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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]

November 13, 2025

Company name : Kumagai Gumi Co., Ltd.
Listing : Tokyo Stock Exchange, Prime Market
Securities code : 1861 URL : <https://www.kumagaigumi.co.jp/>
Representative : Shin Ueda, President
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Scheduled date to file semi-annual securities report : November 13, 2025
Scheduled date to commence dividend payments : December 8, 2025
Preparation of supplementary material on financial results : Yes
Holding of financial results briefing : Yes

(Rounded down to the nearest million yen)

1. Consolidated Results for the Six Months Ended September 30, 2025 (April 1, 2025 – September 30, 2025)

(1) Consolidated Operating Results

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	222,514	1.4	7,375	494.9	7,567	505.8	4,953	841.1
September 30, 2024	219,492	11.8	1,239	(67.1)	1,249	(68.7)	526	(78.4)

(Note) Comprehensive income For the six months ended September 30, 2025 : 8,649 million yen [0.0 %]
For the six months ended September 30, 2024 : 8,646 million yen [10.4 %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	28.84	—
September 30, 2024	3.06	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2025	444,486	184,696	41.6	1,074.88
March 31, 2025	462,533	181,829	39.3	1,059.08

(Reference) Equity As of September 30, 2025 : 184,695 million yen
As of March 31, 2025 : 181,829 million yen

Kumagai Gumi Co., Ltd. (the "Company") conducted a 4-for-1 share split of its common stock as of October 1, 2025. "Basic earnings per share" and "Net assets per share" are calculated under the assumption that the share split occurred at the beginning of the previous fiscal

2. Dividends

	Annual cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	—	—	130.00	130.00
Fiscal year ending March 31, 2026	—	80.00			
Fiscal year ending March 31, 2026 (Forecast)			—	20.00	—

(Note) Revision to the latest forecasts of cash dividends announced : None

The Company conducted a 4-for-1 share split of its common stock as of October 1, 2025. Accordingly, the year-end dividend forecast for the fiscal year ending March 31, 2026 shows an amount that takes into account the impact of said stock split. No annual dividend forecast is shown because the implementation of the stock split makes simple comparisons difficult. The year-end dividend forecast calculated without the stock split would be 80.00 yen. For details, please refer to the "Notice of Stock Split, Partial Amendment of Articles of Incorporation and Revision of Dividend Forecast," announced on August 8, 2025.

3. Forecast of Consolidated Operating Results for FY2025 (April 1, 2025 – March 31, 2026)

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		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	493,000	(1.1)	22,800	59.4	23,000	59.6	15,400	64.6	89.65

(Note) Revision to the latest forecasts of consolidated operating results announced : None

The Company conducted a 4-for-1 share split of its common stock as of October 1, 2025. Accordingly, basic earnings per share shows an amount that takes into account the impact of said stock split.

※ Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: 2 companies(Local Energy System CO., LTD. , KG Dino Resort CO., LTD.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None

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

① Changes in accounting policies due to revisions to accounting standards and other regulations : None

② Changes in accounting policies due to other reasons : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Number of shares issued (common stock)

① Number of shares issued at the end of the period (including own shares)

As of September 30, 2025	173,142,240 shares	As of March 31, 2025	173,142,240 shares
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② Number of treasury stocks at the end of the period

As of September 30, 2025	1,312,658 shares	As of March 31, 2025	1,455,198 shares
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③ Average number of shares outstanding during the period

Six months ended September 30, 2025	171,740,981 shares	Six months ended September 30, 2024	172,016,131 shares
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The Company conducted a 4-for-1 share split of its common stock as of October 1, 2025. “Number of shares issued at the end of the period” and “ Number of treasury stocks at the end of the period” and “ Average number of shares outstanding during the period” are calculated under the assumption that the share split occurred at the beginning of the previous fiscal year.

※ Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

※ Explanation regarding the appropriate use of forecasts of operating results, and other specific comments

The financial forecast of operating results in this document are based on information available at present and logical assessments. Actual results may be materially different from expectations due to a variety of factors. Refer to “1. Overview of Operating Results, etc. ; (3) Explanation of information on future forecasts, including the consolidated earnings forecasts” on page 3 of the Attachments for matters related to earnings forecasts.

(Reference) Summary of Nonconsolidated Financial Results

(Rounded down to the nearest million yen)

1. Nonconsolidated Results for the Six Months Ended September 30, 2025 (April 1, 2025 – September 30, 2025)

(1) Nonconsolidated Operating Results

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Operating profit		Ordinary profit		Profit	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	169,427	5.3	5,077	—	8,025	952.0	6,075	848.9
September 30, 2024	160,959	8.8	(647)	(126.1)	762	(79.6)	640	(75.7)

	Basic earnings per share		Diluted earnings per share	
Six months ended	Yen		Yen	
September 30, 2025	35.29		—	
September 30, 2024	3.71		—	

(2) Nonconsolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2025	363,867	142,081	39.0	824.83
March 31, 2025	380,449	137,886	36.2	801.14

(Reference) Equity As of September 30, 2025 : 142,081 million yen

As of March 31, 2025 : 137,886 million yen

The Company conducted a 4-for-1 share split of its common stock as of October 1, 2025. “Basic earnings per share” and “Net assets per share” are calculated under the assumption that the share split occurred at the beginning of the previous fiscal year.

2. Forecast of Nonconsolidated Operating Results for FY2025 (April 1, 2025 – March 31, 2026)

(Percentage figures are changes from the same period in the previous fiscal year)

	Net sales of completed construction contracts		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	362,000	(2.8)	19,700	117.9	14,100	126.3	81.88

(Note) Revision to the latest forecasts of nonconsolidated operating results announced : None

The Company conducted a 4-for-1 share split of its common stock as of October 1, 2025. Accordingly, basic earnings per share shows amount that takes into account the impact of said stock split.

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1. Overview of Operating Results, etc.

(1) Overview of operating results

During the first six months of the fiscal year under review, the Japanese economy maintained a trend of gradual recovery. The employment and income environment continued to improve, despite negative effects from the United States' trade policies on certain sectors. There were signs of a recovery in consumer spending, and investments in plant and equipment, particularly in software, remained solid.

In the construction industry, while housing construction investment was weak, private sector construction investment continued to increase owing to continuously strong appetite for capital expenditures on the back of improving corporate earnings. Additionally, with public investment remaining solid due to the implementation of related budgets, the environment for receiving orders remained favorable overall.

Under these operating conditions, the Kumagai Gumi Group is pursuing initiatives for sustainable growth by moving forward as a team with The Kumagai Gumi Group Medium-Term Management Plan (FY2024–FY2026) – A New Path toward Sustainable Growth – which was adopted in May 2024. The plan highlights the basic policies of (i) strengthening the construction business, (ii) accelerating peripheral businesses, and (iii) enhancing management base.

Looking at the consolidated results for the first six months under review, net sales (completed contracts) rose 3.0 billion yen (1.4%) year on year, to 222.5 billion yen, mainly attributable to progress in the execution of increased order backlogs that were carried over from the previous fiscal year.

On the profit front, the increase in net sales and improved gross profit margin (gross profit margin on completed contracts) led to an increase of 6.1 billion yen (494.9%) year on year in operating profit, to 7.3 billion yen, and a rise of 6.3 billion yen (505.8%) year on year in ordinary profit, to 7.5 billion yen. Profit attributable to owners of parent was 4.9 billion yen, up 4.4 billion yen (841.1%), owing to income taxes of 2.5 billion yen and other adjustments.

(2) Overview of financial condition

Total assets at the end of the first six months of the fiscal year under review were 444.4 billion yen, a decrease of 18.0 billion yen (3.9%) from the end of the previous fiscal year, mainly due to the collection of receivables such as notes receivable, accounts receivable from completed construction contracts and other and accounts receivable other.

Total liabilities fell 20.9 billion yen (7.5%) from the end of the previous fiscal year, to 259.7 billion yen, chiefly due to a decrease in accounts payable, including notes payable, accounts payable for construction contracts and electronically recorded obligations – operating, offsetting an increase due to the issuance of commercial papers, etc. Net assets stood at 184.6 billion yen, up 2.8 billion yen (1.6%) from the end of the previous fiscal year, mainly reflecting a rise in valuation difference on available-for-sale securities resulting from increases in market value of listed shares owned, which was partly offset by a decline in retained earnings due to dividend payment. The shareholders' equity ratio was 41.6%, improving 2.3 pt from 39.3% at the end of the previous fiscal year.

(3) Explanation of information on future forecasts, including the consolidated earnings forecasts

Going forward, it is expected that the Japanese economy will continue to recover, supported by the improvement of the employment and income environments and the effects of a range of measures implemented by the government. However, there is the risk that the automotive industry and the economies of regions which are highly dependent on exports to the United States may experience a downturn due to the impact of the trade policies of the United States, and there are also geopolitical risks related to the situations in Ukraine and the Middle East, among other places. In addition, the impact of the ongoing increase in prices on consumer spending, which may cause a downturn in consumer confidence, and other factors also pose risks that may put downward pressure on the Japanese economy. Careful attention should be paid to the impact of these events, including the fluctuation of the financial and capital markets. In the construction industry, building investment by private-sector enterprises is expected to continue to trend higher, partly due to solid corporate earnings and the response to labor-saving investment. Moreover, public investment is expected to remain firm. This reflects the fact that the FY2025 budget, which is almost on par with the previous year, has been secured and that, under the “First Mid-term Plan for the Implementation of National Resilience” approved by the Cabinet in June this year, the project size has expanded significantly for the five years from the FY2026 for planned investments mainly in disaster prevention and mitigation works in response to intensifying and increasingly frequent natural disasters, the increase of national resilience and public investment to replace aging social infrastructure. On the other hand, as the labor shortage grows more serious every year, the construction industry needs to comply with the regulations regarding work hours, enhance safety management on construction sites, and promote industry-wide cooperation and technological innovations, such as environmentally friendly, sustainable methods of construction and material procurement, and digital transformation (DX).

The tariff agreement between Japan and the United States does not directly affect the Group's business or performance because the Group has no transaction involving exports or imports to or from the United States. It is possible that the Group may be indirectly impacted by the manufacturers of automobiles, automotive parts, semiconductor manufacturing equipment, and other products with a large export volume to the United States holding off on investments in plant and equipment in Japan, resulting in a decrease of orders in the factory sector. On the other hand, it is also likely that the moves to return production bases to Japan will be further intensified to avoid being affected by the tariff conflict between the United States and China, which had already begun during the first Trump administration. The impact on the construction market in Japan is therefore difficult to predict at present. The impact on construction costs is deemed to be minor despite the risk of the prices of some imported equipment increasing because the equipment is imported mostly from Asia. Risks regarding the Company's investments in real estate development in the United States include the risk of a market downturn. In light of the current amount invested, however, it is believed that this will not have a major impact. Regardless, the Company will continue to closely monitor any changes in the business environment that may be caused by the tariff measures of the United States.

Under these conditions, the Group developed The Kumagai Gumi Group Medium-Term Management Plan (FY2024–FY2026) – A New Path toward Sustainable Growth– in May 2024. As a leader in the construction service industry that is sought by society, the Group will follow the long-term vision it set out in the previous plan while also setting FY2026 financial targets of consolidated net sales of 500 billion yen, consolidated ordinary profit of 30 billion yen and the ROE of 10% or higher, as it seeks to realize a society in which limited resources are recycled and people, society, and nature continue to prosper. The Group will continue striving for sustainable growth by working as a team on this plan.

In view of the conditions described above and business results for the first six months ended September 30, 2025, there are currently no changes to the consolidated earnings forecasts and the non-consolidated earnings forecasts for the fiscal year ending March 31, 2026 announced on May 15, 2025.

2. Semi-annual Consolidated Financial Statements

(1) Semi-annual consolidated balance sheet

(millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	50,156	57,594
Notes receivable, accounts receivable from completed construction contracts and other	264,450	236,568
Costs on construction contracts in progress	7,255	7,328
Accounts receivable – other	32,113	23,190
Other	3,502	3,891
Allowance for doubtful accounts	(65)	(57)
Total current assets	357,413	328,514
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,347	10,159
Land	19,638	19,509
Other, net	2,486	7,063
Total property, plant and equipment	32,472	36,732
Intangible assets	1,725	1,677
Investments and other assets		
Investment securities	50,372	57,800
Deferred tax assets	3,488	1,382
Other	17,287	18,616
Allowance for doubtful accounts	(225)	(236)
Total investments and other assets	70,922	77,562
Total non-current assets	105,120	115,972
Total assets	462,533	444,486

(millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	102,267	64,501
Electronically recorded obligations – operating	43,502	31,589
Short-term borrowings	8,109	15,075
Commercial papers	—	24,987
Income taxes payable	1,372	2,275
Advances received on construction contracts in progress	22,761	25,838
Deposits received	36,636	38,730
Provision for warranties for completed construction	609	554
Provision for loss on construction contracts	2,367	1,665
Provision for bonuses	4,144	4,368
Other	7,626	5,824
Total current liabilities	229,398	215,411
Non-current liabilities		
Long-term borrowings	34,026	27,546
Provision for share awards	263	173
Retirement benefit liability	16,316	15,970
Deferred tax liabilities	73	16
Other	625	672
Total non-current liabilities	51,305	44,378
Total liabilities	280,703	259,790
Net assets		
Shareholders' equity		
Share capital	30,108	30,108
Capital surplus	15,170	15,170
Retained earnings	123,852	122,833
Treasury shares	(987)	(872)
Total shareholders' equity	168,143	167,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,467	15,135
Deferred gains or losses on hedges	4	27
Foreign currency translation adjustment	2,282	2,339
Remeasurements of defined benefit plans	(67)	(47)
Total accumulated other comprehensive income	13,686	17,454
Non-controlling interests	—	1
Total net assets	181,829	184,696
Total liabilities and net assets	462,533	444,486

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales of completed construction contracts	219,492	222,514
Cost of sales of completed construction contracts	206,641	202,713
Gross profit on completed construction contracts	12,851	19,800
Selling, general and administrative expenses	11,611	12,424
Operating profit	1,239	7,375
Non-operating income		
Interest income	111	188
Dividend income	468	531
Foreign exchange gains	—	47
Other	45	163
Total non-operating income	625	930
Non-operating expenses		
Interest expenses	250	421
Share of loss of entities accounted for using equity method	14	39
Foreign exchange losses	21	—
Commission for syndicated loans	83	19
Loss on investments in investment partnerships	181	174
Other	64	84
Total non-operating expenses	616	738
Ordinary profit	1,249	7,567
Extraordinary income		
Gain on sales of non-current assets	2	29
Gain on sales of memberships	1	0
Total extraordinary income	4	30
Extraordinary losses		
Compensation for damage	84	35
Provision of allowance for doubtful accounts	13	10
Other	8	20
Total extraordinary losses	106	66
Profit before income taxes	1,146	7,531
Income taxes – current	388	2,219
Income taxes – deferred	232	358
Total income taxes	620	2,578
Profit	526	4,953
Loss attributable to non-controlling interests	—	(0)
Profit attributable to owners of parent	526	4,953

Semi-annual consolidated statement of comprehensive income

(millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	526	4,953
Other comprehensive income		
Valuation difference on available-for-sale securities	7,393	3,654
Deferred gains or losses on hedges	29	(14)
Foreign currency translation adjustment	691	56
Remeasurements of defined benefit plans, net of tax	3	20
Share of other comprehensive income of entities accounted for using equity method	1	(20)
Total other comprehensive income	8,119	3,696
Comprehensive income	8,646	8,649
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,646	8,649
Comprehensive income attributable to non-controlling interests	—	(0)

(3) Semi-annual consolidated statements of cash flows

(millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,146	7,531
Depreciation	993	995
Increase (decrease) in allowance for doubtful accounts	6	2
Increase (decrease) in provision for loss on construction contracts	262	(702)
Increase (decrease) in retirement benefit liability	65	(316)
Interest and dividend income	(580)	(719)
Interest expenses	250	421
Foreign exchange losses (gains)	32	(17)
Share of loss (profit) of entities accounted for using equity method	14	39
Loss (gain) on investments in investment partnerships	181	174
Loss (gain) on sale of non-current assets	(2)	(28)
Loss on retirement of non-current assets	8	5
Decrease (increase) in trade receivables	30,860	27,916
Decrease (increase) in costs on construction contracts in progress	(1,407)	(71)
Increase (decrease) in trade payables	(18,603)	(49,464)
Increase (decrease) in advances received on construction contracts in progress	584	3,072
Decrease (increase) in accounts receivable – other	(1,373)	8,932
Increase (decrease) in deposits received	2,968	2,094
Other, net	(11,532)	(4,168)
Subtotal	3,876	(4,300)
Interest and dividends received	532	642
Interest paid	(250)	(420)
Income taxes refund (paid)	(3,246)	(1,335)
Net cash provided by (used in) operating activities	911	(5,415)
Cash flows from investing activities		
Purchase of property, plant and equipment	(942)	(3,305)
Proceeds from sale of property, plant and equipment	2	163
Purchase of investment securities	(11)	(12)
Purchase of shares of subsidiaries and associates	(4)	—
Purchase of Investments in other securities of subsidiaries and associates	(3,053)	(2,362)
Loan advances	(1,468)	(1,975)
Proceeds from collection of loans receivable	25	32
Other, net	(189)	(224)
Net cash provided by (used in) investing activities	(5,640)	(7,684)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,000	—
Proceeds from long-term borrowings	1,000	740
Repayments of long-term borrowings	(5,260)	(254)
Net increase (decrease) in commercial papers	(15,017)	24,931
Purchase of treasury shares	(415)	(9)
Dividends paid	(5,610)	(5,613)
Other, net	(28)	(25)
Net cash provided by (used in) financing activities	(19,332)	19,768
Effect of exchange rate change on cash and cash equivalents	604	84
Net increase (decrease) in cash and cash equivalents	(23,457)	6,752
Cash and cash equivalents at beginning of period	70,073	50,156
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	684
Cash and cash equivalents at end of period	46,615	57,594

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on Segment Information)

Six months ended September 30, 2024 (Apr 1, 2024—Sep 30, 2024)

Reportable segment sales, profit or loss and revenue breakdown information

(millions of yen)

	Reportable segments				Adjustments (Note1)	Amounts on Semi-annual consolidated statement of income (Note2)
	Civil engineering	Building construction	Subsidiaries	Total		
Net Sales						
Revenue from contracts with customers	49,448	111,321	57,885	218,656	—	218,656
Other revenue	—	188	647	836	—	836
Sales to customers	49,448	111,510	58,532	219,492	—	219,492
Intersegment sales and transfers	—	0	4,118	4,118	(4,118)	—
Total	49,448	111,511	62,650	223,610	(4,118)	219,492
Segment profit (loss)	2,720	(3,368)	1,871	1,223	16	1,239

(Note1) The segment profit (loss) adjustment is for the elimination of intersegment transactions.

(Note2) Segment profit (loss) is adjusted with operating profit recorded under the semi-annual consolidated statement of income.

(Note3) Other revenue is a rental income based on the Accounting Standard for Lease Transactions (ASBJ statement No. 13 issued on March 30, 2007).

Six months ended September 30, 2025 (Apr 1, 2025—Sep 30, 2025)

Reportable segment sales, profit or loss and revenue breakdown information

(millions of yen)

	Reportable segments				Adjustments (Note1)	Amounts on Semi-annual consolidated statement of income (Note2)
	Civil engineering	Building construction	Subsidiaries	Total		
Net Sales						
Revenue from contracts with customers	54,438	114,158	52,975	221,572	—	221,572
Other revenue	—	229	711	941	—	941
Sales to customers	54,438	114,388	53,687	222,514	—	222,514
Intersegment sales and transfers	—	600	4,443	5,044	(5,044)	—
Total	54,438	114,988	58,131	227,558	(5,044)	222,514
Segment profit	2,789	2,287	2,350	7,428	(52)	7,375

(Note1) The segment profit adjustment is for the elimination of intersegment transactions.

(Note2) Segment profit is adjusted with operating profit recorded under the semi-annual consolidated statement of income.

(Note3) Other revenue is a rental income based on the Accounting Standard for Lease Transactions (ASBJ statement No. 13 issued on March 30, 2007).

(Notes in the case of significant changes in shareholders' equity)

Not applicable

(Notes related to the going concern assumption)

Not applicable

(Significant subsequent events)

(Domestic straight bond issuance)

At a meeting of the Board of Directors held on September 29, 2025, the Company resolved to issue the following domestic straight bonds.

(1) Bonds issued	First series of unsecured straight bonds of Kumagai Gumi Co., Ltd. (with special agreement on limited equal priority among bonds) (Green Bond)
(2) Total amount issued	8,500 million yen
(3) Date of issuance	October 30, 2025
(4) Issue price	8,500 million yen
(5) Interest rate	1.793% per annum
(6) Redemption date and redemption method	A bullet repayment on October 30, 2030
(7) Use	Used as refinancing funds—used to redeem commercial paper—for investments in a self-elevating platform (SEP)

(Stock split and a corresponding amendment to the Articles of Incorporation)

At a meeting of the Board of Directors held on August 8, 2025, the Company resolved to execute a stock split and make a related amendment to its Articles of Incorporation.

(1) Purpose of the stock split

The stock split aims to lower the investment unit price, thereby enhancing the Company's share liquidity and broadening its investor base.

(2) Outline of the stock split

① Method of the stock split

With a record date of Tuesday, September 30, 2025, the Company will execute a stock split in the proportion of four shares for each one share of common stock, with the split applying to the common stock owned by shareholders listed in the register of shareholders as of the end of that day.

② Number of shares to be increased by the split

Number of issued shares before the stock split	43,285,560 shares
Increase in the number of shares as a result of the stock split	129,856,680 shares
Total number of issued shares after the stock split	173,142,240 shares
Number of authorized shares after the stock split	285,600,000 shares

③ Schedule of the stock split

Date of public notice of record date	September 10, 2025
Record date	September 30, 2025
Effective date	October 1, 2025

(3) Partial amendment to the articles of incorporation associated with the stock split

① Reasons for amendment of the Articles of Incorporation

In response to the above stock split, the Company intends to revise the total number of authorized shares described in Article 6 of its Articles of Incorporation effective October 1, 2025, in accordance with the provisions of paragraph (2), Article 184 of the Companies Act.

② Amendments to the Articles of Incorporation

Details of the amendment are as shown below.

Current Articles of Incorporation	Proposed Amendments
(Total Number of Authorized Shares) Article 6: The total number of shares that the Company is authorized to issue shall be <u>71.4 million.</u>	(Total Number of Authorized Shares) Article 6: The total number of shares that the Company is authorized to issue shall be <u>285.6 million.</u>

③ Schedule for amending the Articles of Incorporation

Date of resolution by the Board of Directors	August 8, 2025
Effective date	October 1, 2025

3. Semi-annual Nonconsolidated Financial Statements

(1) Semi-annual nonconsolidated balance sheet

(millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	21,856	28,176
Notes receivable, accounts receivable from completed construction contracts and other	230,967	205,363
Costs on construction contracts in progress	5,967	6,075
Other	29,211	21,526
Allowance for doubtful accounts	(27)	(22)
Total current assets	287,975	261,119
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,470	6,312
Land	16,680	16,551
Other, net	1,338	1,207
Total property, plant and equipment	24,489	24,071
Intangible assets	1,583	1,549
Investments and other assets		
Investment securities	11,361	12,626
Shares of subsidiaries and associates	35,108	39,149
Deferred tax assets	2,359	243
Other	17,572	25,107
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	66,400	77,126
Total non-current assets	92,474	102,747
Total assets	380,449	363,867

(millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	73,065	37,507
Electronically recorded obligations – operating	41,726	29,506
Short-term borrowings	11,909	20,075
Commercial papers	—	24,987
Lease obligations	16	16
Advances received on construction contracts in progress	20,873	22,831
Deposits received	34,418	34,968
Provision for warranties for completed construction	564	523
Provision for loss on construction contracts	2,245	1,487
Provision for bonuses	2,713	2,931
Other	6,386	6,009
Total current liabilities	193,919	180,844
Non-current liabilities		
Long-term borrowings	34,026	26,805
Lease obligations	65	57
Provision for stock payments	263	173
Provision for retirement benefits	13,867	13,501
Other	420	403
Total non-current liabilities	48,643	40,941
Total liabilities	242,563	221,785
Net assets		
Shareholders' equity		
Share capital	30,108	30,108
Capital surplus	15,170	15,170
Retained earnings	82,041	82,499
Treasury shares	(856)	(739)
Total shareholders' equity	126,464	127,039
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	11,417	15,051
Deferred gains or losses on hedges	4	(9)
Total valuation and translation adjustments	11,421	15,041
Total net assets	137,886	142,081
Total liabilities and net assets	380,449	363,867

(2) Semi-annual nonconsolidated statement of income

(millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales of completed construction contracts	160,959	169,427
Cost of sales of completed construction contracts	152,733	154,846
Gross profit on completed construction contracts	8,226	14,580
Selling, general and administrative expenses	8,874	9,503
Operating profit (loss)	(647)	5,077
Non-operating income		
Interest income	72	104
Dividend income	1,889	3,411
Foreign exchange gains	—	26
Other	39	129
Total non-operating income	2,001	3,672
Non-operating expenses		
Interest expenses	261	457
Foreign exchange losses	5	—
Commission for syndicated loans	83	19
Loss on investments in investment partnerships	181	174
Other	58	72
Total non-operating expenses	590	723
Ordinary profit	762	8,025
Extraordinary income		
Gain on sales of non-current assets	0	12
Gain on sales of memberships	1	0
Total extraordinary income	2	13
Extraordinary losses		
Compensation for damage	27	35
Other	2	15
Total extraordinary losses	30	50
Profit before income taxes	734	7,988
Income taxes – current	121	1,464
Income taxes – deferred	(27)	449
Total income taxes	94	1,913
Profit	640	6,075

4. Supplementary Information

(1) Orders received, net sales and carried-forward (Nonconsolidated)

(millions of yen)

			Six months ended September 30, 2024		Six months ended September 30, 2025		Change	
			Amount	Composition ratio %	Amount	Composition ratio %	Amount	%
		Public	30,534	17.3	18,934	16.9	(11,599)	(38.0)
		Private	23,150	13.1	15,518	13.9	(7,631)	(33.0)
	Domestic		53,684	30.4	34,452	30.8	(19,231)	(35.8)
	Overseas		—	—	—	—	—	—
	Civil engineering		53,684	30.4	34,452	30.8	(19,231)	(35.8)
		Public	8,430	4.8	6,035	5.4	(2,394)	(28.4)
		Private	110,124	62.5	70,711	63.2	(39,412)	(35.8)
	Domestic		118,554	67.3	76,747	68.6	(41,807)	(35.3)
	Overseas		4,098	2.3	710	0.6	(3,388)	(82.7)
	Building construction		122,653	69.6	77,457	69.2	(45,196)	(36.8)
		Public	38,964	22.1	24,970	22.3	(13,994)	(35.9)
		Private	133,274	75.6	86,229	77.1	(47,044)	(35.3)
	Domestic		172,239	97.7	111,200	99.4	(61,039)	(35.4)
	Overseas		4,098	2.3	710	0.6	(3,388)	(82.7)
	Orders received—Total		176,338	100	111,910	100	(64,427)	(36.5)
		Public	26,776	16.6	29,668	17.5	2,891	10.8
		Private	21,741	13.5	22,668	13.4	926	4.3
	Domestic		48,518	30.1	52,336	30.9	3,817	7.9
	Overseas		929	0.6	2,101	1.2	1,172	126.1
	Civil engineering		49,448	30.7	54,438	32.1	4,989	10.1
		Public	11,705	7.3	14,945	8.8	3,240	27.7
		Private	99,792	62.0	99,228	58.6	(564)	(0.6)
	Domestic		111,498	69.3	114,174	67.4	2,675	2.4
	Overseas		13	0.0	814	0.5	801	—
	Building construction		111,511	69.3	114,988	67.9	3,477	3.1
		Public	38,482	23.9	44,614	26.3	6,131	15.9
		Private	121,534	75.5	121,896	72.0	361	0.3
	Domestic		160,016	99.4	166,510	98.3	6,493	4.1
	Overseas		942	0.6	2,916	1.7	1,973	209.3
	Net sales—Total		160,959	100	169,427	100	8,467	5.3
		Public	78,115	13.1	67,289	12.7	(10,825)	(13.9)
		Private	114,919	19.2	111,371	21.0	(3,548)	(3.1)
	Domestic		193,034	32.3	178,660	33.7	(14,374)	(7.4)
	Overseas		12,386	2.1	8,098	1.5	(4,287)	(34.6)
	Civil engineering		205,420	34.4	186,759	35.2	(18,661)	(9.1)
		Public	52,649	8.8	38,061	7.1	(14,588)	(27.7)
		Private	335,484	56.2	302,829	57.0	(32,655)	(9.7)
	Domestic		388,134	65.0	340,891	64.1	(47,243)	(12.2)
	Overseas		3,699	0.6	3,563	0.7	(136)	(3.7)
	Building construction		391,833	65.6	344,454	64.8	(47,379)	(12.1)
		Public	130,765	21.9	105,351	19.8	(25,413)	(19.4)
		Private	450,403	75.4	414,200	78.0	(36,203)	(8.0)
	Domestic		581,169	97.3	519,551	97.8	(61,617)	(10.6)
	Overseas		16,085	2.7	11,662	2.2	(4,423)	(27.5)
	Carried-forward—Total		597,254	100	531,213	100	(66,040)	(11.1)

(Note) The carried-forward amount of foreign currency denominated project has been translated at the closing rate.

Six months ended September 30, 2024: Decreased by 537 million yen

Six months ended September 30, 2025: Decreased by 176 million yen

(2) Financial Highlights

Consolidated

(100 millions of yen)

(Operating Results)

	A Six months ended September 30, 2024	B Six months ended September 30, 2025	B - A	
				%
Net sales	2,195	2,225	30	1.4
Gross profit	129	198	69	54.1
(Ratio)	5.9%	8.9%	3.0%	
SG&A expenses	116	124	8	
Operating profit	12	74	61	494.9
(Ratio)	0.6%	3.3%	2.7%	
Non-operating income - net	0	2	2	
Ordinary profit	12	76	63	505.8
Extraordinary income - net	(1)	(0)	1	
Profit before income taxes	11	75	64	556.9
Income taxes and others	6	26	20	
Profit	5	50	44	841.0
Loss attributable to non-controlling interests	—	(0)	(0)	—
Profit attributable to owners of parent	5	50	44	841.1

(Forecasts of Operating Results for Full year)

C Fiscal year ended March 31, 2025	D Fiscal year ending March 31, 2026 (Forecast)	D - C	
			%
4,986	4,930	(56)	(1.1)
383	490	107	27.9
7.7%	9.9%	2.2%	
240	262	22	
143	228	85	59.4
2.9%	4.6%	1.7%	
1	2	1	
144	230	86	59.6
(6)	(1)	5	
138	229	91	65.9
44	75	31	
94	154	60	64.6
—	—	—	—
94	154	60	64.6

Nonconsolidated

(Operating Results)

	A Six months ended September 30, 2024	B Six months ended September 30, 2025	B - A	
				%
Civil engineering	537	345	(192)	
Building construction	1,186	767	(418)	
Domestic	1,722	1,112	(610)	
Overseas	41	7	(34)	
Orders received	1,763	1,119	(644)	(36.5)
Civil engineering	485	523	38	
Building construction	1,115	1,142	27	
Domestic	1,600	1,665	65	
Overseas	9	29	20	
Net sales	1,610	1,694	85	5.3
Civil engineering	67	70	3	
(Ratio)	13.8%	13.4%	(0.4)%	
Building construction	15	74	59	
(Ratio)	1.3%	6.5%	5.2%	
Domestic	82	144	62	
(Ratio)	5.1%	8.6%	3.5%	
Overseas	1	2	1	
(Ratio)	6.7%	6.6%	(0.1)%	
Gross profit	82	146	64	77.2
(Ratio)	5.1%	8.6%	3.5%	
SG&A expenses	89	95	6	
Operating profit (loss)	(6)	51	57	—
(Ratio)	(0.4)%	3.0%	3.4%	
Non-operating income - net	14	29	15	
Ordinary profit	8	80	73	952.0
Extraordinary income - net	(0)	(0)	(0)	
Profit before income taxes	7	80	73	987.6
Income taxes and others	1	19	18	
Profit	6	61	54	848.9

(Forecasts of Operating Results for Full year)

C Fiscal year ended March 31, 2025	D Fiscal year ending March 31, 2026 (Forecast)	D - C	
			%
1,104	1,150	46	
2,643	2,360	(283)	
3,747	3,510	(237)	
47	90	43	
3,794	3,600	(194)	(5.1)
1,018	1,050	32	
2,672	2,500	(172)	
3,689	3,550	(139)	
34	70	36	
3,723	3,620	(103)	(2.8)
153	125	(28)	
15.0%	11.9%	(3.1)%	
107	240	133	
4.0%	9.6%	5.6%	
260	365	105	
7.0%	10.3%	3.3%	
3	5	2	
7.5%	7.1%	(0.4)%	
262	370	108	41.1
7.0%	10.2%	3.2%	
184	200	16	
78	170	92	118.3
2.1%	4.7%	2.6%	
13	27	14	
90	197	107	117.9
(2)	0	2	
88	197	109	124.0
26	56	30	
62	141	79	126.3