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



May 14, 2025

Company name: **TAIHEI DENGYO KAISHA, LTD.**

Stock exchange listing: Tokyo Stock Exchange

Code number: 1968

URL: <https://www.taihei-dengyo.co.jp/>

Representative: Jo Nojiri, Representative Director, President and Chief Executive Officer

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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 securities report: June 26, 2025

Preparation of supplementary explanatory materials: Yes

Holding of financial results briefing: Yes

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

1. Consolidated 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	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	125,670	(2.9)	13,037	29.7	13,808	19.9	9,753	16.2
March 31, 2024	129,363	2.9	10,049	(29.9)	11,512	(23.7)	8,395	(20.9)

(Note) Comprehensive income: Year ended March 31, 2025: 10,726 million yen [(9.9)%]

Year ended March 31, 2024: 11,909 million yen [8.7%]

	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
Year ended	Yen	Yen	%	%	%
March 31, 2025	482.81	481.21	9.2	9.0	10.4
March 31, 2024	441.04	440.91	9.0	7.7	7.8

(Reference) Equity in earnings of affiliated companies: Year ended March 31, 2025: 104 million yen

Year ended March 31, 2024: 139 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	155,076	115,057	73.3	5,452.67
As of March 31, 2024	153,023	100,592	64.8	5,120.40

(Reference) Equity: As of March 31, 2025: 113,660 million yen

As of March 31, 2024: 99,212 million yen

(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
Year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	(2,525)	51	2,622	42,104
March 31, 2024	(4,639)	(895)	(1,676)	41,919

2. Cash 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			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2024	-	-	-	135.00	135.00	2,628	30.6	2.6
March 31, 2025	-	-	-	175.00	175.00	3,663	36.2	3.3
Year ending March 31, 2026 (Forecast)	-	-	-	200.00	200.00		39.3	

3. Forecast of Consolidated Results 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	143,000	13.8	15,000	15.1	15,800	14.4	10,600	8.7	508.52

* Notes:

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 2 companies (Murakami Woodchip LLC. and 1 other company)
- (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
 (Note) Please refer to the attached reference material page 14 “3. Consolidated Financial Statements and Primary Notes (5) Notes to Consolidated Financial Statements (Changes in accounting policies)” for details.
- (3) Total number of shares issued and outstanding (common shares)
 - 1) Number of shares issued and outstanding at the end of the period (including treasury shares):
 - March 31, 2025: 21,541,980 shares
 - March 31, 2024: 20,341,980 shares
 - 2) Number of treasury shares at the end of the period:
 - March 31, 2025: 697,009 shares
 - March 31, 2024: 966,005 shares
 - 3) Average number of shares during the period:
 - Year ended March 31, 2025: 20,200,657 shares
 - Year ended March 31, 2024: 19,036,787 shares

(Reference) Summary of Non-consolidated Results**1. Non-consolidated 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	116,849	(4.4)	12,798	33.8	13,417	23.4	9,557	18.1
March 31, 2024	122,244	3.5	9,565	(31.1)	10,874	(25.4)	8,090	(20.6)

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
March 31, 2025	473.06	471.50
March 31, 2024	424.92	424.80

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	148,272	110,089	74.2	5,280.54
As of March 31, 2024	147,270	96,485	65.5	4,977.92

(Reference) Equity: As of March 31, 2025: 110,089 million yen

As of March 31, 2024: 96,467 million yen

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

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	135,000	15.5	15,200	13.3	10,200	6.7	489.25

With regard to the impact of the tariff policy implemented by the U.S. government, as the majority of the Company's sales are within Japan or to South East Asia, and because we do not currently have any direct trading relationships with U.S. corporations, we believe that the impact of the U.S. tariff policies on the Company's business operations will be minor.

* These financial results are outside the scope of audit procedures by certified public accountants or audit corporations.

*** Explanation of the proper use of performance forecast and other notes**

The earnings forecast and other forward-looking statements herein are based on the information currently available and certain assumptions deemed reasonable by the Company, and thus actual results may differ significantly from these forecasts due to a wide range of factors.

For details, please see "1. Overview of Operating Results, etc., (4) Future Outlook" on page 5 of the attached materials.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2025 (the “fiscal year under review” or “FY2024”), the Japanese economy continued to show signs of gradual recovery against a backdrop of an increase in inbound tourism demand alongside a pickup in income situation and an improving employment situation. However, the outlook for the global economy remains uncertain and continues to lack stability due to the continued impact of rising prices on consumer spending, the trading policies of the United States, stagnation in the Chinese real estate market, and the situation with regard to Russia and Ukraine and the heightened geopolitical risk in the Middle East.

In the electric power industry, the main area of business for the TAIHEI DENGYO KAISHA Group (the TDK Group), there has been progress in establishing systems for delivering both stable energy supplies and decarbonization. In terms of nuclear power generation, efforts to maximize the use of nuclear power have accelerated, including the restarting of the Onagawa and Shimane nuclear power plants, extending the operating life of ageing reactors, and clarification of the policies for on-site replacement. Renewable energies continue to be positioned as the main source of power, and their diffusion is being expanded. In order to steadily promote their introduction, however, thermal power generation must play a role in supporting the infrastructure. In particular, a shift to more flexible power sources, mainly liquefied natural gas, and appropriate maintenance and utilization of existing thermal power generation facilities, including high-efficiency coal-fired power generation, are shown as important initiatives to ensure a stable power supply. The following is a list of important initiatives to ensure a stable power supply.

Under these circumstances, the TDK Group has been working to promote its Mid-Term Business Plan, which launched in 2023. In addition, we have been engaged in a variety of initiatives, including further strengthening our budgetary control functions, restarting nuclear power plants and expanding the areas of works for such, taking EPC orders for woody biomass power plants from Yokote Yuzawa Forest Cycle Co., Ltd., which the Company has a financial stake in, constructing natural gas-fired power plants, and building a new overseas business headquarters for establishing a more consistent management system for our overseas businesses. Furthermore, we have been working to develop new business opportunities that will contribute to the realization of a regional circular society through our “Green Projects” initiative, which combines forestry and agriculture into a single package centered on our biomass power plants. We have also launched the “Sustainability Promotion Committee” to further promote sustainability management and established a system that aims to improve corporate value over the medium- to long-term and to help find solutions to social issues.

(Note) EPC: Engineering, Procurement, Construction

As a result, in the fiscal year under review, the TDK Group recorded orders received of 153,773 million yen (an increase of 13.1% YoY) and net sales of 125,670 million yen (a decrease of 2.9% YoY) including 5,974 million yen (a decrease of 31.2% YoY) for overseas works.

Regarding profits, operating profit amounted to 13,037 million yen (an increase of 29.7% YoY), ordinary profit amounted to 13,808 million yen (an increase of 19.9% YoY) and profit attributable to owners of parent amounted to 9,753 million yen (an increase of 16.2% YoY).

At the Board of Directors meeting held on February 7, 2025, the Board decided to pay a year-end of 175 yen per share for the fiscal year under review, with an increase of 40 yen per share compared with the previous fiscal year, in accordance with a distribution policy of surplus with long-term and stable return of profit as a basis and in full consideration of the TDK Group’s financial results for the fiscal year under review, the current operating environment and other factors.

Performance results by business segment are as follows.

(Construction Segment)

Orders received amounted to 54,231 million yen (an increase of 28.2% YoY, composition ratio: 35.3%). Despite a decrease in works for nuclear power plants, increases in orders received in works for thermal power plants for business use and works for environmental preservation plants resulted in an increase for the overall segment.

Net sales amounted to 39,152 million yen (a decrease of 16.6% YoY, composition ratio: 31.2%). Decreases in works for thermal power plants for business use and works for environmental preservation plants, resulted in a decrease for the overall segment. Segment profit amounted to 1,523 million yen (a decrease of 5.3% YoY).

(Maintenance and Renovation Segment)

Orders received amounted to 99,542 million yen (an increase of 6.3% YoY, composition ratio: 64.7%) due mainly to an increase in works for nuclear power plants and iron and steel-related plants, resulting in an increase for the overall segment.

Net sales amounted to 86,518 million yen (an increase of 5.0% YoY, composition ratio: 68.8%). Despite a decrease in works for thermal power plants for private use, works for thermal power plants for business use and works for environmental preservation plants increased, resulting in an increase for the overall segment. Segment profit amounted to 15,523 million yen (an increase of 26.8% YoY).

(2) Overview of Financial Position for the Fiscal Year under Review

(a) Assets

Current assets amounted to 108,609 million yen, up 1,776 million yen from the end of the previous fiscal year. This was due mainly to increases of 1,149 million yen in notes receivable, accounts receivable from completed construction contracts, and contract assets and 538 million yen in other categorized under current assets.

Non-current assets amounted to 46,466 million yen, up 276 million yen from the end of the previous fiscal year. This was due mainly to an increase of 959 million yen in investment securities, despite a decrease of 538 million yen in buildings and structures, net.

(b) Liabilities

Current liabilities amounted to 23,491 million yen, down 15,624 million yen from the end of the previous fiscal year. This was due mainly to decreases of 11,837 million yen in electronically recorded obligations – operating and 5,000 million yen in current portion of bonds payable.

Non-current liabilities amounted to 16,526 million yen, up 3,211 million yen from the end of the previous fiscal year. This was due mainly to an increase of 5,000 million yen in bonds payable despite a decrease of 1,904 million yen in long-term borrowings.

(c) Net assets

Net assets amounted to 115,057 million yen, up 14,465 million yen from the end of the previous fiscal year. This was due mainly to increases of 3,309 million yen in capital surplus, and 7,124 million yen in retained earnings.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents as of the end of the current fiscal year amounted to 42,104 million yen, up 185 million yen from the end of the previous fiscal year. Cash flows by activity type and factors behind the results are summarized below.

(a) Cash Flows from Operating Activities

Net cash used in operating activities amounted to 2,525 million yen (an outflow of 4,639 million yen in the previous fiscal year). This is due mainly to a decrease of 13,125 million yen in trade payables, and 3,815 million yen in income taxes paid, despite 14,699 million yen in profit before income taxes.

(b) Cash Flows from Investing Activities

Net cash provided by investing activities amounted to 51 million yen (an outflow of 895 million yen in the previous fiscal year). This is due mainly to 900 million yen in proceeds from sales of property, despite 769 million yen for purchase of property.

(c) Cash Flows from Financing Activities

Net cash provided by financing activities amounted to 2,622 million yen (an outflow of 1,676 million yen in the previous fiscal year). This is due mainly to 5,302 million yen in proceeds from issuance of shares resulting from exercise of share acquisition rights, despite 2,637 million yen in dividends paid.

(Reference) Trends in indicators of cash flows

	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-to-asset ratio (%)	55.9	60.1	60.0	64.8	73.3
Equity-to-asset ratio based on market value (%)	39.0	38.1	52.5	58.3	64.3
Interest-bearing liabilities to cash flow ratio (%)	87.3	2,452.2	48.0	-	-
Interest coverage ratio (times)	593.8	19.1	640.6	-	-

Equity-to-asset ratio: $\text{Equity} / \text{Total assets}$

Equity-to-asset ratio based on market value: $\text{Market capitalization} / \text{Total asset}$

Interest-bearing liabilities to cash flow ratio: $\text{Interest-bearing liabilities} / \text{Cash flows}$

Interest coverage ratio: $\text{Cash flows} / \text{Interest payments}$

* All indicators are calculated using financial figures on a consolidated basis.

* Market capitalization is calculated by multiplying the stock price at the end of the period by the number of shares issued and outstanding at the end of the period (excluding treasury shares).

* For the cash flows, the cash flows from operating activities are used.

* Interest-bearing liabilities include all liabilities recorded on the Consolidated Balance Sheet for which interest is paid. In addition, for interest payments, interest paid stated on the Consolidated Statement of Cash Flows is used.

* Interest-bearing liabilities to cash flow ratio and interest coverage ratio are not stated for fiscal years during which cash flow from operating activities was negative.

(4) Future Outlook

As for the future outlook, the Japanese economy is expected to show a gradual recovery under the government's comprehensive economic stimulus measures. However, there is a risk that prolonged price increases, the effects of U.S. trade policy on the exports and manufacturing industry of Japan, and other factors will place downward pressure on the economy in Japan.

Meanwhile, in the electric power industry, in which the TDK Group has its main business, a policy has been unveiled to accelerate efforts to ensure the stable provision of energy and decarbonization by maintaining the principle of "S (Safety) + 3E (Energy security, Economic efficiency and Environmental sustainability)," which is based on the Seventh Strategic Energy Plan approved by the Japanese Cabinet, and balancing the "increase in electricity demand due to the progress of DX (Note 1) and GX (Note 2)" with "transformation of structure toward decarbonization." Looking ahead to what is hoped to comprise the ideal energy mix by 2040, studies are currently underway into the respective characteristics and roles of nuclear power, renewable energy, and thermal power and how the ideal balance of use can be achieved between them. Moving forward, it will be necessary to put into action concrete plans of action with regard to realizing this vision.

For the fiscal year ending March 31, 2026, the TDK Group will strive toward improving its corporate value and realizing sustainable growth through a range of measures, including continuing safety measure works at nuclear power plants, ensuring a steady supply of human resources for the construction of large-scale thermal power plants, strengthening the organizational structure at our overseas bases as well as further initiatives to promote the "Green Projects."

(Note 1) DX: Digital transformation

(Note 2) GX: Green transformation

2. Basic Policy Regarding Selection of Accounting Standards

Taking into account the comparability of periods and among companies of consolidated financial statements, the TDK Group intends to prepare consolidated financial statements in accordance with Japanese GAAP for the time being. Also, as a policy, the TDK Group will appropriately respond to adoption of IFRS in consideration of conditions inside and outside of Japan.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Unit: ¥1 million)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	42,173	42,607
Notes receivable, accounts receivable from completed construction contracts, and contract assets	48,389	49,539
Electronically recorded monetary claims - operating	3,524	2,755
Costs on construction contracts in progress	10,209	10,610
Raw materials and supplies	59	82
Other	2,475	3,013
Total current assets	106,832	108,609
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,446	19,953
Accumulated depreciation and impairment	(12,226)	(12,272)
Buildings and structures, net	8,220	7,681
Machinery and vehicles	13,491	13,457
Accumulated depreciation	(10,637)	(10,945)
Machinery and vehicles, net	2,854	2,511
Tools, furniture and fixtures	2,765	2,894
Accumulated depreciation and impairment	(2,494)	(2,615)
Tools, furniture and fixtures, net	270	279
Land	9,135	9,181
Leased assets	685	688
Accumulated depreciation	(294)	(357)
Leased assets, net	390	330
Construction in progress	22	223
Total property, plant and equipment	20,892	20,207
Intangible assets		
Other	236	225
Total intangible assets	236	225
Investments and other assets		
Investment securities	16,676	17,635
Long-term loans receivable	280	275
Retirement benefit asset	4	-
Real estate for rent	6,300	6,654
Accumulated depreciation	(368)	(684)
Real estate for rent, net	5,932	5,969
Deferred tax assets	37	34
Long term-bank cash	352	50
Other	2,051	2,342
Allowance for doubtful accounts	(274)	(273)
Total investments and other assets	25,060	26,033
Total non-current assets	46,190	46,466
Total assets	153,023	155,076

(Unit: ¥1 million)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	10,648	9,379
Electronically recorded obligations - operating	11,837	-
Current portion of bonds payable	5,000	-
Current portion of long-term borrowings	948	2,039
Lease liabilities	162	159
Income taxes payable	1,362	2,768
Contract liabilities	4,952	5,162
Provision for bonuses	1,047	1,051
Provision for bonuses for directors (and other officers)	79	90
Provision for warranties for completed construction	138	75
Provision for loss on construction contracts	752	131
Other	2,185	2,632
Total current liabilities	39,116	23,491
Non-current liabilities		
Bonds payable	-	5,000
Long-term borrowings	8,631	6,726
Lease liabilities	250	184
Deferred tax liabilities	142	760
Retirement benefit liability	3,850	3,408
Provision for share awards for directors (and other officers)	202	200
Provision for retirement benefits for directors (and other officers)	44	38
Other	194	207
Total non-current liabilities	13,314	16,526
Total liabilities	52,430	40,018
Net assets		
Shareholders' equity		
Share capital	4,000	6,657
Capital surplus	5,881	9,190
Retained earnings	85,270	92,394
Treasury shares	(1,621)	(1,195)
Total shareholders' equity	93,530	107,046
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,222	6,545
Foreign currency translation adjustment	(243)	(89)
Remeasurements of defined benefit plans	(296)	157
Total accumulated other comprehensive income	5,682	6,613
Share acquisition rights	17	0
Non-controlling interests	1,361	1,396
Total net assets	100,592	115,057
Total liabilities and net assets	153,023	155,076

(2) Consolidated Statement of Income and Comprehensive Income

(Unit: ¥1 million)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	129,363	125,670
Cost of sales	109,518	102,325
Gross profit	19,845	23,344
Selling, general and administrative expenses	9,795	10,307
Operating profit	10,049	13,037
Non-operating income		
Interest income	21	23
Dividend income	366	458
Share of profit of entities accounted for using equity method	139	104
Rental income from non-current assets	381	360
Foreign exchange gains	642	-
Insurance claim income	11	188
Subsidy income	138	-
Insurance return	41	44
Other	92	121
Total non-operating income	1,836	1,301
Non-operating expenses		
Interest expenses	47	79
Bond issuance costs	-	78
Foreign exchange losses	-	12
Loss on investments in silent partnerships	46	111
Rental expenses on non-current assets	158	119
Other	121	130
Total non-operating expenses	373	530
Ordinary profit	11,512	13,808
Extraordinary income		
Gain on sale of non-current assets	0	863
Gain on sale of investment securities	506	61
Gain on recovery of money transfer scam at overseas branch	56	10
Other	0	0
Total extraordinary income	564	936
Extraordinary losses		
Loss on retirement of non-current assets	0	45
Loss on valuation of investment securities	45	-
Other	-	0
Total extraordinary losses	45	45
Profit before income taxes	12,031	14,699
Income taxes - current	3,514	4,888
Income taxes - deferred	72	66
Total income taxes	3,587	4,955
Profit	8,443	9,743
Profit attributable to		
Profit attributable to owners of parent	8,395	9,753
Profit (loss) attributable to non-controlling interests	47	(9)
Other comprehensive income		
Valuation difference on available-for-sale securities	3,369	328
Foreign currency translation adjustment	2	200
Remeasurements of defined benefit plans, net of tax	92	454
Share of other comprehensive income of entities accounted for using equity method	2	(0)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Total other comprehensive income	3,465	982
Comprehensive income	11,909	10,726
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,849	10,686
Comprehensive income attributable to non- controlling interests	59	39

(3) Consolidated Statement of Changes in Equity

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

(Unit: ¥1 million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	4,917	79,166	(2,087)	85,997
Changes during period					
Dividends of surplus			(2,291)		(2,291)
Profit attributable to owners of parent			8,395		8,395
Purchase of treasury shares				(110)	(110)
Disposal of treasury shares		71		37	109
Disposal of treasury shares-exercise of subscription rights to shares		892		538	1,430
Net changes in items other than shareholders' equity					
Total changes during period	-	963	6,104	465	7,533
Balance at end of period	4,000	5,881	85,270	(1,621)	93,530

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,852	(235)	(388)	2,228	-	1,308	89,533
Changes during period							
Dividends of surplus							(2,291)
Profit attributable to owners of parent							8,395
Purchase of treasury shares							(110)
Disposal of treasury shares							109
Disposal of treasury shares-exercise of subscription rights to shares							1,430
Net changes in items other than shareholders' equity	3,370	(8)	92	3,453	17	53	3,525
Total changes during period	3,370	(8)	92	3,453	17	53	11,059
Balance at end of period	6,222	(243)	(296)	5,682	17	1,361	100,592

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

(Unit: ¥1 million)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,000	5,881	85,270	(1,621)	93,530
Changes during period					
Issuance of new shares	2,656	2,656			5,313
Dividends of surplus			(2,628)		(2,628)
Profit attributable to owners of parent			9,753		9,753
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				29	29
Disposal of treasury shares-exercise of subscription rights to shares		652		399	1,052
Net changes in items other than shareholders' equity					
Total changes during period	2,656	3,309	7,124	425	13,515
Balance at end of period	6,657	9,190	92,394	(1,195)	107,046

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	6,222	(243)	(296)	5,682	17	1,361	100,592
Changes during period							
Issuance of new shares							5,313
Dividends of surplus							(2,628)
Profit attributable to owners of parent							9,753
Purchase of treasury shares							(2)
Disposal of treasury shares							29
Disposal of treasury shares-exercise of subscription rights to shares							1,052
Net changes in items other than shareholders' equity	323	154	454	931	(17)	35	949
Total changes during period	323	154	454	931	(17)	35	14,465
Balance at end of period	6,545	(89)	157	6,613	0	1,396	115,057

(4) Consolidated Statement of Cash Flows

(Unit: ¥1 million)

	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	12,031	14,699
Depreciation	1,563	1,482
Increase (decrease) in allowance for doubtful accounts	14	(0)
Increase (decrease) in other provisions	108	(675)
Increase (decrease) in retirement benefit liability	140	211
Interest and dividend income	(388)	(481)
Interest expenses	47	79
Borrowing fee	11	14
Foreign exchange losses (gains)	(502)	(23)
Subsidy income	(138)	-
Share of loss (profit) of entities accounted for using equity method	(139)	(104)
Bond issuance costs	-	78
Other non-operating expenses (income)	(249)	(413)
Loss (gain) on sale and retirement of property, plant and equipment	0	(808)
Loss (gain) on valuation of investment securities	45	-
Loss (gain) on sale of investment securities	(506)	(61)
Loss (gain) on investments in silent partnerships	46	111
Gain on recovery of money transfer scam at overseas branch	(56)	(10)
(Increase) decrease in trade receivables, contract assets and contract liabilities	(10,527)	(122)
Decrease (increase) in costs on construction contracts in progress	(228)	(381)
Increase (decrease) in trade payables	3,659	(13,125)
Decrease (increase) in consumption taxes refund receivable	(1,287)	1,305
Increase (decrease) in accrued consumption taxes	(3,433)	7
Other, net	(504)	(1,296)
Subtotal	(296)	482
Interest and dividends received	397	494
Interest paid	(47)	(74)
Subsidies received	338	200
Income taxes paid	(5,094)	(3,815)
Amount for recovery of money transfer scam at overseas branches	56	10
Other, net	4	177
Net cash provided by (used in) operating activities	(4,639)	(2,525)
Cash flows from investing activities		
Payments into time deposits	(378)	(278)
Proceeds from withdrawal of time deposits	378	328
Purchase of property, plant and equipment	(829)	(769)
Proceeds from sale of property, plant and equipment	18	900
Purchase of intangible assets	(23)	(46)
Purchase of investment securities	(526)	(398)
Proceeds from sale of investment securities	591	314
Proceeds from cancellation of insurance funds	41	44
Other, net	(167)	(44)
Net cash provided by (used in) investing activities	(895)	51
Cash flows from financing activities		
Proceeds from long-term borrowings	324	135
Repayments of long-term borrowings	(968)	(948)
Payments of borrowing fee	(9)	(13)
Proceeds from issuance of bonds	-	4,921

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Redemption of bonds	-	(5,000)
Purchase of treasury shares	(0)	(2)
Proceeds from sale of treasury shares	0	14
Repayments of lease liabilities	(172)	(191)
Dividends paid	(2,291)	(2,637)
Proceeds from issuance of share acquisition rights	26	-
Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights	1,421	1,045
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	5,302
Dividends paid to non-controlling interests	(5)	(4)
Net cash provided by (used in) financing activities	(1,676)	2,622
Effect of exchange rate change on cash and cash equivalents	441	36
Net increase (decrease) in cash and cash equivalents	(6,770)	185
Cash and cash equivalents at beginning of period	48,689	41,919
Cash and cash equivalents at end of period	41,919	42,104

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes)

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc. have been adopted from the beginning of the fiscal year under review. The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso to paragraph 65-2 (2) of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the fiscal year under review. This change in accounting policies was applied retrospectively. Hence, the consolidated financial statements for the prior fiscal year have been modified retrospectively. This change in accounting policies has no impact on the consolidated financial statements for the prior fiscal year.

(Changes in presentation)

(Consolidated statement of income and comprehensive income)

“Borrowing fee,” which was stated as a separate item in “other” under “non-operating expenses” in the previous fiscal year, is included in “other” under “non-operating expenses” in the fiscal year under review due to reduced significance. The consolidated financial statements for the previous fiscal year have been restated in order to reflect this change in presentation.

As a result, “borrowing fee” expenses of 11 million yen and “other” expenses of 110 million yen under “non-operating expenses” in the consolidated statement of income and comprehensive income for the previous fiscal year have been reclassified into “other” expenses of 121 million yen.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

(1) Method for determining reportable segments

The Company's reportable segments are components of the Company about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's Board of Directors to decide how to allocate management resources and assess performance.

The Company establishes control departments by the types of works which it operates and engages in businesses related to construction, repair and maintenance of various plants and facilities inside and outside of Japan as well as the power generation business. Two segments, the "Construction Segment" and "Maintenance and Renovation Segment," comprise the TDK Group's reportable segments.

(2) Types of products and services belonging to each reportable segment

Construction Segment includes businesses inside and outside of Japan such as installation and reconstruction works, etc., for thermal power plants, nuclear power plants, iron and steel-related plants, environmental preservation plants and chemical plants, etc., electric and instrumentation work, and insulation and painting works incidental to these facilities, as well as demolition and decommissioning, etc., of various plants and facilities.

Maintenance and Renovation Segment includes businesses such as periodic inspection, daily maintenance, renovation, etc., for the various plants and facilities mentioned above.

The power generation business is included in the Maintenance and Renovation Segment.

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

The method of accounting for the reportable business segments is the same as those employed for preparing the consolidated financial statements.

Profits for the reportable segments are operating profit-based figures.

3. Information on net sales, profit (loss), assets, liabilities and other items by reportable segment and information on the breakdown of income

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

(Unit: ¥1 million)

	Reportable segment		Total
	Construction Segment	Maintenance and Renovation Segment	
Net sales			
Goods transferred at a point in time	8,772	56,693	65,465
Goods transferred over time	38,182	25,715	63,897
Revenue from contracts with customers	46,954	82,408	129,363
Net sales to outside customers	46,954	82,408	129,363
Segment profit	1,608	12,245	13,853

(Note) Segment assets are not stated since assets are not allocated to the business segments.

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

(Unit: ¥1 million)

	Reportable segment		Total
	Construction Segment	Maintenance and Renovation Segment	
Net sales			
Goods transferred at a point in time	8,412	58,304	66,717
Goods transferred over time	30,739	28,213	58,952
Revenue from contracts with customers	39,152	86,518	125,670
Net sales to outside customers	39,152	86,518	125,670
Segment profit	1,523	15,523	17,047

(Note) Segment assets are not stated since assets are not allocated to the business segments.

4. Differences between the total amount for reportable segments and the amount recorded in the consolidated financial statements and main details of the differences (matters relating to reconciliation)

(Unit: ¥1 million)

Profits	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Total amount for reportable segments	13,853	17,047
Corporate expenses (Note)	(3,803)	(4,009)
Operating profit in the consolidated financial statements	10,049	13,037

(Note) Corporate expenses are general and administrative expenses and common expenses which do not belong to any reportable segments.

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥5,120.40	¥5,452.67
Basic earnings per share	¥441.04	¥482.81
Diluted earnings per share	¥440.91	¥481.21

(Notes) 1. The Company's shares held by trust banks (officer compensation BIP trust account) which were recorded as treasury shares under shareholders' equity are included in the number of treasury shares excluded from the total number of shares issued and outstanding at the end of the period for calculating net assets per share (93 thousand shares for the previous fiscal year and 84 thousand shares for the current fiscal year). In addition, in calculating the average number of common shares during the period that serves as the basis for calculating basic earnings per share, the Company's shares held by trust banks (officer compensation BIP trust account) are included in the treasury shares to be excluded (83 thousand shares for the previous fiscal year and 86 thousand shares for the current fiscal year).

2. Basis of calculation of basic earnings per share and diluted 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 parent (million yen)	8,395	9,753
Amount not attributable to common shareholders (million yen)	-	-
Profit attributable to owners of parent relating to common shares (million yen)	8,395	9,753
Average number of common shares during the period (shares)	19,036,787	20,200,657
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (million yen)	-	-
Increase in common shares (shares)	5,463	67,123
(Of which, share acquisition rights) (shares)	5,463	67,123
Outline of potentially dilutive shares not included in calculation of diluted earnings per share due to the absence of dilutive effects	2nd series share acquisition rights issued by resolution at the Board of Directors meeting held February 9, 2024 Number of share acquisition rights, 10,000 (1,000,000 share of common stock)	-

(Significant subsequent events)

(Exercise of second series of share acquisition rights)

The second series of share acquisition rights issued by the Company on March 4, 2024 were exercised after the fiscal year under review.

The exercise status of the shares issued from April 1 to May 13, 2025 is as follows:

- (1) Number of share acquisition rights exercised: 1,200
- (2) Class and number of shares issued: 120,000 shares of common stock
- (3) Increase in share capital: 253 million yen
- (4) Increase in capital surplus: 253 million yen

As a result of the above, the total number of shares issued and outstanding increased by 120,000 shares, and share capital and capital surplus increased by 253 million yen each. As of May 13, 2025, the total number of shares issued and outstanding was 21,661,980, and share capital and capital surplus amounted to 6,911 million yen and 7,555 million yen, respectively.

4. Others

(1) Orders Received, Net Sales and Order Backlog by Segment

		For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025		Increase (decrease)
Segment		Amount (¥ million)	Composition ratio (%)	Amount (¥ million)	Composition ratio (%)	Amount (¥ million)
Orders received	Construction Segment	42,303	31.1	54,231	35.3	11,927
	Maintenance and Renovation Segment	93,681	68.9	99,542	64.7	5,861
	Total	135,985	100.0	153,773	100.0	17,788
Net sales	Construction Segment	46,954	36.3	39,152	31.2	(7,802)
	Maintenance and Renovation Segment	82,408	63.7	86,518	68.8	4,109
	Total	129,363	100.0	125,670	100.0	(3,693)
Order backlog	Construction Segment	50,668	51.9	65,747	52.3	15,079
	Maintenance and Renovation Segment	47,006	48.1	60,030	47.7	13,023
	Total	97,675	100.0	125,778	100.0	28,103

- (Notes) 1. Construction Segment includes businesses such as installation and reconstruction works, etc., for thermal power plants, nuclear power plants, iron and steel-related plants, environmental preservation plants and chemical plants, etc., electric and instrumentation work, and insulation and painting works incidental to these facilities, as well as demolition and decommissioning, etc., of various plants and facilities.
2. Maintenance and Renovation Segment includes businesses such as periodic inspection, daily maintenance, renovation, etc., for the various plants and facilities mentioned above as well as operation of the power plants.

(2) Changes in Officers

1) Changes in Representative Directors

(scheduled for July 1, 2025)

Representative Director, Chairman and Executive Officer Jo Nojiri
(Current position: Representative Director, President and Chief
Executive Officer)

Representative Director, President and Chief Executive
Officer Hiroaki Ito
(Current position: Representative Director, Senior Managing
Executive Officer)

2) Changes in other officers

Director to be promoted

(scheduled for July 1, 2025)

Director, Senior Managing Executive Officer Shinya Kusaka
(Current position: Director, Managing Executive Officer)

New candidates for Directors
(scheduled for June 27, 2025)

Director, Senior Executive Officer
(Current position: Executive Officer)

Ryoichi Taguchi

Director (Outside)

Daizo Igarashi

Director to be retired

Ichiro Wada

New candidates for Audit & Supervisory Board Members

Audit & Supervisory Board Member (full-time)
(currently Advisor)

Yasushi Takeshita

Audit & Supervisory Board Member (full-time)
(currently Deputy General Manager Accounting Department)

Koji Hayakawa

Audit & Supervisory Board Members to be retired

Audit & Supervisory Board Member (full-time)
(scheduled to be appointed as Advisor)

Yutaka Aoki

Audit & Supervisory Board Member (full-time)

Yasunori Yamamura