



SEIKITOKYU KOGYO CO.,LTD.

Financial Results Presentation for the First Half of the Fiscal Year Ending March 31, 2026

November 28, 2025

**Becoming a truly strong corporate
group**





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1

Overview of Financial Results for the First Half of the Fiscal Year Ending March 31, 2026



- In the road construction market, public construction investment remained strong due to disaster prevention and mitigation projects as well as for building national resilience.
- While the price for purchasing straight asphalt, which is a main material, has stabilized somewhat year on year, material and energy prices remained at a high level.
- The business environment remained unpredictable amid rising costs such as transportation and personnel expenses.



We promote strategies in the Medium-term Management Plan (FY2024–FY2026)

- 1 Expand stable earnings by further strengthening the competitiveness of our core businesses
- 2 Rise to the challenge of expanding business areas and developing new business fields
- 3 Create a virtuous cycle in the recruitment, retention, and development of human resources
- 4 Establish new ways of working that help improve productivity
- 5 Build a strong and sound management and financial base

 **Becoming a truly strong corporate group that can respond to any future environmental changes**

1 Financial Results (Consolidated and Non-consolidated)

- On both a consolidated and non-consolidated basis, net sales were lower than both the year-on-year and initial forecast figures, while profits were higher than both the year-on-year and initial forecast figures.
- Operating income (consolidated) reached a level approaching the highest 1H profit in the past 10 years of 2,236 million yen (1H of FY2020).

(Millions of yen)

Consolidated	1H of FY2024 results	1H of FY2025 results	YoY change (Amount)	YoY change (%)	Initial forecast for 1H of FY2025 (announced on May 12)	vs. forecast (Amount)	vs. forecast (%)
Net sales	44,682	42,983	(1,698)	(3.8)	46,000	(3,017)	(6.6)
Gross profit	4,470	5,372	902	20.2	4,600	772	16.8
Operating income	1,509	2,222	713	47.3	1,400	822	58.7
Ordinary income	1,464	2,208	743	50.8	1,400	808	57.7
Net income	935	1,503	568	60.7	900	603	67.0

Non-Consolidated	1H of FY2024 results	1H of FY2025 results	YoY change (Amount)	YoY change (%)	Initial forecast for 1H of FY2025 (announced on May 12)	vs. forecast (Amount)	vs. forecast (%)
Net sales	42,707	40,776	(1,930)	(4.5)	43,200	(2,424)	(5.6)
Gross profit	4,038	4,921	883	21.9	4,100	821	20.0
Operating income	1,375	2,071	695	50.5	1,200	871	72.6
Ordinary income	1,356	2,041	685	50.5	1,100	941	85.5
Net income	888	1,417	529	59.6	800	617	77.1

1 Orders Received, Net Sales and Construction Contracts Brought Forward (Consolidated)

- Total orders received were higher than both the year-on-year and initial forecast figures, reaching the highest levels in the past 10 years.
- Net sales of completed construction contracts were lower than 1H of the previous year due to delays in large-scale projects and other factors. However, construction contracts brought forward reached the highest level in the past 10 years.
- Net sales of finished goods increased in comparison to both the year-on-year and initial forecast figures due to factors such as higher selling prices.

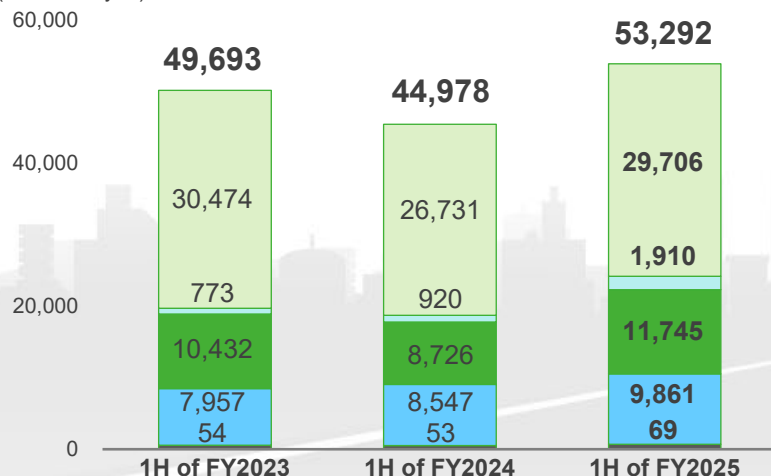
(Millions of yen)

Orders received	1H of FY2023	1H of FY2024	1H of FY2025		YoY change (Amount)	YoY change (%)	Initial forecast for 1H of FY2025 (announced on May 12)	vs. forecast (Amount)	vs. forecast (%)
	Amount	Amount	Amount	Composition (%)					
Construction Business	41,680	36,378	43,362	81.4	6,983	19.2	39,490	3,872	9.8
Asphalt pavement	30,474	26,731	29,706	55.7	2,974	11.1	—	—	—
Concrete pavement	773	920	1,910	3.7	990	107.6	—	—	—
Civil engineering works, etc.	10,432	8,726	11,745	22.0	3,018	34.6	—	—	—
Pavement Materials Manufacturing and Sales Business	7,957	8,547	9,861	18.5	1,314	15.4	9,570	291	3.0
Electricity Sales Business, etc.	54	53	69	0.1	15	29.4	60	9	15.0
Total orders received	49,693	44,978	53,292	100.0	8,313	18.5	49,120	4,172	8.5

Orders received

■ Asphalt pavement
 ■ Concrete pavement
 ■ Civil engineering works, etc.
 ■ Pavement Materials Manufacturing and Sales Business
 ■ Electricity Sales Business, etc.

(Millions of yen)



Net sales

	1H of FY2023	1H of FY2024	1H of FY2025
Construction Business	31,621	36,082	33,053
Asphalt pavement	23,356	25,757	23,843
Concrete pavement	450	654	606
Civil engineering works, etc.	7,814	9,669	8,603
Pavement Materials Manufacturing and Sales Business	7,957	8,547	9,861
Electricity Sales Business, etc.	54	53	69
Total	39,634	44,682	42,983

(Millions of yen)

Construction contracts brought forward

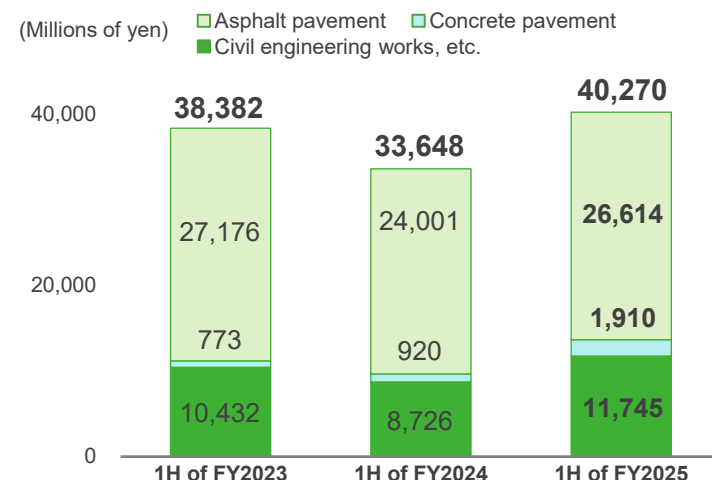
	1H of FY2023	1H of FY2024	1H of FY2025
Construction Business	46,443	44,558	50,213
Asphalt pavement	29,535	28,519	31,534
Concrete pavement	1,058	871	1,837
Civil engineering works, etc.	15,849	15,167	16,841
Total	46,443	44,558	50,213

1 Construction Work Orders Received (Non-consolidated)

- Trends in orders for construction work held up well, and we constantly received orders in general.
- Large-scale construction work orders, such as those related to expressways, and construction orders from the private sector, which we focus on, both grew.
- As a result, overall construction work orders received showed 54.4% progress against the annual orders received of 74.0 billion yen in the initial forecast.

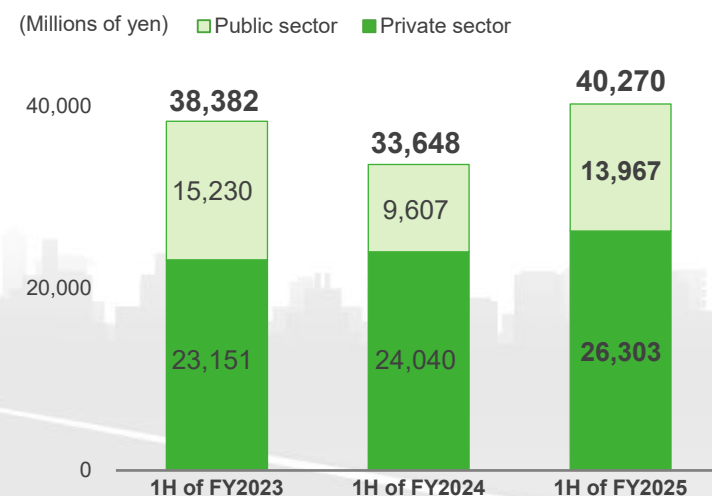
(Millions of yen)

Orders received by type of work	1H of FY2023	1H of FY2024	1H of FY2025	YoY change (Amount)	YoY change (%)
Asphalt pavement	27,176	24,001	26,614	2,613	10.9
Concrete pavement	773	920	1,910	990	107.6
Civil engineering works, etc.	10,432	8,726	11,745	3,018	34.6
Total	38,382	33,648	40,270	6,622	19.7



(Millions of yen)

Orders received by public and private sector	1H of FY2023	1H of FY2024	1H of FY2025	YoY change (Amount)	YoY change (%)
Public sector	15,230	9,607	13,967	4,359	45.4
Private sector	23,151	24,040	26,303	2,262	9.4
Tokyu Group	723	933	1,641	708	75.9
Total	38,382	33,648	40,270	6,622	19.7



1 Product Manufacturing and Sales Results (Non-consolidated)

- Although product demand remained sluggish, production volume and sales volume of asphalt composites exceeded the levels seen in 1H of the previous year.
- Net sales of finished goods increased 13.9% year on year, due to an increase in sales of the recycling business, in addition to efforts to revise prices in response to rising manufacturing costs gradually yielding results.

(Millions of yen)

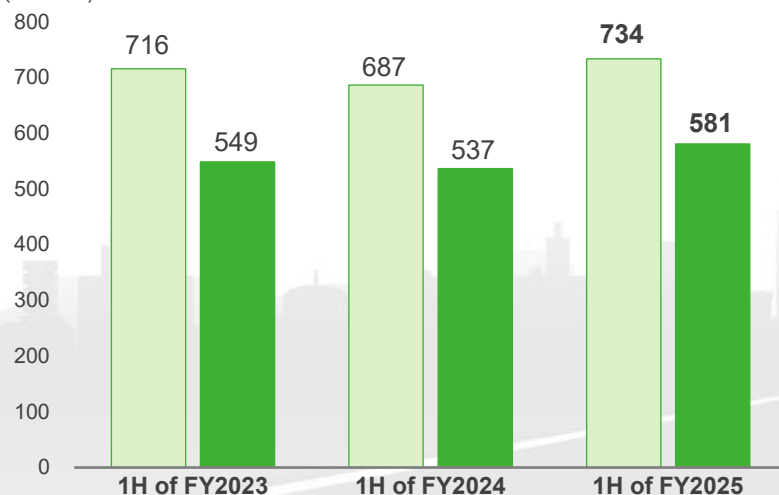
		1H of FY2023	1H of FY2024	1H of FY2025	YoY change (Amount)	YoY change (%)
Asphalt composites	Production volume (Kilotons)	716	687	734	47	6.9
	Sales volume (Kilotons)	549	537	581	44	8.2
	Sales	5,744	5,884	6,794	909	15.4
Sales of other products		2,380	2,889	3,198	308	10.7
Total net sales		8,124	8,774	9,992	1,217	13.9

Notes 1. The difference between production volume and sales volume of asphalt composites is the quantity used for construction works we received orders for.
2. Sales of other products were generated by the sales of asphalt emulsion, crushed stone, etc.

Production volume and sales volume

■ Production volume ■ Sales volume

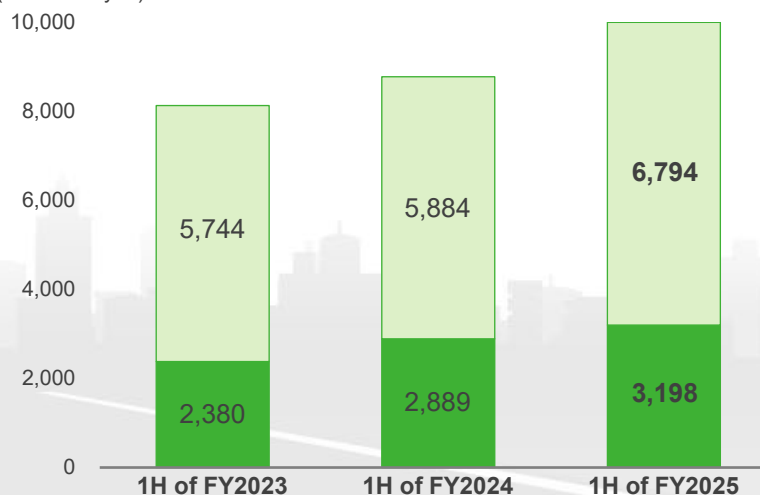
(Kilotons)



Net sales

■ Asphalt composites ■ Other products

(Millions of yen)



1 Net Sales and Profit (Loss) Results by Segment (Consolidated)

- In the construction business, operating income decreased as construction volume growth stalled and net sales of completed contracts decreased year on year.
- In the pavement materials manufacturing and sales business, operating income improved significantly due to the rise in variable expenses leveling off in addition to an increased sales volume, while a certain degree of progress was made in passing on price increases from rising costs to date. However, while the profit margin exceeded the figures from the most recent four years, which saw a significant decline, it has not yet reached the levels seen in previous fiscal years. There is still room for improvement.

(Millions of yen)

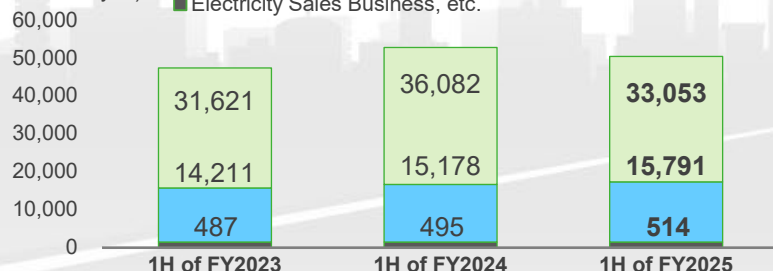
Net sales	1H of FY2023	1H of FY2024	1H of FY2025	YoY change (Amount)	YoY change (%)
Construction Business	31,621	36,082	33,053	(3,028)	(8.4)
Pavement Materials Manufacturing and Sales Business	14,211	15,178	15,791	612	4.0
Electricity Sales Business, etc.	487	495	514	19	3.9
Adjustments	(6,686)	(7,073)	(6,375)	698	—
Total net sales	39,634	44,682	42,983	(1,698)	(3.8)

Operating income	1H of FY2023	1H of FY2024	1H of FY2025	YoY change (Amount)	YoY change (%)
Construction Business	1,924	2,924	2,675	(248)	(8.5)
Pavement Materials Manufacturing and Sales Business	733	285	1,395	1,109	389.1
Electricity Sales Business, etc.	96	91	114	23	25.2
Adjustments	(1,761)	(1,791)	(1,962)	(170)	—
Total operating income	993	1,509	2,222	713	47.3

Net sales

(Millions of yen)

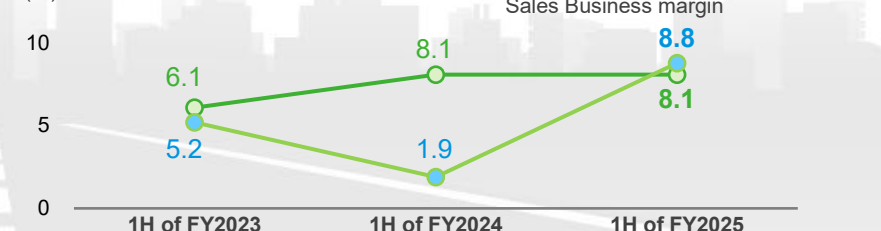
■ Construction Business
■ Pavement Materials Manufacturing and Sales Business
■ Electricity Sales Business, etc.



Operating income margin

(%)

○ Construction Business margin
● Pavement Materials Manufacturing and Sales Business margin



1 SG&A, Operating Income, Ordinary Income and Net Income (Consolidated)

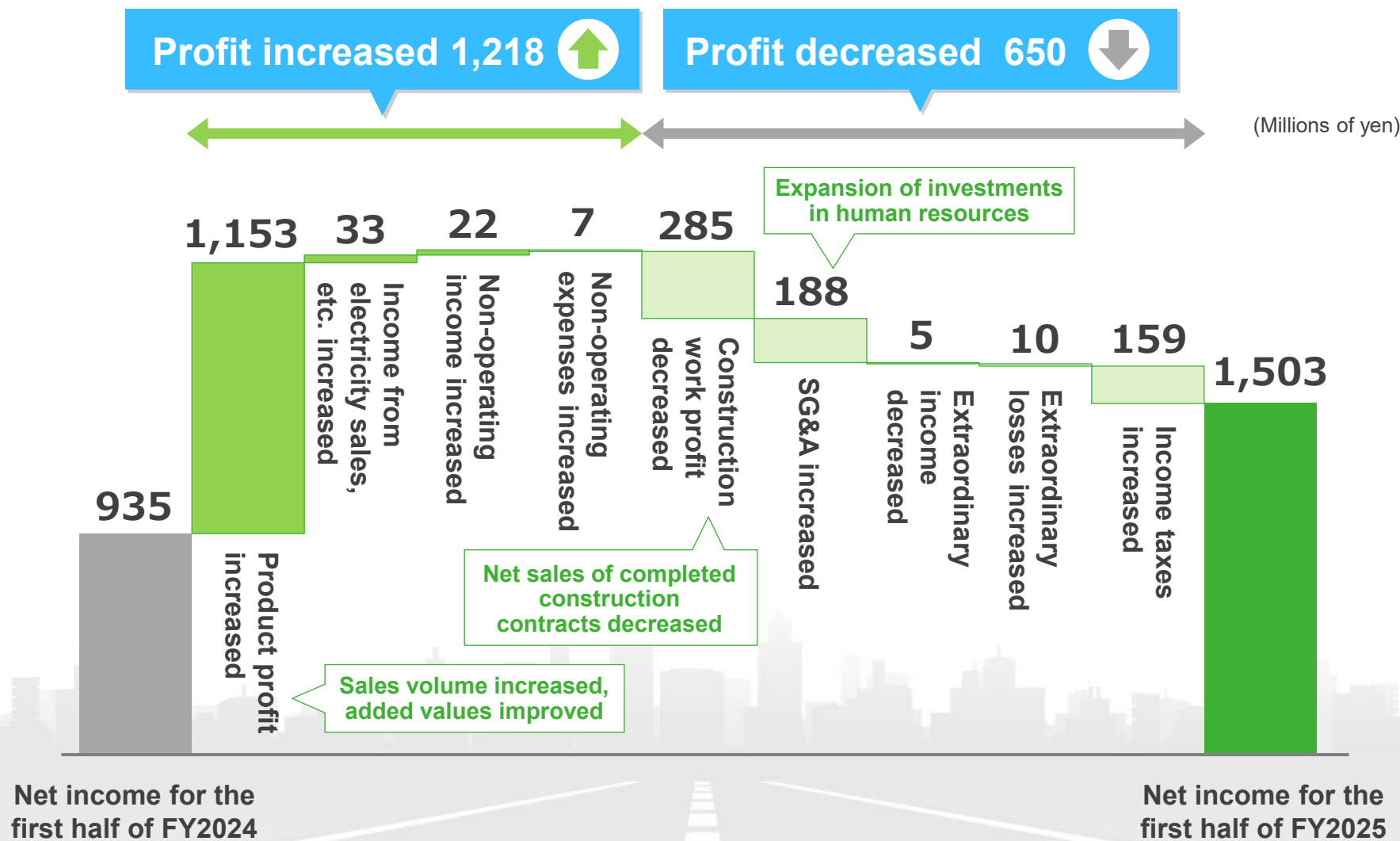
- Selling, general, and administrative expenses increased due to expanded investments in human resources and other factors.
- Operating income and ordinary income reached levels approaching the highest 1H earnings recorded in the past 10 years (1H of FY2020: operating income of 2,236 million yen, ordinary income of 2,230 million yen).
- Net income also reached its highest level since the fiscal year following FY2020, when the tax loss carryforward deduction expired.

(Millions of yen)

	1H of FY2023		1H of FY2024		1H of FY2025		YoY change (Amount)	YoY change (%)
	Amount	Composition (%)	Amount	Composition (%)	Amount	Composition (%)		
Net sales	39,634	100.0	44,682	100.0	42,983	100.0	(1,698)	(3.8)
Gross profit	3,984	10.1	4,470	10.0	5,372	12.5	902	20.2
Selling, general and administrative expenses	2,991	7.5	2,961	6.6	3,149	7.3	188	6.4
Operating income	993	2.5	1,509	3.4	2,222	5.2	713	47.3
Non-operating income	65	0.2	28	0.1	50	0.1	22	79.8
Non-operating expenses	51	0.1	73	0.2	65	0.2	(7)	(10.2)
Ordinary income	1,007	2.5	1,464	3.3	2,208	5.1	743	50.8
Extraordinary income	286	0.7	8	0.0	2	0.0	(5)	(64.4)
Extraordinary losses	55	0.1	21	0.0	31	0.1	10	50.0
Profit before income taxes	1,238	3.1	1,451	3.2	2,179	5.1	727	50.2
Income taxes	377	1.0	516	1.2	675	1.6	159	31.0
Net income	861	2.2	935	2.1	1,503	3.5	568	60.7

1 Analysis of Factors Affecting Changes in Net Income (Consolidated)

- Although construction work profit decreased due to lower net sales of completed contracts, net income exceeded the level of 1H of the previous year due to factors such as a significant improvement in product profit.



1 Consolidated Financial Position and Cash Flows

- Dividends paid of 1,642 million yen.
- Purchase of property, plant and equipment of 689 million yen, including facility upgrade of plants and rebuilding offices.
- Long-term borrowings of 5,000 million yen that mature during the current year will be refinanced with long-term borrowings of an equivalent amount.

Consolidated financial position

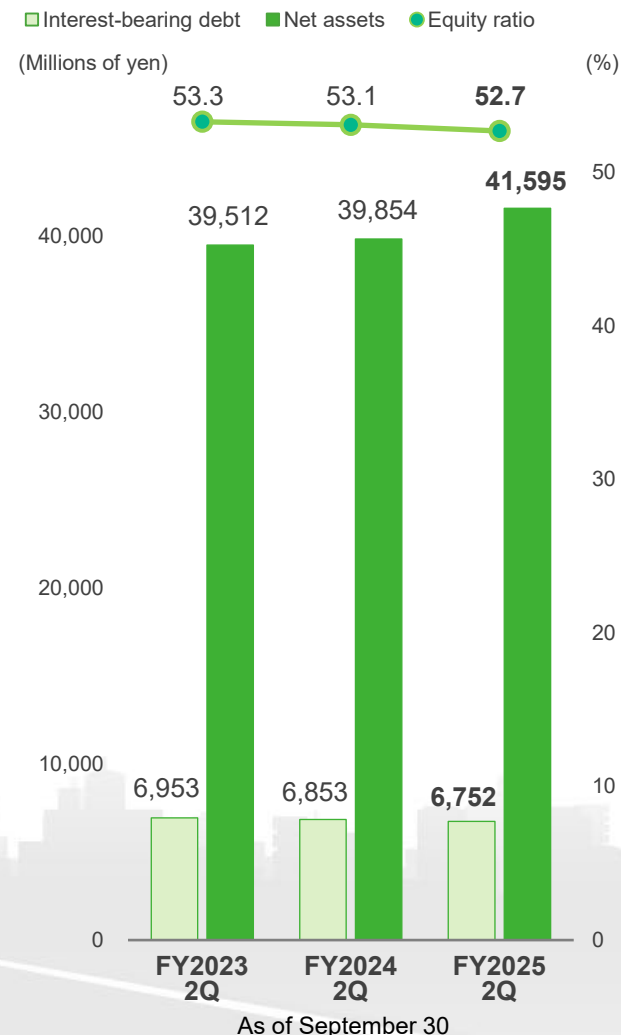
(Millions of yen)

	As of Sept. 30, 2023	As of Sept. 30, 2024	As of Sept. 30, 2025	YoY change
Total assets	74,085	75,004	78,928	3,924
Total liabilities	34,572	35,150	37,333	2,182
Interest-bearing debt	6,953	6,853	6,752	(101)
(Short-term borrowings)	203	203	5,202	4,999
(Long-term borrowings)	6,750	6,650	1,550	(5,100)
Net assets	39,512	39,854	41,595	1,741
Equity ratio	53.3%	53.1%	52.7	—

Consolidated cash flows

(Millions of yen)

	1H of FY2023	1H of FY2024	1H of FY2025
Net cash provided by (used in) operating activities	10,868	2,882	11,682
Net cash provided by (used in) investing activities	(2,082)	(608)	(706)
Net cash provided by (used in) financing activities	(1,043)	(1,590)	(1,596)
Effect of exchange rate change on cash and cash equivalents	13	(3)	(0)
Net increase (decrease) in cash and cash equivalents	7,756	679	9,378
Cash and cash equivalents at end of period	15,929	14,119	17,130



1 Major Construction Works in Progress (Those We Received Orders for and Those Brought Forward)

● Construction works we received orders for

Customer	Project	Site (Prefecture)
Kanto Regional Development Bureau, MLIT	Environmental improvement and other work on National Route 4, Higashi-Saitama Road	Saitama
Hokuriku Regional Development Bureau, MLIT	Part 4 of pavement restoration work on Route 249 in the Wajima area	Ishikawa
West Nippon Expressway Company Limited	Pavement repair work within the jurisdiction of Kyoto Operation Office of Meishin Expressway (FY2025)	Kyoto
Hanshin Expressway Company Limited	Large-scale pavement repair work (2025-1-Shin)	Hyogo
West Nippon Expressway Company Limited	Pavement repair work within the jurisdiction of Fukuyama Operation Office of Sanyo Expressway (special renewal, etc.) (FY2025)	Hiroshima

● Construction works brought forward from FY2024

Customer	Project	Site (Prefecture)
North Kanto Defense Bureau, the Ministry of Defense	Civil engineering work of new construction of Kitautsunomiya (6) Hangar, etc.	Tochigi
East Nippon Expressway Company Limited	Pavement work along the Kozaki IC and Taiei Junction of the Tokyo Metropolitan Expressway	Chiba
Central Nippon Expressway Company Limited	Pavement and repair work within the jurisdiction of Toyama area of Hokuriku Expressway and others (special renewal, etc.) (FY2024)	Toyama
Kyusyu Regional Development Bureau, MLIT	Work of new construction of the Oita Airport apron (FY2024)	Oita
West Nippon Expressway Company Limited	Okinawa Expressway (FY2024) (special renewal, etc.) Pavement and repair work on roads between Naha Interchange and Nishihara Interchange	Okinawa

1 Major Completed Construction Works

Customer	Project	Site (Prefecture)
East Nippon Expressway Company Limited	Pavement work on Onahama Road in Yamada	Fukushima
Tokyo Metropolitan Government	Pavement work at Ariake Seaside Park (FY2024)	Tokyo
Kanto Regional Development Bureau, MLIT	Soya common-use cable tunnel work, National Route 246	Kanagawa
Central Nippon Expressway Company Limited	Pavement work on Tokai-Kanjo Expressway between Hokusei Interchange and Daian Interchange	Mie
West Nippon Expressway Company Limited	Pavement work for Hayato Road Hayato-Higashi (FY2023)	Kagoshima



Pavement work on Onahama Road in Yamada



Pavement work at Ariake Seaside Park (FY2024)



Pavement work on Tokai-Kanjo Expressway between Hokusei Interchange and Daian Interchange



2

Outlook for the Fiscal Year Ending March 31, 2026



2 Financial Results Forecast for FY2025 (Consolidated and Non-consolidated)

- We continue to expect firm underlying demand in the road construction market, such as disaster prevention and disaster mitigation business and building national resilience.
- Given the 1H results, both consolidated and non-consolidated forecasts for each figure have been revised upwards from the initial forecasts.
- Both sales and profits are expected to reach the target figures for the final year of the Medium-term Management Plan (FY2024-2026) one year ahead of schedule.
- Forecasts at this moment do not factor in a sudden deterioration of the revenue environment caused by risks related to geopolitics and other factors.

(Millions of yen)

Consolidated	FY2024	FY2025 (Forecast)	YoY change (Amount)	YoY change (%)	Initial forecast for FY2025 (announced on May 12)	vs. forecast (Amount)	vs. forecast (%)
Orders received	95,001	104,000	8,999	9.5	100,500	3,500	3.5
Net sales	99,358	101,300	1,942	2.0	100,500	800	0.8
Gross profit	12,033	12,800	767	6.4	12,100	700	5.8
Operating income	5,842	6,600	758	13.0	5,900	700	11.9
Ordinary income	5,788	6,400	612	10.6	5,700	700	12.3
Net income	3,887	4,600	713	18.3	3,900	700	17.9

Non-consolidated	FY2024	FY2025 (Forecast)	YoY change (Amount)	YoY change (%)	Initial forecast for FY2025 (announced on May 12)	vs. forecast (Amount)	vs. forecast (%)
Orders received	89,971	97,700	7,729	8.6	94,500	3,200	3.4
Net sales	94,511	95,700	1,189	1.3	94,500	1,200	1.3
Gross profit	10,857	11,600	743	6.8	10,800	800	7.4
Operating income	5,247	6,000	753	14.4	5,200	800	15.4
Ordinary income	5,194	5,800	606	11.7	5,000	800	16.0
Net income	3,488	4,200	712	20.4	3,500	700	20.0

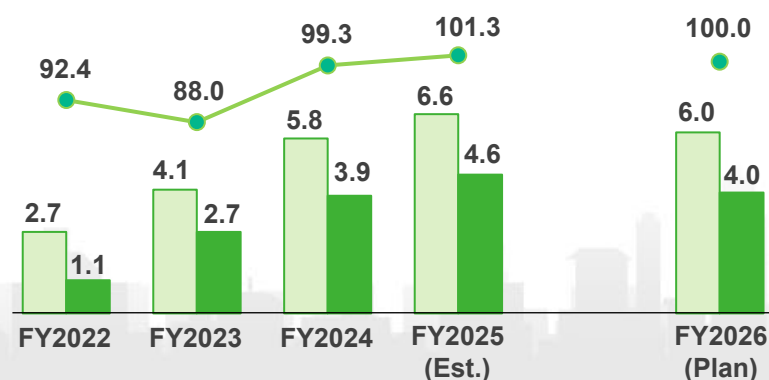
2 Financial Results Forecast for FY2025 (Key Performance Indicators)

Medium-term Management Plan (FY2024-2026): Key Performance Indicators Consolidated

Item	FY2024 actual	FY2025 Est.	FY2026 plan
Net sales	99.3 billion yen	101.3 billion yen	100.0 billion yen
Operating income	5.8 billion yen	6.6 billion yen	6.0 billion yen
Net income	3.9 billion yen	4.6 billion yen	4.0 billion yen
ROE	9.5%	10.8%	9.5%
Equity ratio	50.5%	—	Approx. 50%

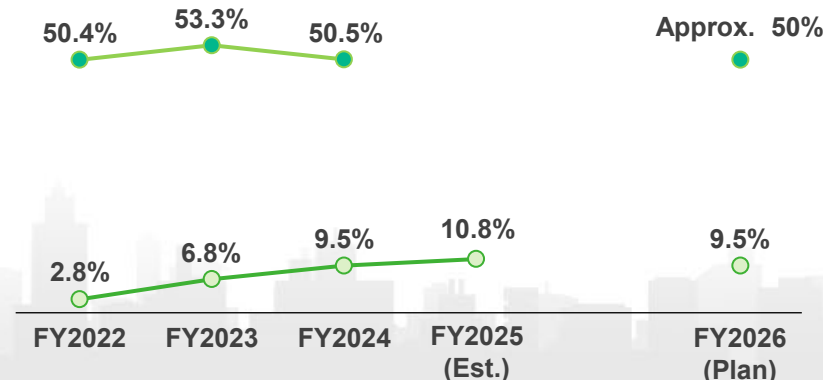
Net sales, Operating income, Net income

□ Operating income ■ Net income ● Net sales (Billions of yen)



Equity ratio, ROE

● Equity ratio ○ ROE



(Note) Equity for the end of the fiscal year ending March 31, 2026 used to calculate our ROE forecast for FY2025 is calculated as follows, and does not factor in other fluctuations: “Equity at the end of the previous fiscal year” + “Estimated net income for the fiscal year” - “Sum of the year-end dividend for the previous fiscal year and interim dividend for the fiscal year” + “Fluctuations due to disposal of treasury shares as restricted stock.”

2 Net Sales and Profit (Loss) Forecast by Segment (Consolidated)

- In the construction business, backed by extensive construction works in progress and solid orders received, we expect the net sales of completed construction contracts to remain roughly at the same level as the previous year. Despite concerns about rising material prices and personnel expenses, we expect to achieve profit generally in line with our initial forecast due to productivity improvements thanks to progress with large-scale construction works and profit loss prevention.
- In the pavement materials manufacturing and sales business, although we expect a decrease in the added value unit price from 1H onward, we will continue to strive to realize selling prices reflecting higher manufacturing and transportation costs, to increase sales volume, and improve manufacturing efficiency, and thus we aim to boost profits further.

(Millions of yen)

Net sales	FY2024	FY2025 (Forecast)	YoY change (Amount)	YoY change (%)
Construction Business	80,366	80,000	(366)	(0.5)
Pavement Materials Manufacturing and Sales Business	33,935	35,300	1,365	4.0
Electricity Sales Business, etc.	972	1,000	28	2.9
Adjustments	(15,915)	(15,000)	915	—
Total net sales	99,358	101,300	1,942	2.0

Initial forecast for FY2025 (announced on May 12)	vs. forecast (Amount)	vs. forecast (%)
80,000	—	—
34,500	800	2.3
1,000	—	—
(15,000)	—	—
100,500	800	0.8

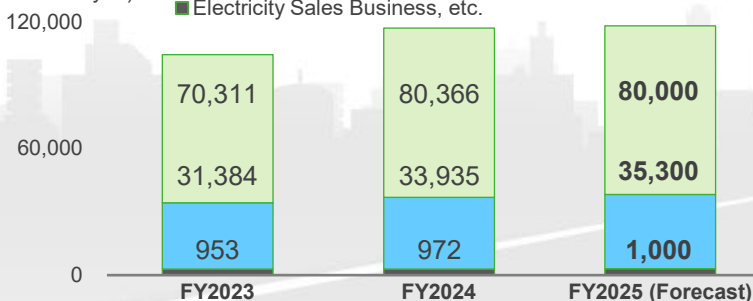
Operating income	FY2024	FY2025 (Forecast)		YoY change (Amount)	YoY change (%)
	Amount	Amount	Margin (%)		
Construction Business	8,070	7,800	9.8	(270)	(3.3)
Pavement Materials Manufacturing and Sales Business	1,488	2,400	6.8	912	61.3
Electricity Sales Business, etc.	158	170	17.0	12	7.6
Adjustments	(3,875)	(3,770)	—	105	—
Total operating income	5,842	6,600	6.5	758	13.0

Initial forecast for FY2025 (announced on May 12)	vs. forecast (Amount)	vs. forecast (%)
8,000	(200)	(2.5)
1,530	870	56.9
170	—	—
(3,800)	30	—
5,900	700	11.9

Net sales

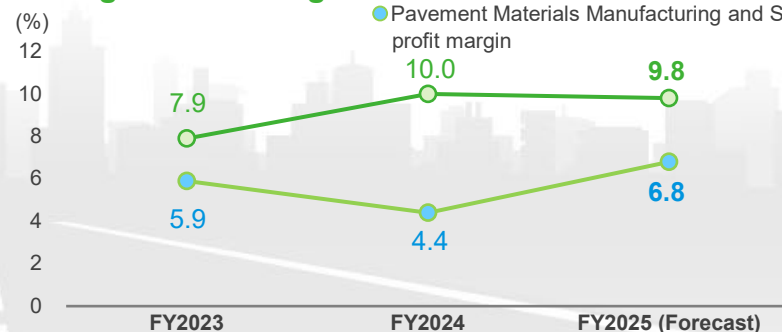
(Millions of yen)

- Construction Business
- Pavement Materials Manufacturing and Sales Business
- Electricity Sales Business, etc.



Operating income margin

- Construction Business profit margin
- Pavement Materials Manufacturing and Sales Business profit margin



2 Forecast of Construction Work Orders to be Received (Consolidated and Non-consolidated)

- We intend orders received for construction work on a non-consolidated basis to exceed the initial forecast by 2 billion yen, in light of the outlook for orders from the third quarter onward and the current construction system.
- We will continue to focus on strengthening the base of receiving construction orders from the private sector, taking into account the gradual downward trend in the amount of public works in the future and medium- to long-term marketability.
- We will work to bolster our competitiveness as we aim to reach our new FY2030 target (non-consolidated construction work orders received of 78.0 billion yen).

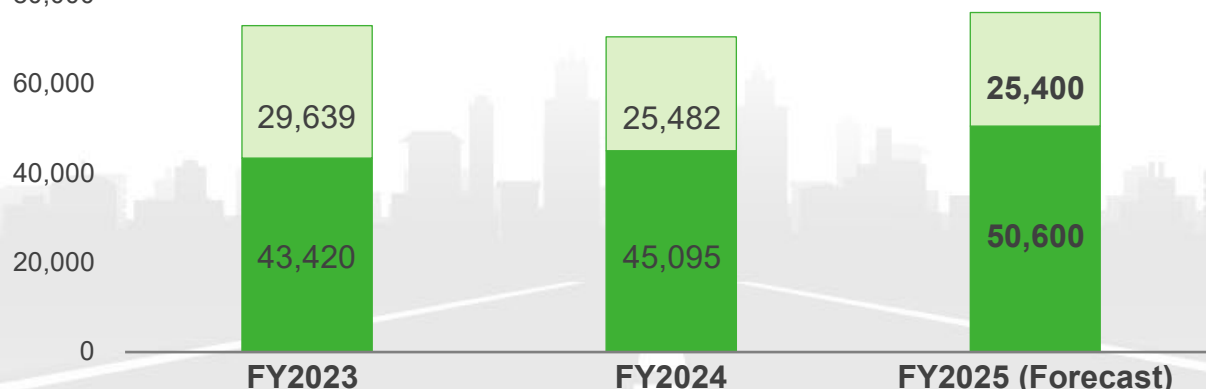
(Millions of yen)

Consolidated	FY2024	FY2025 (Forecast)	YoY change (Amount)	YoY change (%)
Total construction work orders received	76,009	82,400	6,391	8.4
Non-consolidated	FY2024	FY2025 (Forecast)	YoY change (Amount)	YoY change (%)
Public sector	25,482	25,400	(82)	(0.3)
Private sector	45,095	50,600	5,505	12.2
Tokyu Group	2,252	3,400	1,148	51.0
Total	70,577	76,000	5,423	7.7

Initial forecast for FY2025 (announced on May 12)	vs. forecast (Amount)	vs. forecast (%)
80,100	2,300	2.9
Initial forecast for FY2025 (announced on May 12)	vs. forecast (Amount)	vs. forecast (%)
23,560	1,840	7.8
50,440	160	0.3
3,220	180	5.6
74,000	2,000	2.7

Trend in orders received for construction (non-consolidated)

(Millions of yen) ■ Public sector ■ Private sector





3

Reference:

Medium-term Management Plan (FY2024–2026)



Corporate Philosophy

An infrastructure building company that helps create affluent communities

Where We Should Be in 2030

A truly strong corporate group that pursues personal and corporate growth in tandem and helps realize a sustainable society

Back casting

3rd Phase

Medium-term Management Plan (FY2027-2029)

Complete achievement of Where We Should Be in 2030 (establish foundation for sustained growth)

- Sustainable growth for core businesses
- Nurture future growth drivers
- Deepen sustainable management

2nd Phase

Medium-term Management Plan (FY2024-2026)

Accelerate achievement of Where We Should Be in 2030 (achieve growth, sow seeds for sustainable growth)

- Expand earnings for core businesses, establish foundation for growth
- Create (acquire) future growth drivers
- Advance sustainable management

1st Phase

Medium-term Management Plan (FY2021-2023)

Build the foundation to achieve Where We Should Be in 2030

- Shore up earnings base for core businesses, lay the groundwork for growth
- Implement workstyle reforms
- First steps with implementing sustainable management

Basic Policies

Becoming a truly strong corporate group

2nd Phase

For achieving our vision (Where We Should Be in 2030), we are furthering initiatives under the five basic policies: “Expand stable earnings,” “Diversify revenue sources,” “Execute people-centric management,” “Establish new ways of working,” and “Enhance management and financial base,” to accelerate the transformation into a “truly strong corporate group.”

Medium-term Management Plan (FY2024-2026)

Pages
24~27

Individual Strategies



01

Expand stable earnings by further strengthening the competitiveness of our core businesses



02

Rise to the challenge of expanding business areas and developing new business fields



03

Create a virtuous cycle in the recruitment, retention, and development of human resources



04

Establish new ways of working that help improve productivity



05

Build a strong and sound management and financial base

Initiatives for important sustainability themes

We are promoting sustainable management by identifying six materialities as we pursue our vision (Where We Should Be in 2030), organizing materialities as well as specific initiatives and the SDGs that we can contribute to, and strengthening our business foundation in tandem with contributions to solving social issues.



3 Medium-term Management Plan (FY2024-2026)

Key Performance Indicators

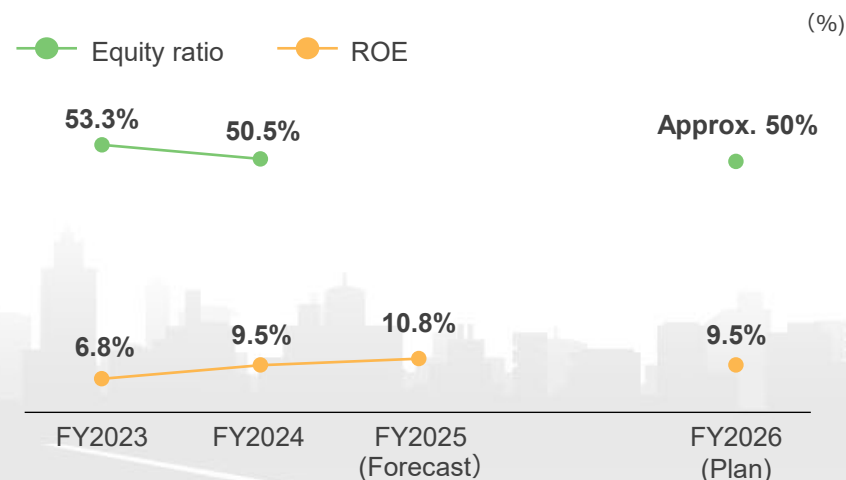
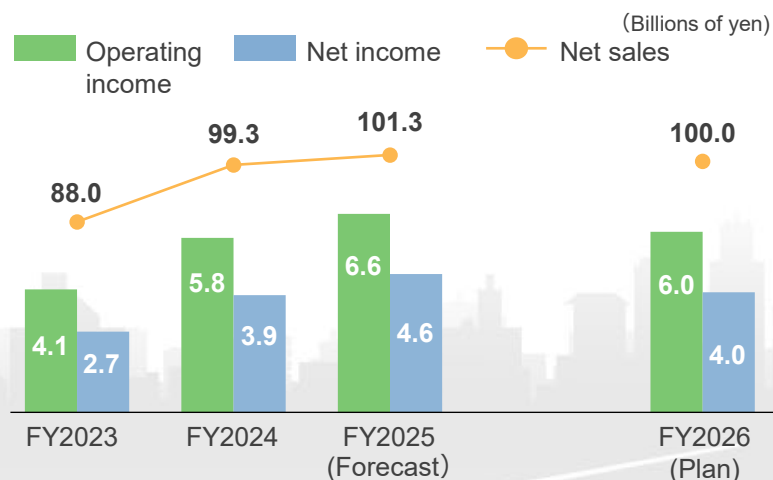
Consolidated

Item	FY2023 actual	FY2024 actual	FY2025 Forecast
Net sales	88.0 billion yen	99.3 billion yen	101.3 billion yen
Operating income	4.1 billion yen	5.8 billion yen	6.6 billion yen
Net income	2.7 billion yen	3.9 billion yen	4.6 billion yen
ROE	6.8%	9.5%	10.8%
Equity ratio	53.3%	50.5%	-

FY2026 plan
100.0 billion yen
6.0 billion yen
4.0 billion yen
9.5%
Approx. 50%

Net sales, Operating income, Net income

Equity ratio, ROE



(Note) Equity for the end of the fiscal year ending March 31, 2026 used to calculate our ROE forecast for FY2025 is calculated as follows, and does not factor in other fluctuations: "Equity at the end of the previous fiscal year" + "Estimated net income for the fiscal year" - "Amount of projected dividends during the fiscal year" + "Fluctuations due to disposal of treasury shares as restricted stock."

Individual Strategies



01

Expand stable earnings by further strengthening the competitiveness of our core businesses

Key Strategies

Construction Business

- Build track record with construction and strengthen response capacity (win construction work from Ministry of Land, Infrastructure, Transport and Tourism and expressway companies)
- Countermeasures for aging and deteriorating infrastructure, strengthen marketing in disaster prevention/mitigation fields and renewable energy



Tokai-Kanjo Expressway
Pavement work between Ono-Kobe
Interchange and Ogaki-Nishi
Interchange



Myokenjima Mixture Plant
Renovation Plan (rendering of
completed facility)

Pavement Materials Manufacturing and Sales Business

- Regional strategies for securing sales volumes
- Strengthen sales of eco-friendly products (strengthen business foundation for cold asphalt mixtures)
- Implement capital expenditure plans to preserve competitive edge and for environmental measures

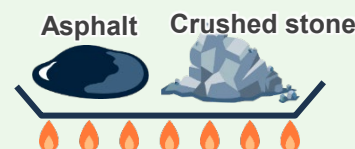
Technological Development

- Sophisticated technology proposals and technological development with an eye to changes in the living environment, including technology to reduce CO2 through low-carbon asphalt mixtures*

Obtained patents for low-carbon asphalt technology
 Combined foamed asphalt mixture (Patent No. 6216905)
 Static foamed asphalt mixture (Patent No. 6788138)

*(general designation) foamed asphalt mixture

What is low-carbon asphalt mixture?



By reducing heating temperature during production by 10-30°C (compared with during production of regular asphalt mixture)

**CO2 emissions are reduced
 15% compared with
 production of regular asphalt
 mixture**

*When reducing heating temperature during production by 30°C

Individual Strategies

02

Rise to the challenge of expanding business areas and developing new business fields

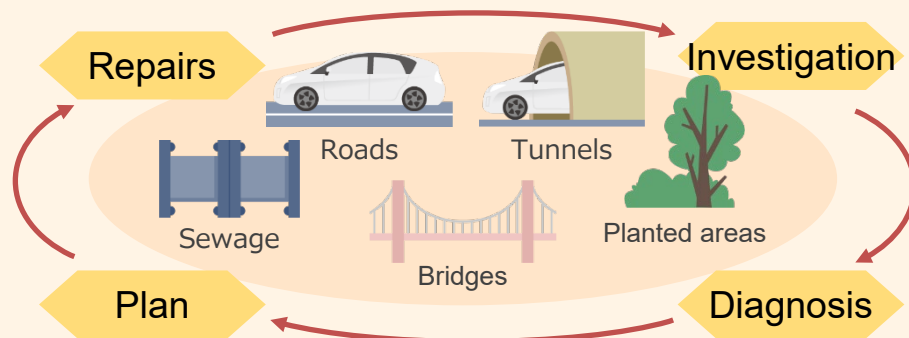
Key Strategies

Provide new technology and value for social infrastructure development

- Lengthen the life of road infrastructure
- Expand recycling and other environmental technologies



Surface repair work within jurisdiction of Kokubunji Branch Office
<Strongphalt, a highly durable asphalt mixture>

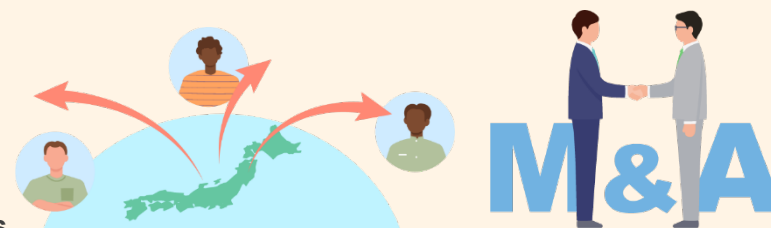


Continued comprehensive contracting to the private sector, including for roads

- Create business models for solving issues faced by contractees
- Hone technology for inspecting/diagnosing roads

Expand business fields, including overseas expansion

- Pursue M&A and partnership, etc., which help create synergies with existing business and expansion of business fields and markets
- Push ahead with growth strategy to develop new business fields



Individual Strategies



03

Create a virtuous cycle in the recruitment, retention, and development of human resources

Key Strategies

Actively Promote Diversity & Inclusion and Improve Engagement

- Enhance recruiting through the promotion of diversity and stronger ties with educational institutions
- Improve engagement by creating an “attractive workplace” where employees feel comfortable and motivated

	FY2023 actual	FY2024 actual	1H actual		FY2026 target	(reference) FY2030 target
Number of female employees in career-track positions	65	73		⇒	100	140
Number of female managers	4	4		⇒	5	7
Employee engagement score	B	B	BB	⇒	BB or higher	A or higher



Multifunctional vehicle for women
<Equipped with toilet, change room,
other features>



Inside Tama Business Office
(Hino City, Tokyo)
<Rebuild completed June 2023>



Tochigi Training Center (TTC)
<In-house training facility>

*Engagement Score: Evaluation based on a survey service provided by an external expert organization. Comprises 11 levels, with DD the lowest and AAA the highest. In the November 2023 survey, we ranked B, which is the sixth level from the top. BB is the fifth level from the top and A the third level from the top.



Improve the abilities of increasingly diverse human resources

- Promote flexible career development and enhance education in response to increasingly diverse human resources

Individual Strategies

04 Establish new ways of working that help improve productivity

Key Strategies

Improve Productivity and Operational Efficiency

- Proactive use of ICT, digitization of work tasks, and accelerated division of labor



AI x Human Resources = Improved Labor Productivity

- Adopt AI to support workers and change workstyles
- Reduce internal operations

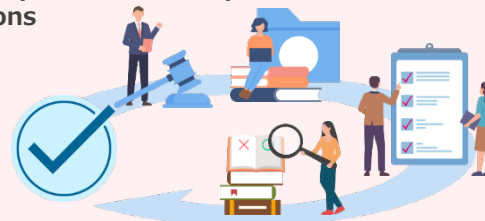


05 Build a strong and sound management and financial base

Key Strategies

Regain Credibility and Trust from Stakeholders

- Complete implementation of measures to prevent the recurrence of the Anti-Monopoly Act violations and thoroughly ensure compliance with other laws and regulations



Strengthen Corporate Governance

- Enhance information disclosures, including for non-financial information
- Advance sustainable management (initiatives with materiality)

SUSTAINABLE DEVELOPMENT GOALS



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Financial Capital Policy

■ Capital Allocation (FY2024-2026)

- Implement continuous and strategic investments for building a sustainable business foundation
- Control the balance sheet to reflect a balance between financial soundness and capital efficiency
- Stable and proactive shareholder returns based on DOE

End of FY2023

Working Capital, etc.
(cash on hand)

13.4 billion yen

Interest-bearing debt

6.8 billion yen

(DE ratio 0.17)

Operating Cash Flow (before R&D expense deductions)

Cumulative
3 years **18.5 billion yen**

Net income	11.6 billion yen
Depreciation	5.4 billion yen
R&D expenses	1.5 billion yen

Allocate to cash on hand
or procure additional
interest-bearing deb **3.5 billion yen**

*Target a DE ratio of less than 0.3

Shareholder Returns

Dividends ——— **8.5 billion yen**

Growth Investments

Capital expenditure ——— **10.5 billion yen**
(maintain backbone systems, growth)

Strategic investments ——— **1.5 billion yen**
(expand business fields, M&A, etc.)

R&D expenses

Environment, DX, etc. ——— **1.5 billion yen**

Equity ratio

53.3% at end of FY2023

▶ **Approx. 50%** at end of FY2026

Financial Capital Policy

Implement continuous and strategic investments for building a sustainable business foundation

	FY2024 result	Cumulative total for plan period (Planned value)
Capital expenditure (maintain backbone systems, growth)	Approx. 1.5 billion yen	Approx. 10.5 billion yen
Strategic investments (expand business fields, M&A, etc)	—	Approx. 1.5 billion yen
R&D expenses	Approx. 0.4 billion yen	Approx. 1.5 billion yen

- Consistent strategic capital expenditure and technological development are essential for achieving future sustainable growth. Systematically invest in capital expenditure and in R&D, such as reducing environmental impact, improving productivity, and improving work environments to provide job satisfaction.

Result of major capital expenditure in FY2024	Construction business	Nara Office, Kansai Branch	Rebuilding offices
	Pavement materials manufacturing and sales business	Mukawa Mixture Plant, Hokkaido Branch; Yuzawa Mixture Plant, Tohoku Branch	Introducing foamed asphalt facilities

Control the balance sheet to reflect a balance between financial soundness and capital efficiency

Equity ratio	End of FY2024	Plan at end of FY2026	DE ratio	End of FY2024	Plan at end of FY2026
	50.5%	Approx. 50%		0.16	less than 0.3

- Maintain credit rating at an equivalent BBB+ as a benchmark for financial soundness
 - Management targeting equity ratio of approx. 50% and DE ratio of less than 0.3.
- Maintain solid liquidity on hand worth approx. two-month net sales
 - Incorporate the impact of an upfront cost business model (time difference between the payment of trade payables and recovery of trade receivables) and construction projects becoming larger in size
 - Unable to fulfill our social responsibility if running for financing in emergency
 - Effective use of overdraft facility agreements and commitment lines
- While securing a ROE that exceeds the expected equity costs, aim for further increase of equity spread as well as early achievement of a ROE of 10.0% set in Where We Should Be in 2030.

Financial Capital Policy

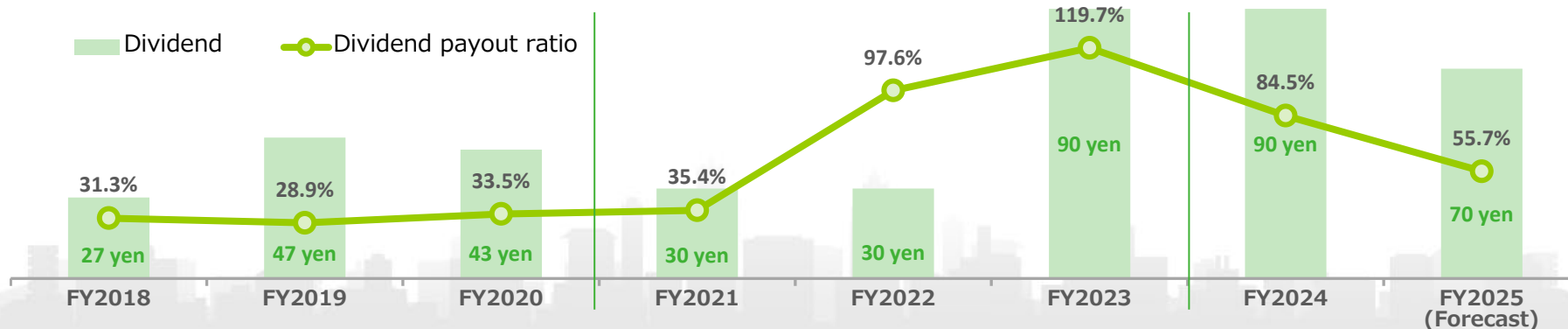
Stable and proactive shareholder returns based on DOE

● Trends of relevant indicators

► Targeting DOE of 6%

*For FY2024, maintain DOE target of 8%

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Equity (million yen)	36,632	40,790	40,497	39,660	40,533	41,692	
Net assets per share (yen)	909.13	1,010.99	1,082.33	1,088.13	1,111.46	1,138.86	
Equity ratio (%)	49.1	51.4	51.7	50.4	53.3	50.5	
Net income per share (yen)	162.40	128.45	84.81	30.73	75.16	106.46	125.57
Dividend per share (yen)	47	43	30	30	90	90	70
Dividend payout ratio (%)	28.9	33.5	35.4	97.6	119.7	84.5	55.7
Total shareholders return (%)	30.5	33.5	109.6	168.0	119.8	84.6	
DOE[dividends on equity] (%)	5.6	4.5	2.9	2.8	8.2	8.0	
ROE (%)	19.2	13.4	8.1	2.8	6.8	9.5	



[Medium-term Management Plan (FY2018-2020)]
Total shareholders return of roughly 30%

[Medium-term Management Plan (FY2021-2023)]

Dividend payout ratio of roughly 30%,
Total shareholders return of 50% or more

targeting dividend
payout ratio of 100%
and DOE of 8%

[Current Medium-term Management Plan]

Targeting DOE of 6%
*For FY2024, maintain DOE target of 8%

3 Where We Should Be in 2030

Basic Policies to Achieve Where We Should Be



In the medium-term management plan (three years), we aim to achieve Where We Should Be by compiling individual strategies and key initiatives, based on the above five policies, and ensure their implementation.

3 Where We Should Be in 2030

Where We Should Be in 2030 (Quantitative Targets)

Updated on May 2024

■ Key Performance Indicators (KPI)

Consolidated

	Original target (May 2021)	Updated on May 2024
Item	FY2030 Target	FY2030 Target
Net sale	100 billion yen	110 billion yen
Operating income	8 billion yen	8 billion yen
Net income	5 billion yen	5 billion yen
ROE	10.0%	10.0%
Equity	50.0 billion yen	—
Total assets	100 billion yen	—
Equity ratio	50.0%	Approx. 50%

Our New Approach to Where We Should Be (Quantitative Targets)

● Net Sales of 110 billion yen and Operating Income of 8 billion yen

Our initial target for 100 billion yen in net sales in our 2030 vision was premised on our belief that net sales of 100 billion yen is the optimum scale of our business that would maximize profits, while having secured the necessary human resources for our current business divisions and capping the rise in management costs. Since then, orders received have been steady and combined with rising product and personnel costs, we brought forward our KPI for achieving net sales of 100 billion yen earlier to the new Medium-Term Management Plan (FY2024-FY2026). Together when compiling the Plan, we raised our FY2030 target for net sales to 110 billion yen.

As regards our optimum scale, as noted above, we believe that business volume is within the optimum scale given the impact of rising prices. For the same reason, and in light of improved compensation for workers and likely expanded human capital investments, such as education and training, we have kept our initial targets for profit unchanged.

● ROE of 10.0% and Equity Ratio of 50%

For the medium and long term, we will maintain our stance for actively controlling equity in order to quickly achieve ROE of 10% while ensuring the equity spread.

An equity ratio of 50% is the return on capital demanded of a listed company, and as we pursue a high level of financial soundness as demanded of a construction company involved in public works, we aim to strike an optimal balance.

Together with this revision, we have streamlined management of balance sheet indicators, swapping amounts with percentages.

3 Where We Should Be in 2030

Cash Flow Allocation

Updated on May 2024

● Cash flow use (2024-2030)

Operating cash flow (for 7 cumulative years)

Approx. 43 billion yen

(net income approx. 29 billion yen)
(depreciation approx. 14 billion yen)

Growth Investments
(capital expenditure/strategic investment)

Approx. 23 billion yen
(approx. 18 billion yen/approx. 5 billion yen)

Shareholder returns

Approx. 19 billion yen

● Our Approach to Financial Soundness

■ Maintain credit rating at an equivalent BBB+ as a benchmark for financial soundness

- Ensure cash on hand roughly double the amount of monthly sales
- Management targeting DE ratio of less than 0.3
- Give consideration to the business model in which expenditures are upfront (time gap between payment of accounts payable and recovery of accounts receivable)
- Closely watch impact on capital plans from larger sized projects taking longer times, etc.
- Effective use of overdraft facility agreements and commitment lines

● Our Approach to Free Cash Flow Allocation

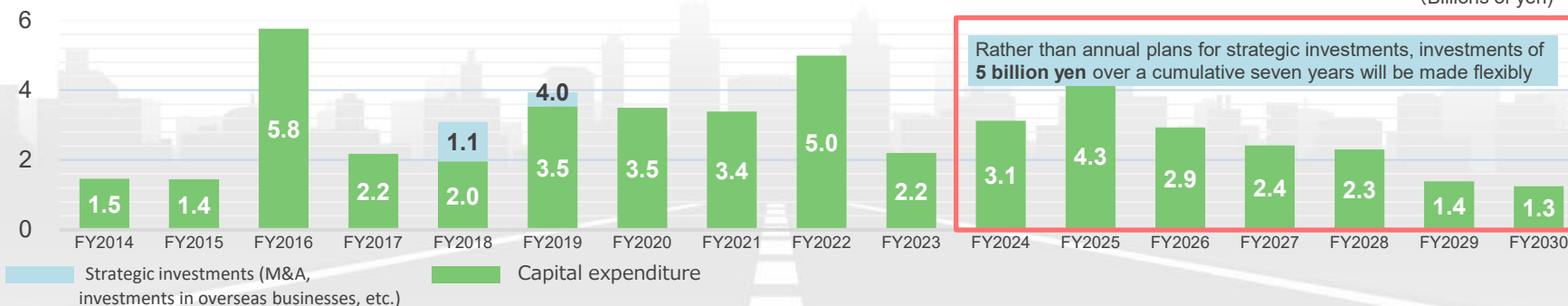
■ Equity control

We intend to allocate a reasonable amount to shareholder returns with an eye toward ROE of 10% and equity ratio of 50%

■ Remaining free cash flow after shareholder returns will be allocated as follows based on management's decision

- Additional shareholder returns
- Strengthening of the financial foundation
- Additional investments, etc. (Capital expenditure/strategic investment, human capital investments, support for partner companies, etc.)

● Changes in investment amounts (actual and planned)





4 Reference Information



Corporate Philosophy

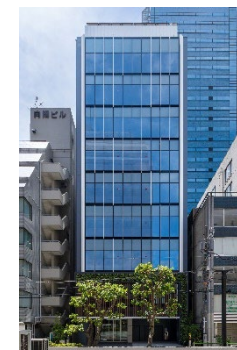
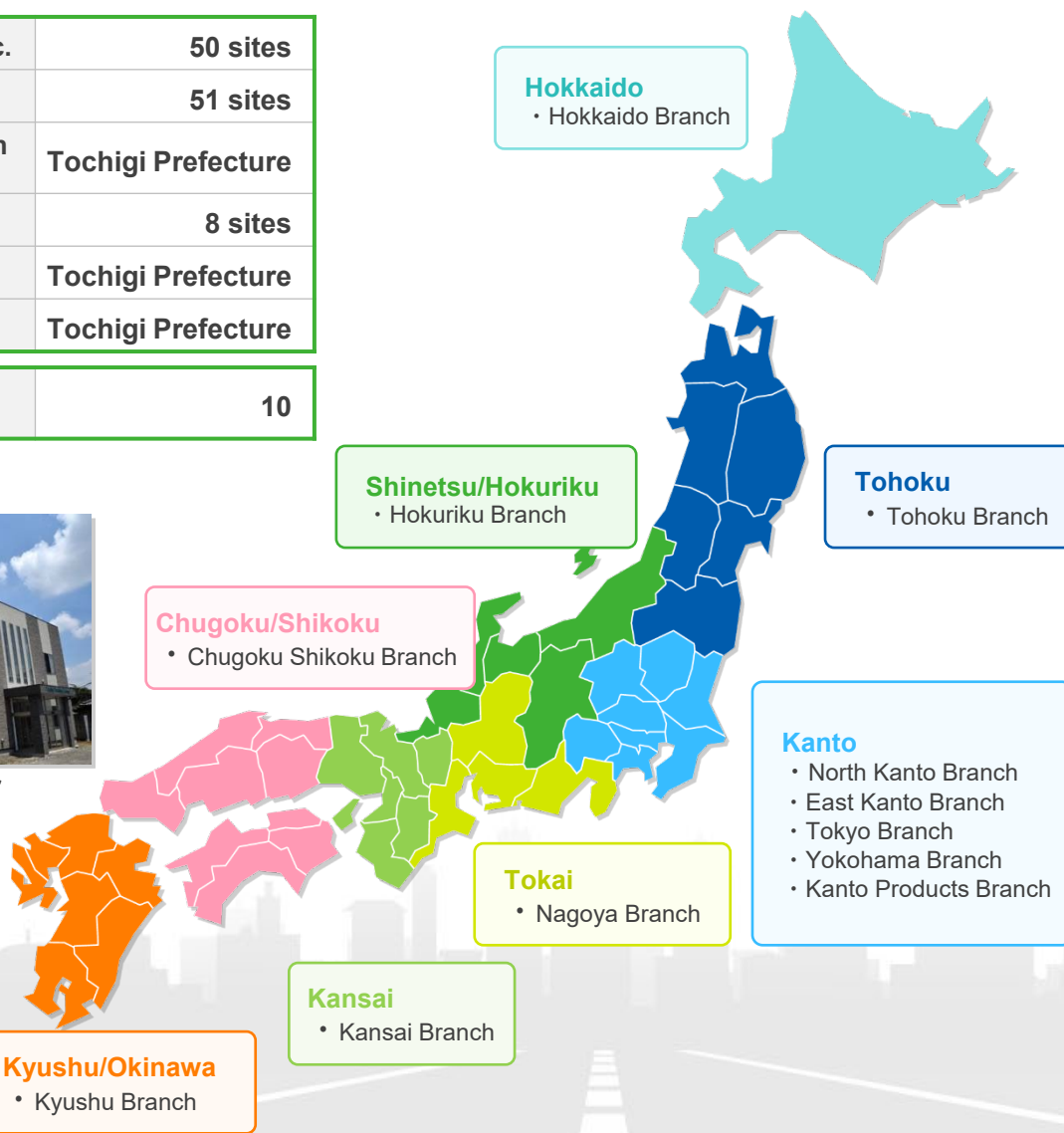
An infrastructure building company that helps create affluent communities

Company name	SEIKITOKYU KOGYO CO., LTD.
Established	January 16, 1950
Head office location	2-9-3, Shibakoen, Minato-ku, Tokyo,
Representative	Yoshikazu Taira, Director, President
Share capital	2,000 million yen (March 31, 2025)
Net sales	94,511 million yen (FY2024)
Number of employees	1,002 (March 31, 2025)
Listing	Prime Market of the Tokyo Stock Exchange
Construction business license	Special construction business license issued by the Minister of Land, Infrastructure, Transport and Tourism (Special - 4) No. 1962

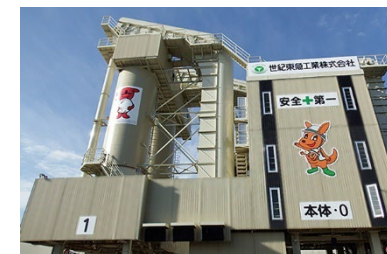
Business offices, etc.	50 sites
Material plants, etc.	51 sites
Technology research laboratory	Tochigi Prefecture
Testing laboratories	8 sites
Equipment center	Tochigi Prefecture
Training center	Tochigi Prefecture
Consolidated subsidiaries	10



Training center



Head office



Sakura Material Plant



Kobe Business Office

Note: The Kanto Product Sales & Marketing Branch Office was renamed the Kanto Product Branch on April 1, 2025.

4 Our Technologies



αFlat

αFlat is a gap correction material for filling holes and repairing gaps that occur in bridge joints, and can be applied on asphalt concrete and concrete. It is mixed at room temperature and can be easily applied with a trowel, and hardens in about 60 minutes after application, allowing for early reopening to traffic. It has particularly excellent adhesion to pavement.



Road Surface Properties Measuring Vehicle

The vehicle records the status of road surface using cameras in the survey unit, which can be installed on a passenger car. The vertical and horizontal laser scanners check the conditions of road surface and provides crack percentages and other data. Using AI, the product also calculates rutting percentages and detects potholes and fading lines.



Mible-eco (generic term: foamed asphalt mixture)

Asphalt and aggregate can be mixed easily with an additive to foam fine bubbles in asphalt, which enables mixing and application at a temperature approx. 30°C lower than that of general asphalt. This contributes to the expansion of supply areas, improvement of asphalt workability in winter season and in cold areas, reduction of the traffic restriction time, and alleviation of environmental impact.



Cold asphalt mixture "Ecomix"

Ecomix is an environmentally friendly cold asphalt mixture, which contains 50% or more aggregate recycled from asphalt. It is an Eco Mark certified product that ensures a certain level of workability and demonstrates a high level of strength.

4 Consolidated Performance Indicators, etc

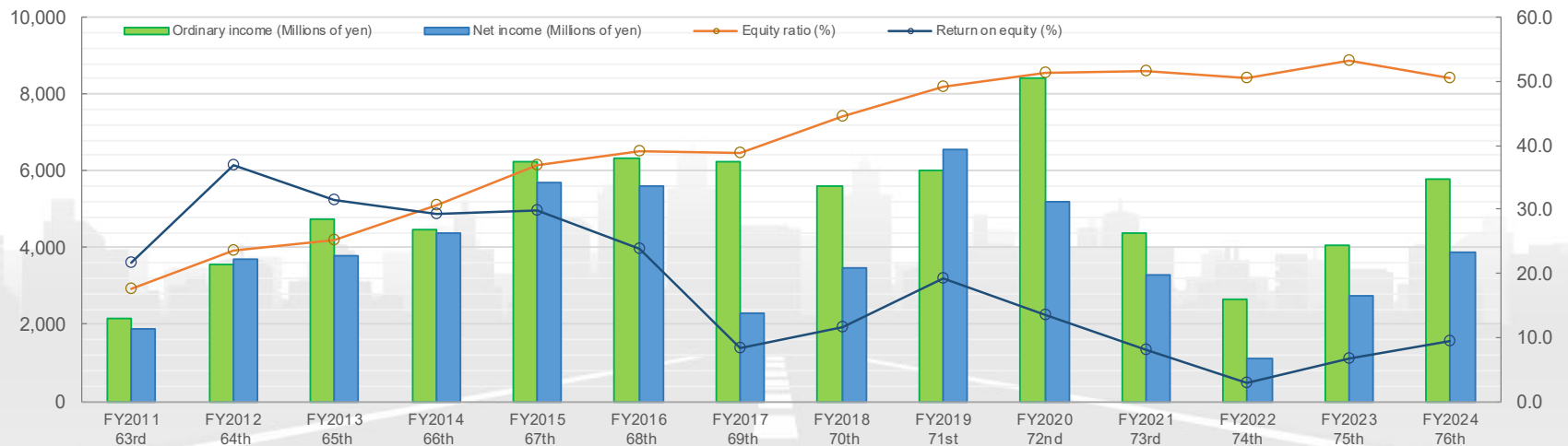
Business term	60th	61st	62nd	63rd	64th	65th	66th	67th	68th	69th	70th	71st	72nd	73rd	74th	75th	76th
Fiscal year	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales (Millions of yen)	62,598	71,589	59,365	61,106	71,091	71,691	63,542	74,634	70,075	81,659	74,036	78,631	90,025	85,132	92,414	88,037	99,358
Operating income (Millions of yen)	825	4,085	2,109	2,294	3,731	4,779	4,528	6,291	6,412	6,235	5,564	5,961	8,470	4,418	2,669	4,091	5,842
Operating profit ratio (%)	1.3	5.7	3.6	3.8	5.2	6.7	7.1	8.4	9.2	7.6	7.5	7.6	9.4	5.2	2.9	4.6	5.9
Ordinary income (Millions of yen)	489	3,705	1,943	2,178	3,551	4,730	4,487	6,261	6,338	6,239	5,584	6,009	8,395	4,358	2,647	4,078	5,788
Net income (Millions of yen)	326	3,283	1,715	1,886	3,705	3,793	4,365	5,682	5,621	2,274	3,480	6,544	5,180	3,304	1,127	2,740	3,887
Comprehensive income (Millions of yen)	—	—	1,705	1,887	3,720	3,794	4,899	4,754	5,527	2,712	3,822	6,243	6,010	3,992	1,049	3,578	4,215
Net assets (Millions of yen)	5,065	8,349	8,544	8,801	11,344	12,791	17,083	21,231	26,072	28,098	31,543	36,632	40,790	40,497	39,660	40,533	41,692
Total assets (Millions of yen)	48,069	50,348	47,339	49,597	48,106	50,809	56,079	57,544	66,444	72,192	70,906	74,656	79,409	78,295	78,762	76,042	82,556
BPS (yen)	(32.07)	(4.27)	8.77	31.50	51.34	316.84	423.19	525.96	645.90	696.09	780.73	909.13	1,010.99	1,082.33	1,088.13	1,111.46	1,138.86
EPS (yen)	2.30	22.48	11.85	10.54	19.36	95.48	108.13	140.78	139.26	56.35	86.16	162.40	128.45	84.81	30.73	75.16	106.46
Diluted EPS (yen)	0.77	10.72	5.80	7.19	16.00	—	—	—	—	—	—	—	—	—	—	—	—
Equity ratio (%)	10.5	16.6	18.1	17.7	23.6	25.2	30.5	36.9	39.2	38.9	44.5	49.1	51.4	51.7	50.4	53.3	50.5
Return on equity (%)	6.6	49.0	20.3	21.7	36.8	31.4	29.2	29.7	23.8	8.4	11.7	19.2	13.4	8.1	2.8	6.8	9.5
Price-earnings ratio (Times)	13.04	2.58	7.51	6.26	4.24	6.14	4.79	3.35	3.81	12.21	6.84	5.02	7.25	8.80	26.40	25.65	14.21
Cash flows from operating activities (Millions of yen)	2,040	6,372	1,217	2,945	4,796	5,433	2,862	6,679	6,949	6,303	4,781	4,461	1,138	4,646	2,380	10,949	(971)
Cash flows from investing activities (Millions of yen)	(1,184)	(997)	(361)	(130)	(608)	(1,407)	(1,234)	(1,658)	(4,896)	(2,231)	(1,777)	(3,808)	(3,622)	(3,668)	(5,028)	(2,873)	(1,339)
Cash flows from financing activities (Millions of yen)	(794)	(1,580)	(2,525)	(2,610)	(4,828)	(1,551)	(1,604)	(1,603)	1,815	(1,684)	(2,005)	(2,919)	2,343	(2,232)	(2,022)	(2,823)	(3,376)
Cash and cash equivalents at the end of year (Millions of yen)	880	4,675	3,006	3,206	2,566	5,041	5,064	8,482	12,350	14,737	15,735	14,169	14,035	12,814	8,173	13,440	7,751
Dividend per share (yen)	—	—	—	—	—	15	15	17	17	10	27	47	43	30	30	90	90
Dividend payout ratio (%)	—	—	—	—	—	15.0	13.9	12.1	12.2	17.7	31.3	28.9	33.5	35.4	97.6	119.7	84.5
Employees (persons)	865	860	840	824	797	792	825	863	904	896	907	1,031	1,043	1,098	1,117	1,149	1,152
[plus average number of part-time staff]	[230]	[236]	[240]	[245]	[251]	[268]	[279]	[275]	[275]	[274]	[274]	[289]	[293]	[277]	[292]	[292]	(281)

* A 1-for-5 reverse stock split was conducted in October 2014. "Net assets per share," "Net income per share," and "Dividend per share" for FY2014 onwards reflect the effects of the reverse stock split.

(Millions of yen)

Consolidated performance indicators

(%)



This material contains financial results forecasts, projections, and other forward-looking statements, which are based on available information and certain assumptions that are considered reasonable at the time of preparation. Various factors including changes in future business environment may cause actual results to be materially different from those expressed in these forward-looking statements.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



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Contact

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ST and K (Seiki Tokyu Kogyo mascot characters)

ST and K, our mascot characters, were born in January 2020 on the occasion of our 70th anniversary.

They will help promote safety at construction sites and asphalt plants across the country, improve the industry's image, and conduct public relations activities.

世紀東急工業キャラクター
イスティとケイ

