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May 13, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company Name: Takasago Thermal Engineering Co., Ltd.
Stock Exchange Listing: On the Prime Section of the Tokyo Stock Exchange
Code Number: 1969
Company URL: https://www.tte-net.com/
Representative: Kazuhito Kojima, President and Representative Director
Contact: Masatoshi Morino, Director and Executive Officer, General Manager, Finance & Investor Relations Department
Phone: +81-3-6369-8215

Scheduled date of ordinary general meeting of shareholders: June 18, 2025
Scheduled date to commence dividend payment: June 19, 2025
Scheduled date to submit the Securities Report: June 17, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Fraction less than one million yen has been omitted)

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

(1) Consolidated Results of Operations

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
March 31, 2025	381,661	5.0	32,415	34.0	34,970	33.7	27,631	40.9
March 31, 2024	363,366	7.2	24,192	57.8	26,150	56.7	19,612	60.4

(Note) Comprehensive income:
Fiscal year ended March 31, 2025: ¥27,556 million year on year: (5.7)%
Fiscal year ended March 31, 2024: ¥29,212 million year on year: 106.5%

	Earnings per share	Diluted earnings per share	Rate of 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	416.15	–	16.0	10.4	8.5
March 31, 2024	295.68	–	12.8	8.0	6.7

(Reference) Share of profit of entities accounted for using equity method:
Fiscal year ended March 31, 2025: ¥400 million
Fiscal year ended March 31, 2024: ¥183 million

(2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(Millions of yen)	(Millions of yen)	(%)	(Yen)
March 31, 2025	334,949	184,283	53.9	2,720.64
March 31, 2024	340,106	167,231	48.3	2,476.38

(Reference) Equity:
As of March 31, 2025: ¥180,667 million
As of March 31, 2024: ¥164,355 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 the end of the period
Fiscal year ended	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
March 31, 2025	5,885	(1,405)	(12,713)	41,364
March 31, 2024	(13,100)	(8,103)	(491)	49,064

2. Dividends

	Cash dividends per share					Total cash dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter end	Second quarter end	Third quarter end	Year-end	Annual			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Fiscal year ended March 31, 2024	–	38.00	–	91.00	129.00	8,675	43.6	5.6
Fiscal year ended March 31, 2025	–	65.00	–	102.00	167.00	11,288	40.1	6.4
Fiscal year ending March 31, 2026 (Forecast)	–	86.00	–	87.00	173.00		40.0	

(Note) Breakdown of year-end dividends for the fiscal year ended March 31, 2024:
Ordinary dividend: ¥119.00
Commemorative dividend to celebrate the 100th anniversary of our founding: ¥10.00

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

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	410,000	7.4	36,000	11.1	38,000	8.7	28,700	3.9	432.25

(Reference) Orders received (Forecast): (Full year) ¥430,000 million

*** Notes**

(1) Significant Changes in the Scope of Consolidation During the Period: None

(2) Changes in Accounting Policies, Changes in Accounting Estimates and Restatements

(i) Changes in accounting policies in accordance with the revision of accounting standards, etc.: Yes

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(3) Number of Issued Shares (Common Shares)

(i) Number of issued shares at fiscal year end (including treasury shares)

As of March 31, 2025:	70,239,402 shares
As of March 31, 2024:	70,239,402 shares

(ii) Number of treasury shares at fiscal year end

As of March 31, 2025:	3,833,131 shares
As of March 31, 2024:	3,870,133 shares

(iii) Average number of shares during the period

Fiscal year ended March 31, 2025:	66,397,195 shares
Fiscal year ended March 31, 2024:	66,331,857 shares

(References) Summary of Non-consolidated Financial Results

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

(1) Non-consolidated Results of Operations

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
March 31, 2025	274,274	2.1	29,135	39.4	32,045	39.4	26,232	46.3
March 31, 2024	268,657	10.0	20,898	72.2	22,988	64.6	17,933	65.3

	Earnings per share	Diluted earnings per share
Fiscal year ended	(Yen)	(Yen)
March 31, 2025	393.52	–
March 31, 2024	269.29	–

(2) Non-consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(Millions of yen)	(Millions of yen)	(%)	(Yen)
March 31, 2025	275,489	160,364	58.2	2,405.32
March 31, 2024	288,135	146,217	50.7	2,194.36

(Reference) Equity:

As of March 31, 2025: ¥160,364 million

As of March 31, 2024: ¥146,217 million

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

(% indicates changes from the previous term)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
Full year	300,000	9.4	31,600	8.5	34,200	6.7	26,900	2.5	403.53

(Reference) Orders received (Forecast): (Full year) ¥330,000 million

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

* Explanation concerning proper use of the forecasts for the financial results and other special instructions

Forward-looking statements, including the financial results forecasts, in this document are based on currently available information held by the Company and on certain premises considered reasonable by the Company. It is not the intention of the Company to undertake the realization of these statements. Actual business results may differ from the forecasts, depending on various factors.

The Company will hold the annual financial results briefing session for the fiscal year ended March 31, 2025 (for institutional investors and securities analysts) on Wednesday, May 14, 2025. The information materials to be used at the session will be posted on the Company's website.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	53,298	47,647
Notes, accounts receivable from completed construction contracts and contract assets	178,305	178,215
Electronically recorded monetary claims - operating	7,585	7,977
Costs on construction contracts in progress	4,057	3,889
Other	5,370	7,758
Allowance for doubtful accounts	(230)	(351)
Total current assets	248,386	245,138
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,378	15,893
Machinery, equipment and vehicles	2,655	3,112
Tools, furniture and fixtures	4,956	5,264
Land	9,731	9,826
Construction in progress	265	318
Right-of-use assets	1,304	1,488
Accumulated depreciation	(11,808)	(11,983)
Total property, plant and equipment	23,483	23,919
Intangible assets		
Software	7,371	8,111
Goodwill	1,703	1,419
Other	98	97
Total intangible assets	9,173	9,628
Investments and other assets		
Investment securities	46,530	43,220
Long-term loans receivable	242	228
Retirement benefit asset	6,551	7,001
Deferred tax assets	1,187	1,400
Guarantee deposits	3,072	3,114
Insurance funds	785	572
Other	800	776
Allowance for doubtful accounts	(107)	(52)
Total investments and other assets	59,063	56,262
Total non-current assets	91,720	89,810
Total assets	340,106	334,949

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	58,253	43,590
Electronically recorded obligations - operating	19,026	6,123
Short-term borrowings	14,133	17,737
Current portion of bonds payable	5,000	5,000
Accounts payable - other	5,416	4,083
Income taxes payable	6,008	6,975
Advances received on construction contracts in progress	12,593	20,978
Provision for bonuses	8,727	9,858
Provision for bonuses for directors (and other officers)	159	175
Provision for warranties for completed construction	1,095	934
Provision for loss on construction contracts	404	489
Provision for dismantling and removal	310	–
Provision for compensation for damages	–	82
Other	15,621	14,011
Total current liabilities	146,750	130,040
Non-current liabilities		
Bonds payable	20,000	15,000
Retirement benefit liability	1,126	1,045
Provision for share awards	865	1,673
Deferred tax liabilities	3,388	2,210
Other	744	696
Total non-current liabilities	26,125	20,625
Total liabilities	172,875	150,665
Net assets		
Shareholders' equity		
Share capital	13,134	13,134
Capital surplus	10,488	11,639
Retained earnings	128,724	145,846
Treasury shares	(7,307)	(8,408)
Total shareholders' equity	145,040	162,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,822	14,249
Foreign currency translation adjustment	1,671	2,285
Remeasurements of defined benefit plans	1,821	1,920
Total accumulated other comprehensive income	19,315	18,455
Non-controlling interests	2,875	3,615
Total net assets	167,231	184,283
Total liabilities and net assets	340,106	334,949

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	363,366	381,661
Cost of sales	303,419	310,015
Gross profit	59,947	71,646
Selling, general and administrative expenses		
Employees' salaries and allowances	10,598	11,149
Provision for bonuses	3,233	3,542
Retirement benefit expenses	312	223
Provision for share awards	234	708
Stationery expenses	3,631	3,716
Provision of allowance for doubtful accounts	3	122
Rent expenses on land and buildings	2,674	2,740
Depreciation	2,086	2,615
Other	12,980	14,412
Total selling, general and administrative expenses	35,755	39,231
Operating profit	24,192	32,415
Non-operating income		
Interest income	413	549
Dividend income	784	926
Dividend income of insurance	174	129
Share of profit of entities accounted for using equity method	183	400
Rental income from real estate	862	861
Other	1,002	761
Total non-operating income	3,421	3,628
Non-operating expenses		
Interest expenses	288	269
Provision of allowance for doubtful accounts	–	23
Provision for dismantling and removals	310	–
Rental expenses on real estate	392	407
Provision for compensation for damages	–	82
Foreign exchange losses	–	108
Other	472	182
Total non-operating expenses	1,463	1,073
Ordinary profit	26,150	34,970
Extraordinary income		
Gain on sale of investment securities	1,295	2,712
Other	14	2
Total extraordinary income	1,309	2,714
Extraordinary losses		
Impairment losses	288	–
Loss on retirement of non-current assets	96	27
Loss on valuation of investment securities	17	143
Other	5	5
Total extraordinary losses	407	176
Profit before income taxes	27,053	37,508
Income taxes - current	8,356	10,618
Income taxes - deferred	(1,414)	(1,134)
Total income taxes	6,942	9,484

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	20,111	28,024
Profit attributable to non-controlling interests	498	392
Profit attributable to owners of parent	19,612	27,631

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	20,111	28,024
Other comprehensive income		
Valuation difference on available-for-sale securities	5,558	(1,617)
Foreign currency translation adjustment	1,266	1,006
Remeasurements of defined benefit plans, net of tax	2,052	109
Share of other comprehensive income of entities accounted for using equity method	224	33
Total other comprehensive income	9,101	(467)
Comprehensive income	29,212	27,556
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,638	26,771
Comprehensive income attributable to non-controlling interests	573	785

(3) Consolidated Statement of Changes in Equity

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,134	12,691	113,913	(7,567)	132,172
Changes during period					
Dividends of surplus			(4,774)		(4,774)
Profit attributable to owners of parent			19,612		19,612
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				262	262
Change in scope of consolidation			(27)		(27)
Change in ownership interest of parent due to transactions with non-controlling interests		(2,202)			(2,202)
Net changes in items other than shareholders' equity					
Total changes during period	–	(2,202)	14,810	260	12,867
Balance at end of period	13,134	10,488	128,724	(7,307)	145,040

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,181	493	(376)	10,298	4,694	147,165
Changes during period						
Dividends of surplus						(4,774)
Profit attributable to owners of parent						19,612
Purchase of treasury shares						(2)
Disposal of treasury shares						262
Change in scope of consolidation						(27)
Change in ownership interest of parent due to transactions with non-controlling interests						(2,202)
Net changes in items other than shareholders' equity	5,641	1,178	2,197	9,017	(1,818)	7,198
Total changes during period	5,641	1,178	2,197	9,017	(1,818)	20,066
Balance at end of period	15,822	1,671	1,821	19,315	2,875	167,231

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

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,134	10,488	128,724	(7,307)	145,040
Changes during period					
Dividends of surplus			(10,508)		(10,508)
Profit attributable to owners of parent			27,631		27,631
Purchase of treasury shares				(1,939)	(1,939)
Disposal of treasury shares		1,151		838	1,989
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	–	1,151	17,122	(1,101)	17,172
Balance at end of period	13,134	11,639	145,846	(8,408)	162,212

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	15,822	1,671	1,821	19,315	2,875	167,231
Changes during period						
Dividends of surplus						(10,508)
Profit attributable to owners of parent						27,631
Purchase of treasury shares						(1,939)
Disposal of treasury shares						1,989
Change in ownership interest of parent due to transactions with non-controlling interests						
Net changes in items other than shareholders' equity	(1,573)	614	98	(860)	739	(120)
Total changes during period	(1,573)	614	98	(860)	739	17,051
Balance at end of period	14,249	2,285	1,920	18,455	3,615	184,283

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	27,053	37,508
Depreciation	2,505	3,074
Impairment losses	288	–
Amortization of goodwill	227	218
Increase (decrease) in allowance for doubtful accounts	(216)	64
Increase (decrease) in provision for warranties for completed construction	78	(174)
Increase (decrease) in provision for loss on construction contracts	(524)	78
Increase (decrease) in provision for bonuses	3,115	1,131
Increase (decrease) in provision for bonuses for directors (and other officers)	69	15
Increase (decrease) in provision for dismantling and removal	91	(310)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(109)	–
Decrease (increase) in retirement benefit asset	(94)	(426)
Increase (decrease) in retirement benefit liability	39	89
Increase (decrease) in provision for share awards	32	807
Interest and dividend income	(1,198)	(1,475)
Interest expenses	288	269
Share of loss (profit) of entities accounted for using equity method	(183)	(400)
Foreign exchange losses (gains)	(171)	90
Loss (gain) on sale of investment securities	(1,295)	(2,712)
Loss (gain) on valuation of investment securities	17	143
Loss (gain) on sale of non-current assets	(8)	2
Decrease (increase) in trade receivables	(32,286)	238
Decrease (increase) in costs on construction contracts in progress	(629)	122
Increase (decrease) in trade payables	(10,310)	(28,610)
Increase (decrease) in advances received on construction contracts in progress	(2,512)	8,038
Increase (decrease) in accrued expenses	527	(336)
Increase (decrease) in accrued consumption taxes	979	(691)
Decrease (increase) in consumption taxes refund receivable	3,341	(445)
Other, net	1,468	(2,075)
Subtotal	(9,417)	14,233
Interest and dividends received	1,227	1,506
Interest paid	(282)	(286)
Income taxes paid	(5,268)	(10,150)
Income taxes refund	640	582
Net cash provided by (used in) operating activities	(13,100)	5,885

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(9,601)	(11,905)
Proceeds from withdrawal of time deposits	7,711	10,467
Purchase of property, plant and equipment and intangible assets	(3,347)	(4,337)
Purchase of investment securities	(5,179)	(7)
Proceeds from sale of investment securities	2,284	4,354
Purchase of shares of subsidiaries and associates	(42)	(32)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	103	–
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(270)	–
Payments of guarantee deposits	(361)	(236)
Proceeds from refund of guarantee deposits	153	263
Proceeds from collection of loans receivable	109	105
Purchase of insurance funds	(24)	(22)
Proceeds from maturity of insurance funds	444	232
Other payments	(248)	(352)
Other proceeds	164	66
Net cash provided by (used in) investing activities	(8,103)	(1,405)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	9,179	3,427
Redemption of bonds	–	(5,000)
Repayments of long-term borrowings	(127)	(70)
Repayments of lease liabilities	(465)	(511)
Purchase of treasury shares	(2)	(1,939)
Proceeds from sale of treasury shares	–	1,934
Dividends paid	(4,774)	(10,508)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(4,288)	–
Dividends paid to non-controlling interests	(12)	(45)
Net cash provided by (used in) financing activities	(491)	(12,713)
Effect of exchange rate change on cash and cash equivalents	789	533
Net increase (decrease) in cash and cash equivalents	(20,906)	(7,700)
Cash and cash equivalents at beginning of period	69,971	49,064
Cash and cash equivalents at end of period	49,064	41,364

Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	33,458	23,428
Notes receivable - trade	237	53
Electronically recorded monetary claims - operating	6,443	7,178
Accounts receivable from completed construction contracts	103,481	85,971
Contract assets	46,767	60,594
Costs on construction contracts in progress	361	299
Merchandise and finished goods	11	9
Raw materials and supplies	508	681
Prepaid expenses	648	1,050
Accounts receivable - other	762	2,664
Advances paid	446	683
Other	264	1,129
Allowance for doubtful accounts	(157)	(165)
Total current assets	193,233	183,581
Non-current assets		
Property, plant and equipment		
Buildings	12,312	11,858
Accumulated depreciation	(4,019)	(3,623)
Buildings, net	8,292	8,235
Structures	764	764
Accumulated depreciation	(305)	(283)
Structures, net	458	481
Machinery and equipment	448	700
Accumulated depreciation	(285)	(309)
Machinery and equipment, net	163	390
Tools, furniture and fixtures	2,969	3,216
Accumulated depreciation	(1,399)	(1,540)
Tools, furniture and fixtures, net	1,569	1,675
Land	9,038	9,038
Construction in progress	207	220
Total property, plant and equipment	19,729	20,041
Intangible assets		
Software	6,970	7,748
Telephone subscription right	94	94
Other	0	0
Total intangible assets	7,064	7,842

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Investments and other assets		
Investment securities	39,064	35,342
Shares of subsidiaries and associates	20,822	20,855
Investments in capital	5	5
Long-term loans receivable	984	171
Distressed receivables	103	36
Long-term prepaid expenses	329	305
Prepaid pension costs	3,827	4,253
Guarantee deposits	2,305	2,462
Insurance funds	590	444
Other	175	192
Allowance for doubtful accounts	(102)	(47)
Total investments and other assets	68,106	64,023
Total non-current assets	94,901	91,908
Total assets	288,135	275,489
Liabilities		
Current liabilities		
Notes payable - trade	2,027	41
Electronically recorded obligations - operating	18,547	5,889
Accounts payable for construction contracts	41,998	28,291
Short-term borrowings	12,196	13,130
Current portion of bonds payable	5,000	5,000
Accounts payable - other	4,454	3,053
Accrued expenses	543	263
Income taxes payable	5,405	6,403
Advances received on construction contracts in progress	6,433	14,095
Deposits received	12,221	10,610
Provision for bonuses	7,593	8,512
Provision for bonuses for directors (and other officers)	128	150
Provision for warranties for completed construction	941	751
Provision for loss on construction contracts	286	373
Provision for dismantling and removal	310	–
Provision for compensation for damages	–	82
Other	66	84
Total current liabilities	118,158	96,733
Non-current liabilities		
Bonds payable	20,000	15,000
Long-term accounts payable - other	38	24
Lease liabilities	59	80
Provision for share awards	816	1,630
Deferred tax liabilities	2,544	1,388
Other	299	267
Total non-current liabilities	23,758	18,392
Total liabilities	141,917	115,125

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	13,134	13,134
Capital surplus		
Legal capital surplus	12,853	12,853
Other capital surplus	–	1,151
Total capital surplus	12,853	14,005
Retained earnings		
Legal retained earnings	3,283	3,283
Other retained earnings		
Reserve for dividend equalization	656	656
Reserve for retirement allowance	940	940
Reserve for tax purpose reduction to promote open innovation	174	174
General reserve	42,878	42,878
Retained earnings brought forward	63,911	79,635
Total retained earnings	111,844	127,568
Treasury shares	(7,133)	(8,235)
Total shareholders' equity	130,699	146,473
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	15,518	13,890
Total valuation and translation adjustments	15,518	13,890
Total net assets	146,217	160,364
Total liabilities and net assets	288,135	275,489

(2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales of completed construction contracts	268,657	274,274
Cost of sales of completed construction contracts	222,953	217,765
Gross profit on completed construction contracts	45,703	56,509
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	285	299
Provision for bonuses for directors (and other officers)	128	150
Employees' salaries and allowances	5,541	5,999
Provision for bonuses	2,959	3,256
Retirement benefit expenses	193	82
Provision for share awards	222	685
Legal welfare expenses	981	978
Welfare expenses	885	533
Repair and maintenance expenses	165	164
Stationery expenses	3,153	3,243
Communication and transportation expenses	858	995
Power utilities expenses	150	186
Research study expenses	1,676	2,157
Advertising expenses	1,092	1,137
Provision of allowance for doubtful accounts	(22)	3
Entertainment expenses	404	502
Donations	69	57
Rent expenses on land and buildings	2,227	2,288
Depreciation	1,518	1,946
Taxes and dues	765	1,042
Insurance expenses	325	391
Miscellaneous expenses	1,221	1,270
Total selling, general and administrative expenses	24,805	27,373
Operating profit	20,898	29,135
Non-operating income		
Interest income	14	17
Dividend income	1,605	2,018
Insurance claim income	103	33
Dividend income of insurance	173	123
Rental income from real estate	836	836
Other	528	643
Total non-operating income	3,262	3,672
Non-operating expenses		
Interest expenses	110	103
Provision of allowance for doubtful accounts	–	23
Provision for dismantling and removals	310	–
Rental expenses on real estate	392	407
Provision for compensation for damages	–	82
Other	358	145
Total non-operating expenses	1,172	762
Ordinary profit	22,988	32,045

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	1,366	2,685
Total extraordinary income	1,366	2,685
Extraordinary losses		
Impairment losses	288	–
Loss on retirement of non-current assets	67	17
Loss on valuation of investment securities	17	143
Other	5	1
Total extraordinary losses	378	162
Profit before income taxes	23,977	34,567
Income taxes - current	7,092	9,168
Income taxes - deferred	(1,048)	(833)
Total income taxes	6,043	8,334
Profit	17,933	26,232

(3) Non-consolidated Statement of Changes in Equity

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

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	13,134	12,853	–	12,853
Changes during period				
Dividends of surplus				
Profit				
Provision of reserve for tax purpose reduction to promote open innovation				
Purchase of treasury shares				
Disposal of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	–	–	–	–
Balance at end of period	13,134	12,853	–	12,853

	Shareholders' equity						
	Retained earnings						
	Legal retained earnings	Other retained earnings					Total retained earnings
		Reserve for dividend equalization	Reserve for retirement allowance	Reserve for tax purpose reduction to promote open innovation	General reserve	Retained earnings brought forward	
Balance at beginning of period	3,283	656	940	124	42,878	50,802	98,686
Changes during period							
Dividends of surplus						(4,774)	(4,774)
Profit						17,933	17,933
Provision of reserve for tax purpose reduction to promote open innovation				49		(49)	–
Purchase of treasury shares							
Disposal of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	49	–	13,108	13,158
Balance at end of period	3,283	656	940	174	42,878	63,911	111,844

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(7,394)	117,280	10,043	10,043	127,324
Changes during period					
Dividends of surplus		(4,774)			(4,774)
Profit		17,933			17,933
Provision of reserve for tax purpose reduction to promote open innovation		–			–
Purchase of treasury shares	(2)	(2)			(2)
Disposal of treasury shares	262	262			262
Net changes in items other than shareholders' equity		–	5,475	5,475	5,475
Total changes during period	260	13,418	5,475	5,475	18,893
Balance at end of period	(7,133)	130,699	15,518	15,518	146,217

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

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	13,134	12,853	–	12,853
Changes during period				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares			1,151	1,151
Net changes in items other than shareholders' equity				
Total changes during period	–	–	1,151	1,151
Balance at end of period	13,134	12,853	1,151	14,005

	Shareholders' equity						
	Retained earnings						
	Legal retained earnings	Other retained earnings					Total retained earnings
		Reserve for dividend equalization	Reserve for retirement allowance	Reserve for tax purpose reduction to promote open innovation	General reserve	Retained earnings brought forward	
Balance at beginning of period	3,283	656	940	174	42,878	63,911	111,844
Changes during period							
Dividends of surplus						(10,508)	(10,508)
Profit						26,232	26,232
Purchase of treasury shares							
Disposal of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	15,723	15,723
Balance at end of period	3,283	656	940	174	42,878	79,635	127,568

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(7,133)	130,699	15,518	15,518	146,217
Changes during period					
Dividends of surplus		(10,508)			(10,508)
Profit		26,232			26,232
Purchase of treasury shares	(1,939)	(1,939)			(1,939)
Disposal of treasury shares	838	1,989			1,989
Net changes in items other than shareholders' equity			(1,627)	(1,627)	(1,627)
Total changes during period	(1,101)	15,773	(1,627)	(1,627)	14,146
Balance at end of period	(8,235)	146,473	13,890	13,890	160,364