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

April 28, 2025

Company name: Yurtec Corporation
Stock exchange listing: Tokyo Stock Exchange
Code number: 1934
URL: https://www.yurtec.co.jp/
Representative: Ikumi Kobayashi, Representative Director & President, Chief Executive Officer
Contact: Masahiro Horigome, General Manager of Accounting Department
Phone: +81-22-296-2111
Scheduled date of general shareholders' meeting: June 27, 2025
Scheduled date of commencing dividend payments: June 30, 2025
Scheduled date of filing securities report: June 25, 2025
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

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

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

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	257,204	5.8	16,185	53.8	17,302	45.6	11,982	59.6
March 31, 2024	243,171	7.0	10,523	10.3	11,885	13.2	7,510	14.5

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥13,421 million [36.0%]
Fiscal year ended March 31, 2024: ¥9,871 million [37.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	169.92	–	8.3	7.4	6.3
March 31, 2024	104.83	–	5.4	5.2	4.3

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

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	233,554	147,713	63.2	2,150.42
As of March 31, 2024	231,479	142,406	61.5	1,986.45

(Reference) Equity: As of March 31, 2025: ¥147,650 million
As of March 31, 2024: ¥142,345 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end

Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	15,078	(5,803)	(6,836)	47,688
March 31, 2024	7,798	4,318	(3,368)	45,406

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	–	14.00	–	28.00	42.00	3,009	40.1	2.2
Fiscal year ended March 31, 2025	–	23.00	–	45.00	68.00	4,738	40.0	3.3
Fiscal year ending March 31, 2026 (Forecast)	–	36.00	–	36.00	72.00		40.5	

(Note) Revision to the dividend forecast announced most recently: Yes
Please also see the "Notice Concerning Dividends of Surplus (Dividend Increase)" announced today.

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	267,000	3.8	16,700	3.2	17,500	1.1	12,200	1.8	177.68

*** Notes:**

(1) Significant changes in the scope of consolidation during the period under review: None
Newly included: – (Company name: –)
Excluded: – (Company name: –)

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

(3) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
As of March 31, 2025 69,191,462 shares
As of March 31, 2024 72,224,462 shares

2) Total number of treasury shares at the end of the period:
As of March 31, 2025 530,023 shares
As of March 31, 2024 566,064 shares

3) Average number of shares during the period:
Fiscal year ended March 31, 2025 70,518,335 shares
Fiscal year ended March 31, 2024 71,638,679 shares

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

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

- The forward-looking statements, including earnings forecasts, contained in this document are based on the information currently available to the Company and certain assumptions that it deems to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections due to various factors. For matters regarding financial results forecast, please see page 4 of the attachment, "(4) Future Outlook" in "1. Overview of Operating Results, etc."
- The supplementary explanatory materials on financial results will be posted on the Company's website on the same day.

(Reference) Summary of Non-consolidated Financial Results

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

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	228,759	3.0	13,923	41.7	15,310	33.0	10,926	48.0
March 31, 2024	222,098	6.0	9,824	8.3	11,513	9.9	7,380	2.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	154.94	–
March 31, 2024	103.03	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	202,422	126,507	62.5	1,842.48
As of March 31, 2024	204,381	123,612	60.5	1,725.02

(Reference) Equity: As of March 31, 2025: ¥126,507 million
As of March 31, 2024: ¥123,612 million

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	239,000	4.5	14,500	4.1	16,000	4.5	11,500	5.2	167.49

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

- The forward-looking statements, including earnings forecasts, contained in this document are based on the information currently available to the Company and certain assumptions that it deems to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections due to various factors.
- The supplementary explanatory materials on financial results will be posted on the Company's website on the same day.

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1. Overview of Operating Results, etc.

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

The Japanese economy during the fiscal year ended March 31, 2025 showed a modest recovery trend under the improving employment and wages conditions thanks to the effects of the various government policies, although the recovery of personal consumption remained partially at a standstill.

In the construction industry, public-sector investments continued to be firm, and private-sector capital investment showed signs of recovery.

Under these circumstances, the Company pursued business expansion, based on the "2030 Vision" and the "Medium-Term Management Plan 2024 - 2028," through the development of four key businesses (Business other than Tohoku and Niigata regions, Overseas business, Renewable energy-related construction, and Renewal projects), premised on finding more business opportunities in the Tohoku and Niigata regions, where it has conducted business since its founding.

In the Tohoku and Niigata regions, in indoor wiring, air-conditioning, and plumbing installation work, the Company has focused on increasing orders received for work mainly for large plants and commercial facilities, as well as orders received for related information and telecommunications installation work. In electric power infrastructure construction work, it has striven to increase orders received for planned renewal work on power transmission and distribution facilities and maintenance work on main power grids, while being committed to contributing to the stable supply of electricity, which is indispensable in social life.

In the business other than Tohoku and Niigata regions, the Company worked to increase orders received for construction in growth areas such as data centers, and to expand into neighboring sales areas.

Furthermore, the Company pursued the retention and development of human resources through the implementation of measures contributing to securing human resources, strengthening human resource development, creating an attractive work environment, and improving employee engagement, the key measures of the Yurtec Human Resources Strategy formulated in October 2024. At the same time, the Company strove to strengthen its management base through the continued promotion of DX, including the utilization of digital technology to streamline on-site operations, digitalization of accounting and contract processes, and the introduction of a learning management system.

As for the operating results of the Group for the fiscal year ended March 31, 2025, net sales increased by ¥14,032 million (up 5.8% year on year) to ¥257,204 million, due to steady progress made on large construction projects by the Company and its overseas subsidiaries thanks to a large volume of ongoing construction projects.

Operating profit increased by ¥5,661 million (up 53.8% year on year) to ¥16,185 million thanks to an increase in net sales as well as improved profitability of construction contracts caused by efforts including appropriate transfer of increased labor costs and outsourcing expenses to construction prices and thorough cost management. Ordinary profit increased by ¥5,417 million (up 45.6% year on year) to ¥17,302 million, and profit attributable to owners of parent increased by ¥4,472 million (up 59.6% year on year) to ¥11,982 million.

Operating results by segment are as follows.

(Facilities engineering business)

The operating results of the facilities engineering business, which forms the core of the Group, were net sales to outside customers of ¥254,052 million, an increase of ¥14,088 million (up 5.9%) year on year, and segment profit of ¥15,381 million, an increase of ¥5,398 million (up 54.1%) year on year.

(Other)

The operating results of other businesses, centered on leasing businesses such as vehicles, office equipment, and construction machinery, as well as security business and the production of mineral water, were net sales to outside customers of ¥3,151 million, a decrease of ¥56 million (down 1.8%) year on year, and segment profit of ¥875 million, an increase of ¥233 million (up 36.4%) year on year.

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

Total net assets were ¥233,554 million, an increase of ¥2,075 million compared with the end of the previous fiscal year. This is mainly attributable to an increase of ¥5,212 million in securities, despite decreases of ¥2,041 million in electronically recorded monetary claims - operating and ¥855 million in investment securities.

Total liabilities were ¥85,840 million, a decrease of ¥3,232 million compared with the end of the previous fiscal year. This is mainly attributable to a decrease of ¥6,749 million in electronically recorded obligations - operating, despite increases of ¥2,178 million in notes payable, accounts payable for construction contracts and other and ¥1,104 million in short-term borrowings.

Total net assets were ¥147,713 million, an increase of ¥5,307 million compared with the end of the previous fiscal year. This is mainly attributable to increases of ¥3,877 million in retained earnings and ¥1,280 million in remeasurements of defined benefit plans.

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

Cash and cash equivalents (hereinafter "cash") at the end of the fiscal year under review amounted to ¥47,688 million, an increase of ¥2,282 million from the end of the previous fiscal year.

Cash flows in each area of activity and their respective contributing factors for the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥15,078 million, an increase of ¥7,280 million from the previous fiscal year. The main contributing factors were the recording of ¥17,261 million in profit before income taxes, ¥4,474 million in depreciation, and a decrease of ¥2,696 million in advances paid, despite ¥4,573 million in income taxes paid and a decrease of ¥4,334 million in trade payables.

(Cash flows from investing activities)

Net cash used in investing activities was ¥5,803 million, an increase of ¥10,122 million from the previous fiscal year. The main contributing factors were ¥4,001 million in purchase of property, plant and equipment and ¥2,754 million in payments into time deposits, despite ¥1,004 million in proceeds from sale and redemption of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities was ¥6,836 million, an increase of ¥3,468 million from the previous fiscal year. The main contributing factors were ¥4,511 million in purchase of treasury shares and ¥3,643 million in dividends paid.

(4) Future Outlook

With respect to the forecast for the Japanese economy, despite concerns about continued sluggish consumer spending due to the impact of high prices and downside risks to the economy stemming from trends in the U.S. government's policies, economic conditions are expected to continue recovering moderately due to the improvement of employment and wages conditions.

In the construction industry, public-sector investments are expected to remain firm due in part to the effectiveness of a supplementary budget set by the government, while the recovery trend of private-sector capital investment is also expected to continue on the back of strong corporate earnings, despite the emergence of labor shortages due to declining interest in the industry among younger people and an aging population.

Under these circumstances, the Group will pursue the five basic strategies and key measures in a unified effort, aiming to realize the "2030 Vision" and the "Medium-Term Management Plan 2024 - 2028" formulated in 2024 and achieve the numerical targets at an early stage.

[2030 Vision]
- Numerical targets for the early 2030s

Consolidated net sales:	300 billion yen
Consolidated operating profit:	20 billion yen
ROE:	8.0%

[Medium-Term Management Plan 2024 - 2028]
- Numerical targets for FY2028

Consolidated net sales:	270 billion yen
Consolidated operating profit:	13.5 billion yen
ROE:	6.0% or above

The Company will consider reviewing the target beyond the value set in the Medium-Term Management Plan, given the expectation of early achievement in the numerical targets through the initiatives for improving productivity, including thorough cost management, workflow adjustments, and optimal personnel allocation, in addition to the better order environment, mainly due to appropriate price adjustments reflecting higher prices beyond the levels assumed at the time of formulating the "2030 Vision" and the "Medium-Term Management Plan."

Aiming to realize the Medium-Term Management Plan and achieve the numerical targets, the Company will accelerate business expansion through the development of four key businesses (Business other than Tohoku and Niigata regions, Overseas business, Renewable energy-related construction, and Renewal projects), premised on finding more business opportunities in the Tohoku and Niigata regions, where it has conducted business since its founding.

Specifically, in the Tohoku and Niigata regions, in indoor wiring, air-conditioning, and plumbing installation work, the Company will continue to increase orders received for work mainly for large plants and commercial facilities, as well as orders received for related information and telecommunications installation work, in addition to focusing on the further maintenance and strengthening of trust relationships with local customers. In electric power infrastructure construction work, the Company will strengthen its construction systems for planned renewal work on power transmission and distribution facilities with orders expected to increase and secure confirmed orders received for reinforcement and maintenance work on main power grids. In addition to these efforts, the Company will strive to enhance its price competitiveness for improving productivity, as well as seek to provide design collaboration, technical support, and early building of construction systems to increase orders received.

In the business other than Tohoku and Niigata regions, the Company will continue working to increase orders received for construction in growth areas, such as data centers and district heating and cooling, and expanding into neighboring sales areas.

In the overseas business, proactive efforts will be made, primarily by Sigma Engineering JSC, its consolidated subsidiary, to increase orders received for indoor wiring, air-conditioning, and plumbing installation work of large hotels, building complex projects, plants, and renewable energy-related construction, as well as construction projects under ODA.

In the renewable energy-related construction, the Company will strive to strengthen operating activities, including surveying and design collaboration for business owners through early collection of information, in light of the numerous wind-power generation plant construction projects planned throughout the Tohoku region.

In the renewal projects, the Company will make efforts to increase orders received by actively offering proposals that meet clients' equipment updating needs through time-based management, proposing technology to reduce CO_2 emission to its clients, and enhancing proposal activities aimed at achieving carbon neutrality by 2050.

Furthermore, the Company will establish the Construction System Strengthening Committee in April 2025 to implement measures for strengthening and enhancing the medium- to long-term construction systems.

Additionally, based on capital allocation during the period of the Medium-Term Management Plan, the Company will strive to enhance its corporate value through the proper allocation of management resources to balance both effective investments in growth areas, such as business, capital, human resources, and IT and DX, and return profits to shareholders.

Forecasts for the business results for the fiscal year ending March 31, 2026 are as follows:

[Forecast for consolidated results]

Net sales	¥267,000 million	(Up	3.8% year-on-year)
Operating profit	¥16,700 million	(Up	3.2% year-on-year)
Ordinary profit	¥17,500 million	(Up	1.1% year-on-year)
Profit attributable to owners of parent	¥12,200 million	(Up	1.8% year-on-year)

[Forecast for non-consolidated results]

Net sales	¥239,000 million	(Up	4.5% year-on-year)
Operating profit	¥14,500 million	(Up	4.1% year-on-year)
Ordinary profit	¥16,000 million	(Up	4.5% year-on-year)
Profit	¥11,500 million	(Up	5.2% year-on-year)

(5) Basic Policy for the Distribution of Profit and the Dividend Payout for the Current and Next Fiscal Years

The Company considers the return of profits to shareholders to be an important management strategy.

The Company's basic policy has been formulated to stably return profits to shareholders with a consolidated payout ratio of 40% or more in accordance with business results, while taking into account business development and investments for growth in the future.

Pursuant to the above policy, the Company will provide year-end dividends of ¥45 per share for the fiscal year ended March 31, 2025. Accordingly, together with the interim dividend of ¥23 per share already provided, the annual dividend for the fiscal year under review will be ¥68 per share.

The Company also plans to provide annual dividends of ¥72 per share (interim: ¥36; year-end: ¥36) in the next fiscal year, based on current business results forecasts for the fiscal year ending March 31, 2026.

2. Basic Policy on Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and among companies, the Company will maintain its policy of preparing its consolidated financial statements under Japanese GAAP for the immediate future.

With regard to the application of International Financial Reporting Standards (IFRS), the Company's policy is to take appropriate measures after consideration of the situation in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	33,911	33,770
Notes receivable, accounts receivable from completed construction contracts and other	88,413	89,471
Electronically recorded monetary claims - operating	8,486	6,445
Lease receivables and investments in leases	3,537	3,867
Securities	10,978	16,190
Costs on construction contracts in progress	1,120	1,066
Raw materials and supplies	2,288	2,356
Other	4,973	2,206
Allowance for doubtful accounts	(823)	(1,038)
Total current assets	152,886	154,335
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,270	49,301
Machinery, vehicles, tools, furniture and fixtures	22,957	23,377
Land	20,030	20,512
Other	1,086	2,000
Accumulated depreciation	(45,063)	(46,123)
Total property, plant and equipment	48,281	49,067
Intangible assets		
Goodwill	3,333	2,915
Other	3,202	3,791
Total intangible assets	6,536	6,707
Investments and other assets		
Investment securities	11,957	11,102
Retirement benefit asset	4,438	5,412
Deferred tax assets	6,577	6,071
Other	1,028	1,067
Allowance for doubtful accounts	(227)	(210)
Total investments and other assets	23,775	23,443
Total non-current assets	78,592	79,218
Total assets	231,479	233,554

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	33,120	35,298
Electronically recorded obligations - operating	16,673	9,924
Short-term borrowings	2,431	3,536
Income taxes payable	4,013	4,962
Advances received on construction contracts in progress	3,071	2,907
Provision for loss on construction contracts	526	379
Provision for bonuses for directors (and other officers)	82	81
Other	6,979	7,865
Total current liabilities	66,898	64,954
Non-current liabilities		
Long-term borrowings	4,490	4,700
Deferred tax liabilities for land revaluation	1,279	1,310
Provision for retirement benefits for directors (and other officers)	43	40
Retirement benefit liability	15,395	14,087
Other	965	746
Total non-current liabilities	22,174	20,885
Total liabilities	89,073	85,840
Net assets		
Shareholders' equity		
Share capital	7,803	7,803
Capital surplus	7,885	7,849
Retained earnings	124,259	128,136
Treasury shares	(299)	(281)
Total shareholders' equity	139,648	143,508
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	667	784
Revaluation reserve for land	(2,228)	(2,255)
Foreign currency translation adjustment	1,184	1,258
Remeasurements of defined benefit plans	3,073	4,353
Total accumulated other comprehensive income	2,697	4,142
Non-controlling interests	60	63
Total net assets	142,406	147,713
Total liabilities and net assets	231,479	233,554

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	243,171	257,204
Cost of sales	210,884	217,654
Gross profit	32,287	39,549
Selling, general and administrative expenses	21,763	23,364
Operating profit	10,523	16,185
Non-operating income		
Interest income	295	372
Rental income	241	253
Foreign exchange gains	488	194
Other	424	369
Total non-operating income	1,450	1,189
Non-operating expenses		
Interest expenses	22	15
Idle assets expenses	32	27
Other	34	29
Total non-operating expenses	89	72
Ordinary profit	11,885	17,302
Extraordinary income		
Gain on sale of non-current assets	1	12
Gain on sale of investment securities	0	0
Total extraordinary income	2	13
Extraordinary losses		
Loss on sale of non-current assets	20	0
Impairment losses	63	3
Loss on retirement of non-current assets	58	17
Loss on removal of non-current assets	44	33
Total extraordinary losses	187	54
Profit before income taxes	11,700	17,261
Income taxes - current	4,604	5,480
Income taxes - deferred	(420)	(206)
Total income taxes	4,183	5,273
Profit	7,516	11,987
Profit attributable to non-controlling interests	6	4
Profit attributable to owners of parent	7,510	11,982

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	7,516	11,987
Other comprehensive income		
Valuation difference on available-for-sale securities	437	117
Revaluation reserve for land	–	(37)
Foreign currency translation adjustment	346	74
Remeasurements of defined benefit plans, net of tax	1,570	1,280
Total other comprehensive income	2,354	1,433
Comprehensive income	9,871	13,421
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,864	13,416
Comprehensive income attributable to non-controlling interests	6	4

(3) Consolidated Statements of Changes in Equity

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

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,803	7,864	118,713	(333)	134,047
Changes during period					
Dividends of surplus			(2,005)		(2,005)
Profit attributable to owners of parent			7,510		7,510
Reversal of revaluation reserve for land			41		41
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		20		34	54
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity					
Total changes during period	–	20	5,546	33	5,600
Balance at end of period	7,803	7,885	124,259	(299)	139,648

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	230	(2,186)	838	1,502	384	55	134,488
Changes during period							
Dividends of surplus							(2,005)
Profit attributable to owners of parent							7,510
Reversal of revaluation reserve for land							41
Purchase of treasury shares							(0)
Disposal of treasury shares							54
Cancellation of treasury shares							–
Transfer from retained earnings to capital surplus							–
Net changes in items other than shareholders' equity	437	(41)	346	1,570	2,312	4	2,317
Total changes during period	437	(41)	346	1,570	2,312	4	7,917
Balance at end of period	667	(2,228)	1,184	3,073	2,697	60	142,406

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

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,803	7,885	124,259	(299)	139,648
Changes during period					
Dividends of surplus			(3,655)		(3,655)
Profit attributable to owners of parent			11,982		11,982
Reversal of revaluation reserve for land			(11)		(11)
Purchase of treasury shares				(4,511)	(4,511)
Disposal of treasury shares		36		19	55
Cancellation of treasury shares		(4,510)		4,510	–
Transfer from retained earnings to capital surplus		4,438	(4,438)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(35)	3,877	18	3,860
Balance at end of period	7,803	7,849	128,136	(281)	143,508

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at beginning of period	667	(2,228)	1,184	3,073	2,697	60	142,406
Changes during period							
Dividends of surplus							(3,655)
Profit attributable to owners of parent							11,982
Reversal of revaluation reserve for land							(11)
Purchase of treasury shares							(4,511)
Disposal of treasury shares							55
Cancellation of treasury shares							–
Transfer from retained earnings to capital surplus							–
Net changes in items other than shareholders' equity	117	(26)	74	1,280	1,444	2	1,447
Total changes during period	117	(26)	74	1,280	1,444	2	5,307
Balance at end of period	784	(2,255)	1,258	4,353	4,142	63	147,713

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	11,700	17,261
Depreciation	4,507	4,474
Impairment losses	63	3
Loss on retirement of property, plant and equipment	58	17
Amortization of goodwill	388	353
Increase (decrease) in allowance for doubtful accounts	487	153
Increase (decrease) in retirement benefit liability	(150)	(359)
Increase (decrease) in provision for loss on construction contracts	369	(147)
Increase (decrease) in provision for loss on disaster	(18)	–
Interest and dividend income	(354)	(441)
Interest expenses	22	15
Foreign exchange losses (gains)	(486)	(213)
Loss (gain) on sale of property, plant and equipment	18	(12)
Loss (gain) on sale of investment securities	(0)	(0)
Decrease (increase) in trade receivables	(6,926)	210
Decrease (increase) in costs on construction contracts in progress	(41)	52
Decrease (increase) in advances paid	(1,464)	2,696
Increase (decrease) in trade payables	3,234	(4,334)
Increase (decrease) in advances received on construction contracts in progress	(503)	(167)
Increase (decrease) in accrued consumption taxes	693	(723)
Other, net	(236)	390
Subtotal	11,359	19,227
Interest and dividends received	359	439
Interest paid	(24)	(14)
Income taxes paid	(3,896)	(4,573)
Net cash provided by (used in) operating activities	7,798	15,078
Cash flows from investing activities		
Payments into time deposits	(347)	(2,754)
Proceeds from withdrawal of time deposits	370	564
Payments of deposit	(25,457)	–
Proceeds from withdrawal deposit	35,747	–
Purchase of securities	–	(698)
Proceeds from sale and redemption of securities	–	500
Purchase of property, plant and equipment	(6,093)	(4,001)
Proceeds from sale of property, plant and equipment	61	165
Purchase of intangible assets	(632)	(1,373)
Purchase of investment securities	(4)	(4)
Proceeds from sale and redemption of investment securities	32	1,004
Proceeds from collection of long-term loans receivable	42	37
Proceeds from withdrawal of long-term deposit	1,600	–
Payments of the outstanding balance from the previous fiscal year for purchases of investments in subsidiaries with changes in scope of consolidation	(360)	(20)
Other, net	(640)	776
Net cash provided by (used in) investing activities	4,318	(5,803)

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,017)	1,047
Repayments of lease liabilities	(21)	(15)
Proceeds from long-term borrowings	2,400	2,700
Repayments of long-term borrowings	(2,723)	(2,411)
Purchase of treasury shares	(0)	(4,511)
Dividends paid	(2,003)	(3,643)
Dividends paid to non-controlling interests	(2)	(2)
Net cash provided by (used in) financing activities	(3,368)	(6,836)
Effect of exchange rate change on cash and cash equivalents	323	(155)
Net increase (decrease) in cash and cash equivalents	9,071	2,282
Cash and cash equivalents at beginning of period	36,334	45,406
Cash and cash equivalents at end of period	45,406	47,688

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on important matters for the preparation of consolidated financial statements)

Scope of consolidation

Number of consolidated subsidiaries: 16 companies

All the subsidiaries have been included in the scope of consolidation.

Names of consolidated subsidiaries:

TOHCS Corp., NEW LEASE Corp., YUTOS Corp., YURTEC SERVICE Corp., YURTEC MIYAGI SERVICE Corp., TECS FUKUSHIMA Corp., GREENRECYCLE Corp., AQUA CLARA TOHOKU Corp., Yur Solar Tomiya Co., Ltd., Yur Solar Hobara Co., Ltd, YURTEC HAIDEN TECHNO Corp., YURTEC KANTO SERVICE Corp., Yur Solar Zao Co., Ltd., Air Conditioning Enterprise Co., Ltd., YURTEC VIETNAM Co., Ltd., Sigma Engineering JSC

(Segment information)

1) Overview of reportable segments

The Company's reportable segments are organizational units for which discrete financial information is available and which are regularly reviewed by the Board of Directors to determine the allocation of management resources and assess business results.

The Company determines its business segments based on net sales aggregation categories and classifies as reportable segments those segments whose net sales, profit (loss) and assets are highly significant.

The Group is engaged in the facilities engineering, leasing, security, real estate management, manufacturing and sales, waste treatment, and electricity sales businesses, and classifies the facilities engineering business as a reportable segment.

The facilities engineering business conducts business in electrical, telecommunications, civil engineering, architecture, and air-conditioning and plumbing installation and in other facilities construction in general.

2) Information on net sales, income (loss), assets, and other items by reportable segment

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

(Million yen)

	Reportable segment	Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Facilities Engineering Business				
Net sales					
Net sales to outside customers	239,963	3,208	243,171	–	243,171
Inter-segment net sales or transfers	269	11,523	11,793	(11,793)	–
Total	240,233	14,731	254,965	(11,793)	243,171
Segment profit (loss)	9,983	641	10,624	(100)	10,523
Segment assets	217,985	21,415	239,401	(7,922)	231,479
Other items					
Depreciation (Note 4)	3,047	1,470	4,517	(10)	4,507
Amortization of goodwill	372	16	388	–	388
Increase (decrease) in property, plant and equipment and intangible assets (Note 4)	4,411	1,781	6,192	(20)	6,172

(Notes) 1. The "Other" category refers to business segments that are not included in the reportable segment and includes the leasing business, security business, real estate business, manufacturing business, waste treatment business, and electricity business.

2. The adjustment amounts for segment profit, segment assets, and other items are the elimination of inter-segment transactions.

3. Segment profit is adjusted with operating profit in the consolidated financial statements.

4. Long-term prepaid expenses and their amortization are included in depreciation and increase in property, plant and equipment and intangible assets.

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

(Million yen)

	Reportable segment	Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Facilities Engineering Business				
Net sales					
Net sales to outside customers	254,052	3,151	257,204	–	257,204
Inter-segment net sales or transfers	133	12,458	12,592	(12,592)	–
Total	254,185	15,610	269,796	(12,592)	257,204
Segment profit (loss)	15,381	875	16,257	(72)	16,185
Segment assets	221,000	22,370	243,370	(9,816)	233,554
Other items					
Depreciation (Note 4)	3,082	1,403	4,485	(11)	4,474
Amortization of goodwill	337	16	353	–	353
Increase (decrease) in property, plant and equipment and intangible assets (Note 4)	5,691	246	5,937	(11)	5,926

(Notes) 1. The "Other" category refers to business segments that are not included in the reportable segment and includes the leasing business, security business, real estate business, manufacturing business, waste treatment business, and electricity business.

2. The adjustment amounts for segment profit, segment assets, and other items are the elimination of inter-segment transactions.

3. Segment profit is adjusted with operating profit in the consolidated financial statements.

4. Long-term prepaid expenses and their amortization are included in depreciation and increase in property, plant and equipment and intangible assets.

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥1,986.45	¥2,150.42
Basic earnings per share	¥104.83	¥169.92

(Notes) 1. Data on diluted earnings per share is not presented above, as there were no potential shares with a dilutive effect.

2. The following data was used to calculate net assets per share:

	As of March 31, 2024	As of March 31, 2025
Total net assets (Million yen)	142,406	147,713
Deductions from total net assets (Million yen)	60	63
(of which non-controlling interests) (Million yen)	(60)	(63)
Net assets applicable to common shares at the year-end (Million yen)	142,345	147,650
Number of common shares at the year-end used for the calculation of net assets per share (Thousand shares)	71,658	68,661

3. The following data was used to calculate basic earnings per share:

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit attributable to owners of parent (Million yen)	7,510	11,982
Amount not attributable to common shareholders (Million yen)	–	–
Profit attributable to owners of parent relating to common shares (Million yen)	7,510	11,982
Average number of common shares outstanding during the period (Thousand shares)	71,638	70,518

(Significant subsequent events)

Not applicable.

4. Non-consolidated Financial Statements and Principal Notes

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	21,942	20,706
Notes receivable - trade	1,530	624
Electronically recorded monetary claims - operating	8,450	6,411
Accounts receivable from completed construction contracts	76,743	73,614
Securities	10,978	15,990
Costs on construction contracts in progress	901	816
Short-term loans receivable from subsidiaries and associates	7,059	9,420
Other	6,239	3,691
Allowance for doubtful accounts	(15)	(8)
Total current assets	133,831	131,266
Non-current assets		
Property, plant and equipment		
Buildings	40,642	40,740
Accumulated depreciation	(23,829)	(24,478)
Buildings, net	16,812	16,262
Structures	5,126	5,101
Accumulated depreciation	(3,693)	(3,802)
Structures, net	1,432	1,299
Machinery and equipment	3,045	3,096
Accumulated depreciation	(2,867)	(2,910)
Machinery and equipment, net	177	185
Vehicles	91	91
Accumulated depreciation	(91)	(91)
Vehicles, net	0	0
Tools, furniture and fixtures	5,846	5,986
Accumulated depreciation	(4,947)	(5,206)
Tools, furniture and fixtures, net	898	779
Land	16,941	17,227
Leased assets	5,283	5,512
Accumulated depreciation	(2,472)	(2,487)
Leased assets, net	2,811	3,024
Construction in progress	167	1,057
Total property, plant and equipment	39,242	39,837
Intangible assets	1,740	2,247

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Investments and other assets		
Investment securities	11,939	11,083
Shares of subsidiaries and associates	8,103	7,989
Long-term loans receivable	51	81
Long-term loans receivable from subsidiaries and associates	330	274
Distressed receivables	8	25
Long-term prepaid expenses	52	31
Deferred tax assets	7,253	7,331
Other	1,973	2,412
Allowance for doubtful accounts	(147)	(159)
Total investments and other assets	29,567	29,070
Total non-current assets	70,550	71,155
Total assets	204,381	202,422
Liabilities		
Current liabilities		
Notes payable - trade	1,989	1,256
Electronically recorded obligations - operating	16,673	9,924
Accounts payable for construction contracts	29,239	31,194
Lease liabilities	813	858
Income taxes payable	3,654	4,195
Advances received on construction contracts in progress	2,591	2,384
Provision for loss on construction contracts	489	361
Provision for bonuses for directors (and other officers)	35	32
Other	4,844	5,169
Total current liabilities	60,329	55,377
Non-current liabilities		
Lease liabilities	2,534	2,753
Deferred tax liabilities for land revaluation	1,279	1,310
Provision for retirement benefits	16,041	16,080
Other	584	392
Total non-current liabilities	20,440	20,537
Total liabilities	80,769	75,914

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	7,803	7,803
Capital surplus		
Legal capital surplus	7,812	7,812
Other capital surplus	35	–
Total capital surplus	7,847	7,812
Retained earnings		
Legal retained earnings	1,088	1,088
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	202	199
General reserve	100,100	100,100
Retained earnings brought forward	8,433	11,257
Total retained earnings	109,824	112,645
Treasury shares	(299)	(281)
Total shareholders' equity	125,176	127,980
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	664	782
Revaluation reserve for land	(2,228)	(2,255)
Total valuation and translation adjustments	(1,564)	(1,473)
Total net assets	123,612	126,507
Total liabilities and net assets	204,381	202,422

(2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	222,098	228,759
Total net sales	222,098	228,759
Cost of sales		
Cost of sales of completed construction contracts	193,744	194,558
Total cost of sales	193,744	194,558
Gross profit	28,354	34,201
Selling, general and administrative expenses	18,529	20,278
Operating profit	9,824	13,923
Non-operating income		
Interest income	93	98
Interest on securities	209	326
Dividend income	625	549
Rental income	351	361
Foreign exchange gains	354	–
Other	268	244
Total non-operating income	1,903	1,581
Non-operating expenses		
Interest expenses	151	141
Idle assets expenses	36	30
Other	27	21
Total non-operating expenses	214	194
Ordinary profit	11,513	15,310
Extraordinary income		
Gain on sale of non-current assets	1	12
Gain on sale of investment securities	0	0
Total extraordinary income	2	13
Extraordinary losses		
Loss on sale of non-current assets	20	–
Loss on valuation of investments in capital of subsidiaries and associates	463	–
Loss on removal non-current assets	62	49
Other	128	14
Total extraordinary losses	675	64
Profit before income taxes	10,840	15,259
Income taxes - current	3,935	4,450
Income taxes - deferred	(475)	(117)
Total income taxes	3,460	4,332
Profit	7,380	10,926

(3) Non-consolidated Statements of Changes in Equity

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

(Million yen)

	Shareholders' equity										
		Capital surplus			Retained earnings						
						Other retained earnings					
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,803	7,812	14	7,827	1,088	205	94,800	8,314	104,408	(333)	119,705
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(2)		2	–		–
Provision of general reserve							5,300	(5,300)	–		–
Dividends of surplus								(2,005)	(2,005)		(2,005)
Profit								7,380	7,380		7,380
Reversal of revaluation reserve for land								41	41		41
Purchase of treasury shares										(0)	(0)
Disposal of treasury shares			20	20						34	54
Cancellation of treasury shares											–
Transfer from retained earnings to capital surplus											–
Net changes in items other than shareholders' equity											
Total changes during period	–	–	20	20	–	(2)	5,300	119	5,416	33	5,471
Balance at end of period	7,803	7,812	35	7,847	1,088	202	100,100	8,433	109,824	(299)	125,176

(Million yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	230	(2,186)	(1,956)	117,748
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				–
Provision of general reserve				–
Dividends of surplus				(2,005)
Profit				7,380
Reversal of revaluation reserve for land				41
Purchase of treasury shares				(0)
Disposal of treasury shares				54
Cancellation of treasury shares				–
Transfer from retained earnings to capital surplus				–
Net changes in items other than shareholders' equity	433	(41)	392	392
Total changes during period	433	(41)	392	5,863
Balance at end of period	664	(2,228)	(1,564)	123,612

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

(Million yen)

	Shareholders' equity										
		Capital surplus			Retained earnings						
						Other retained earnings					
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,803	7,812	35	7,847	1,088	202	100,100	8,433	109,824	(299)	125,176
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(2)		2	–		–
Provision of general reserve									–		–
Dividends of surplus								(3,655)	(3,655)		(3,655)
Profit								10,926	10,926		10,926
Reversal of revaluation reserve for land								(11)	(11)		(11)
Purchase of treasury shares										(4,511)	(4,511)
Disposal of treasury shares			36	36						19	55
Cancellation of treasury shares			(4,510)	(4,510)						4,510	–
Transfer from retained earnings to capital surplus			4,438	4,438				(4,438)	(4,438)		–
Net changes in items other than shareholders' equity											
Total changes during period	–	–	(35)	(35)	–	(2)	–	2,823	2,821	18	2,803
Balance at end of period	7,803	7,812	–	7,812	1,088	199	100,100	11,257	112,645	(281)	127,980

(Million yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	664	(2,228)	(1,564)	123,612
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				–
Provision of general reserve				–
Dividends of surplus				(3,655)
Profit				10,926
Reversal of revaluation reserve for land				(11)
Purchase of treasury shares				(4,511)
Disposal of treasury shares				55
Cancellation of treasury shares				–
Transfer from retained earnings to capital surplus				–
Net changes in items other than shareholders' equity	117	(26)	91	91
Total changes during period	117	(26)	91	2,895
Balance at end of period	782	(2,255)	(1,473)	126,507

(4) Notes to Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.