducted by the Japan Fair Trade Commission. The Group has undertaken a group-wide effort to eliminate such illegal activities.

The monetary amounts in “1. Overview of Operating Results, etc.” (expressed in terms of billions of yen) have been rounded down to the nearest unit.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	72,668	56,847
Trade notes receivable, accounts receivable on completed construction contracts and other	179,578	182,284
Inventories	42,093	40,273
Other current assets	44,632	39,855
Allowance for doubtful receivables	(1,449)	(1,116)
Total current assets	337,524	318,143
Non-current assets		
Property and equipment, at cost	36,622	36,718
Intangible fixed assets	4,945	4,530
Investments and other assets		
Asset for retirement benefits	26	26
Other	15,250	16,805
Allowance for doubtful receivables	(895)	(881)
Total investments and other assets	14,382	15,949
Total non-current assets	55,950	57,198
Total assets	393,474	375,342

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities and net assets		
Current liabilities		
Trade notes payable, accounts payable on construction contracts and other	82,370	61,082
Electronically recorded payable	29,339	26,400
Short-term bank loans and current portion of long-term debt	31,530	44,986
Current portion of bonds payable	5,000	5,000
Advances received on construction contracts in progress	62,336	65,417
Provision for warranties for completed construction	401	416
Provision for loss on construction contracts	13,020	4,967
Provision for contingent loss	2,159	2,159
Other current liabilities	28,782	26,947
Total current liabilities	254,940	237,377
Long-term liabilities		
Corporate bond payable	5,000	5,000
Long-term debt	35,432	35,075
Provision for share-based payments	67	56
Long-term income taxes payable	490	-
Liability for retirement benefits	16,989	16,828
Other long-term liabilities	3,239	3,831
Total long-term liabilities	61,219	60,792
Total liabilities	316,159	298,169
Net assets		
Shareholders' equity		
Capital stock	12,003	12,003
Additional paid-in capital	525	518
Retained earnings	57,363	57,863
Treasury stock, at cost	(3,540)	(3,545)
Total shareholders' equity	66,351	66,841
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	366	756
Deferred loss on hedging instruments, net of taxes	40	43
Land revaluation	66	66
Translation adjustments	3,585	2,606
Retirement benefits liability adjustment	(299)	(218)
Total accumulated other comprehensive income	3,759	3,253
Non-controlling interests	7,204	7,077
Total net assets	77,315	77,172
Total liabilities and net assets	393,474	375,342

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	218,251	189,250
Cost of sales	211,931	170,130
Gross profit	6,319	19,119
Selling, general and administrative expenses	13,128	14,370
Operating profit (loss)	(6,809)	4,749
Non-operating income		
Interest income	940	671
Dividend income	51	62
Other	267	214
Total non-operating income	1,259	948
Non-operating expenses		
Interest expense	1,379	1,364
Other	2,340	916
Total non-operating expenses	3,719	2,281
Ordinary profit (loss)	(9,270)	3,417
Extraordinary income		
Gain on sales of property and equipment	239	0
Gain on sales of investments in securities	0	10
Total extraordinary income	240	10
Extraordinary losses		
Loss on sales and disposal of property and equipment	34	23
Other, net	8	6
Total extraordinary losses	43	29
Profit (loss) before income taxes	(9,073)	3,397
Income taxes	5,524	765
Profit (loss)	(14,598)	2,631
Loss attributable to non-controlling interests	(16)	(64)
Profit (loss) attributable to owners of parent	(14,581)	2,696

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit (loss)	(14,598)	2,631
Other comprehensive income		
Unrealized holding gain (loss) on securities	(120)	389
Deferred gain on hedging instruments, net of taxes	12	3
Translation adjustments	1,896	(1,023)
Retirement benefits liability adjustments	122	84
Total other comprehensive income	1,910	(546)
Comprehensive income	(12,687)	2,085
Comprehensive income attributable to		
Owners of parent	(12,695)	2,191
Non-controlling interests	7	(105)

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended September 30, 2024	For the fiscal year ended September 30, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(9,073)	3,397
Depreciation and amortization	1,997	1,932
Amortization of goodwill	267	237
Decrease in allowance for doubtful receivables	(166)	(284)
Increase in provision for warranties for completed construction	31	20
Decrease in provision for loss on construction contracts	(3,092)	(8,041)
Increase (decrease) in provision for share-based payments	9	(3)
Decrease in liability for retirement benefits	(75)	(113)
(Gain) loss on sales and disposal of property and equipment	(204)	23
Gain on sales of investments in securities	(0)	(10)
Loss on valuation of investment securities	—	5
Interest and dividend income	(991)	(734)
Interest expense	1,379	1,364
Exchange loss, net	733	222
Increase in trade notes receivable, accounts receivable on completed construction contracts and other	(26,490)	(3,352)
(Increase) decrease in inventories	(6,591)	1,621
(Increase) decrease in other assets	(13,447)	4,302
Increase in retirement benefits liability adjustments included in accumulated other comprehensive income	129	85
Decrease in trade notes payable, accounts payable on construction contracts and other	(17,630)	(23,541)
Increase in advances received on construction contracts in progress	8,474	3,567
Decrease in other liabilities	(11,436)	(2,136)
Other	170	(32)
Subtotal	(76,011)	(21,468)
Interest and dividends received	958	747
Interest paid	(1,412)	(1,405)
Income taxes paid	(1,344)	(1,383)
Net cash provided by (used in) operating activities	(77,809)	(23,510)
Cash flows from investing activities		
Decrease (increase) in fixed deposits	2,007	(642)
Purchases of securities	(277)	(177)
Proceeds from sale of securities	—	280
Purchases of property and equipment	(1,183)	(1,077)
Proceeds from sales of property and equipment	302	2
Purchases of intangible fixed assets	(477)	(222)
Purchases of investments in securities	(0)	(0)
Proceeds from sales of investments in securities	0	19
Proceeds from sales of shares of associates	—	40
Disbursements for loans receivable	(15)	(199)
Proceeds from collection of loans receivable	52	390
Other	(13)	(16)
Net cash provided by (used in) investing activities	396	(1,603)

(Millions of yen)

	For the fiscal year ended September 30, 2024	For the fiscal year ended September 30, 2025
Cash flows from financing activities		
Increase in short-term bank loans	63,985	13,520
Payments of long-term debt	(456)	(421)
Decrease in deposits from employees	(135)	(97)
Increase in treasury stock	(0)	(4)
Cash dividends paid	(2,185)	(2,194)
Cash dividends paid for non-controlling shareholders	(205)	(206)
Repayments of lease obligations	(409)	(420)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(72)	—
Net cash provided by (used in) financing activities	60,520	10,175
Effect of exchange rate changes on cash and cash equivalents	221	(861)
Net decrease in cash and cash equivalents	(16,671)	(15,799)
Cash and cash equivalents at beginning of period	89,625	68,921
Cash and cash equivalents at end of period	72,953	53,121

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes when there are significant changes in amounts of shareholders' equity)

Not applicable.

(Application of specific accounting for preparing semi-annual consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against profit before income taxes for the fiscal year including the six months under review, and then by multiplying the semi-annual profit before income taxes by such estimated effective tax rate. However, if the estimated effective tax rate cannot be used, the statutory effective tax rate is multiplied to calculate the amount.

Note that income taxes - deferred is included in income taxes.

(Additional information)

(Share Consolidation, Abolition of Provisions on Share Unit Numbers, and Partial Amendments to Articles of Incorporation)

The Company adopted a resolution at its Board of Directors' meeting held on September 30, 2025 to convene an extraordinary shareholders' meeting scheduled for November 18, 2025 (the "Extraordinary Shareholders' Meeting") and submit thereto proposals for the share consolidation, abolition of provisions on share unit numbers, and partial amendments to the Articles of Incorporation.

1. Share Consolidation

(1) Purposes of and Reasons for the Share Consolidation

As announced in "Notice Regarding Expression of Opinion in Support of the Commencement of the Tender Offer for the Company Shares by INFRONEER Holdings Inc. and Recommendation to Tender Shares in the Tender Offer" dated August 5, 2025 (the "Press Release Expressing Opinion"), INFRONEER Holdings Inc. (the "Tender Offeror") decided to conduct a tender offer (the "Tender Offer") for the Company Shares as part of a series of transactions (the "Transaction") to make the Company's shareholder only the Tender Offeror and privatize the Company Shares. Furthermore, as stated in "Notice of Results of Tender Offer for Company Shares by INFRONEER Holdings Inc. and Change in Parent Company and Largest Major Shareholder" dated September 19, 2025, on September 26, 2025, which is the commencement date of the settlement of the Tender Offer, the Tender Offeror became the owner of 126,464,523 Company Shares (ownership ratio (Note): 80.61%).

(Note) "Ownership ratio" means the percentage of the number of shares (156,884,882 shares; the "Reference Number of Shares") obtained by deducting the number of treasury shares owned by the Company as of March 31, 2025 (5,788,439 shares) from the total number of issued shares of the Company as of March 31, 2025 (162,673,321 shares) stated in the Company's Annual Securities Report for the 22nd Business Period submitted by the Company on June 26, 2025 (the "Company's Annual Securities Report for the 22nd Business Period") (rounded to the second decimal place; the same applies below in calculations of the ownership ratio).

Thereafter, the Tender Offer was successfully completed as described above; however, since the total number of voting rights of the Company owned by the Tender Offeror did not exceed 90% of the voting rights of all shareholders of the Company, at the request of the Tender Offeror, the Company decided, at the Board of Directors' meeting held on September 30, 2025, to submit a proposal for a consolidation of 50,000,000 Company Shares to one share (the "Share Consolidation") to the Extraordinary Shareholders' Meeting in order to make the Company's shareholder only the Tender Offeror, subject to the approval of the shareholders at the Extraordinary Shareholders' Meeting.

As a result of the Share Consolidation, the number of the Company Shares owned by shareholders other than the Tender Offeror will be a fraction less than one share.

(2) Schedule for the Share Consolidation

Date of public notice of the record date for the Extraordinary Shareholders' Meeting	Friday, September 12, 2025
Record date for the Extraordinary Shareholders' Meeting	Tuesday, September 30, 2025
Date of resolution by the Board of Directors	Tuesday, September 30, 2025
Date of holding the Extraordinary Shareholders' Meeting	Tuesday, November 18, 2025 (scheduled)
Date of designation as a delisted issue	Tuesday, November 18, 2025 (scheduled)

Last trading date of the Company Shares	Thursday, December 18, 2025 (scheduled)
Delisting date of the Company Shares	Friday, December 19, 2025 (scheduled)
Effective date of the Share Consolidation	Tuesday, December 23, 2025 (scheduled)

(3) Details of the Share Consolidation

1) Class of Shares to Be Consolidated

Shares of common stock

2) Consolidation Ratio

50,000,000 Company Shares will be consolidated into one share.

3) Total Number of Issued Shares to Be Decreased

156,880,370 shares (Note 1)

(Note 1) The total number of issued shares to be decreased is based on the number of shares obtained by deducting the number of treasury shares owned by the Company as of August 31, 2025 (5,792,948 shares) that will be cancelled on December 22, 2025, as resolved by the Board of Directors today, from the total number of issued shares of the Company as of June 30, 2025 (162,673,321 shares) stated in “Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]” (the “Company’s First Quarter Financial Results”) published by the Company on August 6, 2025.

4) Total Number of Issued Shares Before the Effective Date

156,880,373 shares (Note 2)

(Note 2) The total number of issued shares before the effective date is the number of shares obtained by deducting the number of treasury shares owned by the Company as of August 31, 2025 (5,792,948 shares) that will be cancelled on December 22, 2025, as resolved by the Board of Directors today, from the total number of issued shares of the Company as of June 30, 2025 (162,673,321 shares) stated in the Company’s First Quarter Financial Results published by the Company on August 6, 2025.

5) Total Number of Issued Shares After the Effective Date

3 shares

6) Total Number of Authorized Shares on the Effective Date

10 shares

7) Method of Treatment of Fractions Less than One Share, If Any, and Amount of Monies Expected to Be Delivered to Shareholders by Such Treatment

As a result of the Share Consolidation, the number of the Company Shares owned by shareholders other than the Tender Offeror will be a fraction less than one share. If a fraction less than one share arises in the number of shares as a result of the Share Consolidation, the Company will sell the Company Shares in a number equal to the total number of those fractions (if there is a fraction less than one share in that total number, that fraction is to be discarded; hereinafter the same) (the “Shares Equal to Total Fractions”) and will deliver the proceeds obtained from that sale to the shareholders in proportion to the fractions attributed to them in accordance with the procedures prescribed in Article 235 of the Companies Act (Act No. 86 of 2005, including subsequent amendments; hereinafter the same) and other applicable laws and regulations. Regarding such sale, given that the Share Consolidation will be conducted as part of the Transaction whose purpose is to make the Company’s shareholder only the Tender Offeror and privatize the Company Shares, that since the Company Shares will be delisted on December 19, 2025 and will have no market price, and that it is unlikely that a purchaser will appear in the case of an auction, the Company’s plan is for the Tender Offeror to purchase those shares with permission of the court, in

accordance with Article 234, paragraph (2) of the Companies Act as applied *mutatis mutandis* pursuant to Article 235, paragraph (2) of the same Act.

Regarding the sale price in this case, if the required court permission is obtained as scheduled, the Company plans to set the price in such a manner that monies in the amount obtained by multiplying (i) the number of the Company Shares owned by the shareholders listed or recorded in the Company's last shareholders' register on December 22, 2025, the day immediately preceding the effective date of the Share Consolidation, by (ii) 600 yen, being the same as the Tender Offer Price, will be delivered. However, if court permission is not obtained, or if fractional adjustments are required for calculation purposes, the amount of monies to be delivered may differ from the above amount.

(4) Prospects of Delisting

As stated in "1. Share Consolidation" above, the Company plans to conduct the Share Consolidation to make the Company's shareholder only the Tender Offeror, subject to the approval of the shareholders at the Extraordinary Shareholders' Meeting. As a result, the Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria of the TSE.

As for the schedule, the Company Shares will be designated as a delisted issue from November 18, 2025 to December 18, 2025, and subsequently delisted on December 19, 2025. After the delisting, no Company Shares can be traded on the Prime Market of the TSE.

2. Abolition of Provisions on Share Unit Numbers

(1) Reason for the Abolition

The total number of issued shares of the Company will be 3 shares if the Share Consolidation takes effect, and there will no longer be any need to provide the share unit numbers.

(2) Scheduled Abolition Date

Tuesday, December 23, 2025 (scheduled)

(3) Conditions for the Abolition

The abolition will take effect subject to the condition that the proposal regarding the Share Consolidation and the proposal regarding partial amendments to the Articles of Incorporation concerning the abolition of provisions on share unit numbers are approved and passed at the Extraordinary Shareholders' Meeting as originally drafted and the Share Consolidation takes effect.

3. Partial Amendments to the Articles of Incorporation

(1) Purposes of Amending the Articles of Incorporation

If the proposal regarding the Share Consolidation is approved and passed at the Extraordinary Shareholders' Meeting as originally drafted and the Share Consolidation takes effect, the total number of authorized shares of the Company will be amended to 10 shares. Therefore, the provision regarding the total number of authorized shares in Article 5 (Total Number of Shares) of the Articles of Incorporation will be amended on the condition that the Share Consolidation takes effect.

- 1) If the proposal regarding the Share Consolidation is approved and passed at the Extraordinary Shareholders' Meeting as originally drafted and the Share Consolidation takes effect, the total number of issued shares of the Company will be 3 shares, and there will no longer be any need to provide the share unit numbers. Therefore, on the condition that the Share Consolidation takes effect, in order to abolish the provisions on share unit numbers, which is currently 100 shares per share unit, the full text of Article 7 (Share Unit Numbers), Article 8 (Rights Concerning Shares Less than One Unit), and Article 8-2 (Additional Purchase of Shares Less than One Unit) of the Articles of Incorporation will be deleted, and the number of provisions will be advanced in accordance with the change.

- 2) If the proposal regarding the Share Consolidation is approved and passed at the Extraordinary Shareholders' Meeting as originally drafted, the Company Shares will be delisted upon the implementation of the Share Consolidation, and the Tender Offeror will be the only shareholder of the Company; therefore, the provision regarding the electronic provision system for the materials for a shareholders' meeting will cease to be necessary. Therefore, on the condition that the Share Consolidation takes effect, the full text of Article 13-2 (Electronic Provision Measures, etc.) of the Articles of Incorporation will be deleted, and the number of provisions will be advanced in accordance with the change.

(2) Details of the Amendments to the Articles of Incorporation

The details of the amendments are as follows.

(The underlines show the changed parts.)

Articles to be Amended in the Current Articles of Incorporation	Proposed Amendments
Article 5 (Total Number of Shares) The total number of authorized shares of the Company shall be <u>533,892,994</u> shares.	Article 5 (Total Number of Shares) The total number of authorized shares of the Company shall be <u>10</u> shares.
<u>Article 7 (Share Unit Numbers)</u> <u>The number of shares constituting one unit of shares of the Company shall be 100 shares.</u>	(Deleted)
<u>Article 8 (Rights Concerning Shares Less than One Unit)</u> <u>Shareholders of the Company may not exercise any rights other than those listed below with regard to shares less than one unit held by them.</u> <u>(1) rights set forth in the items of paragraph (2) of Article 189 of the Companies Act;</u> <u>(2) right to make a request pursuant to Article 166, paragraph (1) of the Companies Act;</u> <u>(3) right to receive an allotment of shares for subscription or share options for subscription in accordance with the number of shares held by them; and</u> <u>(4) right to make the request set forth in the following Article.</u>	(Deleted)
<u>Articles 8-2 (Additional Purchase of Shares Less than One Unit)</u> <u>Shareholders of the Company may request the sale of shares in a number constituting share units together with the number of shares less than one unit held by them in accordance with the Share Handling Rules.</u>	(Deleted)
Article <u>9</u> to Article <u>13</u> (Omitted)	Article <u>7</u> to Article <u>11</u> (Unchanged)
<u>Article 13-2 (Electronic Provision Measures, etc.)</u> <u>1. The Company shall take electronic provision measures with respect to information that is the</u>	(Deleted)

(Notes on segment information, etc.)

[Segment information]

For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Segment sales and segment income (loss) for reportable segments

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Semi-annual consolidated statements of income (Note 3)
	Civil	Building	Total				
Sales							
External customers	97,305	120,669	217,974	276	218,251	—	218,251
Intersegment transactions or transfers	297	0	297	90	388	(388)	—
Net sales	97,603	120,669	218,272	366	218,639	(388)	218,251
Segment income (loss)	10,810	(4,611)	6,199	139	6,338	(19)	6,319

- Notes: 1. “Others,” which includes the Company’s business of solar power and insurance agent, does not qualify as a reportable operating segment.
2. Adjustment for segment income (loss) is the reduction of income recognized between reportable operating segments.
3. Segment income (loss) corresponds to gross profit in the semi-annual consolidated statements of income.

2. Information on disaggregation of revenue by reportable segment

(Millions of yen)

	Reportable segment			Others (Note)	Total
	Civil	Building	Total		
Japan	78,079	94,918	172,998	276	173,275
Asia	17,295	23,821	41,117	—	41,117
Others	1,656	1,528	3,185	—	3,185
Revenue from contracts with customers	97,031	120,269	217,300	276	217,577
Other revenue	274	399	673	—	673
Sales to external customers	97,305	120,669	217,974	276	218,251

Note: “Others,” which includes the Company’s business of solar power and insurance agent, does not qualify as a reportable operating segment.

For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

1. Segment sales and segment income (loss) for reportable segments

(Millions of yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Semi-annual consolidated statements of income (Note 3)
	Civil	Building	Total				
Sales							
External customers	93,973	94,984	188,957	292	189,250	(0)	189,250
Intersegment transactions or transfers	297	—	297	53	350	(350)	—
Net sales	94,271	94,984	189,255	345	189,601	(350)	189,250
Segment income	12,002	7,018	19,021	122	19,143	(24)	19,119

- Notes: 1. “Others,” which includes the Company’s business of solar power and insurance agent, does not qualify as a reportable operating segment.
2. Adjustment for segment income is the reduction of income recognized between reportable operating segments.
3. Segment income corresponds to gross profit in the semi-annual consolidated statements of income.

2. Information on disaggregation of revenue by reportable segment

(Millions of yen)

	Reportable segment			Others (Note)	Total
	Civil	Building	Total		
Japan	79,240	72,037	151,277	292	151,569
Asia	13,095	21,459	34,555	—	34,555
Others	1,473	1,295	2,769	—	2,769
Revenue from contracts with customers	93,809	94,793	188,602	292	188,894
Other revenue	164	191	355	—	355
Sales to external customers	93,973	94,984	188,957	292	189,250

Note: “Others,” which includes the Company’s business of solar power and insurance agent, does not qualify as a reportable operating segment.

3. (Reference) Semi-annual Non-Consolidated Financial Statements

(1) (Summary) Semi-annual Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	45,903	31,149
Trade notes receivable	206	384
Accounts receivable on completed construction contracts	133,331	143,935
Inventories	21,622	21,673
Other current assets	69,189	64,506
Allowance for doubtful receivables	(1,760)	(1,753)
Total current assets	268,493	259,896
Non-current assets		
Property and equipment, at cost	11,954	12,037
Intangible fixed assets	1,874	1,780
Investments and other assets		
Other	31,942	32,883
Allowance for doubtful receivables	(845)	(832)
Total investments and other assets	31,097	32,051
Total non-current assets	44,926	45,869
Total assets	313,420	305,766
Liabilities		
Current liabilities		
Trade notes payable	884	873
Electronically recorded payable	23,563	20,997
Accounts payable on construction contracts	57,971	43,932
Short-term bank loans and current portion of long-term debt	36,192	51,405
Current portion of bonds payable	5,000	5,000
Advances received on construction contracts in progress	52,826	55,616
Provision for warranties for completed construction	312	312
Provision for loss on construction contracts	12,398	4,615
Provision for contingent loss	2,159	2,159
Other current liabilities	24,799	23,093
Total current liabilities	216,108	208,007
Long-term liabilities		
Corporate bond payable	5,000	5,000
Long-term debt	35,415	35,065
Long-term income taxes payable	490	—
Accrued retirement benefits	11,920	11,819
Other long-term liabilities	291	479
Total long-term liabilities	53,116	52,364
Total liabilities	269,225	260,371
Net assets		
Shareholders' equity		
Capital stock	12,003	12,003
Capital surplus	200	200
Retained earnings	35,127	35,943
Treasury stock, at cost	(3,540)	(3,545)
Total shareholders' equity	43,791	44,602
Valuation, translation adjustments and other		
Unrealized holding gain (loss) on securities	363	748
Deferred loss on hedging instruments, net of taxes	40	43
Total valuation, translation adjustments and other	403	792
Total net assets	44,194	45,395
Total liabilities and net assets	313,420	305,766

(2) (Summary) Semi-annual Non-Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales		
Completed construction	155,991	126,979
Others	211	228
Total net sales	156,202	127,208
Cost of sales		
Completed construction	156,033	113,539
Others	126	156
Total cost of sales	156,159	113,696
Gross profit		
Completed construction	(42)	13,440
Others	85	71
Total gross profit	42	13,512
Selling, general and administrative expenses	8,289	9,431
Operating profit	(8,246)	4,080
Non-operating income	2,783	1,657
Non-operating expenses	3,886	2,464
Ordinary profit	(9,349)	3,273
Extraordinary income	—	10
Extraordinary losses	216	13
Profit (loss) before income taxes	(9,565)	3,269
Income taxes	4,464	257
Profit (loss)	(14,030)	3,012

4. Supplementary Information

(1) Status of Construction Orders Received, Sales of Completed Construction Contracts, and Construction Contracts Carried Forward

Non-consolidated construction orders received

		Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)		Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)		Change	
		Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Percentage change (%)
Civil Construction	Government offices in Japan	28,540		26,222		(2,317)	(8.1)
	Private sector in Japan	9,535		8,978		(556)	(5.8)
	Overseas	3,867		6,076		2,208	57.1
	Total	41,944	40.1	41,277	46.2	(666)	(1.6)
Building Construction	Government offices in Japan	3,002		8,605		5,603	186.6
	Private sector in Japan	57,823		38,634		(19,189)	(33.2)
	Overseas	1,853		760		(1,092)	(59.0)
	Total	62,678	59.9	48,000	53.8	(14,678)	(23.4)
Total	Government offices in Japan	31,543	[30.1]	34,828	[39.0]	3,285	10.4
	Private sector in Japan	67,358	[64.4]	47,613	[53.3]	(19,745)	(29.3)
	Overseas	5,721	[5.5]	6,836	[7.7]	1,115	19.5
	<Among which, Group sales>	<19,272>	<18.4>	<21,442>	<24.0>	<2,169>	11.3
	Total	104,622	100	89,278	100	(15,344)	(14.7)

Non-consolidated sales of completed construction contracts

		Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)		Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)		Change	
		Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Percentage change (%)
Civil Construction	Government offices in Japan	39,197		38,778		(418)	(1.1)
	Private sector in Japan	11,637		9,536		(2,100)	(18.1)
	Overseas	12,682		10,471		(2,211)	(17.4)
	Total	63,517	40.7	58,786	46.3	(4,730)	(7.4)
Building Construction	Government offices in Japan	5,972		8,165		2,193	36.7
	Private sector in Japan	79,967		57,792		(22,174)	(27.7)
	Overseas	6,534		2,234		(4,299)	(65.8)
	Total	92,473	59.3	68,193	53.7	(24,280)	(26.3)
Total	Government offices in Japan	45,169	[29.0]	46,944	[37.0]	1,774	3.9
	Private sector in Japan	91,604	[58.7]	67,329	[53.0]	(24,275)	(26.5)
	Overseas	19,216	[12.3]	12,706	[10.0]	(6,510)	(33.9)
	<Among which, Group sales>	<41,322>	<26.5>	<25,254>	<19.9>	<(16,068)>	(38.9)
	Total	155,991	100	126,979	100	(29,011)	(18.6)

Non-consolidated construction contracts carried forward

		As of September 30, 2024		As of September 30, 2025		Change	
		Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Percentage change (%)
Civil Construction	Government offices in Japan	161,962		151,486		(10,476)	(6.5)
	Private sector in Japan	61,600		53,028		(8,571)	(13.9)
	Overseas	91,772		80,109		(11,662)	(12.7)
	Total	315,335	57.7	284,624	63.2	(30,710)	(9.7)
Building Construction	Government offices in Japan	29,923		27,705		(2,218)	(7.4)
	Private sector in Japan	191,048		131,189		(59,859)	(31.3)
	Overseas	10,613		7,131		(3,481)	(32.8)
	Total	231,585	42.3	166,026	36.8	(65,559)	(28.3)
Total	Government offices in Japan	191,886	[35.1]	179,191	[39.8]	(12,694)	(6.6)
	Private sector in Japan	252,649	[46.2]	184,217	[40.9]	(68,431)	(27.1)
	Overseas	102,385	[18.7]	87,241	[19.3]	(15,143)	(14.8)
	<Among which, Group sales>	<57,312>	<10.5>	<31,513>	<7.0>	<(25,798)>	(45.0)
	Total	546,920	100	450,650	100	(96,270)	(17.6)

(2) Summary of Operating Results

[Consolidated]

(Billions of yen)

	Operating results of the second quarter		
	Results of the six months ended September 30, 2024	Results of the six months ended September 30, 2025	YoY change
Net sales	218.3	189.3	(29.0)
Gross profit	6.3	19.1	12.8
Operating profit (loss)	(6.8)	4.7	11.5
Ordinary profit (loss)	(9.3)	3.4	12.7
Profit (loss) attributable to owners of parent	(14.6)	2.7	17.3

[Non-consolidated]

	Operating results of the second quarter		
	Results of the six months ended September 30, 2024	Results of the six months ended September 30, 2025	YoY change
Orders received	104.6	89.3	(15.3)
Civil Construction	41.9	41.3	(0.6)
Building Construction	62.7	48.0	(14.7)

Net sales	156.2	127.2	(29.0)
Net sales of completed construction contracts	156.0	127.0	(29.0)
Civil Construction	63.5	58.8	(4.7)
Building Construction	92.5	68.2	(24.3)
Net sales of other businesses	0.2	0.2	0.0
Gross profit (loss)	0.0 [0.0 %]	13.5 [10.6 %]	13.5 [10.6 %]
Completed construction	(0.0) [(0.0) %]	13.4 [10.6 %]	13.4 [10.6 %]
Civil Construction	6.8 [10.7 %]	8.6 [14.7 %]	1.8 [4.0 %]
Building Construction	(6.8) [(7.4) %]	4.8 [7.1 %]	11.6 [14.5 %]
Gross profit of other businesses	0.1 [40.4 %]	0.1 [31.4 %]	0.0 [(9.0) %]
Selling, general and administrative expenses	8.3	9.4	1.1
Operating profit (loss)	(8.2)	4.1	12.3
Non-operating income (loss)	(1.1)	(0.8)	0.3
Ordinary profit (loss)	(9.3)	3.3	12.6
Extraordinary income (loss)	(0.2)	(0.0)	0.2
Profit (loss) before income taxes	(9.6)	3.3	12.9
Income taxes	4.5	0.3	(4.2)
Profit (loss)	(14.0)	3.0	17.0

(Rounded down to the nearest unit)