

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	96,900	10.1	5,520	34.9	5,450	33.6	3,700	35.0	101.07

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

December 31, 2024: 37,424,507 shares

March 31, 2024: 37,424,507 shares

2) Number of treasury shares at the end of the period:

December 31, 2024: 815,478 shares

March 31, 2024: 955,786 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 36,492,283 shares

Nine months ended December 31, 2023: 36,460,540 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters

Financial results forecasts are based on information available and certain assumptions deemed reasonable by the Company at the time of preparation of this document, which may contain various uncertain factors. Thus, actual results and outcomes may differ from these forecasts.

(Reference) Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	91,600	9.4	4,870	28.8	3,340	60.0	91.23

(Note) Revision to the financial results forecast announced most recently: None

* Proper use of earnings forecasts, and other special matters

Financial results forecasts are based on information available and certain assumptions deemed reasonable by the Company at the time of preparation of this document, which may contain various uncertain factors. Thus, actual results and outcomes may differ from these forecasts.

Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	13,440	10,620
Notes receivable, accounts receivable from completed construction contracts and other	30,633	37,539
Costs on construction contracts in progress	105	200
Raw materials and supplies	429	396
Other	2,545	2,646
Allowance for doubtful accounts	-	(4)
Total current assets	47,153	51,398
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,469	13,225
Machinery, vehicles, tools, furniture and fixtures	23,021	23,302
Land	14,849	14,856
Construction in progress	-	77
Accumulated depreciation	(24,459)	(25,303)
Total property, plant and equipment	26,880	26,158
Intangible assets	266	270
Investments and other assets		
Other	1,742	1,384
Total investments and other assets	1,742	1,384
Total non-current assets	28,889	27,814
Total assets	76,042	79,212

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	21,363	26,023
Short-term borrowings	106	5,203
Income taxes payable	939	378
Advances received on construction contracts in progress	641	764
Provision for warranties for completed construction	18	109
Provision for loss on construction contracts	19	9
Provision for bonuses	1,735	829
Other	3,889	4,011
Total current liabilities	28,713	37,327
Non-current liabilities		
Long-term borrowings	6,700	1,625
Other	95	81
Total non-current liabilities	6,795	1,706
Total liabilities	35,509	39,034
Net assets		
Shareholders' equity		
Share capital	2,000	2,000
Capital surplus	512	623
Retained earnings	37,816	37,260
Treasury shares	(786)	(671)
Total shareholders' equity	39,541	39,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	103	123
Foreign currency translation adjustment	(37)	(62)
Remeasurements of defined benefit plans	925	905
Total accumulated other comprehensive income	992	965
Total net assets	40,533	40,178
Total liabilities and net assets	76,042	79,212

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	64,826	73,715
Cost of sales	57,652	64,959
Gross profit	7,174	8,756
Selling, general and administrative expenses	4,414	4,636
Operating profit	2,759	4,119
Non-operating income		
Dividend income	4	6
Rental income	15	15
Foreign exchange gains	18	39
Miscellaneous income	26	20
Total non-operating income	64	80
Non-operating expenses		
Interest expenses	41	46
Guarantee commission	15	23
Syndicated loan origination fee	21	21
Miscellaneous expenses	18	16
Total non-operating expenses	97	108
Ordinary profit	2,726	4,092
Extraordinary income		
Gain on sale of non-current assets	14	8
Gain on reversal of liabilities	155	-
Settlement income	120	-
Total extraordinary income	290	8
Extraordinary losses		
Loss on sale of non-current assets	-	2
Loss on retirement of non-current assets	27	48
Legal reward	29	-
Impairment losses	-	1
Total extraordinary losses	57	51
Profit before income taxes	2,958	4,048
Income taxes	928	1,321
Profit	2,030	2,727
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,030	2,727

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	2,030	2,727
Other comprehensive income		
Valuation difference on available-for-sale securities	32	19
Foreign currency translation adjustment	(8)	(25)
Remeasurements of defined benefit plans, net of tax	50	(20)
Total other comprehensive income	74	(26)
Comprehensive income	2,105	2,700
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,105	2,700
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Notes on changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes" and others)

"Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27 of October 28, 2022. Hereinafter, "2022 Revised Accounting Standards") and others have been applied since the beginning of the three months ended June 30, 2024.

Regarding the revisions to the recording of classification of income taxes (taxation of other comprehensive income), the transitional treatments specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and the proviso to Paragraph 65-2, Item (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28 of October 28, 2022. Hereinafter, "2022 Revised Accounting Guidance") have been followed. In addition, there are no impacts to the quarterly consolidated financial statements due to changes in this accounting policy.

(Notes on segment information, etc.)

[Segment information]

I For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

Information on net sales, profit (loss) by reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Construction business	Pavement materials manufacturing and sales business	Total			
Net sales						
(1) Net sales to outside customers	51,669	13,085	64,755	71	–	64,826
(2) Inter-segment internal sales or transfers	–	10,286	10,286	648	(10,934)	–
Total	51,669	23,371	75,041	720	(10,934)	64,826
Segment profit	3,906	1,345	5,252	134	(2,628)	2,759

(Note 1) The segment “Others,” which is a business segment not included in the reportable segments, comprises power business, etc.

(Note 2) A major item of the adjustments for the segment profit is general and administrative expenses for the administrative divisions of the head office, etc. of ¥(2,632) million, which are not attributable to any business segment.

(Note 3) Segment profit is adjusted with operating profit on the Quarterly Consolidated Statements of Income.

II For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

Information on net sales, profit (loss) by reportable segment

(Millions of yen)

	Reportable segment			Others (Note 1)	Adjustments (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Construction business	Pavement materials manufacturing and sales business	Total			
Net sales						
(1) Net sales to outside customers	59,525	14,119	73,644	70	–	73,715
(2) Inter-segment internal sales or transfers	–	11,378	11,378	665	(12,044)	–
Total	59,525	25,497	85,023	736	(12,044)	73,715
Segment profit	5,682	1,201	6,884	128	(2,892)	4,119

(Note 1) The segment “Others,” which is a business segment not included in the reportable segments, comprises power business, etc.

(Note 2) A major item of the adjustments for the segment profit is general and administrative expenses for the administrative divisions of the head office, etc. of ¥(2,882) million, which are not attributable to any business segment.

(Note 3) Segment profit is adjusted with operating profit on the Quarterly Consolidated Statements of Income.

(Notes on statements of cash flows)

The quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 have not been prepared.

Depreciation (including amortization of intangible assets) for the nine months ended December 31 is as follows.

(Millions of yen)

	For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation	1,521	1,509