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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]

April 30, 2025

Company name: YONDENKO CORPORATION
Stock exchange listing: Tokyo Stock Exchange
Code number: 1939
URL: https://www.yondenko.co.jp/en/
Representative: Yukio Sekiya, President and Representative Director
Contact: Tadakazu Takata, Senior Executive Officer, General Manager, Accounting and Finance Dept.
Phone: +81-87-840-0230
Scheduled date of annual general meeting of shareholders: June 27, 2025
Scheduled date of commencing dividend payments: June 30, 2025
Scheduled date of filing securities report: June 25, 2025
Availability of supplementary explanatory materials on annual financial results: Available
Schedule of annual financial results briefing session: Scheduled (Video streaming is scheduled.)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	105,877	14.9	8,073	25.3	8,536	21.7	5,173	13.2
March 31, 2024	92,112	3.4	6,444	29.6	7,012	26.0	4,571	21.4

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥5,721 million [(25.0)%]
Fiscal year ended March 31, 2024: ¥7,628 million [132.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	109.46	–	8.2	8.4	7.6
March 31, 2024	96.71	–	7.8	7.0	7.0

(Reference) Equity in earnings of associated companies: Fiscal year ended March 31, 2025: ¥– million
Fiscal year ended March 31, 2024: ¥– million

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. The basic earnings per share are calculated assuming that the stock split had taken place at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	99,630	64,890	65.1	1,370.87
As of March 31, 2024	103,205	61,796	59.8	1,307.20

(Reference) Equity: As of March 31, 2025: ¥64,812 million
As of March 31, 2024: ¥61,741 million

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. The net assets per share are calculated assuming that the stock split had taken place at the beginning of the previous consolidated fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	(536)	(1,180)	(4,280)	16,308
March 31, 2024	6,037	(598)	(3,106)	22,306

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter -end	3rd quarter -end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	–	60.00	–	80.00	140.00	2,205	48.3	3.7
Fiscal year ended March 31, 2025	–	90.00	–	35.00	–	3,073	59.4	4.9
Fiscal year ending March 31, 2026 (Forecast)	–	32.00	–	33.00	65.00		61.5	

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. The actual dividends before the stock split are stated for dividends prior to the 2nd quarter of the fiscal year ended March 31, 2025. On a post-stock split basis, the annual dividends per share for the fiscal years ended March 31, 2024 and 2025 would be ¥46.67 and ¥65.00, respectively.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	100,000	(5.6)	7,000	(13.3)	7,500	(12.1)	5,000	(3.4)	105.76

*** Notes:**

(1) Significant changes in scope of consolidation during the fiscal year under review: None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the year (including treasury shares):
March 31, 2025: 48,766,410 shares
March 31, 2024: 48,766,410 shares

2) Total number of treasury shares at the end of the year:
March 31, 2025: 1,487,869 shares
March 31, 2024: 1,534,707 shares

3) Average number of shares outstanding during the year:

Year ended March 31, 2025:	47,264,517 shares
Year ended March 31, 2024:	47,274,549 shares

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. The total number of issued shares at the end of the year, the total number of treasury shares at the end of the year, and the average number of shares outstanding during the year are calculated assuming that the stock split had taken place at the beginning of the previous consolidated fiscal year.

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	94,108	21.9	6,787	65.0	7,250	45.3	4,761	35.9
March 31, 2024	77,207	3.8	4,113	31.5	4,990	23.2	3,504	14.7

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
March 31, 2025	100.74	–
March 31, 2024	74.13	–

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. The basic earnings per share are calculated assuming that the stock split had taken place at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	82,510	54,534	66.1	1,153.48
As of March 31, 2024	84,886	52,595	62.0	1,113.56

(Reference) Equity: As of March 31, 2025: ¥54,534 million
As of March 31, 2024: ¥52,595 million

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. The net assets per share are calculated assuming that the stock split had taken place at the beginning of the previous fiscal year.

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	84,000	(10.7)	5,000	(26.3)	5,700	(21.4)	4,000	(16.0)	84.60

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The above forecasts are prepared on the basis of the Company's current outlook and plans as of the date of publication of this document and do not represent a promise or commitment by the Company to achieve them. Actual results may be different from the forecast figures due to various factors in the future.

Please refer to page 6 of the attached document for the assumptions and other matters related to the above forecasts.

○ Table of Contents for the Attachments

1. Overview of Business Results

(1) Overview of Business Results and Financial Position for the Fiscal Year Under Review

1) Overview of Business Results for the Fiscal Year Under Review

During the consolidated fiscal year ended March 31, 2025 (the "fiscal year under review," or "FY2024"), the Japanese economy showed a gradual recovery in personal consumption and employment conditions, and business confidence in the corporate sector also showed signs of recovery, reflecting favorable business performance. The Shikoku economy generally followed a similar trend, although to varying degrees.

In the construction industry, the order environment was generally favorable, with continued recovery in capital investment and public investment. However, it was necessary to appropriately address the impact of factors such as rising material and equipment prices as well as labor shortages on order acceptance decisions, construction costs, and construction progress.

In this environment, the consolidated financial results of YONDENKO CORPORATION (the "Company") and its subsidiaries (collectively, the "Group") for the fiscal year under review achieved record highs in both sales and profits due to a high level of orders received, steady progress in large-scale construction work, stable procurement of materials and equipment, and thorough cost management. Accordingly, we were able to achieve the numerical targets set out in the "Medium-Term Management Guidelines 2025" of "net sales of ¥100 billion, operating profit of ¥6 billion, and ROE of 8.0%" one year ahead of schedule.

[Consolidated financial results]

(Million yen unless stated otherwise)

Classification	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	Change	Rate of change (%)
	Amount	Amount		
Orders received	97,754	99,537	1,782	1.8
Net sales	92,112	105,877	13,765	14.9
Operating profit	6,444	8,073	1,628	25.3
Ordinary profit	7,012	8,536	1,524	21.7
Profit attributable to owners of parent	4,571	5,173	601	13.2

2) Consolidated Financial Position for the Fiscal Year Under Review

Total assets decreased by ¥3,574 million year-on-year to ¥99,630 million due in part to decreases in cash and deposits and deposits paid to subsidiaries and associates, despite an increase in notes receivable, accounts receivable from completed construction contracts and other.

Liabilities decreased by ¥6,669 million year-on-year to ¥34,739 million due in part to decreases in notes payable, accounts payable for construction contracts and other, accounts payable - other, and long-term borrowings.

Net assets increased by ¥3,094 million year-on-year to ¥64,890 million due in part to the recording of profit attributable to owners of parent of ¥5,173 million, despite dividends paid of ¥2,677 million . As a result, the equity ratio was 65.1%.

3) Overview of Consolidated Cash Flows for the Fiscal Year Under Review

Cash flows from operating activities resulted in a cash outflow of ¥536 million (compared to a cash inflow of ¥6,037 million in the previous fiscal year) due in part to an increase in trade receivables, a decrease in accounts payable - other, and the payment of income taxes, despite the securing of profit before income taxes of ¥7,627 million .

Cash flows from investing activities resulted in a cash outflow of ¥1,180 million (compared to a cash outflow of ¥598 million in the previous fiscal year) due in part to capital investments.

Cash flows from financing activities resulted in a cash outflow of ¥4,280 million (compared to a cash outflow of ¥3,106 million in the previous fiscal year) due in part to repayments of borrowings and dividends paid.

As a result, funds (cash and cash equivalents) for the fiscal year under review were ¥16,308 million, a decrease of ¥5,997 million compared to the previous fiscal year.

(Reference) Cash flow indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	52.0	56.1	57.5	59.8	65.1
Equity ratio based on market capitalization (%)	24.4	28.0	30.7	61.4	61.0
Cash flows to interest-bearing debt ratio (years)	1.5	1.3	3.0	1.7	(15.8)
Interest coverage ratio (times)	133.5	157.5	66.3	125.0	(9.9)

(Notes) Equity ratio: Equity / Total assets

Equity ratio based on market capitalization: Market capitalization / Total assets

Cash flows to interest-bearing debt ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

* All indicators are calculated based on consolidated financial figures.
* Market capitalization is calculated by multiplying the closing stock price at the end of the year by the total number of issued shares at the end of the year (after deducting treasury shares).
* Interest-bearing debt includes all debts recorded on the consolidated balance sheets for which interest is paid, and operating cash flows and interest payments are based on “cash flows from operating activities” and “interest paid” on the consolidated statements of cash flows.

(2) Future Outlook

In the construction industry, construction demand remains strong mainly in major metropolitan areas, but attention must be paid to rising prices of materials and equipment as well as labor shortages. There are also concerns about the uncertain economic outlook, including the impact of U.S. tariff policies on capital investment, for example.

Regarding financial results for the next fiscal year, we expect a decrease in both revenue and profit due to a reactionary decline following the progress of large-scale construction work in the fiscal year under review. However, the balance of construction work carried over remains at a high level, and we expect that this will be reflected in our financial results going forward. We will continue to secure orders by implementing strategic sales activities and strengthening collaboration between sales, construction, and cost management, while striving to improve corporate value over the medium- to long-term through thorough cost management and an improved on-site support system.

(3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

On August 31, 2023, as part of our initiatives to improve capital profitability, we reviewed our shareholder return policy and announced that we would aim for a “consolidated dividend payout ratio of 40% or more” and work to improve consolidated ROE. In light of this, we will distribute profits to shareholders by comprehensively taking into consideration factors such as business performance, dividend payout ratio, and ROE targets, with the aim of improving shareholder value. In accordance with the above basic policy, the year-end shareholder dividend for the fiscal year under review will be ¥35 per share (equivalent to ¥105 on a pre-stock split basis), as per the revised dividend forecast (increase) implemented on April 24, 2025. As a result, the annual dividends per share for the fiscal year under review, including interim dividends of ¥90 per share (before the stock split) already paid, will be equivalent to ¥195 per share on a pre-stock split basis, representing an increase of ¥55 per share compared to the annual dividends for the previous fiscal year.

Regarding financial results for the next fiscal year, we expect a decrease in both revenue and profit due to a reactionary decline following the progress of large-scale construction work in the fiscal year under review. However, regarding dividends, based on the above basic policy, we plan to pay annual dividends of ¥65 per share (interim dividends of ¥32 per share, year-end dividends of ¥33 per share), maintaining an amount that is equivalent to that of the fiscal year under review. As a result, the consolidated dividend payout ratio is expected to be 61.5%.

Regarding the frequency of dividends, we intend to continue paying them twice a year, at the mid-year point and at the end of the year. No particular changes to this are planned.

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 share.

(4) Business Risks

The following are risks that may have a significant impact on the business results and financial position of the Group. Any forward-looking statements are based on judgments made by the Group as of the end of the consolidated fiscal year under review.

The Group formulates response policies for anticipated business risks by classifying them based on their degree of impact and likelihood. The Group strives to take appropriate measures to prevent risks from materializing and to minimize impact if a risk does materialize.

1) Investment trends of major customer, the Shikoku Electric Power Group

Future trends in capital investment relating to the construction and maintenance of power transmission and distribution equipment of the Shikoku Electric Power Group, the Group's major customer, may affect the Group's business performance. In addition, reduced general construction investment by the Shikoku Electric Power Group and intensifying competition for orders may result in lower order prices and a deterioration in the profitability of construction work. Accordingly, the Group strives to early detect the investment trends of the Shikoku Electric Power Group as well as the private sector and government agencies and reflect them in the its future business strategies and other plans.

2) Volatility in cost for completed construction contracts

If material costs or outsourcing costs for completed construction contracts increase significantly due to a deterioration in the procurement environment or other factors, the profitability of construction work may be affected. At present, it is particularly necessary to pay close attention to the impact of labor shortages and rising global material prices on construction supply prices and supply chains. Accordingly, the Group strives to minimize the impact mainly by constantly monitoring market trends in labor costs and material prices, conducting timely cost reviews, and making advance arrangements.

3) Default due to customer bankruptcy

The Group strives to improve and strengthen the credit management of customers, but in the contract construction and leasing businesses, the Group is exposed to customer credit risk from the inception of the contract to the receipt of payment. As such, an unexpected deterioration in business or financial conditions may result in difficulties in recovering receivables. Accordingly, the Group strives to thoroughly manage credit and long-term accounts receivable, and check for unbilled work volume.

4) Retirement benefit obligations

The Company has adopted a retirement benefit plan that includes a defined benefit pension plan. A deterioration in the investment yield of pension assets or a decline in discount rates may affect the Group's business performance and financial position. Accordingly, the Group strives to appropriately manage risk mainly by passively managing each asset based on the policy asset mix.

5) Volatility in investment security prices

The Company holds securities for fund management and other purposes. If the market value drops significantly due to fluctuations in interest rates or stock prices, the Group's business performance and financial position may be affected. Accordingly, the Group strives to manage risk through its investment portfolio in order to minimize the impact of stock price volatility and other uncertainty.

6) Legal regulations

The Group is regulated under such acts as the Construction Business Act, the Anti-Monopoly Act, and the Industrial Safety and Health Act. If these regulations are amended, abolished, or newly established, or if applicable standards are changed, or if the Group is subject to administrative sanctions based on legal regulations, the Group's business performance may be affected. Accordingly, the Group collects information on trends in relevant laws and regulations, analyzes their impact, and responds appropriately mainly through relevant departments.

7) Emergency response for large-scale disasters

In the event of a large-scale disaster such as an earthquake or a pandemic, the Group's business performance and financial position may be affected. Accordingly, the Group continues to conduct drills and take necessary measures assuming a large-scale disaster. If there is concern about the outbreak of a pandemic, the Group will take necessary measures in a timely and appropriate manner to continue its business activities and ensure the hygiene and health of its employees. Faced by information security risks that have become increasingly material in recent years, the Group is working to manage these risks in accordance with information security guidelines by establishing and strengthening security infrastructure and information management systems, constantly monitoring networks, and providing information security education to employees.

2. Status of the Corporate Group

The Group consists of the Company, 26 subsidiaries, and eight associates, and has three reportable segments: the equipment installation business, leasing business and solar power business.

In the equipment installation business, the Group engages in contracted power distribution work, power transmission and civil engineering work, electrical and instrumentation work, air conditioning and plumbing work, and information and communications work. In the leasing business, the Group mainly leases out construction machinery, vehicles and equipment. In the solar power business, the Group sells electricity generated by solar power.

The positioning of the Group’s businesses and their relationships with the segments are as follows:

(Equipment installation business)

In addition to receiving orders from customers and engaging in equipment installation work, the Company outsources some of the construction work to its consolidated subsidiaries Accel Tokushima Corporation, Kochi Create Corporation, Accel Matsuyama Corporation, and Kagawa Create Corporation.

Consolidated subsidiary Arimoto Oncho Corporation engages in contracted air conditioning and plumbing work mainly in Hyogo Prefecture.

Consolidated subsidiary AI DENKI TSUSHIN Co., Ltd. engages in contracted electrical and telecommunications work mainly in the Kansai and Tokyo metropolitan areas, while non-consolidated subsidiary KOEI TSUKEN CORPORATION engages in contracted electrical and telecommunications work mainly in the Tokyo metropolitan area.

Consolidated subsidiary RYOUEI SETSUBI KOUGYOU Co., Ltd. engages in contracted air conditioning and plumbing work mainly in the Tokyo metropolitan area, while non-consolidated subsidiary Issuisha Co., Ltd. engages in contracted plumbing work in the same area.

Consolidated subsidiary kansaisetubi, Co., Ltd. engages in contracted air conditioning and plumbing work mainly in Kochi Prefecture.

Consolidated subsidiary Yokoyama Kogyo Co., Ltd. engages in contracted air conditioning and plumbing work mainly in Tochigi Prefecture.

Consolidated subsidiary BELTEC Co., Ltd. engages in contracted electrical work mainly in Okayama Prefecture.

Consolidated subsidiary CADEWA SERVICE Co., Ltd. creates drawings using CAD, and the Company places orders with this subsidiary for some of its drawings and other work.

Unconsolidated subsidiaries Tokushima Denko Co., Ltd., Nankai Denko Co., Ltd. and Kagawa Denko Co., Ltd. handle outsourced business processes for transactions between the Company and its partners for power distribution work.

Unconsolidated subsidiary Yondenko Vietnam Company Limited creates drawings using CAD, and the Company places orders with this subsidiary for some of its drawings and other work.

(Leasing business)

Consolidated subsidiary Yonko Business Co., Ltd. mainly leases out construction machinery, vehicles and equipment. The subsidiary has lease transactions with the Company for some of these items.

(Solar power business)

The Company, its consolidated subsidiaries Yonko Solar Co., Ltd., Nio Solar Power Co., Ltd. and Kuwano Solar Power Co., Ltd., and its associate Kochi Nakoyama Solar Farm Co., Ltd., sell electricity generated by solar power, and the Company undertakes the construction, management, and operation of major equipment.

(Other)

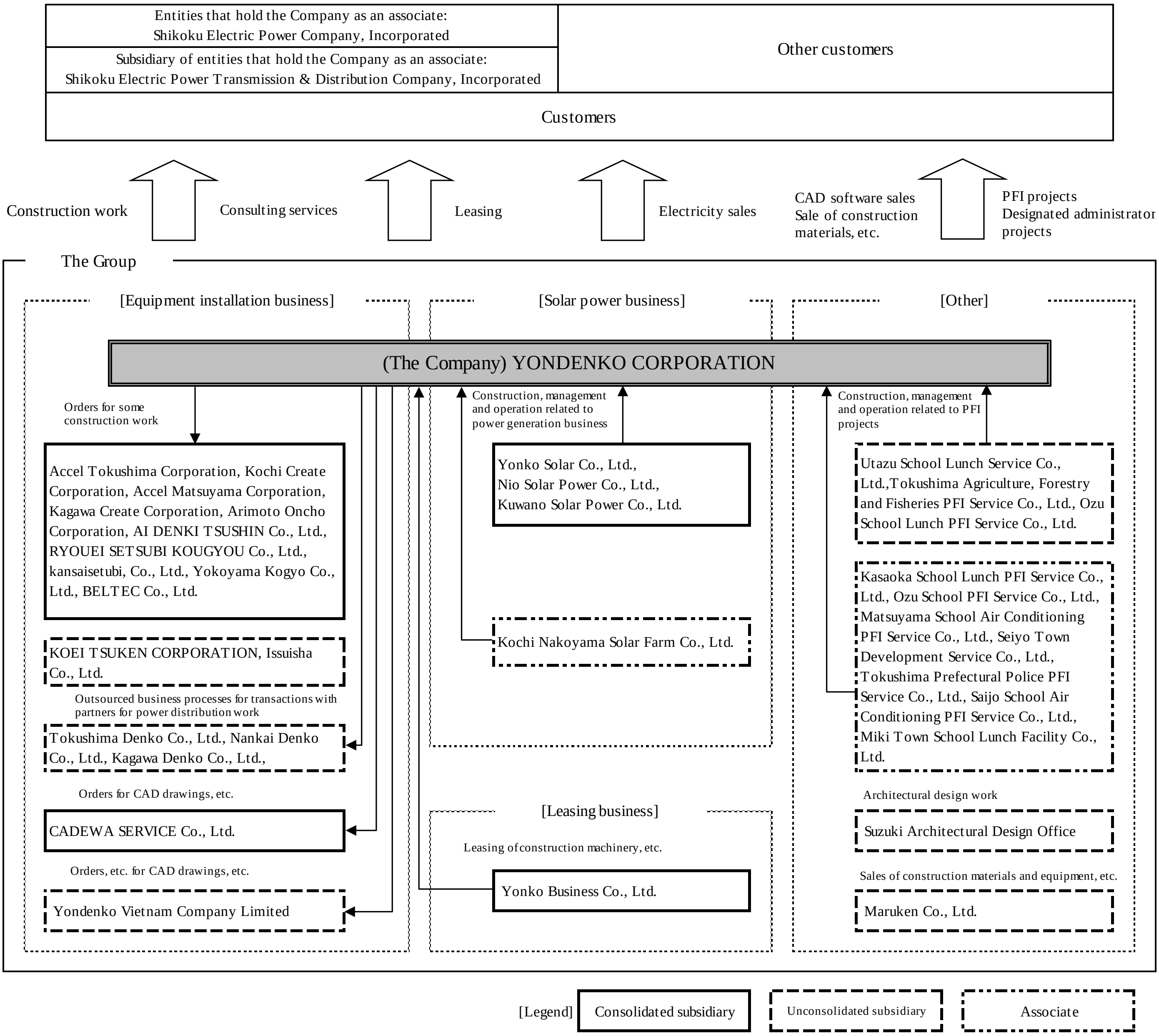
The Company develops and sells CAD software, engages in designated administrator projects, and sells construction materials.

Unconsolidated subsidiary Suzuki Architectural Design Office engages in architectural design work mainly in the Tohoku region.

Unconsolidated subsidiary Maruken Co., Ltd. engages in the sales of construction materials and equipment, mainly in the Tokyo metropolitan area.

Unconsolidated subsidiaries Utazu School Lunch Service Co., Ltd., Tokushima Agriculture, Forestry and Fisheries PFI Service Co., Ltd., and Ozu School Lunch PFI Service Co., Ltd., as well as associates Kasaoka School Lunch PFI Service Co., Ltd., Ozu School PFI Service Co., Ltd., Matsuyama School Air Conditioning PFI Service Co., Ltd., Seiyo Town Development Service Co., Ltd., Tokushima Prefectural Police PFI Service Co., Ltd., Saijo School Air Conditioning PFI Service Co., Ltd., and Miki Town School Lunch Facility Co., Ltd. engage in PFI projects.

The Group’s business structure is as follows:



3. Management Policies

(1) Basic Policy on Corporate Management

The Group has been playing a key role in ensuring the stable supply of electricity through the design, construction, and maintenance of power transmission and distribution equipment. As a comprehensive facility construction company, the Group's fundamental goal is to contribute to local communities and achieve sustainable growth as a company by providing high-quality equipment and services that satisfy customers.

(2) Medium- to Long-term Management Strategies and Priority Issues

1) Business environment and issues surrounding the Group

Regarding the current business environment surrounding the facility construction business, construction demand is expected to remain strong due to redevelopment projects and regional social infrastructure development in the Tokyo metropolitan and Kansai areas. On the other hand, concerns are expected to continue about the impact of factors such as a decrease in the construction population and rising costs of materials, equipment, and labor on orders and construction.

With regard to power transmission and distribution equipment construction work, construction work to renew aging equipment is expected to increase in the future, and the issue we face is how to ensure profitability while maintaining an adequate construction system.

2) Policy for addressing issues

In light of the business environment and issues described above, we strategically addressed priority issues set out in the "Medium-Term Management Guidelines 2025," such as strengthening multifaceted profitability as a General Facility Construction Company and expanding wide-area business development. As a result, we were able to achieve the numerical targets set out in the Guidelines of "net sales of ¥100 billion, operating profit of ¥6 billion, and ROE of 8.0%" one year ahead of schedule.

Regarding FY2025, the balance of construction work on hand remains at a high level. However, given that several large-scale construction projects in the building and equipment construction sector were completed in the previous fiscal year, progress on newly started large-scale construction projects is still in the early stages, making it difficult to increase the volume of work completed. Despite such circumstances, we will continue to implement thorough cost management and utilize technical ingenuity, such as value engineering (VE) proposals in each aspect of design and construction, with the aim of exceeding the numerical targets set out in the Guidelines and further increasing sales and profits.

Taking into consideration the current market environment and business performance trends, we will set future growth strategies, priority issues, numerical targets and other matters in our next Medium-Term Management Guidelines, which are currently being formulated, and work toward sustainably improving the corporate value of the Group.

[Reference: Trends in consolidated net sales, operating profit, and ROE]

3) Capital policy

With regard to the capital market, we formulated and announced the "Initiatives to Improve Capital Profitability" on August 31, 2023. By making growth investments, including investments in human resources, we will strive to achieve sustainable profit growth and enhance shareholder returns, while continuing to work toward improving ROE.

Regarding future capital policy initiatives, including shareholder returns, we intend to indicate a renewed direction in the next Medium-Term Management Guidelines, which are currently being formulated.

[Reference: Overview of Medium-Term Management Guidelines 2025]

a. Common targets and basic stances
   - We set our common target for FY2025 as "Challenge to the Next Growth Stage," and we will conduct our business activities based on the following five basic stances.
     1. We will steadily and continuously increase profitability, which is the source of our growth, with a strong spirit that is ready to take on challenges.
     2. We will aim to be a company that is trusted not only in Shikoku, but also in various regions including the Tokyo metropolitan and Kansai areas.
     3. We will fulfill our role and responsibility in protecting essential utilities and supporting social infrastructure in order to contribute to the stability and prosperity of local communities.
     4. By improving our human resources and technical capabilities, which are the driving force behind our business, and integrating these capabilities, we will increase our competitiveness as Team Yondenko and create added value.
     5. From an ESG perspective, we will strive to live in harmony with the environment and society, and by promoting the return and reinvestment of profits, we will coexist with society and contribute to the sustainable development of the region.

b. Numerical targets (consolidated)

(Billion yen unless stated otherwise)

	FY2025	FY2024 (results)
Net sales	100.0	105.87
Operating profit	6.0	8.07
Return on equity (ROE)	8.0%	8.2%

4. Basic Approach to the Selection of Accounting Standards

The Company plans to continue using Japanese GAAP for the time being considering the fact that the Group's business mainly involves domestic transactions, as well as the comparability of consolidated financial statements between periods and between companies. Going forward, the Company will monitor ongoing changes in the business environment surrounding the Group, changes in shareholder composition, and the status of adoption of International Financial Reporting Standards (IFRS) in Japan to consider whether to adopt IFRS.

5. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	10,961	9,457
Notes receivable, accounts receivable from completed construction contracts and other	23,625	26,812
Electronically recorded monetary claims - operating	2,238	2,454
Investments in leases	3,275	3,554
Costs on construction contracts in progress	2,571	2,074
Other inventories	1,902	2,227
Deposits paid to subsidiaries and associates	12,100	7,500
Other	1,614	1,272
Allowance for doubtful accounts	(95)	(83)
Total current assets	58,195	55,270
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,181	18,954
Machinery, vehicles, tools, furniture and fixtures	22,191	22,665
Land	11,571	11,168
Construction in progress	286	102
Accumulated depreciation	(27,837)	(28,566)
Total property, plant and equipment	25,394	24,325
Intangible assets		
Goodwill	868	349
Other	479	453
Total intangible assets	1,348	803
Investments and other assets		
Investment securities	12,283	12,133
Long-term loans receivable	275	272
Retirement benefit asset	4,006	5,115
Deferred tax assets	1,052	1,086
Other	752	720
Allowance for doubtful accounts	(104)	(97)
Total investments and other assets	18,267	19,231
Total non-current assets	45,009	44,359
Total assets	103,205	99,630

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	14,587	13,559
Electronically recorded obligations - operating	127	212
Short-term borrowings	420	80
Current portion of bonds payable	16	–
Current portion of long-term borrowings	2,982	2,741
Accounts payable - other	5,509	884
Income taxes payable	2,122	2,105
Advances received on construction contracts in progress	1,614	2,020
Provision for loss on construction contracts	236	151
Other	3,813	4,436
Total current liabilities	31,430	26,191
Non-current liabilities		
Bonds payable	95	80
Long-term borrowings	6,536	5,561
Provision for retirement benefits for directors (and other officers)	330	341
Retirement benefit liability	2,839	2,395
Other	177	168
Total non-current liabilities	9,978	8,548
Total liabilities	41,408	34,739
Net assets		
Shareholders' equity		
Share capital	3,451	3,451
Capital surplus	4,272	4,311
Retained earnings	51,724	54,219
Treasury shares	(663)	(644)
Total shareholders' equity	58,784	61,337
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,930	1,745
Remeasurements of defined benefit plans	1,026	1,730
Total accumulated other comprehensive income	2,956	3,475
Non-controlling interests	54	77
Total net assets	61,796	64,890
Total liabilities and net assets	103,205	99,630

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	86,800	100,847
Sales in other businesses	5,312	5,030
Total net sales	92,112	105,877
Cost of sales		
Cost of sales of completed construction contracts	72,308	84,103
Cost of sales in other businesses	3,670	3,390
Total cost of sales	75,978	87,494
Gross profit		
Gross profit on completed construction contracts	14,491	16,743
Gross profit - other business	1,642	1,640
Total gross profit	16,133	18,383
Selling, general and administrative expenses	9,689	10,310
Operating profit	6,444	8,073
Non-operating income		
Interest income	17	17
Dividend income	211	245
Gain on sale of securities	150	–
Dividend income of life insurance	70	69
Rental income from real estate	62	62
Other	127	130
Total non-operating income	640	524
Non-operating expenses		
Interest expenses	31	28
Condolence money	22	–
Other	17	31
Total non-operating expenses	72	60
Ordinary profit	7,012	8,536
Extraordinary income		
Gain on sale of non-current assets	10	4
Subsidy income	–	180
Total extraordinary income	10	185
Extraordinary losses		
Loss on sale of non-current assets	4	–
Impairment losses	–	531
Loss on retirement of non-current assets	13	36
Loss on tax purpose reduction entry of non-current assets	–	180
Loss on valuation of investment securities	15	–
Compensation for damage	–	346
Total extraordinary losses	33	1,095
Profit before income taxes	6,989	7,627
Income taxes - current	2,440	2,750
Income taxes - deferred	(47)	(325)
Total income taxes	2,393	2,424
Profit	4,595	5,202
Profit attributable to non-controlling interests	24	29
Profit attributable to owners of parent	4,571	5,173

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	4,595	5,202
Other comprehensive income		
Valuation difference on available-for-sale securities	2,192	(185)
Remeasurements of defined benefit plans, net of tax	839	703
Total other comprehensive income	3,032	518
Comprehensive income	7,628	5,721
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,604	5,692
Comprehensive income attributable to non-controlling interests	24	29

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,451	4,249	48,819	(592)	55,927
Changes during period					
Dividends of surplus			(1,654)		(1,654)
Profit attributable to owners of parent			4,571		4,571
Purchase of treasury shares				(96)	(96)
Disposal of treasury shares		23		26	49
Decrease by merger			(12)		(12)
Net changes in items other than shareholders' equity					
Total changes during period	–	23	2,904	(70)	2,856
Balance at end of period	3,451	4,272	51,724	(663)	58,784

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans		
Balance at beginning of period	(261)	186	56	55,908
Changes during period				
Dividends of surplus			(26)	(1,680)
Profit attributable to owners of parent				4,571
Purchase of treasury shares				(96)
Disposal of treasury shares				49
Decrease by merger				(12)
Net changes in items other than shareholders' equity	2,192	839	24	3,056
Total changes during period	2,192	839	(1)	5,887
Balance at end of period	1,930	1,026	54	61,796

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

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,451	4,272	51,724	(663)	58,784
Changes during period					
Dividends of surplus			(2,677)		(2,677)
Profit attributable to owners of parent			5,173		5,173
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		38		20	59
Decrease by merger					–
Net changes in items other than shareholders' equity					
Total changes during period	–	38	2,495	19	2,553
Balance at end of period	3,451	4,311	54,219	(644)	61,337

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans		
Balance at beginning of period	1,930	1,026	54	61,796
Changes during period				
Dividends of surplus			(6)	(2,684)
Profit attributable to owners of parent				5,173
Purchase of treasury shares				(1)
Disposal of treasury shares				59
Decrease by merger				–
Net changes in items other than shareholders' equity	(185)	703	29	547
Total changes during period	(185)	703	22	3,094
Balance at end of period	1,745	1,730	77	64,890

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	6,989	7,627
Depreciation	1,952	1,922
Impairment losses	–	531
Amortization of goodwill	366	346
Loss on tax purpose reduction entry of non-current assets	–	180
Subsidy income	–	(180)
Loss compensation for damage	–	346
Increase (decrease) in retirement benefit liability	(12)	(2)
Increase (decrease) in allowance for doubtful accounts	39	(19)
Increase (decrease) in provision for loss on construction contracts	72	(85)
Loss (gain) on valuation of investment securities	15	–
Decrease (increase) in retirement benefit asset	(207)	(512)
Interest and dividend income	(229)	(262)
Loss (gain) on sale of securities	(150)	–
Decrease (increase) in trade receivables	(1,840)	(3,387)
Decrease (increase) in investments in leases	197	(290)
Decrease (increase) in costs on construction contracts in progress	(506)	517
Decrease (increase) in other inventories	(54)	(325)
Increase (decrease) in trade payables	(210)	(942)
Decrease (increase) in accounts receivable - other	101	207
Increase (decrease) in accounts payable - other	717	(4,583)
Increase (decrease) in advances received on construction contracts in progress	(618)	405
Increase (decrease) in accrued consumption taxes	727	339
Other, net	310	563
Subtotal	7,660	2,396
Interest and dividends received	197	244
Interest paid	(48)	(54)
Compensation paid for damage	–	(345)
Income taxes paid	(1,773)	(2,778)
Net cash provided by (used in) operating activities	6,037	(536)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,345)	(1,480)
Proceeds from sale of property, plant and equipment	552	160
Purchase of investment securities	(100)	(100)
Proceeds from sale and redemption of investment securities	378	0
Purchase of intangible assets	(71)	(80)
Proceeds from the liquidation of subsidiaries and associates	–	46
Loan advances	(0)	–
Proceeds from collection of loans receivable	4	3
Subsidies received	–	180
Other, net	(17)	87
Net cash provided by (used in) investing activities	(598)	(1,180)

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	20	(340)
Proceeds from long-term borrowings	1,560	2,040
Repayments of long-term borrowings	(3,007)	(3,257)
Proceeds from issuance of bonds	30	–
Redemption of bonds	(30)	(31)
Purchase of treasury shares	(3)	(8)
Dividends paid	(1,653)	(2,669)
Dividends paid to non-controlling interests	(26)	(6)
Other, net	3	(7)
Net cash provided by (used in) financing activities	(3,106)	(4,280)
Net increase (decrease) in cash and cash equivalents	2,332	(5,997)
Cash and cash equivalents at beginning of period	19,917	22,306
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	56	–
Cash and cash equivalents at end of period	22,306	16,308

(5) Notes to Consolidated Financial Statements

(Going concern)

Not applicable.

(Basis for preparation)

1. Scope of consolidation

   Number of consolidated subsidiaries: 15

   Yonko Business Co., Ltd., CADEWA SERVICE Co., Ltd., Accel Tokushima Corporation, Kochi Create Corporation, Accel Matsuyama Corporation, Kagawa Create Corporation, Yonko Solar Co., Ltd., Arimoto Oncho Corporation, AI DENKI TSUSHIN Co., Ltd., RYOUEI SETSUBI KOUGYOU Co., Ltd., kansaisetubi, Co., Ltd., Nio Solar Power Co., Ltd., Kuwano Solar Power Co., Ltd., Yokoyama Kogyo Co., Ltd., and BELTEC Co., Ltd.

   Names of unconsolidated subsidiaries

   Utazu School Lunch Service Co., Ltd., Tokushima Agriculture, Forestry and Fisheries PFI Service Co., Ltd., Ozu School Lunch PFI Service Co., Ltd., Tokushima Denko Co., Ltd., Nankai Denko Co., Ltd., Kagawa Denko Co., Ltd., KOEI TSUKEN CORPORATION, Suzuki Architectural Design Office, Maruken Co., Ltd., Issuisha Co., Ltd., and Yondenko Vietnam Company Limited

   These subsidiaries are unconsolidated because they are both small and their impact is immaterial in terms of their collective total assets, net sales, profit or loss, and retained earnings.

2. Scope of equity method

   Unconsolidated subsidiaries and associates are not subject to the application of the equity method because their collective impact is immaterial in terms of profit and retained earnings.

   Names of unconsolidated subsidiaries that do not apply the equity method

   Utazu School Lunch Service Co., Ltd., Tokushima Agriculture, Forestry and Fisheries PFI Service Co., Ltd., Ozu School Lunch PFI Service Co., Ltd., Tokushima Denko Co., Ltd., Nankai Denko Co., Ltd., Kagawa Denko Co., Ltd., KOEI TSUKEN CORPORATION, Suzuki Architectural Design Office, Maruken Co., Ltd., Issuisha Co. Ltd., and Yondenko Vietnam Company Limited

   Names of non-equity method associates

   Kochi Nakoyama Solar Farm Co., Ltd., Kasaoka School Lunch PFI Service Co., Ltd., Ozu School PFI Service Co., Ltd., Matsuyama School Air Conditioning PFI Service Co., Ltd., Seiyo Town Development Service Co., Ltd., Tokushima Prefectural Police PFI Service Co., Ltd., Saijo School Air Conditioning PFI Service Co., Ltd., and Miki Town School Lunch Facility Co., Ltd.

3. Fiscal year-end of consolidated subsidiaries

   The fiscal year of consolidated subsidiaries AI DENKI TSUSHIN Co., Ltd., RYOUEI SETSUBI KOUGYOU Co., Ltd., kansaisetubi, Co., Ltd., Yokoyama Kogyo Co., Ltd., and BELTEC Co., Ltd. ends on December 31, and the fiscal year of Arimoto Oncho Corporation ends on January 31. The consolidated financial statements are prepared using the subsidiary’s financial statements as is, adjusted for the effects of important transactions in the subsequent period up to the consolidated fiscal year-end.

   Otherwise, consolidated subsidiaries have the same fiscal year as that of the Company.

4. Accounting policies

(1) Valuation of assets

Securities

Available-for-sale securities

Securities with market prices

These securities are carried at fair value, with cost measured using the moving average method and valuation differences recognized in other comprehensive income.

Securities without market prices*

*Equity claims that are not traded on a market, such as unlisted shares and investments in capital

Carried at cost using the moving average method

Inventories

1) Costs on construction contracts in progress

Carried at cost based on individual identification

2) Other inventories

These assets are carried at cost based on the monthly periodic average method by writing down any significant decline in profitability.

(2) Depreciation and amortization

Property, plant and equipment

1) Buildings and structures

Mainly the declining balance method

Useful life is calculated based on the same standards as those specified in the Corporation Tax Act.

2) Machinery, vehicles, tools, furniture and fixtures

Mainly the straight-line method

Useful life is calculated based on the same standards as those specified in the Corporation Tax Act.

Intangible assets

1) Software for sale

The straight-line method over their expected useful life

2) Other

Straight-line method

(3) Provisions

Allowance for doubtful accounts

The amount of receivables expected to be unrecoverable are recorded as an allowance for doubtful accounts, estimated based on historical credit losses in the case of general receivables and individual recoverability in the case of doubtful receivables to prepare for credit losses mainly on trade receivables and loans.

Provision for loss on construction contracts

The estimated loss expected to arise from construction work in progress is recorded at consolidated fiscal year-end to prepare for future losses on orders received.

Provision for retirement benefits for directors (and other officers)

The amount of retirement benefits payable to directors and other officers at consolidated subsidiaries if all their employees were to seek voluntary retirement at consolidated fiscal year-end is recorded based on internal regulations on retirement benefits to provide for the payment of retirement benefits to directors.

(4) Retirement benefit accounting

1) Attributing benefit to periods of service

The benefit formula is used to attribute expected retirement benefits to periods up to the consolidated fiscal year-end for the measurement of retirement benefit obligations.

2) Accounting for actuarial gains and losses and past service cost

Actuarial gains or losses are amortized, using the straight-line method over a designated period (5 years) within the average remaining years of service of employees at the time when the gains or losses arise, beginning in the fiscal year after they arise.

Past service cost is expensed from the time it is incurred using the straight-line method over a designated period (5 years) within the average remaining years of service of employees at the time when the cost arises.

(5) Revenue and expenses

The main performance obligations in the major businesses and the typical timing at which revenue is recognized are as follows:

1) Revenue from contracts with customers

a. Equipment installation business

In the equipment installation business, the Company is obligated to carry out and deliver mainly power distribution work, power transmission and civil engineering work, electrical and instrumentation work, air conditioning and plumbing work, information and communications work for orders received under contracts with customers. In principle, revenue is recognized for all construction work over time as performance obligations are satisfied. The progress toward satisfaction of performance obligations is estimated using the input method based on costs incurred.

However, if the progress toward satisfaction of performance obligations cannot be estimated using the input method based on costs incurred, but it is expected that the costs incurred in satisfying such performance obligations will be recovered, revenue is recognized using the cost recovery method for performance obligations that are satisfied over time.

The amount of revenue recognized over time as performance obligations were satisfied was ¥50,952 million.

In addition, for construction work based on power distribution construction contracts and other construction contracts where the period from the start of the transaction to the time when performance obligations are expected to be fully satisfied is very short, alternative treatment is applied and revenue is recognized at the time when performance obligations are satisfied.

Promised consideration in the equipment installation business is generally received within two months after the delivery of the construction work, which is the point at which performance obligations are satisfied, and does not have any significant financing components.

b. Solar power business

In the solar power business, the Company sells electricity generated by solar power. Performance obligations are considered to be satisfied when the Company supplies generated electricity to a customer under a contract, and revenue is recognized based on the amount specified in the contract according to the amount of electricity generated.

Promised consideration in the solar power business is generally received within one month of the satisfaction of performance obligations and does not have any significant financial components.

2) Revenue other than revenue from contracts with customers

Leasing business

In the leasing business, the Company mainly engages in finance lease transactions mainly of construction machinery, vehicles, equipment that do not transfer ownership. Revenue is recognized when lease payments are received. For installment sales transactions included in the leasing business, revenue is recognized only for the interest accrued over the installment payment period, which is from the delivery date of the goods to the final settlement date.

(6) Amortization of goodwill

Goodwill is amortized using the straight-line method over a reasonable period determined on a case-by-case basis not exceeding 20 years, provided it is amortized in full at the time of accrual if the amount is immaterial.

(7) Cash and cash equivalents

Funds (cash and cash equivalents) in the consolidated statements of cash flows consist of cash on hand, demand deposits and other deposits.

(Changes in accounting policies)

(Application of accounting standards for current income taxes)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) from the beginning of the consolidated fiscal year under review.

Previously, amounts of income taxes, resident taxes and enterprise taxes (hereinafter "income taxes, etc.") were calculated in accordance with laws and regulations and recorded as profit or loss. However, the method has been changed so that income taxes, etc. will be recorded separately in profit or loss, shareholders' equity, or other comprehensive income according to the transaction or event that generated them. With regard to income taxes, etc. recorded in accumulated other comprehensive income, when the transaction or event that caused the imposition of the relevant income taxes, etc. is recorded in profit or loss, a corresponding tax amount will be recorded in profit or loss. In the event a taxable transaction relates to shareholders' equity or other comprehensive income in addition to profit or loss, and it is difficult to calculate the amount of income taxes, etc. levied on shareholders' equity or other comprehensive income, the tax amount is recorded in profit or loss.

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

(New accounting pronouncements)

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024)

and other amendments to related accounting standards, implementation guidance, practical solutions, and transferred guidance

(1) Overview

Similar to international accounting standards, the standard and guidance stipulate the treatment of all leases by a lessee, including the recording of assets and liabilities.

(2) Scheduled date of application

The Company plans to apply the standard and guidance from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of application of the accounting standard and guidance

The impact is under evaluation at the time the current consolidated financial statements are being prepared.

(Revenue recognition)

1. Disaggregation of revenue from contracts with customers

Disaggregation of revenue from contracts with customers is presented in "Notes (Segment information)."

2. Basic information on revenue from contracts with customers

Details are shown in "(Basis for preparation) 4. Accounting policies (5) Revenue and expenses" in these notes to the consolidated financial statements.

3. Contract balances and remaining performance obligations

(1) Contract balances

The balances of receivables, contract assets, and contract liabilities arising from contracts with customers are as follows:

(Million yen)

	For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025	
	Beginning balance	Ending balance	Beginning balance	Ending balance
Receivables from contracts with customers				
Notes receivable - trade	1,378	709	709	550
Accounts receivable from completed construction contracts and other	16,433	18,130	18,130	20,132
Contract assets	4,566	4,785	4,785	6,129
Contract liabilities	2,230	1,614	1,614	2,020

(Notes) 1. Receivables from contracts with customers

Receivables from contracts with customers consist of receivables for delivered construction work in the equipment installation business, receivables invoiced based on contracts with customers with revenue recognized over time as performance obligations are satisfied, and receivables for performance obligations that are satisfied at a certain point in time mainly in the solar power business. In the equipment installation business and in the solar power business, payments for these receivables are made generally within two months and one month, respectively, after the delivery of construction work, which is the point at which the performance obligations are satisfied.

2. Contract assets

Contract assets are rights to consideration received in exchange for the satisfaction of performance obligations in the Group's equipment installation business, excluding receivables, measured based on the progress toward satisfaction as of the end of the reporting period. The Group recognizes contract assets in advance for the revenue recognized upon satisfaction of performance obligations, and contract assets are reclassified to receivables at the time when they have been inspected and accepted by the customer, and payment is invoiced to the customer.

Contract assets primarily increase due to the recognition of revenue upon the satisfaction of performance obligations in the equipment installation business, and decrease when they are inspected and accepted by the customer, and payment is invoiced to the customer.

3. Contract liabilities

Contract liabilities relate to consideration received in advance of the provision of services under a contract in the Group's equipment installation business, and are reclassified to revenue when the Group satisfies its performance obligations under the contract.

Contract liabilities primarily increase due to the receipt of advances received on construction contracts in progress in the equipment installation business, and decrease due to the satisfaction of performance obligations.

The amount of revenue recognized in the previous consolidated fiscal year that was included in the contract liability balance at the beginning of the fiscal year was ¥1,935 million.

The amount of revenue recognized in the current consolidated fiscal year that was included in the contract liability balance at the beginning of the fiscal year was ¥1,282 million.

In addition, the amount of revenue recognized in the previous and current fiscal years from performance obligations satisfied (or partially satisfied) in previous fiscal years were immaterial.

(2) Transaction price allocated to the remaining performance obligations

The total transaction price allocated to the remaining performance obligations and expected timing of revenue recognition are as follows. These performance obligations belong to the equipment installation business.

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
One year or less	47,439	36,265
More than one year	6,742	11,435
Total	54,182	47,700

(Segment information)

1. Overview of reportable segments

Reportable segments are components of the Company for which discrete financial information is available and operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

The Company engages in contracted work for all types of equipment installation work. The Company outsources some of the work to consolidated subsidiaries, while also constructing some of the Group's own equipment.

The construction work undertaken by the Company is closely inter-related in terms of type of work, customer and order-taking. Therefore, the Company comprehensively manages equipment installation as a single business.

In addition, consolidated subsidiary Yonko Business Co., Ltd. operates the leasing business mainly for construction machinery, while the Company and its consolidated subsidiaries Yonko Solar Co., Ltd., Nio Solar Power Co., Ltd., and Kuwano Solar Power Co., Ltd. operate the solar power business. These businesses are managed separately from the equipment installation business.

Accordingly, the Group is composed of segments based on businesses, with three reportable segments: the equipment installation business, the leasing business, and the solar power business.

In the equipment installation business, the Group engages in contracted power distribution work, power transmission and civil engineering work, electrical and instrumentation work, air conditioning and plumbing work, and information and communications work. In the leasing Business, the Group mainly leases out construction machinery, vehicles and equipment. In the solar power business, the Group sells electricity generated by solar power.

2. Measurement of financial indicators by reportable segment

The accounting methods applied to reportable segments are generally the same as those described in "Basis for preparation." Segment profit is equal to operating profit. Inter-segment sales and transfers are based on prevailing market prices.

Assets are not allocated to individual business segments. In addition, depreciation for company-wide and common depreciable assets is allocated to individual business segments mainly based on their share of net sales.

3. Financial indicators by reportable segment and disaggregation of revenue

For the fiscal year ended March 31, 2024

(Million yen)

	Reportable segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Equipment installation business	Leasing business	Solar power business	Total				
Net sales								
Revenue from power distribution work contracts	31,665	—	—	31,665	—	31,665	—	31,665
Revenue from other equipment installation work	55,134	—	—	55,134	—	55,134	—	55,134
Other	—	—	2,145	2,145	1,413	3,558	—	3,558
Revenue from contracts with customers	86,800	—	2,145	88,946	1,413	90,359	—	90,359
Revenue from other sources	—	1,753	—	1,753	—	1,753	—	1,753
Net sales to external customers	86,800	1,753	2,145	90,699	1,413	92,112	—	92,112
Inter-segment sales or transfers	112	1,195	—	1,308	2	1,310	(1,310)	—
Total	86,913	2,948	2,145	92,007	1,415	93,423	(1,310)	92,112
Segment profit	5,179	294	769	6,243	205	6,448	(4)	6,444
Other items								
Depreciation	1,198	2	782	1,982	67	2,050	(97)	1,952
Amortization of goodwill	366	—	—	366	—	366	—	366

(Notes) 1. "Other" represents business segments outside of reportable segments, including CAD software sales and designated administrator projects.

2. Adjustments to net sales and segment profit mainly comprise the elimination of inter-segment transactions.

3. Segment profit has been adjusted to match operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Equipment installation business	Leasing business	Solar power business	Total				
Net sales								
Revenue from power distribution work contracts	33,900	—	—	33,900	—	33,900	—	33,900
Revenue from other equipment installation work	66,946	—	—	66,946	—	66,946	—	66,946
Other	—	—	2,110	2,110	1,346	3,457	—	3,457
Revenue from contracts with customers	100,847	—	2,110	102,957	1,346	104,304	—	104,304
Revenue from other sources	—	1,573	—	1,573	—	1,573	—	1,573
Net sales to external customers	100,847	1,573	2,110	104,531	1,346	105,877	—	105,877
Inter-segment sales or transfers	494	1,211	—	1,705	0	1,706	(1,706)	—
Total	101,341	2,784	2,110	106,236	1,347	107,583	(1,706)	105,877
Segment profit	6,852	266	800	7,920	209	8,129	(56)	8,073
Other items								
Depreciation	1,180	3	770	1,954	66	2,020	(98)	1,922
Amortization of goodwill	346	—	—	346	—	346	—	346

(Notes) 1. "Other" represents business segments outside of reportable segments, including CAD software sales and designated administrator projects.

2. Adjustments to net sales and segment profit mainly comprise the elimination of inter-segment transactions.

3. Segment profit has been adjusted to match operating profit in the consolidated statements of income.

[Impairment losses on non-current assets by reportable segment]

For the fiscal year ended March 31, 2024

Not applicable.

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment				Other	Company-wide/ Elimination	Total
	Equipment installation business	Leasing business	Solar power business	Total			
Impairment losses	172	—	—	172	358	—	531

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥1,307.20	¥1,370.87
Basic earnings per share	¥96.71	¥109.46

(Notes) 1. Diluted basic earnings per share are not stated as there are no dilutive potential shares.

2. The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. Net assets per share and basic earnings per share are calculated assuming that the stock split had taken place at the beginning of the previous consolidated fiscal year.

3. The basis for calculating basic earnings per share is as follows:

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit attributable to owners of parent (million yen)	4,571	5,173
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	4,571	5,173
Average number of common shares outstanding during the period (thousands of shares)	47,274	47,264

(Significant subsequent events)

Not applicable.

6. Non-consolidated Financial Statements and Primary Notes

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	5,887	4,414
Notes receivable - trade	636	491
Electronically recorded monetary claims - operating	1,726	2,095
Accounts receivable from completed construction contracts	18,605	22,402
Costs on construction contracts in progress	2,048	1,774
Raw materials and supplies	1,875	2,194
Prepaid expenses	89	103
Short-term loans receivable from subsidiaries and associates	72	47
Accounts receivable - other	1,148	766
Deposits paid to subsidiaries and associates	12,100	7,500
Other	201	157
Allowance for doubtful accounts	(16)	(5)
Total current assets	44,374	41,943
Non-current assets		
Property, plant and equipment		
Buildings	15,295	14,764
Accumulated depreciation	(10,397)	(10,192)
Buildings, net	4,898	4,572
Structures	2,220	2,190
Accumulated depreciation	(1,723)	(1,747)
Structures, net	497	443
Machinery and vehicles	756	759
Accumulated depreciation	(558)	(585)
Machinery and vehicles, net	197	173
Tools, furniture and fixtures	1,078	1,072
Accumulated depreciation	(990)	(995)
Tools, furniture and fixtures, net	88	77
Land	10,622	10,216
Leased assets	3,627	3,657
Accumulated depreciation	(1,950)	(1,944)
Leased assets, net	1,677	1,712
Construction in progress	3	102
Total property, plant and equipment	17,984	17,298

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Intangible assets		
Leasehold interests in land	7	7
Software	105	95
Other	34	33
Total intangible assets	146	135
Investments and other assets		
Investment securities	8,791	8,710
Shares of subsidiaries and associates	9,522	9,430
Long-term loans receivable from subsidiaries and associates	260	260
Long-term loans receivable from employees	15	12
Distressed receivables	0	1
Long-term prepaid expenses	0	20
Prepaid pension costs	2,612	3,124
Deferred tax assets	868	1,264
Other	355	356
Allowance for doubtful accounts	(46)	(48)
Total investments and other assets	22,381	23,132
Total non-current assets	40,512	40,567
Total assets	84,886	82,510

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable - trade	2,857	–
Accounts payable for construction contracts	10,834	12,801
Lease liabilities	639	657
Accounts payable - other	5,219	679
Accrued expenses	1,495	1,910
Income taxes payable	1,488	1,708
Accrued consumption taxes	1,501	1,807
Advances received on construction contracts in progress	1,114	1,234
Deposits received	2,468	2,727
Provision for loss on construction contracts	236	151
Other	158	3
Total current liabilities	28,012	23,683
Non-current liabilities		
Lease liabilities	1,342	1,361
Provision for retirement benefits	2,856	2,851
Other	80	80
Total non-current liabilities	4,278	4,292
Total liabilities	32,291	27,976
Net assets		
Shareholders' equity		
Share capital	3,451	3,451
Capital surplus		
Legal capital surplus	4,209	4,209
Other capital surplus	63	101
Total capital surplus	4,272	4,311
Retained earnings		
Legal retained earnings	862	862
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	687	446
General reserve	29,700	29,700
Retained earnings brought forward	12,362	14,686
Total retained earnings	43,612	45,695
Treasury shares	(663)	(644)
Total shareholders' equity	50,672	52,813
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,922	1,721
Total valuation and translation adjustments	1,922	1,721
Total net assets	52,595	54,534
Total liabilities and net assets	84,886	82,510

(2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	75,782	92,700
Net sales in sideline businesses	1,424	1,407
Total net sales	77,207	94,108
Cost of sales		
Cost of sales of completed construction contracts	64,350	77,928
Cost of sales in sideline businesses	931	926
Total cost of sales	65,282	78,855
Gross profit		
Gross profit on completed construction contracts	11,432	14,771
Gross profit on sideline businesses	493	481
Total gross profit	11,925	15,253
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	217	193
Employees' salaries and allowances	3,686	4,035
Retirement benefit expenses	153	68
Legal welfare expenses	636	670
Welfare expenses	238	229
Repair and maintenance expenses	36	74
Stationery expenses	167	375
Communication and transportation expenses	178	182
Power utilities expenses	82	95
Research study expenses	72	84
Education and training expenses	514	548
Advertising expenses	68	80
Provision of allowance for doubtful accounts	12	(9)
Entertainment expenses	69	66
Donations	162	31
Rent expenses on land and buildings	167	198
Depreciation	389	380
Taxes and dues	400	424
Insurance expenses	11	10
Administrative outsourcing expenses	8	8
Miscellaneous expenses	537	717
Total selling, general and administrative expenses	7,812	8,465
Operating profit	4,113	6,787

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Non-operating income		
Interest income	18	16
Interest on securities	0	1
Dividend income	612	346
Gain on sale of securities	150	–
Dividend income of life insurance	70	69
Rental income from real estate	76	75
Other	90	86
Total non-operating income	1,019	594
Non-operating expenses		
Interest expenses	104	109
Condolence money	22	–
Other	14	22
Total non-operating expenses	141	131
Ordinary profit	4,990	7,250
Extraordinary income		
Gain on sale of non-current assets	3	1
Total extraordinary income	3	1
Extraordinary losses		
Loss on sale of non-current assets	1	–
Impairment losses	–	358
Loss on retirement of non-current assets	9	28
Loss on valuation of investment securities	15	–
Compensation for damage	–	346
Total extraordinary losses	26	733
Profit before income taxes	4,967	6,519
Income taxes - current	1,455	2,098
Income taxes - deferred	7	(340)
Total income taxes	1,463	1,757
Profit	3,504	4,761

(3) Non-consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity			
	Share capital	Capital surplus		Retained earnings
		Legal capital surplus	Other capital surplus	Legal retained earnings
Balance at beginning of period	3,451	4,209	40	862
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares			23	
Net changes in items other than shareholders' equity				
Total changes during period	–	–	23	–
Balance at end of period	3,451	4,209	63	862

	Shareholders' equity					Valuation and translation adjustments	Total net assets
	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
	Other retained earnings						
	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward				
Balance at beginning of period	689	29,700	10,510	(592)	48,870	(258)	48,611
Changes during period							
Reversal of reserve for tax purpose reduction entry of non-current assets	(1)		1		–		–
Dividends of surplus			(1,654)		(1,654)		(1,654)
Profit			3,504		3,504		3,504
Purchase of treasury shares				(96)	(96)		(96)
Disposal of treasury shares				26	49		49
Net changes in items other than shareholders' equity						2,181	2,181
Total changes during period	(1)	–	1,851	(70)	1,802	2,181	3,983
Balance at end of period	687	29,700	12,362	(663)	50,672	1,922	52,595

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

(Million yen)

	Shareholders' equity			
	Share capital	Capital surplus		Retained earnings
		Legal capital surplus	Other capital surplus	Legal retained earnings
Balance at beginning of period	3,451	4,209	63	862
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares			38	
Net changes in items other than shareholders' equity				
Total changes during period	–	–	38	–
Balance at end of period	3,451	4,209	101	862

	Shareholders' equity					Valuation and translation adjustments	Total net assets
	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
	Other retained earnings						
	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward				
Balance at beginning of period	687	29,700	12,362	(663)	50,672	1,922	52,595
Changes during period							
Reversal of reserve for tax purpose reduction entry of non-current assets	(240)		240		–		–
Dividends of surplus			(2,677)		(2,677)		(2,677)
Profit			4,761		4,761		4,761
Purchase of treasury shares				(1)	(1)		(1)
Disposal of treasury shares				20	59		59
Net changes in items other than shareholders' equity						(201)	(201)
Total changes during period	(240)	–	2,324	19	2,141	(201)	1,939
Balance at end of period	446	29,700	14,686	(644)	52,813	1,721	54,534

(4) Notes to Non-consolidated Financial Statements

(Going concern)

Not applicable.

7. Breakdown of Non-consolidated Financial Results by Construction Work and Customer

1) Orders received by type of construction

(Million yen)

Classification	For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Power distribution work	33,590	40.2	35,236	40.2	1,646	4.9
Power transmission and civil engineering work	6,398	7.7	5,937	6.8	(460)	(7.2)
Electrical and instrumentation work	26,785	32.1	29,302	33.4	2,516	9.4
Air conditioning and plumbing work	8,378	10.0	11,675	13.3	3,296	39.3
Information and communications work	6,969	8.3	4,066	4.7	(2,903)	(41.7)
Sideline businesses	1,424	1.7	1,407	1.6	(16)	(1.2)
Total	83,547	100.0	87,626	100.0	4,079	4.9

2) Orders received by customer

(Million yen)

Classification	For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Shikoku Electric Power Group*	40,799	48.8	41,492	47.3	692	1.7
Government offices	7,001	8.4	7,149	8.2	147	2.1
Private sector	35,745	42.8	38,985	44.5	3,239	9.1
Total	83,547	100.0	87,626	100.0	4,079	4.9

3) Sales results by type of construction

(Million yen)

Classification	For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Power distribution work	32,846	42.5	35,369	37.6	2,523	7.7
Power transmission and civil engineering work	6,083	7.9	5,091	5.4	(992)	(16.3)
Electrical and instrumentation work	23,309	30.2	35,528	37.8	12,218	52.4
Air conditioning and plumbing work	9,763	12.7	10,840	11.5	1,076	11.0
Information and communications work	3,779	4.9	5,870	6.2	2,091	55.3
Sideline businesses	1,424	1.8	1,407	1.5	(16)	(1.2)
Total	77,207	100.0	94,108	100.0	16,901	21.9

4) Sales results by customer

(Million yen)

Classification	For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Shikoku Electric Power Group*	39,532	51.2	41,119	43.7	1,586	4.0
Government offices	7,718	10.0	8,828	9.4	1,109	14.4
Private sector	29,955	38.8	44,160	46.9	14,204	47.4
Total	77,207	100.0	94,108	100.0	16,901	21.9

5) Construction contracts carried over by type of construction

(Million yen)

Classification	As of March 31, 2024		As of March 31, 2025		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Power distribution work	5,400	10.0	5,268	11.0	(132)	(2.5)
Power transmission and civil engineering work	2,913	5.4	3,760	7.9	846	29.0
Electrical and instrumentation work	33,589	62.0	27,364	57.4	(6,225)	(18.5)
Air conditioning and plumbing work	7,488	13.8	8,323	17.4	835	11.2
Information and communications work	4,789	8.8	2,984	6.3	(1,804)	(37.7)
Sideline businesses	—	—	—	—	—	—
Total	54,182	100.0	47,700	100.0	(6,481)	(12.0)

6) Construction contracts carried over by customer

(Million yen)

Classification	As of March 31, 2024		As of March 31, 2025		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Shikoku Electric Power Group*	8,594	15.9	8,967	18.8	372	4.3
Government offices	9,936	18.3	8,257	17.3	(1,678)	(16.9)
Private sector	35,651	65.8	30,475	63.9	(5,175)	(14.5)
Total	54,182	100.0	47,700	100.0	(6,481)	(12.0)

*Shikoku Electric Power Group: Shikoku Electric Power Company, Incorporated and Shikoku Electric Power Transmission & Distribution Company, Incorporated