

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]



May 12, 2026

Company name: NICHIREKI GROUP CO., LTD.

Stock exchange listing: Tokyo Stock Exchange (Prime Market)

Code number: 5011

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

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Scheduled date of Annual General Meeting of Shareholders: June 26, 2026

Scheduled date of commencing dividend payments: June 29, 2026

Scheduled date of filing annual securities report: June 19, 2026

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, 2026 (April 1, 2025 to March 31, 2026)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	75,853	0.1	5,920	(5.5)	6,077	(13.8)	4,293	(11.4)
March 31, 2025	75,745	2.6	6,268	4.1	7,047	10.3	4,848	8.0

(Note) Comprehensive income: Fiscal year ended March 31, 2026: ¥6,953 million [48.5%]

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

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	149.74	-	5.5	5.2	7.8
March 31, 2025	164.90	-	6.4	6.8	8.3

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

Fiscal year ended March 31, 2026: ¥65 million

Fiscal year ended March 31, 2025: ¥463 million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	122,617	79,674	64.9	2,798.48
As of March 31, 2025	112,368	77,320	68.8	2,636.34

(Reference) Equity: As of March 31, 2026: ¥79,632 million

As of March 31, 2025: ¥77,320 million

## (3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
	Million yen	Million yen	Million yen	Million yen
March 31, 2026	2,416	(5,290)	(4,015)	24,752
March 31, 2025	4,895	(12,465)	13,732	31,611

## 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, 2025	-	35.00	-	40.00	75.00	2,202	45.5	2.9
March 31, 2026	-	40.00	-	40.00	80.00	2,276	53.4	2.9
Fiscal year ending March 31, 2027 (Forecast)	-	40.00	-	45.00	85.00		56.7	

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% 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	2.4	1,100	(10.2)	1,200	(10.2)	800	(22.4)	27.90
Full year	80,000	5.5	6,000	1.3	6,300	3.7	4,300	0.1	149.95

### \* Notes:

(1) Significant changes in the scope of consolidation during the fiscal year ended March 31, 2026: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

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, 2026: 31,685,955 shares

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

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

As of March 31, 2026: 3,230,526 shares

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

3) Average number of shares during the fiscal year:

Fiscal year ended March 31, 2026: 28,675,535 shares

Fiscal year ended March 31, 2025: 29,402,267 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 Friday, May 29, 2026. 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 FY2025

Category	Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Change	
	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Growth rate (%)
Net sales	75,745	100.0	75,853	100.0	107	0.1
Applied and Processed Asphalt Products Business	25,826	34.1	24,721	32.6	(1,105)	(4.3)
Road Paving Business	49,602	65.5	50,827	67.0	1,225	2.5
Other Business	316	0.4	304	0.4	(11)	(3.7)
Gross profit	17,338	22.9	17,879	23.6	540	3.1
Operating profit	6,268	8.3	5,920	7.8	(347)	(5.5)
Ordinary profit	7,047	9.3	6,077	8.0	(970)	(13.8)
Profit attributable to owners of the parent company	4,848	6.4	4,293	5.7	(554)	(11.4)

In the fiscal year ended March 31, 2026, the Japanese economy saw a gradual recovery in consumer spending driven by improvements in the labor market and income environment, despite continued price rises against the backdrop of a weak yen and other factors. Overall, the economy maintained a moderate recovery trend, led by domestic demand, with capital investment remaining robust, particularly in areas such as labor-saving measures, AI-related investments, and decarbonization-related investments.

Looking ahead, the economic recovery trend is expected to continue due to improvements in employment and income as well as the effects of fiscal policy. However, the outlook is becoming increasingly uncertain due to factors such as the impact of U.S. trade policies on the global economy, soaring crude oil prices resulting from the worsening situation in the Middle East, rising manufacturing and transportation costs, and growing concerns about the supply of energy and raw materials.

With regard to the business environment surrounding the Nichireki Group (hereinafter referred to as the “Group”), levels of public investment were steady against the backdrop of continued high construction demand for disaster prevention and mitigation measures, national resilience measures, etc. Meanwhile, a close watch has been required on factors putting downward pressure on business results, such as high raw material prices driven by soaring crude oil prices and the weakening of the yen.

In this business environment, the Group has implemented various measures in the final year of the “Resilience 2025 (Shinayaka 2025)” plan, aiming to grow into a sustainable corporate group with the entire organization working as one under quick and accurate decision-making.

In the fiscal year ended March 31, 2026, as a result of promoting design and marketing activities for long-life, environmentally friendly, high value-added products, as well as surveys and construction methods utilizing ICT technology, the Group posted net sales of ¥75,853 million (up 0.1% year on year), operating profit of ¥5,920 million (down 5.5% year on year), and ordinary profit of ¥6,077 million (down 13.8% year on year). Profit attributable to owners of the parent company decreased by 11.4% year on year to ¥4,293 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 ¥24,721 million (down 4.3% year on year), and segment profit (operating profit) was ¥3,541 million (down 17.9% 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 ¥50,827 million (up 2.5% year on year), and segment profit (operating profit) was ¥4,739 million (up 12.5% year on year).

### Other Business

In the Other Business, net sales for the segment were ¥304 million (down 3.7% year on year), and segment profit (operating profit) was ¥497 million (up 106.4% year on year) mainly due to real estate lease revenue.

## (2) Overview of Financial Position for FY2025

Category	As of March 31, 2025		As of March 31, 2026		Change	
	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Growth rate (%)
Current assets	56,076	49.9	49,946	40.7	(6,129)	(10.9)
Non-current assets	56,292	50.1	72,671	59.3	16,379	29.1
Current liabilities	16,160	14.4	24,348	19.9	8,187	50.7
Non-current liabilities	18,887	16.8	18,594	15.2	(292)	(1.6)
Net assets	77,320	68.8	79,674	65.0	2,354	3.0
Total assets	112,368	100.0	122,617	100.0	10,249	9.1

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

##### Current assets

Current assets decreased by ¥6,129 million from the end of the previous fiscal year to ¥49,946 million. This is attributable mainly to a decrease in cash and deposits of ¥6,868 million, despite an increase in notes and accounts receivable - trade, and contract assets of ¥1,468 million.

##### Non-current assets

Non-current assets increased by ¥16,379 million from the end of the previous fiscal year to ¥72,671 million. This is attributable mainly to increases respectively in buildings and structures of ¥14,940 million, investment securities of ¥3,111 million, and retirement benefit asset of ¥1,027 million, despite a decrease in construction in progress of ¥3,717 million.

##### Current liabilities

Current liabilities increased by ¥8,187 million from the end of the previous fiscal year to ¥24,348 million. This is attributable mainly to an increase in accounts payable - other of ¥8,420.

##### Non-current liabilities

Non-current liabilities decreased by ¥292 million from the end of the previous fiscal year to ¥18,594 million. This is attributable mainly to a decrease in long-term borrowings of ¥1,805 million, despite an

increase in deferred tax liabilities of ¥1,063 million.

#### Net assets

Net assets increased by ¥2,354 million from the end of the previous fiscal year to ¥79,674 million. This is attributable mainly to an increase in treasury shares of ¥2,339 million through purchase of treasury shares, despite increases respectively in retained earnings of ¥1,982 million and valuation difference on available-for-sale securities of ¥2,101 million.

### (3) Overview of Cash Flows for FY2025

Cash and cash equivalents (hereinafter referred to as “cash”) for the fiscal year under review decreased by ¥6,858 million from the end of the previous fiscal year to ¥24,752 million. Status of cash flows and contributing factors were as follows.

#### Cash flows from operating activities

Net cash provided by operating activities was ¥2,416 million (down 50.6% year on year). This is attributable mainly to profit before income taxes of ¥6,228 million, a decrease in trade receivables of ¥1,570 million, and a decrease in accrued consumption taxes of ¥2,060 million.

#### Cash flows from investing activities

Net cash used in investing activities was ¥5,290 million (down 57.6% year on year). This is attributable mainly to purchase of property, plant and equipment of ¥5,373 million.

#### Cash flows from financing activities

Net cash used in financing activities was ¥4,015 million (down ¥17,747 million year on year). This is attributable mainly to purchase of treasury shares of ¥2,471 million, payments of dividends of ¥2,262 million and repayments of long-term borrowings of ¥1,819 million.

### (Reference) Changes in cash flow indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	77.0	79.2	78.7	68.8	64.9
Equity ratio based on market value (%)	42.7	49.2	76.4	56.9	48.8
Ratio of interest-bearing debt to cash flows (%)	20.7	23.4	20.4	407.9	780.6
Interest coverage ratio (times)	732.43	579.25	828.06	141.47	9.00

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, 2027			
	First half		Full-year	
	Amount (Million yen)	Year-on-year change (%)	Amount (Million yen)	Year-on-year change (%)
Net sales	33,000	2.4	80,000	5.5
Operating profit	1,100	(10.2)	6,000	1.3
Ordinary profit	1,200	(10.2)	6,300	3.7
Profit attributable to owners of the parent company	800	(22.4)	4,300	0.1

The business environment surrounding the Group will continue to see a high level of public works volume in FY2026 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, concerns about rising crude oil and material prices and supply instability due to geopolitical risks surrounding Ukraine and the Middle East, as well as foreign exchange rate trends, cannot be dismissed. The Group still requires a close watch on them as major management risks. 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.

Regarding the consolidated financial results forecasts for the fiscal year ending March 31, 2027, the Group currently anticipates that fluctuations in crude oil prices, stemming from developments in the Middle East, will affect the prices of key raw materials, such as asphalt, as well as the prices of materials used in road paving projects. While the Group expects the impact on profits will be limited, as these cost increases will be promptly reflected in sales and construction prices, it anticipates a significant impact on net sales. Given the current situation, it is difficult to make a reasonable forecast of crude oil price trends; therefore, the Group has set its target figures based on the current levels of 100 dollars per barrel for Dubai crude oil and an exchange rate of 160 yen to the dollar.

(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, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	31,621	24,752
Notes and accounts receivable - trade, and contract assets	16,118	17,587
Electronically recorded monetary claims - operating	1,757	1,727
Merchandise and finished goods	1,230	1,247
Costs on construction contracts in progress	153	160
Raw materials and supplies	1,164	1,236
Other	4,033	3,238
Allowance for doubtful accounts	(4)	(5)
<b>Total current assets</b>	<b>56,076</b>	<b>49,946</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,567	34,006
Accumulated depreciation	(10,082)	(10,580)
Buildings and structures, net	8,485	23,425
Machinery, equipment and vehicles	27,876	28,866
Accumulated depreciation	(23,480)	(23,975)
Machinery, equipment and vehicles, net	4,396	4,890
Land	11,207	11,319
Leased assets	878	1,386
Accumulated depreciation	(667)	(683)
Leased assets, net	211	702
Construction in progress	10,666	6,948
Other	3,613	3,870
Accumulated depreciation	(2,764)	(3,005)
Other, net	848	865
<b>Total property, plant and equipment</b>	<b>35,815</b>	<b>48,153</b>
Intangible assets		
Other	1,204	1,056
<b>Total intangible assets</b>	<b>1,204</b>	<b>1,056</b>
Investments and other assets		
Investment securities	9,252	12,364
Investments in capital of subsidiaries and associates	1,438	1,527
Retirement benefit asset	3,462	4,490
Deferred tax assets	58	19
Long-term time deposits	4,420	4,430
Other	700	681
Allowance for doubtful accounts	(61)	(52)
<b>Total investments and other assets</b>	<b>19,272</b>	<b>23,461</b>
<b>Total non-current assets</b>	<b>56,292</b>	<b>72,671</b>
<b>Total assets</b>	<b>112,368</b>	<b>122,617</b>

(Million yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,810	6,140
Electronically recorded obligations - operating	1,087	-
Short-term borrowings	1,718	2,000
Current portion of long-term borrowings	1,814	1,800
Lease liabilities	74	133
Accounts payable - other	1,362	9,783
Income taxes payable	1,656	1,160
Contract liabilities	500	361
Provision for bonuses	928	1,007
Provision for bonuses for directors (and other officers)	80	88
Other provisions	60	52
Other	2,065	1,820
<b>Total current liabilities</b>	<b>16,160</b>	<b>24,348</b>
Non-current liabilities		
Long-term borrowings	16,205	14,400
Long-term accounts payable - other	12	0
Lease liabilities	157	528
Long-term deposits received	48	48
Deferred tax liabilities	2,253	3,316
Retirement benefit liability	75	80
Asset retirement obligations	135	220
<b>Total non-current liabilities</b>	<b>18,887</b>	<b>18,594</b>
<b>Total liabilities</b>	<b>35,047</b>	<b>42,942</b>
Net assets		
Shareholders' equity		
Share capital	2,919	2,919
Capital surplus	4,054	4,090
Retained earnings	68,991	70,973
Treasury shares	(3,174)	(5,514)
<b>Total shareholders' equity</b>	<b>72,790</b>	<b>72,468</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,290	5,392
Foreign currency translation adjustment	322	381
Remeasurements of defined benefit plans	915	1,389
<b>Total accumulated other comprehensive income</b>	<b>4,529</b>	<b>7,163</b>
Non-controlling interests	-	42
<b>Total net assets</b>	<b>77,320</b>	<b>79,674</b>
<b>Total liabilities and net assets</b>	<b>112,368</b>	<b>122,617</b>

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	75,745	75,853
Cost of sales	58,406	57,974
Gross profit	17,338	17,879
Selling, general and administrative expenses	11,070	11,958
Operating profit	6,268	5,920
Non-operating income		
Interest income	28	68
Dividend income	270	309
Share of profit of entities accounted for using equity method	463	65
Foreign exchange gains	55	112
Other	15	45
Total non-operating income	833	600
Non-operating expenses		
Interest expenses	34	268
Commission for purchase of treasury shares	1	66
Donations	-	80
Other	18	28
Total non-operating expenses	54	443
Ordinary profit	7,047	6,077
Extraordinary income		
Gain on sale of non-current assets	57	31
Gain on sale of investment securities	-	126
Insurance claim income	25	36
Subsidy income	-	25
Other	0	2
Total extraordinary income	83	221
Extraordinary losses		
Loss on sale of non-current assets	3	0
Loss on retirement of non-current assets	11	46
Loss on liquidation of subsidiaries and associates	7	-
Loss on Related Accident	15	20
Other	13	3
Total extraordinary losses	52	70
Profit before income taxes	7,079	6,228
Income taxes - current	1,948	2,015
Income taxes - deferred	282	(108)
Total income taxes	2,230	1,906
Profit	4,848	4,321
Profit attributable to non-controlling interests	-	27
Profit attributable to owners of the parent company	4,848	4,293

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	4,848	4,321
Other comprehensive income		
Valuation difference on available-for-sale securities	(274)	2,101
Foreign currency translation adjustment	29	9
Remeasurements of defined benefit plans, net of tax	(12)	474
Share of other comprehensive income of entities accounted for using equity method	91	47
Total other comprehensive income	(165)	2,632
Comprehensive income	4,682	6,953
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent company	4,682	6,927
Comprehensive income attributable to non-controlling interests	-	26

(3) Consolidated Statements of Changes in Equity  
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				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	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

For the fiscal year ended March 31, 2026

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,919	4,054	68,991	(3,174)	72,790
Changes during period					
Dividends of surplus			(2,311)		(2,311)
Profit attributable to owners of the parent company			4,293		4,293
Purchase of treasury shares				(2,404)	(2,404)
Disposal of treasury shares		36		64	100
Net changes in items other than shareholders' equity					
Total changes during period	-	36	1,982	(2,339)	(321)
Balance at end of period	2,919	4,090	70,973	(5,514)	72,468

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,290	322	915	4,529	-	77,320
Changes during period						
Dividends of surplus						(2,311)
Profit attributable to owners of the parent company						4,293
Purchase of treasury shares						(2,404)
Disposal of treasury shares						100
Net changes in items other than shareholders' equity	2,101	58	474	2,633	42	2,676
Total changes during period	2,101	58	474	2,633	42	2,354
Balance at end of period	5,392	381	1,389	7,163	42	79,674

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	7,079	6,228
Depreciation	2,587	2,753
Share-based payment expenses	37	86
Increase (decrease) in allowance for doubtful accounts	(52)	(7)
Increase (decrease) in retirement benefit liability	(615)	(312)
Increase (decrease) in other provisions	(160)	78
Interest and dividend income	(299)	(377)
Interest expenses	34	268
Insurance claim income	(25)	(16)
Loss (gain) on sale of non-current assets	(54)	(31)
Loss (gain) on sale of investment securities	-	(126)
Loss on retirement of non-current assets	11	46
Subsidy income	(1)	(33)
Decrease (increase) in trade receivables	2,423	(1,570)
Decrease (increase) in other current assets	172	(68)
Decrease (increase) in inventories	351	(94)
Increase (decrease) in trade payables	(5,933)	175
Increase (decrease) in other current liabilities	4	(101)
Increase (decrease) in accrued consumption taxes	888	(2,060)
Share of loss (profit) of entities accounted for using equity method	(463)	(65)
Loss on disaster	15	-
Other, net	69	64
Subtotal	6,068	4,837
Interest and dividends received	299	403
Subsidies received	1	33
Proceeds from insurance income	25	16
Interest paid	(10)	(266)
Income taxes paid	(1,477)	(2,603)
Payments associated with disaster loss	(11)	(4)
Net cash provided by (used in) operating activities	4,895	2,416

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
<b>Cash flows from investing activities</b>		
Payments into time deposits	(10)	(10)
Proceeds from withdrawal of time deposits	10	10
Purchase of property, plant and equipment	(12,155)	(5,373)
Proceeds from sale of property, plant and equipment	73	134
Payments for retirement of property, plant and equipment	(33)	(4)
Purchase of intangible assets	(437)	(175)
Purchase of investment securities	(137)	(71)
Proceeds from sale of investment securities	301	143
Loan advances	(6)	(13)
Proceeds from collection of loans receivable	7	13
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(50)	-
Other, net	(26)	57
Net cash provided by (used in) investing activities	(12,465)	(5,290)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	3,800	3,600
Repayments of short-term borrowings	(3,400)	(3,318)
Repayments of lease liabilities	(100)	(174)
Purchase of treasury shares	(140)	(2,471)
Decrease (increase) in deposits for purchase of treasury shares	(2,405)	2,403
Dividends paid	(2,021)	(2,262)
Proceeds from long-term borrowings	18,000	-
Repayments of long-term borrowings	-	(1,819)
Proceeds from share issuance to non-controlling shareholders	-	16
Other, net	-	10
Net cash provided by (used in) financing activities	13,732	(4,015)
Effect of exchange rate change on cash and cash equivalents	3	30
Net increase (decrease) in cash and cash equivalents	6,165	(6,858)
Cash and cash equivalents at beginning of period	25,445	31,611
Cash and cash equivalents at end of period	31,611	24,752

## (5) Notes to the Consolidated Financial Statements

### (Notes on Going Concern Assumption)

There is no relevant information.

### (Additional Information)

#### (Application of group tax sharing system)

The Company and its domestic consolidated subsidiaries have transitioned from the single-entity tax payment system to the group tax sharing system from the first quarter of the current fiscal year. Accordingly, the accounting treatment and disclosure of corporate tax, local corporate tax, and tax effect accounting are prepared in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42 dated August 12, 2021).

### (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, 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	236	9,378	(9,378)	–
Total	34,968	49,602	84,571	552	85,123	(9,378)	75,745
Segment profit	4,314	4,212	8,526	241	8,767	(2,499)	6,268
Segment assets	42,594	30,662	73,256	2,040	75,297	37,070	112,368
Other items							
Depreciation	735	906	1,642	201	1,843	743	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	5	12,242	50	12,293

- (Notes)
- 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.
  - Segment profit adjustment of ¥(2,499) million includes elimination of inter-segment transactions of ¥1,618 million and corporate expenses of ¥(4,117) million that are not allocated to reportable segments. Corporate expenses are comprised primarily of expenses that are not allocated to reportable segments.
    - Segment assets adjustment of ¥37,070 million includes the Company’s surplus funds (cash and deposits, securities), long-term investments (investment securities) and assets related to the administrative divisions.
    - 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.
  - Segment profit is adjusted to operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2026

(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	24,721	50,827	75,548	304	75,853	–	75,853
Inter-segment net sales or transfers	8,622	35	8,657	734	9,391	(9,391)	–
Total	33,343	50,862	84,206	1,038	85,244	(9,391)	75,853
Segment profit	3,541	4,739	8,281	497	8,778	(2,857)	5,920
Segment assets	44,507	30,997	75,505	1,983	77,489	45,128	122,617
Other items							
Depreciation	949	877	1,826	133	1,960	793	2,753
Investments in entities accounted for using equity method	1,522	–	1,522	–	1,522	–	1,522
Increases in property, plant and equipment and intangible assets	17,215	570	17,786	0	17,786	87	17,874

(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 ¥(2,857) million includes elimination of inter-segment transactions of ¥539 million and corporate expenses of ¥(3,396) 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 ¥45,128 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.

#### 4. Matters concerning changes in reportable segments, etc.

##### (Changes in method of measuring profit or loss and assets for reportable segments)

Following its transition to a Holding Company Structure on October 1, 2024, the Group has reviewed the allocation method for corporate expenses and assets starting with the fiscal first quarter and changed the method of measuring profit or loss and assets for each reportable segment in order to more appropriately evaluate the performance of each segment.

Note that segment information for the fiscal year ended March 31, 2025 has been prepared using the revised measurement method.

(Revenue Recognition)

Information on analyses of revenue that occurs from contracts with customers

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.

For the fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(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	24,721	–	24,721	281	25,002
Goods to be transferred over a certain period	–	50,827	50,827	–	50,827
Revenue from contracts with customers	24,721	50,827	75,548	281	75,830
Other revenue	–	–	–	22	22
Net sales to outside customers	24,721	50,827	75,548	304	75,853

(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, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥2,636.34	¥2,798.48
Basic earnings per share	¥164.90	¥149.74
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, 2025	For the fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of the parent company (Million yen)	4,848	4,293
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of the parent company relating to common shares (Million yen)	4,848	4,293
Average number of shares of common shares outstanding during each fiscal year (Thousand shares)	29,402	28,675

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

	As of March 31, 2025	As of March 31, 2026
Total net assets (Million yen)	77,320	79,674
Amount to be deducted from total net assets (Million yen)	-	42
Net assets relating to common shares at end of period (Million yen)	77,320	79,632
Number of common shares at end of period used in calculating net assets per share (Thousand shares)	29,328	28,455

(Significant Subsequent Events)

There is no relevant information.