

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



May 12, 2025

Company name: NICHIREKI GROUP CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 5011

URL: <https://www.nichireki.co.jp/english/>

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Scheduled date of Annual General Meeting of Shareholders: June 27, 2025

Scheduled date of commencing dividend payments: June 30, 2025

Scheduled date of filing annual securities report: June 20, 2025

Availability of supplementary briefing material on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(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 to 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 the parent company	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	75,745	2.6	6,268	4.1	7,047	10.3	4,848	8.0
March 31, 2024	73,832	(5.8)	6,019	(20.4)	6,390	(21.2)	4,488	(28.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥4,682 million [(27.1%)]

Fiscal year ended March 31, 2024: ¥6,426 million [4.6%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	164.90	-	6.4	6.8	8.3
March 31, 2024	152.74	-	6.1	6.9	8.2

(Reference) Share of profit of investments accounted for using equity method:

Fiscal year ended March 31, 2025: ¥463 million

Fiscal year ended March 31, 2024: ¥108 million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	112,368	77,320	68.8	2,636.34
As of March 31, 2024	95,094	74,836	78.7	2,546.12

(Reference) Equity: As of March 31, 2025: ¥77,320 million

As of March 31, 2024: ¥74,836 million

## (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	4,895	(12,465)	13,732	31,611
March 31, 2024	7,388	(3,853)	(2,824)	25,445

## 2. Dividends

	Annual dividends					Total dividends	Dividends payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2024	-	35.00	-	35.00	70.00	2,040	45.8	2.8
March 31, 2025	-	35.00	-	40.00	75.00	2,202	45.3	2.9
Fiscal year ending March 31, 2026 (Forecast)	-	40.00	-	40.00	80.00		48.0	

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	33,000	3.1	1,400	5.3	1,500	4.3	1,000	12.3	34.01
Full year	80,000	5.6	7,000	11.7	7,300	3.6	4,900	1.1	166.65

### \* Notes:

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2025: No

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: No

4) Restatement: No

(3) Total number of issued shares (common shares)

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

As of March 31, 2025: 31,685,955 shares

As of March 31, 2024: 31,685,955 shares

2) Total number of treasury shares at the end of the fiscal year:

As of March 31, 2025: 2,357,417 shares

As of March 31, 2024: 2,293,658 shares

3) Average number of shares during the fiscal year:

Fiscal year ended March 31, 2025: 29,402,267 shares

Fiscal year ended March 31, 2024: 29,387,569 shares

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

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

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

For assumptions of the forecasts of the financial results and precautions in using the forecasts, please refer to “(4) Future Outlook” in “1. Overview of Business Results, etc.” on page 5 of these consolidated financial results (Appendix).

(How to obtain the supplementary briefing material on annual financial results)

The Company will hold the annual financial results briefing session for institutional investors and analysts on Thursday, May 29, 2025. Materials for the briefing session will be posted on the Company’s website after the briefing session.

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# 1. Overview of Business Results, etc.

## (1) Overview of Business Results for FY2024

Category	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Change	
	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Growth rate (%)
Net sales	73,832	100.0	75,745	100.0	1,912	2.6
Applied and Processed Asphalt Products Business	25,937	35.1	25,826	34.1	(110)	(0.4)
Road Paving Business	47,580	64.4	49,602	65.5	2,021	4.2
Other Business	314	0.4	316	0.4	1	0.6
Gross profit	16,464	22.3	17,338	22.9	874	5.3
Operating profit	6,019	8.2	6,268	8.3	248	4.1
Ordinary profit	6,390	8.7	7,047	9.3	681	10.3
Profit attributable to owners of the parent company	4,488	6.1	4,848	6.4	359	8.0

In the fiscal year ended March 31, 2025, the Japanese economy followed a moderate recovery trend, although some areas of consumer spending were affected by rising prices. The moderate recovery was due to continued improvement in business sentiment and earnings, as well as a sustained increase in DX-related investment and capital investment to address labor shortages. Looking ahead, a gradual recovery is expected to continue, as the labor market and income environment continue to improve, inbound tourism demand remains on an upward trend, and corporate appetite for investment in digital-related areas, human capital, and labor-saving measures are expected to remain strong. However, there are growing concerns over disruptions caused by U.S. tariff policies and the impact of rising prices.

The business environment surrounding the Nichireki Group (hereinafter referred to as the “Group”) remained generally challenging, despite a significant amount of public works budget having been secured in nominal terms against the backdrop of growing construction demand for disaster prevention and mitigation measures, national resilience measures, etc. The Group suffered from a number of factors putting downward pressure on the Group’s business results, including a sluggish growth in real terms due to an increase in construction unit prices, high raw material prices due to persistently high oil prices and a weak yen, and an impact on construction progress due to labor shortages and responses to the “2024 problem,” which put limits on overtime work of certain occupations, including professional drivers and construction workers, from April 2024 in Japan.

In this business environment, the Group has implemented various measures stated in the Medium-term Management Plan “Resilience 2025 (Shinayaka 2025),” aiming to grow into a sustainable corporate group with the entire organization working as one under quick and accurate decision-making. Based on our basic philosophy of “sowing the seeds” of new business, we have also been making forward-looking investments, such as advancing the Tsukuba Big Ship project (construction of new sales and distribution centers and factories) and establishing a joint venture in India.

Furthermore, on October 1, 2024, the Company transitioned to a Holding Company Structure through a company split (Absorption-Type Company Split) and changed its trade name to Nichireki Group Co., Ltd. On the same date, the Applied and Processed Asphalt Products Business and Road Paving Business were transferred to Nichireki Co., Ltd., which changed its trade name from Nichireki Split Preparation Co., Ltd." on that day.

In the fiscal year ended March 31, 2025, as a result of promoting design and marketing activities for long-life, high value-added products and the utilization of ICT technology, the Group posted net sales of ¥75,745 million (up 2.6% year on year), operating profit of ¥6,268 million (up 4.1% year on year), and ordinary profit of ¥7,047 million (up 10.3% year on year). Profit attributable to owners of the parent company increased by 8.0% year on year to ¥4,848 million.

Results by business segment were as follows.

### Applied and Processed Asphalt Products Business

In the Applied and Processed Asphalt Products Business, we worked on increasing sales and securing profits by promoting design and marketing activities for high value-added products aiming for “longer life and higher performance of paved roads” and “reduction of environmental load.” Although raw material prices remained at high levels, we proceeded with revisions to product pricing.

Consequently, net sales for the segment were ¥25,826 million (down 0.4% year on year), and segment profit (operating profit) was ¥4,884 million (down 5.0% year on year).

### Road Paving Business

In the Road Paving Business, we worked on marketing activities by providing proposals on construction methods related to preventing and mitigating disasters and national resilience measures, the steady execution of construction work, responses to hiking of material prices, etc., and cost management, though order placements for construction work were delayed in some areas.

Net sales for the segment were ¥49,602 million (up 4.2% year on year), and segment profit (operating profit) was ¥4,232 million (down 2.9% year on year).

### Other Business

In the Other Business, net sales for the segment were ¥316 million (up 0.6% year on year), and segment profit (operating profit) was ¥1,452 million (up 531.7% year on year) mainly due to real estate lease revenue.

## (2) Overview of Financial Position for FY2024

Category	As of March 31, 2024		As of March 31, 2025		Change	
	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Growth rate (%)
Current assets	49,564	52.1	56,076	49.9	6,511	13.1
Non-current assets	45,529	47.9	56,292	50.1	10,762	23.6
Current liabilities	17,865	18.8	16,160	14.4	(1,704)	(9.5)
Non-current liabilities	2,392	2.5	18,887	16.8	16,494	689.4
Net assets	74,836	78.7	77,320	68.8	2,483	3.3
Total assets	95,094	100.0	112,368	100.0	17,273	18.2

#### (i) Status of assets, liabilities and net assets

##### Current assets

Current assets increased by ¥6,511 million from the end of the previous fiscal year to ¥56,076 million. This is mainly attributable to an increase in cash and deposits by ¥5,875 million, partially offset by a decrease in notes and accounts receivable - trade, and contract assets by ¥1,761 million.

##### Non-current assets

Non-current assets increased by ¥10,762 million from the end of the previous fiscal year to ¥56,292 million. This is mainly attributable to increases in construction in progress by ¥9,896 million, retirement benefit asset by ¥689 million, and investments in capital of subsidiaries and associates by ¥520 million.

##### Current liabilities

Current liabilities decreased by ¥1,704 million from the end of the previous fiscal year to ¥16,160 million. This is mainly attributable to a decrease in notes and accounts payable - trade by ¥3,853 million, partially offset by increases in current portion of long-term borrowings by ¥1,812 million and income taxes payable by ¥533 million.

**Non-current liabilities**

Non-current liabilities increased by ¥16,494 million from the end of the previous fiscal year to ¥18,887 million. This is mainly attributable to an increase in long-term borrowings by ¥16,150 million.

**Net assets**

Net assets increased by ¥2,483 million from the end of the previous fiscal year to ¥77,320 million. This is mainly attributable to an increase in retained earnings by ¥2,790 million.

**(3) Overview of Cash Flows for FY2024**

Cash and cash equivalents (hereinafter referred to as “cash”) for the fiscal year under review increased by ¥6,165 million from the end of the previous fiscal year to ¥31,611 million. Status of cash flows and contributing factors were as follows.

**Cash flows from operating activities**

Net cash provided by operating activities was ¥4,895 million (down 33.7% year on year). This is mainly attributable to profit before income taxes of ¥7,103 million and a decrease in trade payables of ¥5,933 million.

**Cash flows from investing activities**

Net cash used in investing activities was ¥12,465 million (up 223.5% year on year). This is mainly attributable to purchase of property, plant and equipment of ¥12,155 million.

**Cash flows from financing activities**

Net cash provided by financing activities was ¥13,732 million (¥2,824 million used in the previous fiscal year). This is mainly attributable to proceeds from long-term borrowings of ¥18,000 million, payments of dividends of ¥2,021 million and an increase in deposits for purchase of treasury shares of ¥2,405 million.

**(Reference) Changes in 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 (%)	74.9	77.0	79.2	78.7	68.8
Equity ratio based on market value (%)	57.8	42.7	49.2	76.4	56.9
Ratio of interest-bearing debt to cash flows (%)	24.4	20.7	23.4	20.4	407.9
Interest coverage ratio (times)	523.17	732.43	579.25	828.06	141.47

Equity ratio = Equity / Total assets

Equity ratio based on market value = Total market value of shares / Total assets

Ratio of interest-bearing debt to cash flows = Interest-bearing debts / Cash flows

Interest coverage ratio = Cash flows / Interest paid

(Note 1) The indicators were calculated using consolidated financial figures.

(Note 2) The total market value of shares was calculated using the total number of shares outstanding, less treasury shares.

(Note 3) Cash flows from operating activities are used as cash flows.

(Note 4) Interest-bearing debt includes all debt recorded on the consolidated balance sheet for which interest is paid.

#### (4) Future Outlook

Category	Forecast of consolidated financial results for the fiscal year ending March 31, 2026			
	First half		Full-year	
	Amount (Million yen)	Year-on-year change (%)	Amount (Million yen)	Year-on-year change (%)
Net sales	33,000	3.1	80,000	5.6
Operating profit	1,400	5.3	7,000	11.7
Ordinary profit	1,500	4.3	7,300	3.6
Profit attributable to owners of the parent company	1,000	12.3	4,900	1.1

The business environment surrounding the Group will continue to see a strong demand for public works in FY2025 and beyond, according to the budget allocation of the national and local governments, retaining their policy for preventing and mitigating disasters, national resilience measures, etc. Meanwhile, the Group still requires a close watch on major management risks such as trends in the prices of crude oil and materials, as well as foreign exchange rates. In this business environment, the Group considers it as the most important issue to steadily implement strict cost management and flexible sales strategy responsive to cost fluctuations.

The Group marked a record-high profit (on an operating profit basis) in FY2020, but since then, the business environment has been almost consistently exposed to headwinds such as rising crude oil prices. Even in the face of these headwinds, the Group has strived to expand sales of products such as with eco-friendly features and high functionality, as well as to implement high value-added construction methods, while revising prices of products, etc., with the understanding of clients.

In light of such a course of the Group's business, with continued focus on R&D, the Group must keep inventing high value-added products and construction methods and thereby perform the Group's business activities to ensure its steady offering of such R&D results to clients. To this end, a framework to facilitate these activities is needed. In this respect, the "Tsukuba Big Ship project", which aims to build a new base for sales, logistics and production in Tsukubamirai City, Ibaraki Prefecture, must be steadily implemented. Following the acquisition of the site in 2020, construction had been postponed due to semiconductor shortages and procurement difficulties of materials for manufacturing equipment. However, the project has now started in May 2024, with plans to complete the office building and factory buildings by the first half of FY2026 and start operations at the new factory in FY2027. We will continue to make every effort to ensure the successful completion of this project.

The Group remains committed to the Medium-term Management Plan "Resilience 2025 (Shinayaka 2025)," which will enter its last year in the fiscal year ending March 31, 2026. The Plan aims to build a sustainable corporate group with a focus on ESG and human capital, which will be achieved by exhibiting resilient responses to an ever-changing business environment under quick and accurate decision making. The Group will continue to implement various measures to achieve its targets in the final year of the Medium-term Management Plan. In particular, in response to the restrictions on overtime work that came into effect in April 2024 in the construction and logistics sectors, the Group has reorganized its Digital Transformation Promotion Office into the Digital Transformation Strategy Department from October 2024 to focus even more on digital investment and promote work style reforms through the acceleration of DX initiatives and other measures.

(Note) The earnings forecast and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from the forecast due to a wide range of factors.

## 2. Basic Approach to the Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Group prepares its consolidated financial statements using Japanese GAAP for the time being.

With regard to the application of International Financial Reporting standards (IFRS), the Group's policy is to respond appropriately based on consideration of the situation in Japan and overseas.



### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	25,745	31,621
Notes and accounts receivable - trade, and contract assets	17,880	16,118
Electronically recorded monetary claims - operating	2,385	1,757
Merchandise and finished goods	1,431	1,230
Costs on construction contracts in progress	142	153
Raw materials and supplies	1,317	1,164
Other	720	4,033
Allowance for doubtful accounts	(57)	(4)
Total current assets	49,564	56,076
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,390	18,567
Accumulated depreciation	(9,465)	(10,082)
Buildings and structures, net	8,925	8,485
Machinery, equipment and vehicles	26,976	27,876
Accumulated depreciation	(22,949)	(23,480)
Machinery, equipment and vehicles, net	4,026	4,396
Land	11,145	11,207
Leased assets	788	878
Accumulated depreciation	(599)	(667)
Leased assets, net	188	211
Construction in progress	769	10,666
Other	3,311	3,613
Accumulated depreciation	(2,635)	(2,764)
Other, net	676	848
Total property, plant and equipment	25,731	35,815
Intangible assets		
Other	1,202	1,204
Total intangible assets	1,202	1,204
Investments and other assets		
Investment securities	9,753	9,252
Investments in capital of subsidiaries and associates	917	1,438
Retirement benefit asset	2,773	3,462
Deferred tax assets	76	58
Long-term time deposits	4,420	4,420
Other	712	700
Allowance for doubtful accounts	(58)	(61)
Total investments and other assets	18,595	19,272
Total non-current assets	45,529	56,292
Total assets	95,094	112,368

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	8,664	4,810
Electronically recorded obligations - operating	1,521	1,087
Short-term borrowings	1,300	1,718
Current portion of long-term borrowings	1	1,814
Lease liabilities	98	74
Accounts payable - other	2,020	1,362
Income taxes payable	1,123	1,656
Contract liabilities	493	500
Provision for bonuses	1,060	928
Provision for bonuses for directors (and other officers)	97	80
Other provisions	72	60
Other	1,411	2,065
Total current liabilities	17,865	16,160
Non-current liabilities		
Long-term borrowings	55	16,205
Long-term accounts payable - other	0	12
Lease liabilities	105	157
Long-term deposits received	48	48
Deferred tax liabilities	2,048	2,253
Retirement benefit liability	-	75
Asset retirement obligations	135	135
Total non-current liabilities	2,392	18,887
Total liabilities	20,258	35,047
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,919	2,919
Capital surplus	4,028	4,054
Retained earnings	66,200	68,991
Treasury shares	(3,008)	(3,174)
Total shareholders' equity	70,140	72,790
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,565	3,290
Foreign currency translation adjustment	202	322
Remeasurements of defined benefit plans	927	915
Total accumulated other comprehensive income	4,695	4,529
Total net assets	74,836	77,320
Total liabilities and net assets	95,094	112,368

(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	73,832	75,745
Cost of sales	57,368	58,406
Gross profit	16,464	17,338
Selling, general and administrative expenses	10,444	11,070
Operating profit	6,019	6,268
Non-operating income		
Interest income	18	28
Dividend income	216	270
Share of profit of entities accounted for using equity method	108	463
Foreign exchange gains	65	55
Derivative income	27	-
Other	32	15
Total non-operating income	468	833
Non-operating expenses		
Interest expenses	8	34
Commission for purchase of treasury shares	67	1
Other	21	18
Total non-operating expenses	97	30
Ordinary profit	6,390	7,047
Extraordinary income		
Gain on sale of non-current assets	33	57
Gain on sale of investment securities	524	-
Insurance claim income	9	25
Compensation income	235	-
Other	5	0
Total extraordinary income	808	83
Extraordinary losses		
Loss on sale of non-current assets	0	3
Loss on retirement of non-current assets	92	11
Loss on liquidation of subsidiaries and associates	-	7
Special repairs expenses	252	-
Loss on Related Accident	11	15
Other	1	13
Total extraordinary losses	358	52
Profit before income taxes	6,840	7,079
Income taxes - current	2,042	1,948
Income taxes - deferred	309	282
Total income taxes	2,352	2,230
Profit	4,488	4,848
Profit attributable to owners of the parent company	4,488	4,848

# Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	4,488	4,848
Other comprehensive income		
Valuation difference on available-for-sale securities	1,437	(274)
Deferred gains or losses on hedges	(66)	-
Foreign currency translation adjustment	12	29
Remeasurements of defined benefit plans, net of tax	518	(12)
Share of other comprehensive income of entities accounted for using equity method	37	91
Total other comprehensive income	1,938	(165)
Comprehensive income	6,426	4,682
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent company	6,426	4,682

(3) Consolidated Statements of Changes in Equity  
For the fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,919	3,681	64,236	(1,124)	69,713
Changes during period					
Dividends of surplus			(2,524)		(2,524)
Profit attributable to owners of the parent company			4,488		4,488
Purchase of treasury shares				(2,535)	(2,535)
Disposal of treasury shares		346		652	998
Net changes in items other than shareholders' equity					
Total changes during period	-	346	1,964	(1,883)	427
Balance at end of period	2,919	4,028	66,200	(3,008)	70,140

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,127	66	152	409	2,756	72,470
Changes during period						
Dividends of surplus						(2,524)
Profit attributable to owners of the parent company						4,488
Purchase of treasury shares						(2,535)
Disposal of treasury shares						998
Net changes in items other than shareholders' equity	1,437	(66)	49	518	1,938	1,938
Total changes during period	1,437	(66)	49	518	1,938	2,365
Balance at end of period	3,565	-	202	927	4,695	74,836

For the fiscal year ended March 31, 2025

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,919	4,028	66,200	(3,008)	70,140
Changes during period					
Dividends of surplus			(2,058)		(2,058)
Profit attributable to owners of the parent company			4,848		4,848
Purchase of treasury shares				(194)	(194)
Disposal of treasury shares		26		28	54
Net changes in items other than shareholders' equity					
Total changes during period	-	26	2,790	(166)	2,649
Balance at end of period	2,919	4,054	68,991	(3,174)	72,790

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,565	-	202	927	4,695	74,836
Changes during period						
Dividends of surplus						(2,058)
Profit attributable to owners of the parent company						4,848
Purchase of treasury shares						(194)
Disposal of treasury shares						54
Net changes in items other than shareholders' equity	(274)	-	120	(12)	(165)	(165)
Total changes during period	(274)	-	120	(12)	(165)	2,483
Balance at end of period	3,290	-	322	915	4,529	77,320

## (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	6,840	7,079
Depreciation	2,228	2,587
Share-based payment expenses	-	37
Increase (decrease) in allowance for doubtful accounts	3	(52)
Increase (decrease) in retirement benefit liability	(627)	(615)
Increase (decrease) in other provisions	90	(160)
Interest and dividend income	(234)	(299)
Interest expenses	8	34
Insurance claim income	(9)	(25)
Loss (gain) on sale of non-current assets	(32)	(54)
Loss (gain) on sale of investment securities	(524)	-
Compensation income	(235)	-
Special repairs expenses	252	-
Loss on retirement of non-current assets	92	11
Subsidy income	(4)	(1)
Decrease (increase) in trade receivables	2,912	2,423
Decrease (increase) in other current assets	(152)	172
Decrease (increase) in inventories	(157)	351
Increase (decrease) in trade payables	(1,188)	(5,933)
Increase (decrease) in other current liabilities	438	4
Increase (decrease) in accrued consumption taxes	(381)	888
Share of loss (profit) of entities accounted for using equity method	(108)	(463)
Loss on disaster	12	15
Other, net	259	69
Subtotal	9,482	6,068
Interest and dividends received	259	299
Subsidies received	4	1
Proceeds from insurance income	9	25
Proceeds from compensation	235	-
Interest paid	(8)	(10)
Income taxes paid	(2,328)	(1,477)
Payments provision for special repairs	(252)	-
Payments associated with disaster loss	(12)	(11)
Net cash provided by (used in) operating activities	7,388	4,895

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(1,010)	(10)
Proceeds from withdrawal of time deposits	2,610	10
Purchase of property, plant and equipment	(3,808)	(12,155)
Proceeds from sale of property, plant and equipment	28	73
Payments for retirement of property, plant and equipment	(7)	(33)
Purchase of intangible assets	(521)	(437)
Purchase of investment securities	(1,870)	(137)
Proceeds from sale of investment securities	703	301
Loan advances	(4)	(6)
Proceeds from collection of loans receivable	1	7
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(50)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	26	-
Other, net	(0)	(26)
Net cash provided by (used in) investing activities	(3,853)	(12,465)
Cash flows from financing activities		
Proceeds from short-term borrowings	3,000	3,800
Repayments of short-term borrowings	(3,000)	(3,400)
Repayments of lease liabilities	(111)	(100)
Purchase of treasury shares	(2,501)	(140)
Decrease (increase) in deposits for purchase of treasury shares	1,331	(2,405)
Dividends paid	(2,507)	(2,021)
Proceeds from long-term borrowings	-	18,000
Proceeds from sale of treasury shares	998	-
Other, net	(33)	-
Net cash provided by (used in) financing activities	(2,824)	13,732
Effect of exchange rate change on cash and cash equivalents	25	3
Net increase (decrease) in cash and cash equivalents	736	6,165
Cash and cash equivalents at beginning of period	24,709	25,445
Cash and cash equivalents at end of period	25,445	31,611



## (5) Notes to the Consolidated Financial Statements

### (Notes on Going Concern Assumption)

There is no relevant information.

### (Notes on Changes in Accounting Policies)

#### (Change in inventory valuation method)

Effective from the beginning of the fiscal year ended March 31, 2025, the Company has changed its inventory valuation method for merchandise and finished goods from the cost method based on the first-in first out method to the cost method based on the weighted average method.

The purpose of this change in valuation method is to calculate periodic profit and loss more promptly and appropriately in conjunction with the introduction of a new core system.

Since it is practically impossible to calculate the cumulative effect of retrospective application of the weighted average method for past fiscal years, the book value at the end of the previous fiscal year is deemed to be the balance at the beginning of the fiscal year under review.

The effect of this change in accounting policy is immaterial.

#### (Application of Accounting Standard for Current Income Taxes)

Effective from the beginning of the fiscal year ended March 31, 2025, the Company has applied "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standard") and other standards.

With regard to revisions related to the classification of income taxes, etc. (taxes imposed on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso to paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Guidance"). Note that this change in accounting policy has no impact on the consolidated financial statements.

In addition, with regard to revisions related to the review of the treatment of gains or losses on sales of subsidiaries' shares, etc. between consolidated companies in consolidated financial statements when they are deferred for tax purposes, the Company has applied the 2022 Revised Guidance from the beginning of the fiscal year ended March 31, 2025. This change in accounting policy has been applied retrospectively. The consolidated financial statements for the previous fiscal year presented herein are those after the retrospective application of the change. Note that this change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

### (Notes on Segment Information, etc.)

#### [Segment Information]

#### 1. Overview of reportable segments

Reportable segments of the Group are determined as segments whose separate financial information is accessible from among the constituent units of the Company and are regularly used by the Board of Directors to determine the allocation of management resources and to evaluate achievements.

The Group formulates comprehensive strategies by product and service and develops business activities that offer a wide variety of products and works related to road paving. Therefore, the Group has two reportable segments: "Applied and Processed Asphalt Products Business" and "Road Paving Business." The "Applied and Processed Asphalt Products Business" is engaged in manufacture and sale of asphalt emulsions, modified asphalt and other road paving materials, etc., and the "Road Paving Business" is engaged in paving, civil engineering, bridge waterproofing and other construction works.

## 2. Method of measurement for net sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting method used for reporting business segments is the same as the accounting method that forms the basis for preparing consolidated financial statements.

Reportable segment profit figures are based on operating profit. Inter-segment sales and transfers are based on market prices.

## 3. Information on net sales, profit (loss), assets, liabilities and other items by reportable segment

For the fiscal year ended March 31, 2024

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Applied and Processed Asphalt Products Business	Road Paving Business	Total				
Net sales							
Net sales to outside customers	25,937	47,580	73,518	314	73,832	—	73,832
Inter-segment net sales or transfers	8,467	—	8,467	91	8,559	(8,559)	—
Total	34,405	47,580	81,986	406	82,392	(8,559)	73,832
Segment profit	5,140	4,360	9,500	229	9,730	(3,710)	6,019
Segment assets	33,963	31,753	65,716	2,137	67,853	27,240	95,094
Other items							
Depreciation	1,001	752	1,753	120	1,874	353	2,228
Investments in entities accounted for using equity method	879	—	879	—	879	—	879
Increases in property, plant and equipment and intangible assets	2,604	1,539	4,144	—	4,144	1,151	5,295

(Notes) 1. The “Other” category incorporates business segments not included in reportable segments, such as the real estate lease business and the non-life insurance agency business.

2. (1) Segment profit adjustment of ¥(3,710) million includes elimination of inter-segment transactions of ¥(73) million and corporate expenses of ¥(3,637) million that are not allocated to reportable segments. Corporate expenses are comprised primarily of expenses related to the administrative divisions not allocated to reportable segments, such as expenses related to the general affairs division of the Company’s head office.
- (2) Segment assets adjustment of ¥27,240 million includes the Company’s surplus funds (cash and deposits, securities), long-term investments (investment securities) and assets related to the administrative divisions.
- (3) Adjustments to depreciation and increases in property, plant and equipment and intangible assets under other items are those related to the Company’s head office that are not allocated to reportable segments.
3. Segment profit is adjusted to operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Applied and Processed Asphalt Products Business	Road Paving Business	Total				
Net sales							
Net sales to outside customers	25,826	49,602	75,429	316	75,745	—	75,745
Inter-segment net sales or transfers	9,142	—	9,142	1,447	10,589	(10,589)	—
Total	34,968	49,602	84,571	1,763	86,334	(10,589)	75,745
Segment profit	4,884	4,232	9,117	1,452	10,569	(4,301)	6,268
Segment assets	53,039	30,999	84,039	3,025	87,064	25,303	112,368
Other items							
Depreciation	735	906	1,642	937	2,579	7	2,587
Investments in entities accounted for using equity method	1,433	—	1,433	—	1,433	—	1,433
Increases in property, plant and equipment and intangible assets	10,831	1,406	12,237	257	12,494	50	12,544

- (Notes) 1. The “Other” category incorporates business segments not included in reportable segments, such as the real estate lease business and the non-life insurance agency business.
2. (1) Segment profit adjustment of ¥(4,301) million includes elimination of inter-segment transactions of ¥407 million and corporate expenses of ¥(4,708) million that are not allocated to reportable segments. Corporate expenses are comprised primarily of expenses that are not allocated to reportable segments.
- (2) Segment assets adjustment of ¥25,303 million includes the Company’s surplus funds (cash and deposits, securities), long-term investments (investment securities) and assets related to the administrative divisions.
- (3) Adjustments to depreciation and increases in property, plant and equipment and intangible assets under other items are those related to the Company that are not allocated to reportable segments.
3. Segment profit is adjusted to operating profit in the consolidated statements of income.

(Revenue Recognition)

Information on analyses of revenue that occurs from contracts with customers

For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment			Other (Note)	Total
	Applied and Processed Asphalt Products Business	Road Paving Business	Total		
Goods to be transferred at one point of time	25,937	–	25,937	292	26,229
Goods to be transferred over a certain period	–	47,580	47,580	–	47,580
Revenue from contracts with customers	25,937	47,580	73,518	292	73,810
Other revenue	–	–	–	22	22
Net sales to outside customers	25,937	47,580	73,518	314	73,832

(Note) The “Other” category incorporates business segments not included in reportable segments, such as the real estate lease business and the non-life insurance agency business.

For the fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment			Other (Note)	Total
	Applied and Processed Asphalt Products Business	Road Paving Business	Total		
Goods to be transferred at one point of time	25,826	–	25,826	295	26,121
Goods to be transferred over a certain period	–	49,602	49,602	–	49,602
Revenue from contracts with customers	25,826	49,602	75,429	295	75,724
Other revenue	–	–	–	21	21
Net sales to outside customers	25,826	49,602	75,429	316	75,745

(Note) The “Other” category incorporates business segments not included in reportable segments, such as the real estate lease business and the non-life insurance agency business.

(Per Share Information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥2,546.12	¥2,636.34
Basic earnings per share	¥152.74	¥164.90
Diluted earnings per share	¥—	¥—

(Notes) 1. Diluted earnings per share is not stated because there are no potentially dilutive shares.

2. The basis for the calculation of basic earnings per share is as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of the parent company (Million yen)	4,488	4,848
Amount not attributable to common shareholders (Million yen)	—	—
Profit attributable to owners of the parent company relating to common shares (Million yen)	4,488	4,848
Average number of shares of common shares outstanding during each fiscal year (Thousand shares)	29,387	29,402

3. The basis for the calculation of net assets per share is as follows.

	As of March 31, 2024	As of March 31, 2025
Total net assets (Million yen)	74,836	77,320
Amount to be deducted from total net assets (Million yen)	—	—
Net assets relating to common shares at end of period (Million yen)	74,836	77,320
Number of common shares at end of period used in calculating net assets per share (Thousand shares)	29,392	29,328

(Significant Subsequent Events)

There is no relevant information.