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



April 30, 2026

Company name: YONDENKO CORPORATION
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 1939
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 Scheduled date of annual general meeting of shareholders: June 26, 2026
 Scheduled date of commencing dividend payments: June 29, 2026
 Scheduled date of filing securities report: June 19, 2026
 Availability of supplementary explanatory materials on annual financial results: Available
 Schedule of annual financial results briefing session: Scheduled (Video streaming is scheduled.)

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

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

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	99,448	(6.1)	8,822	9.3	9,327	9.3	7,500	45.0
March 31, 2025	105,877	14.9	8,073	25.3	8,536	21.7	5,173	13.2

(Note) Comprehensive income: Fiscal year ended March 31, 2026: ¥9,408 million [64.4%]

Fiscal year ended March 31, 2025: ¥5,721 million [(25.0)%]

	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, 2026	158.51	—	11.0	9.2	8.9
March 31, 2025	109.46	—	8.2	8.4	7.6

(Reference) Equity in earnings of associated companies: Fiscal year ended March 31, 2026: ¥— million

Fiscal year ended March 31, 2025: ¥— million

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. The basic earnings per share are calculated assuming that the stock split had taken place at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	103,871	71,199	68.4	1,501.91
As of March 31, 2025	99,630	64,890	65.1	1,370.87

(Reference) Equity: As of March 31, 2026: ¥71,092 million

As of March 31, 2025: ¥64,812 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 end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	4,007	947	(3,688)	17,575
March 31, 2025	(536)	(1,180)	(4,280)	16,308

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			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2025	–	90.00	–	35.00	–	3,073	59.4	4.9
Fiscal year ended	–	32.00	–	45.00	77.00	3,644	48.6	5.4
March 31, 2026								
Fiscal year ending	–	42.00	–	42.00	84.00		60.2	
March 31, 2027 (Forecast)								

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. The actual dividend before the stock split is stated for dividend for the 2nd quarter of the fiscal year ended March 31, 2025. On a post-stock split basis, the annual dividend per share for the fiscal year ended March 31, 2025 would be ¥65.00.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	108,000	8.6	9,400	6.5	9,900	6.1	6,600	(12.0)	139.43

* Notes:

- (1) Significant changes in scope of consolidation during the fiscal year under review: None
- (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 year (including treasury shares):

March 31, 2026:	48,766,410 shares
March 31, 2025:	48,766,410 shares
 - 2) Total number of treasury shares at the end of the year:

March 31, 2026:	1,431,731 shares
March 31, 2025:	1,487,869 shares

3) Average number of shares outstanding during the year:

Year ended March 31, 2026: 47,318,251 shares

Year ended March 31, 2025: 47,264,517 shares

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. The average number of shares outstanding during the year is calculated assuming that the stock split took place at the beginning of the previous fiscal year.

(Reference) Summary of Non-consolidated Financial Results

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

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended								
March 31, 2026	84,072	(10.7)	6,403	(5.7)	7,113	(1.9)	6,120	28.5
March 31, 2025	94,108	21.9	6,787	65.0	7,250	45.3	4,761	35.9

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Year ended		
March 31, 2026	129.35	—
March 31, 2025	100.74	—

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share. The basic earnings per share are calculated assuming that the stock split had taken place at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	84,591	59,397	70.2	1,254.84
As of March 31, 2025	82,510	54,534	66.1	1,153.48

(Reference) Equity: As of March 31, 2026: ¥59,397 million

As of March 31, 2025: ¥54,534 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% 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	95,000	13.0	8,000	24.9	8,500	19.5	5,800	(5.2)	122.53

* These consolidated 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 above forecasts are prepared on the basis of the Company's current outlook and plans as of the date of publication of this document and do not represent a promise or commitment by the Company to achieve them. Actual results may be different from the forecast figures due to various factors in the future.

Please refer to page 6 of the attached document for the assumptions and other matters related to the above forecasts.

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1. Overview of Business Results

(1) Overview of Business Results and Financial Position for the Fiscal Year Under Review

1) Overview of Business Results for the Fiscal Year Under Review

During the consolidated fiscal year ended March 31, 2026 (the “fiscal year under review,” or “FY2025”), the Japanese economy showed a gradual recovery in personal consumption and employment conditions, and business confidence in the corporate sector also showed signs of recovery, reflecting favorable business performance. The Shikoku economy generally followed a similar trend, although to varying degrees.

In the construction industry, the order environment was generally favorable, with continued recovery in capital investment. On the other hand, it was necessary to appropriately address the impact of factors such as rising material and equipment prices as well as labor shortages on order acceptance decisions, construction costs, and construction progress.

In this environment, the consolidated financial results of YONDENKO CORPORATION (the “Company”) and its subsidiaries (collectively, the “Group”) for the fiscal year under review showed a decrease in net sales due to a reactionary decline from large-scale construction work in the previous year. However, operating and ordinary profit increased as we thoroughly managed construction progress and costs. In addition, profit attributable to owners of parent increased significantly, partly due to the recording of extraordinary income from the sale of securities.

[Consolidated financial results]

(Million yen unless stated otherwise)

Classification	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026	Change	Rate of change (%)
	Amount	Amount		
Orders received	99,537	106,590	7,053	7.1
Net sales	105,877	99,448	(6,428)	(6.1)
Operating profit	8,073	8,822	749	9.3
Ordinary profit	8,536	9,327	791	9.3
Profit attributable to owners of parent	5,173	7,500	2,327	45.0

2) Consolidated Financial Position for the Fiscal Year Under Review

Total assets increased by ¥4,241 million year-on-year to ¥103,871 million due in part to increases in cash and deposits and a rise in the market value of investment securities.

Liabilities decreased by ¥2,067 million year-on-year to ¥32,672 million due in part to decreases in notes payable, accounts payable for construction contracts and other and long-term borrowings.

Net assets increased by ¥6,308 million year-on-year to ¥71,199 million due in part to the recording of profit attributable to owners of parent of ¥7,500 million and an increase in valuation difference on available-for-sale securities, despite dividends paid of ¥3,169 million. As a result, the equity ratio was 68.4%.

3) Overview of Consolidated Cash Flows for the Fiscal Year Under Review

Cash flows from operating activities resulted in a cash inflow of ¥4,007 million (compared to a cash outflow of ¥536 million in the previous fiscal year) due in part to the securing of profit before income taxes of ¥10,399 million, despite a decrease in trade payables and the payment of income taxes.

Cash flows from investing activities resulted in a cash inflow of ¥947 million (compared to a cash outflow of ¥1,180 million in the previous fiscal year) due in part to the sale of investment securities, despite the purchase of property, plant and equipment.

Cash flows from financing activities resulted in a cash outflow of ¥3,688 million (compared to a cash outflow of ¥4,280 million in the previous fiscal year) due in part to repayments of borrowings and dividends paid.

As a result, funds (cash and cash equivalents) for the fiscal year under review were ¥17,575 million, an increase of ¥1,266 million compared to the previous fiscal year.

(Reference) Cash flow indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	56.1	57.5	59.8	65.1	68.4
Equity ratio based on market capitalization (%)	28.0	30.7	61.4	61.0	84.1
Cash flows to interest-bearing debt ratio (years)	1.3	3.0	1.7	(15.8)	2.0
Interest coverage ratio (times)	157.5	66.3	125.0	(9.9)	60.7

(Notes) Equity ratio: Equity / Total assets

Equity ratio based on market capitalization: Market capitalization / Total assets

Cash flows to interest-bearing debt ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

* All indicators are calculated based on consolidated financial figures.

* Market capitalization is calculated by multiplying the closing stock price at the end of the year by the total number of issued shares at the end of the year (after deducting treasury shares).

* Interest-bearing debt includes all debts recorded on the consolidated balance sheets for which interest is paid, and operating cash flows and interest payments are based on “cash flows from operating activities” and “interest paid” on the consolidated statements of cash flows.

(2) Future Outlook

In the construction industry, construction demand remains strong mainly in major metropolitan areas, but attention must be paid to rising prices of materials and equipment as well as labor shortages. There are also concerns about the uncertain economic outlook, including the resource supply risks and price increases caused by the escalating and prolonged tensions in the Middle East, for example.

Regarding financial results for the next fiscal year, we anticipate an increase in revenue as well as operating and ordinary profit due to thorough cost management amidst expected high levels of progress for construction work on hand. We will continue to secure orders and improve profitability at the time of order placement by implementing strategic sales activities and strengthening collaboration between sales, construction, and cost management. Moreover, by thoroughly implementing cost management throughout the entire supply chain, we will strive to improve corporate value over the medium- to long-term in order to achieve the numerical targets set forth in the “Medium-Term Management Guidelines 2030.”

(3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

Based on the “consolidated dividend payout ratio of 40% or more” set forth in the “Medium-Term Management Guidelines 2025,” we have distributed profits to shareholders by comprehensively taking into consideration factors such as business performance, dividend payout ratio, and ROE targets. In accordance with this policy, the year-end shareholder dividend for the fiscal year under review will be ¥45 per share, as per the “Announcement of Revisions to Forecasts for Financial Results and Year-End Dividends (Increase)” published on April 23, 2026. As a result, the annual dividends per share for the fiscal year under review, including interim dividends of ¥32 per share already paid, will be ¥77 per share, representing an increase of ¥12 per share compared to the annual dividends equivalent to ¥65 (on a post-stock split basis) for the previous fiscal year.

Moreover, in January 2026, we formulated and announced the “Medium-Term Management Guidelines 2030,” in which we set a new shareholder return policy (with a target consolidated dividend payout ratio of approximately

60% and a DOE of approximately 5.0%) that takes into account consolidated ROE targets and the optimization of capital structure. Regarding dividends for the next fiscal year, based on the above and taking into account the financial results forecast and financial condition for the next fiscal year, we plan to pay annual dividends of ¥84 per share (interim dividends of ¥42 per share, year-end dividends of ¥42 per share), which is an increase of ¥7 yen compared to the fiscal year under review. As a result, the consolidated dividend payout ratio is expected to be 60.2%.

Regarding the frequency of dividends, we intend to continue paying them twice a year, at the mid-year point and at the end of the year. No particular changes to this are planned.

(Note) The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 share.

(4) Business Risks

The following are risks that may have a significant impact on the business results and financial position of the Group. Any forward-looking statements are based on judgments made by the Group as of the end of the consolidated fiscal year under review.

The Group formulates response policies for anticipated business risks by classifying them based on their degree of impact and likelihood. The Group strives to take appropriate measures to prevent risks from materializing and to minimize impact if a risk does materialize.

1) Investment trends of major customer, the Shikoku Electric Power Group

Future trends in capital investment relating to the construction and maintenance of power transmission and distribution equipment of the Shikoku Electric Power Group, the Group's major customer, may affect the Group's business performance. In addition, reduced general construction investment by the Shikoku Electric Power Group and intensifying competition for orders may result in lower order prices and a deterioration in the profitability of construction work. Accordingly, the Group strives to early detect the investment trends of the Shikoku Electric Power Group as well as the private sector and government agencies and reflect them in its future business strategies and other plans.

2) Volatility in cost for completed construction contracts

If material costs or outsourcing costs for completed construction contracts increase significantly due to a deterioration in the procurement environment or other factors, the profitability of construction work may be affected. At present, it is particularly necessary to pay close attention to the impact of labor shortages and rising global material prices on construction supply prices and supply chains. Accordingly, the Group strives to minimize the impact mainly by constantly monitoring market trends in labor costs and material prices, conducting timely cost reviews, and making advance arrangements.

3) Default due to customer bankruptcy

The Group strives to improve and strengthen the credit management of customers, but in the contract construction and leasing businesses, the Group is exposed to customer credit risk from the inception of the contract to the receipt of payment. As such, an unexpected deterioration in business or financial conditions may result in difficulties in recovering receivables. Accordingly, the Group strives to thoroughly manage credit and long-term accounts receivable, and check for unbilled work volume.

4) Retirement benefit obligations

The Company has adopted a retirement benefit plan that includes a defined benefit pension plan. A deterioration in the investment yield of pension assets or a decline in discount rates may affect the Group's business performance and financial position. Accordingly, the Group strives to appropriately manage risk mainly by passively managing each asset based on the policy asset mix.

5) Volatility in investment security prices

The Company holds securities for fund management and other purposes. If the market value drops significantly due to fluctuations in interest rates or stock prices, the Group's business performance and financial position may be affected. Accordingly, the Group strives to manage risk through its investment portfolio in order to minimize the impact of stock price volatility and other uncertainty.

6) Legal regulations

The Group is regulated under such acts as the Construction Business Act, the Anti-Monopoly Act, and the Industrial Safety and Health Act. If these regulations are amended, abolished, or newly established, or if applicable standards are changed, or if the Group is subject to administrative sanctions based on legal regulations, the Group's business performance may be affected. Accordingly, the Group collects information on trends in relevant laws and regulations, analyzes their impact, and responds appropriately mainly through relevant departments.

7) Emergency response for large-scale disasters

In the event of a large-scale disaster such as an earthquake or a pandemic, the Group's business performance and financial position may be affected. Accordingly, the Group continues to conduct drills and take necessary measures assuming a large-scale disaster. If there is concern about the outbreak of a pandemic, the Group will take necessary measures in a timely and appropriate manner to continue its business activities and ensure the hygiene and health of its employees. Faced by information security risks that have become increasingly material in recent years, the Group is working to manage these risks in accordance with information security guidelines by establishing and strengthening security infrastructure and information management systems, constantly monitoring networks, and providing information security education to employees.

2. Status of the Corporate Group

The Group consists of the Company, 26 subsidiaries, and eight associates, and has three reportable segments: the equipment installation business, leasing business and solar power business.

In the equipment installation business, the Group engages in contracted power distribution work, power transmission and civil engineering work, electrical and instrumentation work, air conditioning and plumbing work, and information and communications work. In the leasing business, the Group mainly leases out construction machinery, vehicles and equipment. In the solar power business, the Group sells electricity generated by solar power.

The positioning of the Group's businesses and their relationships with the segments are as follows:

(Equipment installation business)

In addition to receiving orders from customers and engaging in equipment installation work, the Company outsources some of the construction work to its consolidated subsidiaries Accel Tokushima Corporation, Kochi Create Corporation, Accel Matsuyama Corporation, and Kagawa Create Corporation.

Consolidated subsidiary Arimoto Oncho Corporation engages in contracted air conditioning and plumbing work mainly in Hyogo Prefecture.

Consolidated subsidiary AI DENKI TSUSHIN Co., Ltd. engages in contracted electrical and telecommunications work mainly in the Kansai and Tokyo metropolitan areas, while non-consolidated subsidiary KOEI TSUKEN CORPORATION engages in contracted electrical and telecommunications work mainly in the Tokyo metropolitan area.

Consolidated subsidiary RYOUEI SETSUBI KOUGYOU Co., Ltd. engages in contracted air conditioning and plumbing work mainly in the Tokyo metropolitan area, while non-consolidated subsidiary Issuisha Co., Ltd. engages in contracted plumbing work in the same area.

Consolidated subsidiary kansaisetubi, Co., Ltd. engages in contracted air conditioning and plumbing work mainly in Kochi Prefecture.

Consolidated subsidiary Yokoyama Kogyo Co., Ltd. engages in contracted air conditioning and plumbing work mainly in Tochigi Prefecture.

Consolidated subsidiary BELTEC Co., Ltd. engages in contracted electrical work mainly in Okayama Prefecture.

Consolidated subsidiary CADEWA SERVICE Co., Ltd. creates drawings using CAD, and the Company places orders with this subsidiary for some of its drawings and other work.

Unconsolidated subsidiaries Tokushima Denko Co., Ltd., Nankai Denko Co., Ltd. and Kagawa Denko Co., Ltd. handle outsourced business processes for transactions between the Company and its partners for power distribution work.

Unconsolidated subsidiary Yondenko Vietnam Company Limited creates drawings using CAD, and the Company places orders with this subsidiary for some of its drawings and other work.

(Leasing business)

Consolidated subsidiary Yonko Business Co., Ltd. mainly leases out construction machinery, vehicles and equipment. The subsidiary has lease transactions with the Company for some of these items.

(Solar power business)

The Company, its consolidated subsidiaries Yonko Solar Co., Ltd., Nio Solar Power Co., Ltd. and Kuwano Solar Power Co., Ltd., and its associate Kochi Nakoyama Solar Farm Co., Ltd., sell electricity generated by solar power, and the Company undertakes the construction, management, and operation of major equipment.

(Other)

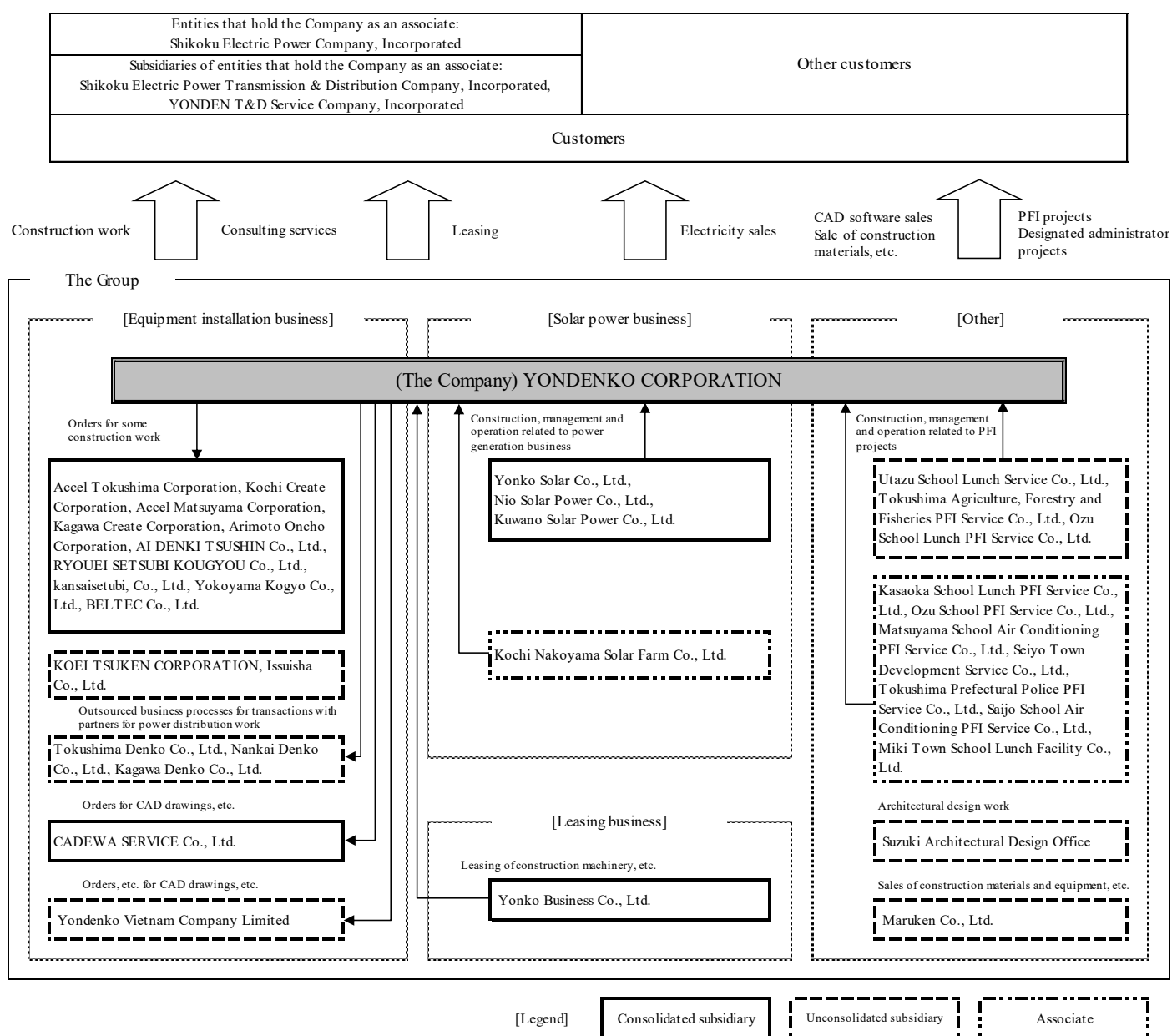
The Company develops and sells CAD software, engages in designated administrator projects, and sells construction materials.

Unconsolidated subsidiary Suzuki Architectural Design Office engages in architectural design work mainly in the Tohoku region.

Unconsolidated subsidiary Maruken Co., Ltd. engages in the sales of construction materials and equipment, mainly in the Tokyo metropolitan area.

Unconsolidated subsidiaries Utazu School Lunch Service Co., Ltd., Tokushima Agriculture, Forestry and Fisheries PFI Service Co., Ltd., and Ozu School Lunch PFI Service Co., Ltd., as well as associates Kasaoka School Lunch PFI Service Co., Ltd., Ozu School PFI Service Co., Ltd., Matsuyama School Air Conditioning PFI Service Co., Ltd., Seiyo Town Development Service Co., Ltd., Tokushima Prefectural Police PFI Service Co., Ltd., Saijo School Air Conditioning PFI Service Co., Ltd., and Miki Town School Lunch Facility Co., Ltd. engage in PFI projects.

The Group's business structure is as follows:



3. Management Policies

(1) Basic Policy on Company Management

The Group's management philosophy is "We connect people, society, and the future as an evolving General Facility Construction Company," and the pillars of our business are facility construction and power transmission and distribution equipment construction. Our fundamental goal is to enhance corporate value and achieve sustainable growth by playing a part in the formation of social infrastructure and contributing to economic and social development.

(2) Medium- to Long-term Management Strategies and Priority Issues

1) Business environment and issues surrounding the Group

Regarding the facility construction business, construction demand in the Tokyo metropolitan and Kansai areas is extremely strong, and regional social infrastructure development continues to be robust, creating a favorable environment for receiving orders. However, due to constraints on construction capacity and rising costs of materials, equipment, and labor, strategic order acceptance decisions and thorough cost management throughout the entire supply chain are necessary.

On the other hand, with regard to the power transmission and distribution equipment construction business, construction work to renew aging equipment is expected to increase over the medium- to long-term, and the issue we face is how to enhance profitability while securing an adequate construction system.

2) Policy for addressing issues

In light of the business environment and issues described above, we strategically addressed priority issues set out in the "Medium-Term Management Guidelines 2025," such as strengthening multifaceted profitability as a General Facility Construction Company and expanding wide-area business development. As a result, we achieved the numerical targets set out in the Guidelines of "net sales of ¥100 billion, operating profit of ¥6 billion, and ROE of 8.0%" one year ahead of schedule in FY2024. For FY2025, the final year of the Guidelines, we saw a decrease in revenue due to factors such as a reactionary decline following large-scale construction work in the previous fiscal year. However, we secured an increase in profit, achieving net sales of ¥99.4 billion and operating profit of ¥8.8 billion. Moreover, ROE was 11.0%, due in part to the recording of a substantial amount of extraordinary income from the sale of securities.

In this environment, we formulated and announced the "Medium-Term Management Guidelines 2030" in January 2026 with the numerical targets described below. Based on a sustained effort to strengthen human capital, we will secure stable revenue in the Shikoku region while significantly expanding the revenue base of facility construction in the Tokyo metropolitan and Kansai areas, which are experiencing strong construction demand, thereby aiming to drive business growth and enhance corporate value.

[Overview of Medium-Term Management Guidelines 2030]

a. Key themes

- Securing medium- to long-term construction capacity to sustain growth
- Expanding construction capacity in major metropolitan areas
- Strengthening electric power transmission and distribution facilities in response to rising electricity demand
- Mitigating risks from rising material and equipment costs, subcontracting expenses, and procurement difficulties
- Contributing to a decarbonized society through facilities construction
- Creating added value and improving productivity through DX and AI
- Practicing ESG-oriented management

b. Numerical targets (consolidated)

(Billion yen unless stated otherwise)

	FY2030
Net sales	120.0
Operating profit	11.0
Return on equity (ROE)	10.0%

c. Cash allocation policy

o Cash in

Cumulative cash flow generation over the 5-year period of the Medium-Term Management Guidelines: ¥55.0 billion

o Cash out

Human capital investment: ¥20.0 billion

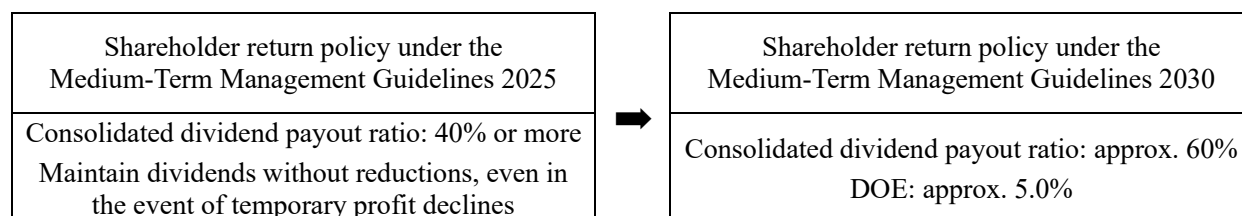
Business investment, etc. (M&A investment, ESG/DX investment, maintenance and renewal investment): ¥15.0 billion

Shareholder returns: ¥20.0 billion

3) Capital policy

With regard to capital policy, we will follow the direction outlined in the “Initiatives to Improve Capital Profitability,” which was formulated and announced on August 31, 2023. By making growth investments, including human capital investments, we will strive to achieve sustainable profit growth and enhance shareholder returns, while continuing to work toward improving ROE.

From this perspective, regarding our shareholder return policy, we will set the following policy to optimize the capital structure in order to achieve the ROE target set forth in the “Medium-Term Management Guidelines 2030.”



4. Basic Approach to the Selection of Accounting Standards

The Company plans to continue using Japanese GAAP for the time being considering the fact that the Group’s business mainly involves domestic transactions, as well as the comparability of consolidated financial statements between periods and between companies. Going forward, the Company will monitor ongoing changes in the business environment surrounding the Group, changes in shareholder composition, and the status of adoption of International Financial Reporting Standards (IFRS) in Japan to consider whether to adopt IFRS.

5. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	9,457	13,266
Notes receivable, accounts receivable from completed construction contracts and other	26,812	27,458
Electronically recorded monetary claims - operating	2,454	1,537
Investments in leases	3,554	3,746
Costs on construction contracts in progress	2,074	2,873
Other inventories	2,227	2,353
Deposits paid to subsidiaries and associates	7,500	5,000
Other	1,272	2,221
Allowance for doubtful accounts	(83)	(58)
Total current assets	55,270	58,398
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,954	18,972
Machinery, vehicles, tools, furniture and fixtures	22,665	23,088
Land	11,168	11,392
Construction in progress	102	891
Accumulated depreciation	(28,566)	(29,841)
Total property, plant and equipment	24,325	24,504
Intangible assets		
Goodwill	349	254
Other	453	405
Total intangible assets	803	659
Investments and other assets		
Investment securities	12,133	13,010
Long-term loans receivable	272	119
Retirement benefit asset	5,115	5,995
Deferred tax assets	1,086	552
Other	720	680
Allowance for doubtful accounts	(97)	(48)
Total investments and other assets	19,231	20,309
Total non-current assets	44,359	45,473
Total assets	99,630	103,871

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	13,559	12,313
Electronically recorded obligations - operating	212	182
Short-term borrowings	80	500
Current portion of bonds payable	–	80
Current portion of long-term borrowings	2,741	2,658
Income taxes payable	2,105	2,514
Advances received on construction contracts in progress	2,020	2,471
Provision for loss on construction contracts	151	102
Other	5,320	3,850
Total current liabilities	26,191	24,674
Non-current liabilities		
Bonds payable	80	–
Long-term borrowings	5,561	4,653
Provision for retirement benefits for directors (and other officers)	341	208
Retirement benefit liability	2,395	2,482
Other	168	653
Total non-current liabilities	8,548	7,997
Total liabilities	34,739	32,672
Net assets		
Shareholders' equity		
Share capital	3,451	3,451
Capital surplus	4,311	4,359
Retained earnings	54,219	58,550
Treasury shares	(644)	(620)
Total shareholders' equity	61,337	65,740
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,745	3,615
Remeasurements of defined benefit plans	1,730	1,735
Total accumulated other comprehensive income	3,475	5,351
Non-controlling interests	77	106
Total net assets	64,890	71,199
Total liabilities and net assets	99,630	103,871

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

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales		
Net sales of completed construction contracts	100,847	93,860
Sales in other businesses	5,030	5,588
Total net sales	105,877	99,448
Cost of sales		
Cost of sales of completed construction contracts	84,103	77,191
Cost of sales in other businesses	3,390	3,669
Total cost of sales	87,494	80,860
Gross profit		
Gross profit on completed construction contracts	16,743	16,668
Gross profit - other business	1,640	1,919
Total gross profit	18,383	18,588
Selling, general and administrative expenses	10,310	9,765
Operating profit	8,073	8,822
Non-operating income		
Interest income	17	60
Dividend income	245	261
Dividend income of life insurance	69	65
Rental income from real estate	62	61
Other	130	126
Total non-operating income	524	575
Non-operating expenses		
Interest expenses	28	27
Condolence money	–	15
Other	31	27
Total non-operating expenses	60	70
Ordinary profit	8,536	9,327
Extraordinary income		
Gain on sale of non-current assets	4	2
Gain on sale of investment securities	–	1,084
Subsidy income	180	–
Total extraordinary income	185	1,087
Extraordinary losses		
Loss on sale of non-current assets	–	0
Impairment losses	531	–
Loss on retirement of non-current assets	36	15
Loss on tax purpose reduction entry of non-current assets	180	–
Compensation for damage	346	–
Total extraordinary losses	1,095	15
Profit before income taxes	7,627	10,399
Income taxes - current	2,750	2,715
Income taxes - deferred	(325)	151
Total income taxes	2,424	2,866
Profit	5,202	7,532
Profit attributable to non-controlling interests	29	31
Profit attributable to owners of parent	5,173	7,500

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	5,202	7,532
Other comprehensive income		
Valuation difference on available-for-sale securities	(185)	1,870
Remeasurements of defined benefit plans, net of tax	703	5
Total other comprehensive income	518	1,875
Comprehensive income	5,721	9,408
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,692	9,376
Comprehensive income attributable to non-controlling interests	29	31

(3) Consolidated Statements of Changes in Equity

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	3,451	4,272	51,724	(663)	58,784
Changes during period					
Dividends of surplus			(2,677)		(2,677)
Profit attributable to owners of parent			5,173		5,173
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		38		20	59
Net changes in items other than shareholders' equity					
Total changes during period	—	38	2,495	19	2,553
Balance at end of period	3,451	4,311	54,219	(644)	61,337

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans		
Balance at beginning of period	1,930	1,026	54	61,796
Changes during period				
Dividends of surplus			(6)	(2,684)
Profit attributable to owners of parent				5,173
Purchase of treasury shares				(1)
Disposal of treasury shares				59
Net changes in items other than shareholders' equity	(185)	703	29	547
Total changes during period	(185)	703	22	3,094
Balance at end of period	1,745	1,730	77	64,890

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,451	4,311	54,219	(644)	61,337
Changes during period					
Dividends of surplus			(3,169)		(3,169)
Profit attributable to owners of parent			7,500		7,500
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		48		24	73
Net changes in items other than shareholders' equity					
Total changes during period	–	48	4,331	23	4,403
Balance at end of period	3,451	4,359	58,550	(620)	65,740

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans		
Balance at beginning of period	1,745	1,730	77	64,890
Changes during period				
Dividends of surplus			(3)	(3,172)
Profit attributable to owners of parent				7,500
Purchase of treasury shares				(0)
Disposal of treasury shares				73
Net changes in items other than shareholders' equity	1,870	5	31	1,907
Total changes during period	1,870	5	28	6,308
Balance at end of period	3,615	1,735	106	71,199

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	7,627	10,399
Depreciation	1,922	1,925
Impairment losses	531	–
Amortization of goodwill	346	95
Loss on tax purpose reduction entry of non-current assets	180	–
Subsidy income	(180)	–
Loss compensation for damage	346	–
Increase (decrease) in retirement benefit liability	(2)	(13)
Increase (decrease) in allowance for doubtful accounts	(19)	(72)
Increase (decrease) in provision for loss on construction contracts	(85)	(48)
Loss (gain) on sale of investment securities	–	(1,084)
Decrease (increase) in retirement benefit asset	(512)	(763)
Interest and dividend income	(262)	(321)
Decrease (increase) in trade receivables	(3,387)	267
Decrease (increase) in investments in leases	(290)	(240)
Decrease (increase) in costs on construction contracts in progress	517	(761)
Decrease (increase) in other inventories	(325)	(125)
Increase (decrease) in trade payables	(942)	(1,275)
Decrease (increase) in accounts receivable - other	207	(287)
Increase (decrease) in accounts payable - other	(4,583)	(177)
Increase (decrease) in advances received on construction contracts in progress	405	451
Increase (decrease) in accrued expenses	394	(743)
Increase (decrease) in accrued consumption taxes	339	(562)
Other, net	169	(632)
Subtotal	2,396	6,027
Interest and dividends received	244	350
Interest paid	(54)	(66)
Compensation paid for damage	(345)	–
Income taxes paid	(2,778)	(2,305)
Net cash provided by (used in) operating activities	(536)	4,007
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,480)	(1,986)
Proceeds from sale of property, plant and equipment	160	3
Purchase of investment securities	(100)	(116)
Proceeds from sale and redemption of investment securities	0	3,052
Purchase of intangible assets	(80)	(51)
Proceeds from the liquidation of subsidiaries and associates	46	–
Loan advances	–	(70)
Proceeds from collection of loans receivable	3	157
Subsidies received	180	–
Other, net	87	(41)
Net cash provided by (used in) investing activities	(1,180)	947

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(340)	420
Proceeds from long-term borrowings	2,040	1,980
Repayments of long-term borrowings	(3,257)	(2,970)
Redemption of bonds	(31)	–
Purchase of treasury shares	(8)	(3)
Dividends paid	(2,669)	(3,163)
Dividends paid to non-controlling interests	(6)	(3)
Other, net	(7)	52
Net cash provided by (used in) financing activities	(4,280)	(3,688)
Net increase (decrease) in cash and cash equivalents	(5,997)	1,266
Cash and cash equivalents at beginning of period	22,306	16,308
Cash and cash equivalents at end of period	16,308	17,575

(5) Notes to Consolidated Financial Statements

(Going concern)

Not applicable.

(Basis for preparation)

1. Scope of consolidation

Number of consolidated subsidiaries: 15

Yonko Business Co., Ltd., CADEWA SERVICE Co., Ltd., Accel Tokushima Corporation, Kochi Create Corporation, Accel Matsuyama Corporation, Kagawa Create Corporation, Yonko Solar Co., Ltd., Arimoto Oncho Corporation, AI DENKI TSUSHIN Co., Ltd., RYOUEI SETSUBI KOUGYOU Co., Ltd., kansaisetubi, Co., Ltd., Nio Solar Power Co., Ltd., Kuwano Solar Power Co., Ltd., Yokoyama Kogyo Co., Ltd., and BELTEC Co., Ltd.

Names of unconsolidated subsidiaries

Utazu School Lunch Service Co., Ltd., Tokushima Agriculture, Forestry and Fisheries PFI Service Co., Ltd., Ozu School Lunch PFI Service Co., Ltd., Tokushima Denko Co., Ltd., Nankai Denko Co., Ltd., Kagawa Denko Co., Ltd., KOEI TSUKEN CORPORATION, Suzuki Architectural Design Office, Maruken Co., Ltd., Issuisha Co., Ltd., and Yondenko Vietnam Company Limited

These subsidiaries are unconsolidated because they are both small and their impact is immaterial in terms of their collective total assets, net sales, profit or loss, and retained earnings.

2. Scope of equity method

Unconsolidated subsidiaries and associates are not subject to the application of the equity method because their collective impact is immaterial in terms of profit and retained earnings.

Names of unconsolidated subsidiaries that do not apply the equity method

Utazu School Lunch Service Co., Ltd., Tokushima Agriculture, Forestry and Fisheries PFI Service Co., Ltd., Ozu School Lunch PFI Service Co., Ltd., Tokushima Denko Co., Ltd., Nankai Denko Co., Ltd., Kagawa Denko Co., Ltd., KOEI TSUKEN CORPORATION, Suzuki Architectural Design Office, Maruken Co., Ltd., Issuisha Co. Ltd., and Yondenko Vietnam Company Limited

Names of non-equity method associates

Kochi Nakoyama Solar Farm Co., Ltd., Kasaoka School Lunch PFI Service Co., Ltd., Ozu School PFI Service Co., Ltd., Matsuyama School Air Conditioning PFI Service Co., Ltd., Seiyo Town Development Service Co., Ltd., Tokushima Prefectural Police PFI Service Co., Ltd., Saijo School Air Conditioning PFI Service Co., Ltd., and Miki Town School Lunch Facility Co., Ltd.

3. Fiscal year-end of consolidated subsidiaries

The fiscal year of consolidated subsidiaries AI DENKI TSUSHIN Co., Ltd., RYOUEI SETSUBI KOUGYOU Co., Ltd., kansaisetubi, Co., Ltd., Yokoyama Kogyo Co., Ltd., and BELTEC Co., Ltd. ends on December 31, and the fiscal year of Arimoto Oncho Corporation ends on January 31. The consolidated financial statements are prepared using the subsidiary's financial statements as is, adjusted for the effects of important transactions in the subsequent period up to the consolidated fiscal year-end.

Otherwise, consolidated subsidiaries have the same fiscal year as that of the Company.

4. Accounting policies

(1) Valuation of assets

Securities

Available-for-sale securities

Securities with market prices

These securities are carried at fair value, with cost measured using the moving average method and valuation differences recognized in other comprehensive income.

Securities without market prices*

*Equity claims that are not traded on a market, such as unlisted shares and investments in capital

Carried at cost using the moving average method

Inventories

1) Costs on construction contracts in progress

Carried at cost based on individual identification

2) Other inventories

These assets are carried at cost based on the monthly periodic average method by writing down any significant decline in profitability.

(2) Depreciation and amortization

Property, plant and equipment

1) Buildings and structures

Mainly the declining balance method

Useful life is calculated based on the same standards as those specified in the Corporation Tax Act.

2) Machinery, vehicles, tools, furniture and fixtures

Mainly the straight-line method

Useful life is calculated based on the same standards as those specified in the Corporation Tax Act.

Intangible assets

1) Software for sale

The straight-line method over their expected useful life

2) Other

Straight-line method

(3) Provisions

Allowance for doubtful accounts

The amount of receivables expected to be unrecoverable are recorded as an allowance for doubtful accounts, estimated based on historical credit losses in the case of general receivables and individual recoverability in the case of doubtful receivables to prepare for credit losses mainly on trade receivables and loans.

Provision for loss on construction contracts

The estimated loss expected to arise from construction work in progress is recorded at consolidated fiscal year-end to prepare for future losses on orders received.

Provision for retirement benefits for directors (and other officers)

The amount of retirement benefits payable to directors and other officers at consolidated subsidiaries if all their employees were to seek voluntary retirement at consolidated fiscal year-end is recorded based on internal regulations on retirement benefits to provide for the payment of retirement benefits to directors.

(4) Retirement benefit accounting

1) Attributing benefit to periods of service

The benefit formula is used to attribute expected retirement benefits to periods up to the consolidated fiscal year-end for the measurement of retirement benefit obligations.

2) Accounting for actuarial gains and losses and past service cost

Actuarial gains or losses are amortized, using the straight-line method over a designated period (5 years) within the average remaining years of service of employees at the time when the gains or losses arise, beginning in the fiscal year after they arise.

Past service cost is expensed from the time it is incurred using the straight-line method over a designated period (5 years) within the average remaining years of service of employees at the time when the cost arises.

(5) Revenue and expenses

The main performance obligations in the major businesses and the typical timing at which revenue is recognized are as follows:

1) Revenue from contracts with customers

a. Equipment installation business

In the equipment installation business, the Company is obligated to carry out and deliver mainly power distribution work, power transmission and civil engineering work, electrical and instrumentation work, air conditioning and plumbing work, information and communications work for orders received under contracts with customers. In principle, revenue is recognized for all construction work over time as performance obligations are satisfied. The progress toward satisfaction of performance obligations is estimated using the input method based on costs incurred.

However, if the progress toward satisfaction of performance obligations cannot be estimated using the input method based on costs incurred, but it is expected that the costs incurred in satisfying such performance obligations will be recovered, revenue is recognized using the cost recovery method for performance obligations that are satisfied over time.

The amount of revenue recognized over time as performance obligations were satisfied was ¥40,563 million.

In addition, for construction work based on power distribution construction contracts and other construction contracts where the period from the start of the transaction to the time when performance obligations are expected to be fully satisfied is very short, alternative treatment is applied and revenue is recognized at the time when performance obligations are satisfied.

Promised consideration in the equipment installation business is generally received within two months after the delivery of the construction work, which is the point at which performance obligations are satisfied, and does not have any significant financing components.

b. Solar power business

In the solar power business, the Company sells electricity generated by solar power. Performance obligations are considered to be satisfied when the Company supplies generated electricity to a customer under a contract, and revenue is recognized based on the amount specified in the contract according to the amount of electricity generated.

Promised consideration in the solar power business is generally received within one month of the satisfaction of performance obligations and does not have any significant financial components.

2) Revenue other than revenue from contracts with customers

Leasing business

In the leasing business, the Company mainly engages in finance lease transactions mainly of construction machinery, vehicles, equipment that do not transfer ownership. Revenue is recognized when lease payments are received. For installment sales transactions included in the leasing business, revenue is recognized only for the interest accrued over the installment payment period, which is from the delivery date of the goods to the final settlement date.

(6) Amortization of goodwill

Goodwill is amortized using the straight-line method over a reasonable period determined on a case-by-case basis not exceeding 20 years, provided it is amortized in full at the time of accrual if the amount is immaterial.

(7) Cash and cash equivalents

Funds (cash and cash equivalents) in the consolidated statements of cash flows consist of cash on hand, demand deposits and other deposits.

(Changes in presentation)

(Consolidated Balance Sheets)

“Accounts payable - other” under “Current liabilities,” which was presented separately in the previous fiscal year, has been included in “Other” as of the current fiscal year due to a decrease in monetary significance resulting from a change in the Company’s payment terms implemented in the previous fiscal year (abolition of payments by promissory note and factoring, and switch to cash transfers). To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, “Accounts payable - other” of ¥884 million and “Other” of ¥4,436 million, which were presented under “Current liabilities” in the consolidated balance sheets for the previous fiscal year, have been reclassified as “Other” of ¥5,320 million.

(Revenue recognition)

1. Disaggregation of revenue from contracts with customers

Disaggregation of revenue from contracts with customers is presented in “Notes (Segment information).”

2. Basic information on revenue from contracts with customers

Details are shown in “(Basis for preparation) 4. Accounting policies (5) Revenue and expenses” in these notes to the consolidated financial statements.

3. Contract balances and remaining performance obligations

(1) Contract balances

The balances of receivables, contract assets, and contract liabilities arising from contracts with customers are as follows:

(Million yen)

	For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026	
	Beginning balance	Ending balance	Beginning balance	Ending balance
Receivables from contracts with customers				
Notes receivable - trade	709	550	550	116
Accounts receivable from completed construction contracts and other	18,130	20,132	20,132	19,851
Contract assets	4,785	6,129	6,129	7,490
Contract liabilities	1,614	2,020	2,020	2,471

(Notes) 1. Receivables from contracts with customers

Receivables from contracts with customers consist of receivables for delivered construction work in the equipment installation business, receivables invoiced based on contracts with customers with revenue recognized over time as performance obligations are satisfied, and receivables for performance obligations that are satisfied at a certain point in time mainly in the solar power business. In the equipment installation business and in the solar power business, payments for these receivables are made generally within two months and one month, respectively, after the delivery of construction work, which is the point at which the performance obligations are satisfied.

2. Contract assets

Contract assets are rights to consideration received in exchange for the satisfaction of performance obligations in the Group's equipment installation business, excluding receivables, measured based on the progress toward satisfaction as of the end of the reporting period. The Group recognizes contract assets in advance for the revenue recognized upon satisfaction of performance obligations, and contract assets are reclassified to receivables at the time when they have been inspected and accepted by the customer, and payment is invoiced to the customer.

Contract assets primarily increase due to the recognition of revenue upon the satisfaction of performance obligations in the equipment installation business, and decrease when they are inspected and accepted by the customer, and payment is invoiced to the customer.

3. Contract liabilities

Contract liabilities relate to consideration received in advance of the provision of services under a contract in the Group's equipment installation business, and are reclassified to revenue when the Group satisfies its performance obligations under the contract.

Contract liabilities primarily increase due to the receipt of advances received on construction contracts in progress in the equipment installation business, and decrease due to the satisfaction of performance obligations.

The amount of revenue recognized in the previous consolidated fiscal year that was included in the contract liability balance at the beginning of the fiscal year was ¥1,282 million.

The amount of revenue recognized in the current consolidated fiscal year that was included in the contract liability balance at the beginning of the fiscal year was ¥1,803 million.

In addition, the amount of revenue recognized in the previous and current fiscal years from performance obligations satisfied (or partially satisfied) in previous fiscal years were immaterial.

(2) Transaction price allocated to the remaining performance obligations

The total transaction price allocated to the remaining performance obligations and expected timing of revenue recognition are as follows. These performance obligations belong to the equipment installation business.

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
One year or less	36,265	46,700
More than one year	11,435	10,292
Total	47,700	56,992

(Segment information)

1. Overview of reportable segments

Reportable segments are components of the Company for which discrete financial information is available and operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

The Company engages in contracted work for all types of equipment installation work. The Company outsources some of the work to consolidated subsidiaries, while also constructing some of the Group's own equipment.

The construction work undertaken by the Company is closely inter-related in terms of type of work, customer and order-taking. Therefore, the Company comprehensively manages equipment installation as a single business.

In addition, consolidated subsidiary Yonko Business Co., Ltd. operates the leasing business mainly for construction machinery, while the Company and its consolidated subsidiaries Yonko Solar Co., Ltd., Nio Solar Power Co., Ltd., and Kuwano Solar Power Co., Ltd. operate the solar power business. These businesses are managed separately from the equipment installation business.

Accordingly, the Group is composed of segments based on businesses, with three reportable segments: the equipment installation business, the leasing business, and the solar power business.

In the equipment installation business, the Group engages in contracted power distribution work, power transmission and civil engineering work, electrical and instrumentation work, air conditioning and plumbing work, and information and communications work. In the leasing Business, the Group mainly leases out construction machinery, vehicles and equipment. In the solar power business, the Group sells electricity generated by solar power.

2. Measurement of financial indicators by reportable segment

The accounting methods applied to reportable segments are generally the same as those described in “Basis for preparation.” Segment profit is equal to operating profit. Inter-segment sales and transfers are based on prevailing market prices.

Assets are not allocated to individual business segments. In addition, depreciation for company-wide and common depreciable assets is allocated to individual business segments mainly based on their share of net sales.

3. Financial indicators by reportable segment and disaggregation of revenue

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Equipment installation business	Leasing business	Solar power business	Total				
Net sales								
Revenue from power distribution work contracts	33,900	—	—	33,900	—	33,900	—	33,900
Revenue from other equipment installation work	66,946	—	—	66,946	—	66,946	—	66,946
Other	—	—	2,110	2,110	1,346	3,457	—	3,457
Revenue from contracts with customers	100,847	—	2,110	102,957	1,346	104,304	—	104,304
Revenue from other sources	—	1,573	—	1,573	—	1,573	—	1,573
Net sales to external customers	100,847	1,573	2,110	104,531	1,346	105,877	—	105,877
Inter-segment sales or transfers	494	1,211	—	1,705	0	1,706	(1,706)	—
Total	101,341	2,784	2,110	106,236	1,347	107,583	(1,706)	105,877
Segment profit	6,852	266	800	7,920	209	8,129	(56)	8,073
Other items								
Depreciation	1,180	3	770	1,954	66	2,020	(98)	1,922
Amortization of goodwill	346	—	—	346	—	346	—	346

(Notes) 1. “Other” represents business segments outside of reportable segments, including CAD software sales and designated administrator projects.

2. Adjustments to net sales and segment profit mainly comprise the elimination of inter-segment transactions.

3. Segment profit has been adjusted to match operating profit in the consolidated statements of income.

For the fiscal year ended March 31, 2026

(Million yen)

	Reportable segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Equipment installation business	Leasing business	Solar power business	Total				
Net sales								
Revenue from power distribution work contracts	35,010	—	—	35,010	—	35,010	—	35,010
Revenue from other equipment installation work	58,850	—	—	58,850	—	58,850	—	58,850
Other	—	—	2,259	2,259	1,545	3,805	—	3,805
Revenue from contracts with customers	93,860	—	2,259	96,119	1,545	97,665	—	97,665
Revenue from other sources	—	1,783	—	1,783	—	1,783	—	1,783
Net sales to external customers	93,860	1,783	2,259	97,903	1,545	99,448	—	99,448
Inter-segment sales or transfers	174	1,244	—	1,418	0	1,419	(1,419)	—
Total	94,034	3,027	2,259	99,321	1,546	100,868	(1,419)	99,448
Segment profit	7,311	272	938	8,522	303	8,826	(3)	8,822
Other items								
Depreciation	1,174	5	779	1,959	66	2,025	(100)	1,925
Amortization of goodwill	95	—	—	95	—	95	—	95

(Notes) 1. “Other” represents business segments outside of reportable segments, including CAD software sales and designated administrator projects.

2. Adjustments to net sales and segment profit mainly comprise the elimination of inter-segment transactions.

3. Segment profit has been adjusted to match operating profit in the consolidated statements of income.

[Impairment losses on non-current assets by reportable segment]

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment				Other	Company-wide/ Elimination	Total
	Equipment installation business	Leasing business	Solar power business	Total			
Impairment losses	172	—	—	172	358	—	531

For the fiscal year ended March 31, 2026

Not applicable.

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	¥1,370.87	¥1,501.91
Basic earnings per share	¥109.46	¥158.51

(Notes) 1. Diluted basic earnings per share are not stated as there are no dilutive potential shares.

2. The Company conducted a stock split on October 1, 2024, at a ratio of 3 shares for 1 common share.

Basic earnings per share are calculated assuming that the stock split had taken place at the beginning of the previous consolidated fiscal year.

3. The basis for calculating basic earnings per share is as follows:

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit attributable to owners of parent (million yen)	5,173	7,500
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	5,173	7,500
Average number of common shares outstanding during the period (thousands of shares)	47,264	47,318

(Significant subsequent events)

Not applicable.

6. Non-consolidated Financial Statements and Primary Notes

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	4,414	6,970
Notes receivable - trade	491	112
Electronically recorded monetary claims - operating	2,095	1,216
Accounts receivable from completed construction contracts	22,402	22,437
Costs on construction contracts in progress	1,774	2,626
Raw materials and supplies	2,194	2,306
Prepaid expenses	103	181
Short-term loans receivable from subsidiaries and associates	47	100
Accounts receivable - other	766	1,076
Deposits paid to subsidiaries and associates	7,500	5,000
Other	157	558
Allowance for doubtful accounts	(5)	(4)
Total current assets	41,943	42,580
Non-current assets		
Property, plant and equipment		
Buildings	14,764	14,787
Accumulated depreciation	(10,192)	(10,485)
Buildings, net	4,572	4,302
Structures	2,190	2,192
Accumulated depreciation	(1,747)	(1,790)
Structures, net	443	401
Machinery and vehicles	759	758
Accumulated depreciation	(585)	(613)
Machinery and vehicles, net	173	144
Tools, furniture and fixtures	1,072	1,063
Accumulated depreciation	(995)	(999)
Tools, furniture and fixtures, net	77	63
Land	10,216	10,240
Leased assets	3,657	3,636
Accumulated depreciation	(1,944)	(1,908)
Leased assets, net	1,712	1,728
Construction in progress	102	1,312
Total property, plant and equipment	17,298	18,194

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Intangible assets		
Leasehold interests in land	7	9
Software	95	85
Other	33	32
Total intangible assets	135	128
Investments and other assets		
Investment securities	8,710	11,581
Shares of subsidiaries and associates	9,430	7,393
Long-term loans receivable from subsidiaries and associates	260	310
Long-term loans receivable from employees	12	9
Distressed receivables	1	1
Long-term prepaid expenses	20	52
Prepaid pension costs	3,124	3,888
Deferred tax assets	1,264	133
Other	356	365
Allowance for doubtful accounts	(48)	(47)
Total investments and other assets	23,132	23,687
Total non-current assets	40,567	42,011
Total assets	82,510	84,591

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable for construction contracts	12,801	11,242
Lease liabilities	657	639
Accounts payable - other	679	496
Accrued expenses	1,910	1,163
Income taxes payable	1,708	1,889
Accrued consumption taxes	1,807	1,158
Advances received on construction contracts in progress	1,234	1,698
Deposits received	2,727	2,555
Provision for loss on construction contracts	151	42
Other	3	3
Total current liabilities	23,683	20,888
Non-current liabilities		
Lease liabilities	1,361	1,395
Provision for retirement benefits	2,851	2,829
Other	80	80
Total non-current liabilities	4,292	4,305
Total liabilities	27,976	25,193
Net assets		
Shareholders' equity		
Share capital	3,451	3,451
Capital surplus		
Legal capital surplus	4,209	4,209
Other capital surplus	101	150
Total capital surplus	4,311	4,359
Retained earnings		
Legal retained earnings	862	862
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	446	445
General reserve	29,700	29,700
Retained earnings brought forward	14,686	17,638
Total retained earnings	45,695	48,647
Treasury shares	(644)	(620)
Total shareholders' equity	52,813	55,837
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,721	3,559
Total valuation and translation adjustments	1,721	3,559
Total net assets	54,534	59,397
Total liabilities and net assets	82,510	84,591

(2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales		
Net sales of completed construction contracts	92,700	82,440
Net sales in sideline businesses	1,407	1,632
Total net sales	94,108	84,072
Cost of sales		
Cost of sales of completed construction contracts	77,928	68,475
Cost of sales in sideline businesses	926	1,033
Total cost of sales	78,855	69,508
Gross profit		
Gross profit on completed construction contracts	14,771	13,964
Gross profit on sideline businesses	481	599
Total gross profit	15,253	14,564
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	193	197
Employees' salaries and allowances	4,035	3,930
Retirement benefit expenses	68	(1)
Legal welfare expenses	670	650
Welfare expenses	229	238
Repair and maintenance expenses	74	86
Stationery expenses	375	272
Communication and transportation expenses	182	189
Power utilities expenses	95	90
Research study expenses	84	63
Education and training expenses	548	538
Advertising expenses	80	92
Provision of allowance for doubtful accounts	(9)	(0)
Entertainment expenses	66	54
Donations	31	16
Rent expenses on land and buildings	198	203
Depreciation	380	348
Taxes and dues	424	410
Insurance expenses	10	9
Administrative outsourcing expenses	8	8
Miscellaneous expenses	717	758
Total selling, general and administrative expenses	8,465	8,160
Operating profit	6,787	6,403

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Non-operating income		
Interest income	16	55
Interest on securities	1	1
Dividend income	346	597
Dividend income of life insurance	69	65
Rental income from real estate	75	75
Other	86	75
Total non-operating income	594	870
Non-operating expenses		
Interest expenses	109	123
Condolence money	–	15
Other	22	23
Total non-operating expenses	131	161
Ordinary profit	7,250	7,113
Extraordinary income		
Gain on sale of non-current assets	1	–
Gain on sale of shares of subsidiaries and associates	–	1,084
Total extraordinary income	1	1,084
Extraordinary losses		
Impairment losses	358	–
Loss on retirement of non-current assets	28	6
Compensation for damage	346	–
Total extraordinary losses	733	6
Profit before income taxes	6,519	8,191
Income taxes - current	2,098	1,780
Income taxes - deferred	(340)	290
Total income taxes	1,757	2,070
Profit	4,761	6,120

(3) Non-consolidated Statements of Changes in Equity

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

(Million yen)

	Shareholders' equity			
	Share capital	Capital surplus		Retained earnings
		Legal capital surplus	Other capital surplus	Legal retained earnings
Balance at beginning of period	3,451	4,209	63	862
Changes during period				
Provision of reserve for tax purpose reduction entry of non-current assets				
Reversal of reserve for tax purpose reduction entry of non-current assets				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares			38	
Net changes in items other than shareholders' equity				
Total changes during period	—	—	38	—
Balance at end of period	3,451	4,209	101	862

	Shareholders' equity					Valuation and translation adjustments	Total net assets
	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
	Other retained earnings						
	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward				
Balance at beginning of period	687	29,700	12,362	(663)	50,672	1,922	52,595
Changes during period							
Provision of reserve for tax purpose reduction entry of non-current assets					—		—
Reversal of reserve for tax purpose reduction entry of non-current assets	(240)		240		—		—
Dividends of surplus			(2,677)		(2,677)		(2,677)
Profit			4,761		4,761		4,761
Purchase of treasury shares				(1)	(1)		(1)
Disposal of treasury shares				20	59		59
Net changes in items other than shareholders' equity						(201)	(201)
Total changes during period	(240)	—	2,324	19	2,141	(201)	1,939
Balance at end of period	446	29,700	14,686	(644)	52,813	1,721	54,534

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Shareholders' equity			
	Share capital	Capital surplus		Retained earnings
		Legal capital surplus	Other capital surplus	Legal retained earnings
Balance at beginning of period	3,451	4,209	101	862
Changes during period				
Provision of reserve for tax purpose reduction entry of non-current assets				
Reversal of reserve for tax purpose reduction entry of non-current assets				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Disposal of treasury shares			48	
Net changes in items other than shareholders' equity				
Total changes during period	–	–	48	–
Balance at end of period	3,451	4,209	150	862

	Shareholders' equity					Valuation and translation adjustments	Total net assets
	Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
	Other retained earnings						
	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward				
Balance at beginning of period	446	29,700	14,686	(644)	52,813	1,721	54,534
Changes during period							
Provision of reserve for tax purpose reduction entry of non-current assets	0		(0)		–		–
Reversal of reserve for tax purpose reduction entry of non-current assets	(1)		1		–		–
Dividends of surplus			(3,169)		(3,169)		(3,169)
Profit			6,120		6,120		6,120
Purchase of treasury shares				(0)	(0)		(0)
Disposal of treasury shares				24	73		73
Net changes in items other than shareholders' equity						1,838	1,838
Total changes during period	(0)	–	2,952	23	3,023	1,838	4,862
Balance at end of period	445	29,700	17,638	(620)	55,837	3,559	59,397

(4) Notes to Non-consolidated Financial Statements

(Going concern)

Not applicable.

7. Breakdown of Non-consolidated Financial Results by Construction Work and Customer

1) Orders received by type of construction

(Million yen)

Classification	For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Power distribution work	35,236	40.2	37,519	40.2	2,282	6.5
Power transmission and civil engineering work	5,937	6.8	5,763	6.2	(173)	(2.9)
Electrical and instrumentation work	29,302	33.4	32,728	35.1	3,425	11.7
Air conditioning and plumbing work	11,675	13.3	11,203	12.0	(472)	(4.0)
Information and communications work	4,066	4.7	4,515	4.8	449	11.1
Sideline businesses	1,407	1.6	1,632	1.7	224	15.9
Total	87,626	100.0	93,364	100.0	5,737	6.5

2) Orders received by customer

(Million yen)

Classification	For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Shikoku Electric Power Group*	41,492	47.3	44,017	47.2	2,525	6.1
Government offices	7,149	8.2	8,133	8.7	984	13.8
Private sector	38,985	44.5	41,212	44.1	2,227	5.7
Total	87,626	100.0	93,364	100.0	5,737	6.5

3) Sales results by type of construction

(Million yen)

Classification	For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Power distribution work	35,369	37.6	36,753	43.7	1,383	3.9
Power transmission and civil engineering work	5,091	5.4	5,255	6.3	163	3.2
Electrical and instrumentation work	35,528	37.8	26,594	31.6	(8,933)	(25.1)
Air conditioning and plumbing work	10,840	11.5	9,222	11.0	(1,618)	(14.9)
Information and communications work	5,870	6.2	4,614	5.5	(1,255)	(21.4)
Sideline businesses	1,407	1.5	1,632	1.9	224	15.9
Total	94,108	100.0	84,072	100.0	(10,035)	(10.7)

4) Sales results by customer

(Million yen)

Classification	For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Shikoku Electric Power Group*	41,119	43.7	42,771	50.9	1,651	4.0
Government offices	8,828	9.4	8,090	9.6	(737)	(8.4)
Private sector	44,160	46.9	33,210	39.5	(10,950)	(24.8)
Total	94,108	100.0	84,072	100.0	(10,035)	(10.7)

5) Construction contracts carried over by type of construction

(Million yen)

Classification	As of March 31, 2025		As of March 31, 2026		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Power distribution work	5,268	11.0	6,034	10.6	766	14.6
Power transmission and civil engineering work	3,760	7.9	4,269	7.5	508	13.5
Electrical and instrumentation work	27,364	57.4	33,497	58.8	6,133	22.4
Air conditioning and plumbing work	8,323	17.4	10,304	18.1	1,981	23.8
Information and communications work	2,984	6.3	2,885	5.0	(98)	(3.3)
Sideline businesses	—	—	—	—	—	—
Total	47,700	100.0	56,992	100.0	9,291	19.5

6) Construction contracts carried over by customer

(Million yen)

Classification	As of March 31, 2025		As of March 31, 2026		Change	Rate of change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)		
Shikoku Electric Power Group*	8,967	18.8	10,213	17.9	1,246	13.9
Government offices	8,257	17.3	8,300	14.6	42	0.5
Private sector	30,475	63.9	38,477	67.5	8,001	26.3
Total	47,700	100.0	56,992	100.0	9,291	19.5

*Shikoku Electric Power Group: Shikoku Electric Power Company, Incorporated, Shikoku Electric Power Transmission & Distribution Company, Incorporated and YONDEN T&D Service Company, Incorporated