CONSOLIDATED BALANCE SHEET

TOA CORPORATION and its consolidated subsidiaries
As of 31 March 2025 and 2026

ASSETS	Millions of Japanese Yen 31 March 2025	Millions of Japanese Yen 31 March 2026	Thousands of U.S. Dollars 31 March 2026
Current assets:			
Cash and bank deposits	¥ 41,605	¥ **49,380**	$ **310,569**
Notes and accounts receivable, trade (Notes 7 and 13)	172,487	**157,782**	**992,340**
Cost on construction contracts in progress and other (Note 7)	5,612	**3,733**	**23,478**
Real estate for sale	2,277	**2,430**	**15,287**
Advanced money	14,306	**18,842**	**118,505**
Other current assets (Note 7)	6,344	**8,537**	**53,696**
Allowance for doubtful accounts	(9)	**(2)**	**(17)**
Total current assets	242,624	**240,703**	**1,513,860**
Fixed assets:			
Property, plant and equipment:			
Buildings and structures (Notes 7 and 8)	14,927	**15,428**	**97,032**
Machinery, vehicles and equipment	31,050	**32,080**	**201,764**
Land (Note 8)	18,073	**17,899**	**112,574**
Leased assets	1,259	**1,276**	**8,026**
Construction in progress	496	**775**	**4,877**
Less accumulated depreciation	(33,093)	**(34,905)**	**(219,528)**
Total property, plant and equipment-net	32,714	**32,554**	**204,747**
Intangible assets:	794	**1,399**	**8,804**
Investments and other assets:			
Investments in securities (Notes 7, 13 and 14)	13,822	**14,733**	**92,663**
Long-term loans receivable (Note 7)	75	**66**	**420**
Asset for retirement benefit	5,179	**9,782**	**61,525**
Deferred tax assets	2,612	**4,592**	**28,881**
Other	2,365	**2,811**	**17,685**
Allowance for doubtful accounts	(1,250)	**(1,209)**	**(7,608)**
Total investments and other assets	22,805	**30,777**	**193,568**
Total fixed assets	56,314	**64,732**	**407,119**
Total assets	¥ 298,939	¥ **305,435**	$ **1,920,980**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

TOA CORPORATION and its consolidated subsidiaries
As of 31 March 2025 and 2026

LIABILITIES	Millions of Japanese Yen 31 March 2025	31 March 2026	Thousands of US Dollars 31 March 2026
Current liabilities:			
Notes and accounts payable, trade	¥ 44,937	¥ **49,876**	$ **313,688**
Electronically recorded obligations, operating	14,628	**13,526**	**85,074**
Short-term borrowings (Note 7)	29,510	**10,050**	**63,212**
Commercial papers	6,000	**-**	**-**
Accrued income taxes	5,727	**8,981**	**56,487**
Advances received on construction contracts in progress (Notes 7 and 20)	18,099	**17,191**	**108,125**
Deposits received	39,297	**39,740**	**249,941**
Reserve for indemnity on completed contracts	921	**1,190**	**7,488**
Reserve for loss on construction works (Note 7)	3,214	**8,892**	**55,930**
Reserve for director's bonuses	85	**215**	**1,355**
Provision for employee stock ownership plan trust	-	**2,147**	**13,504**
Other current liabilities	8,085	**14,814**	**93,171**
Total current liabilities	170,508	**166,628**	**1,047,980**
Long-term liabilities:			
Corporate bonds	5,000	**5,000**	**31,446**
Long-term debt (Notes 7 and 13)	9,960	**10,085**	**63,429**
Deferred tax liabilities on revaluation of land (Notes 7 and 17)	2,208	**2,202**	**13,853**
Liability for retirement benefits	629	**699**	**4,399**
Provision for board benefit trust	404	**1,133**	**7,128**
Provision for employee stock ownership plan trust	814	**-**	**-**
Other long-term liabilities	1,538	**1,759**	**11,068**
Total long-term liabilities	20,556	**20,880**	**131,325**
Total liabilities	191,065	**187,509**	**1,179,305**
Net assets:			
Shareholders' equity:			
Common stock	18,976	**18,976**	**119,350**
Capital surplus	17,699	**22,724**	**142,921**
Retained earnings	66,912	**76,940**	**483,903**
Treasury stock	(7,541)	**(16,515)**	**(103,869)**
Total shareholders' equity	96,047	**102,126**	**642,304**
Accumulated other comprehensive income:			
Net unrealized gains (losses) on securities	4,886	**6,093**	**38,325**
Net deferred gains (losses) on hedges	1	**125**	**786**
Revaluation reserve for land (Note 7)	3,222	**3,245**	**20,409**
Foreign Currency Translation Adjustment	1	**(29)**	**(182)**
Retirement benefits liability adjustments	2,387	**4,975**	**31,292**
Total accumulated other comprehensive income	10,499	**14,410**	**90,632**
Non-controlling interests	1,327	**1,389**	**8,737**
Total net assets	107,873	**117,926**	**741,674**
Total liabilities and net assets	¥ 298,939	¥ **305,435**	$ **1,920,980**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF INCOME

TOA CORPORATION and its consolidated subsidiaries
As of 31 March 2025 and 2026

	Millions of Japanese Yen		Thousands of US Dollars
	31 March 2025	**31 March 2026**	**31 March 2026**
Net sales (Note 8)	¥ 330,472	**¥ 358,697**	**$ 2,255,956**
Cost of sales (Note 8)	295,500	**316,832**	**1,992,658**
Gross profit	34,971	**41,864**	**263,298**
Selling, general and administrative expenses (Note 8)	14,349	**17,665**	**111,101**
Operating income	20,621	**24,199**	**152,196**
Non-operating income:			
Interest income	74	**136**	**858**
Dividend income	379	**482**	**3,035**
Exchange gain	-	**602**	**3,789**
Other	61	**82**	**521**
Total non-operating income	515	**1,304**	**8,204**
Non-operating expenses:			
Interest expense	464	**628**	**3,952**
Guarantee fee	178	**151**	**952**
Exchange loss	299	**-**	**-**
Other	121	**123**	**774**
Total non-operating expenses	1,063	**902**	**5,678**
Ordinary profit	20,073	**24,600**	**154,722**
Extraordinary income:			
Gain on sale of fixed assets (Note 8)	30	**27**	**173**
Gain on sale of investment in securities	1,112	**1,402**	**8,817**
Subsidy income	7	**-**	**-**
Other	7	**-**	**-**
Total extraordinary income	1,158	**1,429**	**8,991**
Extraordinary losses:			
Loss on sale of fixed assets (Note 8)	0	**16**	**102**
Loss on disposal of fixed assets (Note 8)	145	**124**	**785**
Loss on reduction of noncurrent assets	7	**-**	**-**
Loss on impairment of fixed assets (Note 8)	78	**188**	**1,187**
Other	7	**23**	**150**
Total extraordinary losses	238	**353**	**2,225**
Profit before income taxes	20,993	**25,676**	**161,488**
Income taxes:			
Current	6,207	**9,935**	**62,484**
Deferred	(368)	**(3,697)**	**(23,253)**
Total income taxes	5,839	**6,237**	**39,231**
Profit	15,154	**19,438**	**122,257**
Profit attributable to:			
Non-controlling interests	¥ 245	**¥ 77**	**$ 485**
Owners of parent	¥ 14,908	**¥ 19,361**	**$ 121,771**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TOA CORPORATION and its consolidated subsidiaries
As of 31 March 2025 and 2026

	Millions of Japanese Yen				Thousands of US Dollars	
		31 March 2025		**31 March 2026**		**31 March 2026**
Profit	¥	15,154	¥	**19,438**	$	**122,257**
Other comprehensive income:						
Net unrealized gains (losses) on securities		250		**1,206**		**7,591**
Net deferred gains (losses) on hedges		(0)		**124**		**780**
Revaluation reserve for land		(63)		**-**		**-**
Foreign Currency Translation Adjustment		48		**(45)**		**(287)**
Retirement benefits liability adjustments		(966)		**2,587**		**16,274**
Total other comprehensive income (Note 9)		(731)		**3,872**		**24,358**
Comprehensive income	¥	14,423	¥	**23,311**	$	**146,615**
Total comprehensive income attributable to:						
Owners of parent	¥	14,161	¥	**23,249**	$	**146,224**
Non-controlling interests	¥	261	¥	**62**	$	**390**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

TOA CORPORATION and its consolidated subsidiaries
As of 31 March 2025 and 2026

Millions of Japanese Yen

	Shareholders' equity				Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized gains (losses) on securities	Net deferred gains (losses) on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Retirement benefits liability adjustments		
Balance at March 31, 2024	¥18,976	¥19,270	¥55,294	(¥9,146)	¥4,636	¥1	¥3,277	(¥30)	¥3,354	¥1,065	¥96,700
Cash dividends			(3,282)								(3,282)
Profit attributable to owners of parent for the period			14,908								14,908
Acquisition of treasury stock				(242)							(242)
Sale of treasury stock		92		183							275
Cancellation of treasury stock		(1,664)		1,664							-
Revaluation reserve for land			(7)								(7)
Net changes in items other than shareholders' equity					250	(0)	(55)	32	(966)	261	(478)
Balance at March 31, 2025	¥18,976	¥17,699	¥66,912	(¥7,541)	¥4,886	¥1	¥3,222	¥1	¥2,387	¥1,327	¥107,873
Cash dividends			(9,310)								(9,310)
Profit attributable to owners of parent for the period			19,361								19,361
Acquisition of treasury stock				(10,920)							(10,920)
Sale of treasury stock		5,025		1,946							6,971
Cancellation of treasury stock											-
Revaluation reserve for land			(22)								(22)
Net changes in items other than shareholders' equity					1,206	124	22	(30)	2,587	62	3,973
Balance at March 31, 2026	**¥18,976**	**¥22,724**	**¥76,940**	**(¥16,515)**	**¥6,093**	**¥125**	**¥3,245**	**(¥29)**	**¥4,975**	**¥1,389**	**¥117,926**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

TOA CORPORATION and its consolidated subsidiaries
As of 31 March 2025 and 2026

Thousands of U.S. Dollars (Note 1)

	Shareholders' equity				Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Net unrealized gains (losses) on securities	Net deferred gains (losses) on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Retirement benefits liability adjustments		
Balance at March 31, 2025	$119,350	$111,316	$420,834	($47,431)	$30,734	$6	$20,265	$10	$15,017	$8,347	$678,451
Cash dividends			(58,559)								(58,559)
Profit attributable to owners of parent for the period			121,771								121,771
Acquisition of treasury stock				(68,681)							(68,681)
Sale of treasury stock		31,605		12,243							43,848
Cancellation of treasury stock											-
Revaluation reserve for land			(144)								(144)
Net changes in items other than shareholders' equity					7,591	780	144	(192)	16,274	390	24,987
Balance at March 31, 2026	**$119,350**	**$142,921**	**$483,903**	**($103,869)**	**$38,325**	**$786**	**$20,409**	**($182)**	**$31,292**	**$8,737**	**$741,674**

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries
As of 31 March 2025 and 2026

	Millions of Japanese Yen		Thousands of US Dollar
	31 March 2025	**31 March 2026**	**31 March 2026**
Cash flows from operating activities:			
Profit before income taxes	¥ 20,993	¥ **25,676**	$ **161,488**
Depreciation and amortization	3,270	**3,013**	**18,951**
Loss on impairment of fixed assets	78	**188**	**1,187**
Increase (decrease) in allowance for doubtful accounts	(15)	**(46)**	**(294)**
Increase (decrease) in provision for loss on construction contracts	1,000	**5,678**	**35,713**
Increase (decrease) in liability for retirement benefits	31	**(413)**	**(2,600)**
Increase (decrease) in allowance for director's corporate stock benefits	143	**749**	**4,715**
Increase (decrease) in allowance for employee's corporate stock benefits	304	**1,372**	**8,632**
Interest and dividend income	(454)	**(619)**	**(3,893)**
Interest expenses	465	**629**	**3,959**
Foreign exchange losses (gains)	92	**(323)**	**(2,036)**
Increase (decrease) in consumption tax payable	1,096	**4,183**	**26,309**
Loss (gain) on valuation of investment in securities	-	**0**	**0**
Loss (gain) on sale of investment in securities	(1,112)	**(1,398)**	**(8,796)**
Loss (gain) on sale of fixed assets and intangible assets	(30)	**(11)**	**(70)**
Loss on disposal of fixed assets and intangible assets	118	**125**	**787**
Decrease (increase) in notes and accounts receivable, trade	(40,492)	**14,680**	**92,332**
Decrease (Increase) in cost on construction contracts in progress and other	481	**1,878**	**11,817**
Decrease (increase) in real estate for sale	(625)	**79**	**498**
Decrease (Increase) in advanced money	(2,441)	**(4,536)**	**(28,528)**
Increase (decrease) in notes and accounts payable, trade	4,541	**3,838**	**24,138**
Increase (decrease) in advances received on construction contracts in progress	(4,619)	**(888)**	**(5,588)**
Increase (decrease) in deposits received	11,048	**443**	**2,788**
Other, net	(330)	**455**	**2,865**
Sub-total	(6,454)	**54,755**	**344,377**
Interest and dividend income received	452	**620**	**3,899**
Interest paid	(481)	**(597)**	**(3,760)**
Income taxes paid	(7,771)	**(6,771)**	**(42,590)**
Net cash (used in) provided by operating activities	(14,255)	**48,006**	**301,926**
Cash flows from investing activities:			
Payments for acquisition of property, plant and equipment	(1,544)	**(2,876)**	**(18,092)**
Proceeds from sale of property, plant and equipment	216	**67**	**427**
Payments for retirement of property, plant and equipment	(146)	**(25)**	**(159)**
Payments for acquisition of intangible assets	(259)	**(840)**	**(5,284)**
Payments for acquisition of investment in securities	(42)	**(110)**	**(695)**
Proceeds from sale of investment in securities	1,846	**2,404**	**15,120**
Payments of loans receivable	(4)	**(1)**	**(10)**
Collection of loans receivable	30	**16**	**100**
Other, net	(2)	**(176)**	**(1,108)**
Net cash (used in) provided by investing activities	93	**(1,542)**	**(9,702)**
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(253)	**(19,342)**	**(121,650)**
Net increase (decrease) in commercial papers	(2,000)	**(6,000)**	**(37,735)**
Proceeds from long-term debt	4,295	**4,125**	**25,943**
Repayment of long-term debt	(4,278)	**(4,140)**	**(26,041)**
Proceeds from issuance of bonds	5,000	**-**	**-**
Sale of treasury stock	242	**6,919**	**43,515**
Acquisition of treasury stock	(242)	**(6,920)**	**(43,525)**
Expenditures for establishing monetary trust for the purpose of acquiring treasury stock	-	**(4,000)**	**(25,157)**
Cash dividends paid	(3,261)	**(9,248)**	**(58,169)**
Other, net	(751)	**(513)**	**(3,232)**
Net cash (used in) provided by financing activities	(1,250)	**(39,122)**	**(246,052)**
Effect of exchange rate changes on cash and cash equivalents	(48)	**306**	**1,929**
Net increase (decrease) in cash and cash equivalents	(15,460)	**7,648**	**48,100**
Cash and cash equivalents at beginning of year	57,044	**41,583**	**261,532**
Cash and cash equivalents at end of year (Note 11)	¥ 41,583	¥ **49,231**	$ **309,633**

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

1.Significant Items that Form the Basis of Preparing Consolidated Financial Statements:

The accompanying consolidated financial statements of TOA CORPORATION (the "Company") and its consolidated subsidiaries (the "Companies") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan. Certain reclassifications and rearrangements were made for the convenience of readers outside of Japan.

As permitted by the Financial Instruments and Exchange Law of Japan, amounts of less than one million yen have been rounded down to the nearest million Japanese yen.

Ⅰ. Basis of consolidation

The Company has 15 majority-owned subsidiaries as of March 31, 2026. The consolidated financial statements for the year ended March 31, 2026, include the accounts of the Company and 9 majority-owned subsidiaries. Principal consolidated subsidiaries were TOA Agency Co., Ltd., Shinko Kensetsu Co., Ltd., and TOA Kikai Kogyo Co., Ltd.

Consolidated subsidiaries have the same financial period as the Company that ends on March 31, except for PT TOA TUNAS JAYA INDONESIA, whose financial period ends on December 31. To prepare the consolidated financial statements, the financial statements of that company as of its financial year end are used. Regarding significant transactions that occur during the period therefrom to the consolidated closing date, necessary adjustments are made for the consolidated financial statements.

As TOA BUILTEC Co., Ltd., a consolidated subsidiary of the Company, was liquidated as of July 1, 2025, as a result of absorption-type merger by TOA Real Estate Co., Ltd., which is another consolidated subsidiary of the Company and the surviving company, TOA BUILTEC is excluded from the scope of the consolidation from the current fiscal year. As of the abovementioned date, TOA Real Estate Co., Ltd. changed its name to TOA Reatech Co., Ltd.

As a result, the TOA Corporation Group has 9 consolidated subsidiaries as of March 31, 2026.

Other 6 subsidiaries are not consolidated as they are small in scale and not significant in terms of total assets, net sales, retained earnings or net income in aggregate.

Investments in unconsolidated subsidiaries (Kazusamagokoro Services Co., Ltd. and others) and affiliates (Sengenyama Developing Co., Ltd. and others) are excluded from application of the equity method as they are not significant in terms of net income or retained earnings in aggregate.

Ⅱ. Basis of accounting treatment

(1) Basis of valuation for significant assets

a) Securities

Securities held by the Companies are classified into three categories;

Held-to-maturity debt securities are carried at amortized cost.

Other non-marketable securities other than shares, etc. are stated at fair value. Net unrealized gains or losses on these securities are included directly in the net assets and cost of securities sold is computed by the moving average method.

Other non-marketable shares, etc. are stated at moving average cost method.

b) Derivatives

With changes in fair value included in net income or loss for the period in which they arise, derivatives are stated at fair value.

c) Inventories

Cost on construction contracts in progress, PFI projects and real estate for sale are stated at specific cost method for each contract. Materials and supplies are stated at moving average cost method.

However, in the case that net selling value falls below the acquisition cost at the end of the period, inventories except for cost on construction contracts in progress are carried at the net selling value on the balance sheet, regarded as decreased profitability of assets.

(2) Depreciation for property, plant and equipment and other

Except for leased assets, depreciation is principally computed by the declining-balance method at rates based on the estimated useful lives. However, depreciation of buildings which the Companies acquired on or after April 1, 1998, and facilities attached to buildings and other non-building structures acquired on or after April 1, 2016, are computed on a straight-line basis over the estimated period. Useful lives and residual value are in conformity with the provisions of the Corporation Tax Law of Japan.

As for intangible fixed assets excluding leased assets and long-term prepaid expenses, amortization is computed by the straight-line method and the useful lives are in conformity with the provisions of the Corporation Tax Law of Japan.

As for leased assets related to finance lease, other than those which are deemed to transfer ownership of the leased assets to the lessee, depreciation is principally computed by the straight-line method over the useful lives equivalent to lease term and residual value is equal to zero.

(3) Reserves and allowances

a) Allowance for doubtful accounts

Allowance for general receivables are established in amounts considered to be appropriate based upon credit loss experience. For specific receivables such as doubtful accounts, allowance for these are established in amounts considered to be uncollectible based upon an evaluation of possibility of collection in each outstanding receivable.

b) Reserve for indemnity on completed contracts

Reserve for indemnity on completed contracts is provided for the expenses required based on the liability for non-conformity of contracts related to completed construction based upon the estimated indemnity amount for net sales for the year.

c) Reserve for loss on construction works

Reserve for loss on construction works is provided for the amount equivalent to cover future loss by evaluating individual construction form which loss is assumed and estimated.

d) Reserve for bonuses for board of directors

Reserve for bonuses for board of directors is provided for the amount estimated to be paid to the members of the Board of Directors and the Executive Officers.

e) Provision for board benefit trust

Provision for board benefit trust is provided for the amount equivalent to cover future benefit obligations for members of the Board of Directors and the Executive Officers in accordance with the regulations of the board benefit trust.

f) Provision for employee stock ownership plan trust

Provision for employee stock ownership plan trust is provided for the amount equivalent to cover future benefit obligations for employees in accordance with the regulations of the employee benefit trust.

(4) Retirement benefits

Liabilities for retirement benefits has been provided on an accrual basis as of the balance sheet date based on an estimate of the projected benefit obligation and the employees' pension plan assets.

To calculate projected benefit obligation, the benefit formula method is used to allocate expected retirement benefit payments to the each period through current fiscal year-end.

Actuarial gain or loss is amortized by the straight-line method over a defined period (11 years), not exceeding the average remaining service period of the employees from the next fiscal year after the incurrence.

Certain consolidated subsidiaries apply the simplified method which assumes retirement benefit obligation to be equal to the benefits payable assuming voluntary retirement of all employees at fiscal year-end.

(5) Recognition of significant revenue and expenses

The Companies are primarily engaged in construction work in three segments: Domestic civil engineering businesses, domestic building businesses, and overseas construction businesses.

The revenue from each contract is recognized by estimating the fulfillment of the performance obligations over a certain period of time. The progress in the fulfillment of the performance obligations is estimated by the ratio of the costs incurred to the estimated total costs for each contract. However, the cost recovery method is applied where the progress cannot be estimated but the costs incurred are expected to be recovered. For the contracts completed within a short period of time, the revenue is recognized when the performance obligations are fully satisfied.

(6) Deferred assets

Bond issuance costs are expensed in full when incurred.

(7) Hedge accounting

Gains or losses arising from changes in fair value of the derivatives designated as "hedging instruments" are deferred as a component of net assets and included in net income or loss in the same period during which the gains and losses on the hedged items or transactions are recognized.

For interest rate swaps, if certain hedging criteria are met, interest rate swaps are not recognized at their fair values but an alternative (short-cut) method under Japanese accounting standards is applied by which the amounts received or paid for such interest swap arrangements are recognized as interest over the life of each of the arrangements.

The derivatives designated as hedging instruments by the Companies are principally interest swaps and forward exchange contracts. The related hedged items are bank loans, foreign currency monetary liabilities and forecasted transactions.

The Companies have a policy to utilize the above hedging instruments in order to reduce the Company's exposure to the risk of interest rate fluctuation and foreign exchange fluctuation. Thus, the Company's purchases of the hedging instruments are limited to, at maximum, the amounts of the hedged items.

The Companies evaluate effectiveness of its hedging activities by reference to the accumulated gains or losses on the hedging instruments and the related hedged items from the commencement of the hedges.

(8) Scope of cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows and composed of cash on hand, bank deposits which are able to be withdrawn on demand and short-term investment with an original maturity of three months or less and which represent a minor risk of fluctuation in value.

(9) Other important items for the preparation of consolidated financial statements

a) Accounting principles and procedures adopted when the relevant accounting standards are not clearly defined.

Accounting methods used for joint ventures (JV) in construction projects.

The Companies recognize assets, liabilities, income and expenses mainly in proportion to the percentage of investment by the JV members.

(10) U.S. Dollar amounts

The dollar amounts included in the financial statements and notes thereto represent the arithmetical results of translating yen to dollars at rate of ¥159=US$1, the approximated rate of exchange prevailing on March 31, 2026. The inclusion of such dollar amounts is solely for the convenience of readers outside of Japan and is not intended to imply that yen and assets and liabilities originating in Yen have been or could be readily converted, realized or settled in dollars at this or any other rates.

Amounts less than one thousand have been rounded down to the nearest thousand dollars.

2.Significant accounting estimates

Ⅰ. Accounting Standard for Revenue Recognition

(1) Amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2026

The amount of contract revenue accounted for by estimating the progress in the fulfillment of the performance obligation over a certain period of time:

Previous Fiscal Year
¥317,226 million
Current Fiscal Year
¥344,813 million (US$2,168,638 thousand)

(2) Information on significant accounting estimates for identified items

Revenue arising from contracts that are deemed to transfer control over the goods or services to the customer over a certain period of time is recognized by measuring the progress in the fulfillment of the performance obligations (input method based on the costs incurred is used to estimate the progress). The amount of contract revenue accounted for by this method is calculated by making a reliable estimate of total contract revenue and total construction cost for each contract, and multiplying the estimated total contract revenue by the ratio of the construction cost incurred up to the end of the fiscal year to the estimated total construction cost. Estimates of the total construction cost of are made using an implementation budget, and the assumptions used include various factors such as unit prices of construction materials, unit prices of labor, and the number of man-hours. For the estimation of the uncontracted part of the total contract revenue, an amount deemed to be the most probable is used.

Since these key assumptions are subject to estimation uncertainty, future changes in economic conditions may result in an increase or decrease in the amount of contract revenue in the following fiscal year.

Ⅱ. Impairment loss on fixed assets

(1) Amount recorded in the consolidated financial statements for the year ended March 31, 2026

Impairment loss
Previous Fiscal Year
¥78 million
Current Fiscal Year
¥188 million (US$1,187 thousand)

(2) Information on significant accounting estimates for identified items

The Companies recognize impairment losses when the total amount of undiscounted future cash flows from an asset or asset group is less than its carrying amount, after grouping business assets by business location while rental assets and idle assets are grouped individually.

Assets or asset groups for which it has been determined that an impairment loss should be recognized are written down to their recoverable amount, and the amount of the reduction is presented as an impairment loss. The recoverable amount is the higher of the net selling price or the value in use of the asset or asset group. Future cash flows are calculated based on major assumptions such as future estimates of the amount of contract awards and the amount of construction value and the construction profit ratio.

Since these major assumptions are subject to estimation uncertainly, if the major assumptions change due to future changes in economic conditions or the Companies' business environment, it may be necessary to record additional impairment losses in the following fiscal year.

Ⅲ. Recoverability of deferred tax assets

(1) Amounts recognized in the consolidated financial statements for the year ended March 31, 2026.

Deferred tax assets
Previous Fiscal Year
¥2,612 million
Current Fiscal Year
¥4,592 million (US$28,881 thousand)

(2) Information on significant accounting estimates for identified items

The Companies recognize deferred tax assets for net operating loss carryforwards and deductible temporary differences when the Companies believe that future taxable income will be sufficient to utilize the carryforwards and deductible temporary differences.

In determining the recoverability, the Companies estimate future taxable income based on major assumptions such as the expected amount of contract awards and the amount of construction work performed and the profit ratio on construction work and calculate the recoverable amount through the scheduling of loss carryforwards and deductible temporary differences.

Since these major assumptions are subject to estimation uncertainly, if the major assumptions change due to future changes in economic conditions or the Companies' business environment, it may be necessary to reverse the deferred tax assets in the following fiscal year.

3.Accounting Standards, etc., not yet adopted

* Accounting Standard for Lease (ASBJ Guidance No. 34, September 13, 2024)
* Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024), as well as other related revisions of Accounting Standard, Implementation Guidelines for Accounting Standard, Practical Response Reports and Transfer Guidelines

Ⅰ. Overview

Consistent with international accounting standards, these standards stipulate how to handle the calculation, etc., of assets and liabilities regarding all leases of lessees.

Ⅱ. Scheduled date of adoption

Adoption is scheduled to start from the beginning of the year ending March 2028.

Ⅲ. Impact of adoption of the relevant Accounting Standard, etc.

The impact on the consolidated financial statements due to the adoption of the Accounting Standard is currently being evaluated.

4.Changes in Presentation

(Related to Consolidated Statement of Income)

The Company has changed the presentation of items in the consolidated statement as follows: “Commission fee,” which was presented separately under “Non-operating expenses” in the consolidated statement of income for the previous fiscal year is classified in “Other” in the consolidated statement of income for the current fiscal year due to its decreased materiality.

As a result, the ¥52 million presented in “Commission fee” and the ¥68 million presented in “Other” under “Non-operating expenses” in the consolidated statement of income for the previous fiscal year has been reclassified as

"Other" of ¥121 million.

(Related to Consolidated Statement of Cash Flows)

The Company has changed the presentation of items in the consolidated statement of cash flows as follows: "Amount of increase (decrease) in reserve for loss on construction works," which was included in "Other" under "Cash flows from operating activities" in the consolidated statement of cash flows for the previous fiscal year, presented separately in the consolidated statement of cash flows for the current fiscal year due to its increased materiality.

As a result, the ¥669 million presented in "Other" under "Cash flows from operating activities" in the consolidated statement of cash flows for the previous fiscal year has been reclassified as "Amount of increase (decrease) in reserve for loss on construction works" of ¥1,000 million and "Other" of (¥330) million.

5.Changes in Accounting Estimates

(Changes in useful lives and estimates of asset retirement obligations)

In the current fiscal year, the Company decided to relocate its head office (scheduled for sometime around the summer of 2027). In conjunction with the relocation, the amortization periods of the fixed assets that are not expected to be used after the relocation are changed from the current fiscal year by shortening their useful lives so that their depreciation will be completed by the scheduled month of relocation. Furthermore, with regard to expenses related to restoration to original condition in accordance with real estate lease agreements, the reasonable time periods for depreciation have been shortened. As a result of these changes, compared with conventional methods, operating profit, ordinary income, and net income before taxes and other adjustments decreased by ¥81 million (US$509 thousand), respectively, for the current fiscal year.

6.Additional information

(Impact of accident at site of construction work by the Company)

On April 7, 2026, a serious accident occurred during the "Demolition Work for the Public Use of Raw Material Berths A and B in the Ogishima Lead Area," which is being carried out by the Company.

With regard to the outsourcing costs and other expenses for responding to this accident and the resumption of work, the aggregate amount corresponding to reserve for loss on construction works is recorded in "Amount of increase (decrease) in reserve for loss on construction works" based on the current best estimate as of the fiscal year end.

7.Notes to Consolidated Balance Sheet

Ⅰ.Among notes and accounts receivable, trade, the aggregate amounts of credits and contract assets arising from the contracts with customers were as follows.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Notes	¥64	**¥6**	**$43**
Electronically recorded monetary claims	408	**176**	**1,110**
Accounts receivable, trade	64,432	**76,747**	**482,690**
Contract assets	107,580	**80,796**	**508,153**

Ⅱ.Among advances received on construction contracts in progress, the amount of contract liabilities is shown in "Note 20. Revenue Recognition, c (1) Balances of contract assets and contract liabilities."

Ⅲ.Cost on construction contracts in progress and other

Cost on construction contracts in progress and other as of March 31, 2025 and 2026 consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Cost on construction contracts in progress	¥4,605	**¥2,502**	**$15,738**
PFI projects	19	**1**	**6**
Other inventories	987	**1,229**	**7,733**
Cost on construction contracts in progress and other	¥5,612	**¥3,733**	**$23,478**

Ⅳ.Reserve for loss on construction works

Cost on construction contracts in progress and reserve account in relation to the construction works, which loss is assumed, are represented in current assets and liabilities, respectively without setoff.

Among cost on construction contracts in progress, the aggregate amounts corresponding to reserve for loss on construction works as of March 31, 2025 and 2026 were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2025	**2026**	**2026**
¥648	**¥5**	**$37**

Ⅴ.Investments in securities

Among investments in securities, the aggregate amounts corresponding to unconsolidated subsidiaries and affiliates as of March 31, 2025 and 2026 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Investments in affiliates	¥393	**¥465**	**$2,928**

Ⅵ.Revaluation of land

In accordance with the "Act on Revaluation of Land" (Act No.34 promulgated on March 31, 1998) and the "Act on Partial Revision of the Act on Revaluation of Land" (Act No.19 promulgated on March 31, 2001), the Company revalued its land held for the business purpose and accounted for the amount equivalent to tax related to these differences on revaluation as "deferred tax liabilities on revaluation of land" in liabilities and accounted for the amount that tax amount were deducted from the differences on revaluation as "revaluation reserve for land" in net assets.

Furthermore, reviewing the collectability of "deferred tax assets for land revaluation" individually, among the amount equivalent to tax related to the differences on revaluation of land, the amounts that were difficult to anticipate collectability were reduced from "revaluation reserve for land".

Revalued method

The Company revalued its land held for business purposes based on the value appraised by an appraiser, as regulated by Article No.2-4 of the "Enforcement Ordinance of the Law Concerning Land Revaluation (Article No.119 issued on March 31, 1998) with certain necessary adjustments.

Revalued date	March 31, 2002		
	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Differences of the land after revaluation exceeded its fair value	¥2,529	**¥1,947**	**$12,249**

Ⅶ.Assets pledged as collateral and secured liabilities

Assets pledged as collateral and secured liabilities as of March 31, 2025 and 2026 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
Assets pledged as collateral:	2025	**2026**	**2026**
Current assets			
Other current assets	¥13	**¥8**	**$53**
Investment and other assets			
Investment in securities	3,218	**3,448**	**21,685**
Long-term loans	71	**63**	**400**
Total	¥3,304	**¥3,520**	**$22,139**

As of March 31, 2026, the assets listed above have been pledged as collateral for employee deposits(internal deposit program) of ¥2,544 million (US$16,006 thousand) and for obligations under credit facility agreements and other financing arrangements between affiliated companies engaged in PFI businesses and financial institutions.

As of March 31, 2025, the assets listed above have been pledged as collateral for employee deposits(internal deposit program) of ¥2,475 million.

In addition, intercompany assets pledged as collateral eliminated in consolidation as of March 31, 2025 and 2026 were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
Assets pledged as collateral:	2025	**2026**	**2026**
Current assets			
Other current assets	¥3	**¥0**	**$4**
Investment and other assets			
Investment in securities	20	**20**	**125**
Long-term loans	0	**-**	**-**
Total	¥23	**¥20**	**$130**

Ⅷ.Because of government subsidies, etc. that were received, the reduction entry amount indicated below was deducted from the acquisition cost of property, plant and equipment.

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Buildings and structures	¥6	**-**	**-**

Ⅸ.Securities lent

Among investments in securities, securities lent to a financial institution under the security lending agreement at March 31, 2025 and 2026 were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2025	**2026**	**2026**
¥215	**¥274**	**$1,725**

Ⅹ.Commitments and contingent liabilities

The Companies are contingently liable for the following as of March 31, 2025 and 2026:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Employees (Loan guarantee to bank)	¥5	**¥1**	**$11**
MORIMOTO Co., Ltd. (Deposit and other liabilities guarantee)	341	**-**	**-**
Total	¥347	**¥1**	**$11**

Ⅺ.Short-term borrowings

The Company had commitment lines for efficient financing from 7 banks at March 31, 2025 and 2026 as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Total amount of contracts of commitment lines	¥25,000	**¥25,000**	**$157,232**
Outstanding borrowings	-	**-**	**-**
Balance	¥25,000	**¥25,000**	**$157,232**

Ⅻ.Non-recourse debt

The following non-recourse debts are included in current portion of long-term debt and long-term debt with PFI business pledged as collateral. The amount of non-recourse debts as of March 31, 2025 and 2026 was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Non-recourse debt included in current portion of short-term debt	¥6	**¥1**	**$10**
Non-recourse debt included in long-term debt	1	**-**	**-**
Total	¥7	**¥1**	**$10**

The amount of PFI assets pledged as collateral for non-recourse debt as of March 31, 2025 and 2026 was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Cash and bank deposits	¥124	**¥104**	**$658**
Other	45	**48**	**$306**
Total	¥170	**¥153**	**$965**

8.Notes to Consolidated Statement of Income

Ⅰ.Revenue from contracts with customers

Revenue from contracts with customers and revenue from other sources in net sales are not presented separately.

The amount of revenue from contracts with customers is shown in "Note 20. Revenue Recognition, a) Disaggregation of revenue arising from contracts with customers."

Ⅱ.Loss on valuation of inventory

The ending inventory was the carrying value after writing down due to the decreased profitability. Among the cost of sales, the aggregate amounts corresponding to loss on valuation of inventory were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2025	**2026**	**2026**
¥32	**¥10**	**$67**

Ⅲ.Reserve for loss on construction works

Among the cost of sales, the aggregate amount corresponding to reserve for loss on construction works was as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2025	**2026**	**2026**
¥2,003	**¥6,512**	**$40,961**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOA CORPORATION and its consolidated subsidiaries

Ⅳ.Selling, general and administrative expenses

The significant items of selling, general and administrative expenses were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Salaries to employees	¥6,051	**¥7,497**	**$47,150**
Expenses for retirement benefits for employees	150	**675**	**4,248**
Research expenses	1,242	**1,479**	**9,302**
Provision for doubtful accounts, trade	¥0	**(¥1)**	**($10)**

Ⅴ.Research and development expenses

Among the general and administrative expenses and the cost on contracts, the aggregate amounts corresponding to research and development expenses were as follows:

Millions of Japanese Yen		Thousands of U.S. Dollars
2025	**2026**	**2026**
¥1,414	**¥1,641**	**$10,323**

Ⅵ.Gain on sale of fixed assets

The breakdown of the gain on sale of fixed assets was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Land	¥25	**¥25**	**$163**
Others	5	**1**	**10**
Total	¥30	**¥27**	**$173**

Ⅶ.Loss on sale of fixed assets

The breakdown of the loss on disposition of fixed assets was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Machinery, vehicles and tools, furniture and fixtures	¥-	**¥12**	**$76**
Buildings and structures	-	**3**	**$20**
Others	0	**0**	**$5**
Total	¥0	**¥16**	**$102**

Ⅷ.Loss on disposal of fixed assets

The breakdown of the loss on disposal of fixed assets was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Buildings and structures	¥131	**¥123**	**$774**
Machinery, vehicles and tools, furniture and fixtures	8	**1**	**10**
Others	5	**0**	**0**
Total	¥145	**¥124**	**$785**

Ⅸ.Impairment of fixed assets

For the year ended March 31, 2025, the Companies recognized losses on impairment of the following assets:

Use	Type of assets	Location
Idle properties	Land	Chiba and one other
Assets for business use	Furniture and fixtures	Tokyo and one other

The construction business assets were grouped by each branch unit, while the real estate leasing assets and the idle properties were grouped individually.

With respect to idle assets, due to a decline in fair value, the carrying amount was reduced to the recoverable amount.

As a result, an impairment loss of ¥7 million was recognized.

Regarding the assets for business use, the intended use was reviewed during the current fiscal year, and the carrying amount was reduced to the recoverable amount. Consequently, an impairment loss of ¥71 million was recognized.

The recoverable amounts of these assets were primarily determined based on net sale value. For assets with material book value, the net sale value was calculated based on real estate appraisal value provided by certified real estate appraisers.

For the year ended March 31, 2026, the Companies recognized losses on impairment of the following assets:

Use	Type of assets	Location
Idle properties	Land and buildings	Hokkaido and three others

The construction business assets were grouped by each branch unit, while the real estate leasing assets and the idle properties were grouped individually.

With respect to idle assets, due to a decline in fair value, the carrying amount was reduced to the recoverable amount.

As a result, an impairment loss of ¥188 million (US$1,187 thousand) was recognized, including ¥124 million (US$782 thousand) for land and ¥64 million (US$404 thousand) for buildings and structures.

The recoverable amounts of these assets were primarily determined based on net sale value. For assets with material book value, the net sale value was calculated based on real estate appraisal value provided by certified real estate appraisers.

9.Notes to Consolidated Statement of Comprehensive Income

Reclassifications adjustments and tax effects in relation to the other comprehensive income were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Unrealized gains (losses) on securities:			
Amount arising during the year	¥1,584	**¥3,204**	**$20,153**
Amount of reclassification adjustments	(1,078)	**(1,398)**	**(8,794)**
Corporate tax and amount before tax effect	505	**1,806**	**11,359**
Corporate tax and tax effect	(255)	**(599)**	**(3,767)**
Unrealized gains (losses) on securities	250	**1,206**	**7,591**
Deferred gains (losses) on hedges:			
Amount arising during the year	(3)	**135**	**852**
Amount of reclassification adjustments	2	**45**	**287**
Corporate tax and amount before tax effect	(1)	**181**	**1,139**
Corporate tax and tax effect	0	**(57)**	**(359)**
Deferred gains (losses) on hedges	(0)	**124**	**780**
Unrealized gains (losses) on reevaluation for land:			
Corporate tax and tax effect	(63)	**-**	**-**
Foreign Currency Translation Adjustment			
Amount arising during the year	48	**(45)**	**(287)**
Retirement benefits liability adjustments:			
Amount arising during the year	(949)	**4,119**	**25,909**
Amount of reclassification adjustments	(398)	**(340)**	**(2,143)**
Corporate tax and amount before tax effect	(1,347)	**3,778**	**23,766**
Corporate tax and tax effect	381	**(1,191)**	**(7,491)**
Retirement benefits liability adjustments	(966)	**2,587**	**16,274**
Total other comprehensive income	(¥731)	**¥3,872**	**$24,358**

10.Notes to Consolidated Statement of Changes in Net Assets

Ⅰ.For the year ended March 31, 2025

a) Class and number of Issued Shares

Thousands of shares

Class of shares	Number of shares at beginning of year	Increase	Decrease	Number of shares at end of year
Issued stock				
Common stock	22,494	67,483	2,000	87,978

Details of reason for changes

Major breakdown of the increase in the number of common stock was as follows:

Increase due to stock split approved by the board resolution on February 8, 2024 67,483

Major breakdown of the decrease in the number of common stock was as follows:

Decrease due to treasury stock cancellation approved by the board resolution on February 8, 2024 2,000

b) Class and number of Treasury Shares

Thousands of shares

Class of shares	Number of shares at beginning of year	Increase	Decrease	Number of shares at end of year
Treasury stock				
Common stock	2,674	8,203	2,251	8,626

Notes:1. The number of common shares of treasury stock at the beginning of the year includes 697 thousand shares acquired by the BBT and J-ESOP-RS.

2. The number of common shares of treasury stock at the end of the year includes 2,900 thousand shares acquired by the BBT and J-ESOP-RS.

3. The principal reasons for the increase and decrease in treasury stock were as follows:

Increase due to stock split under the board resolution on February 8, 2024	8,022
Increase due to purchase of odd lot shares	0
Increase due to acquisition of (J-ESOP-RS) stock benefit trusts under the board resolution on February 25, 2025	180
Decrease due to granting of shares for (BBT) and (J-ESOP-RS) stock benefit trusts	71
Decrease due to cancellation of treasury stock under the board resolution on February 8, 2024	2,000
Decrease due to disposal of treasury stock under the board resolution on February 25, 2025	180

c) Dividends

(1) Dividends paid

Millions of Japanese Yen

Resolution	Class of shares	Total amount of dividends	Cash dividends per share (Yen)	Record date	Effective date
Annual Shareholders' Meeting held on June 27, 2024	Common stock	¥3,282	¥160	March 31, 2024	June 28, 2024

Note:1. Total amount of dividends ¥3,282 million based on the resolution adopted at the Annual General Meeting of Shareholders on June 27, 2024, is inclusive of the dividend payment of ¥111 million for the shares acquired by the BBT and J-ESOP-RS stock benefit trusts.

2. The Company conducted a stock split on April 1, 2024, at a ratio of 4 shares for 1 share, but with regard to dividends paid out on March 31, 2024, which is the record date, the monetary amount indicated is based on the number of shares prior to the stock split.

(2) Dividends with a Record Date in the Current Fiscal Year and an Effective Date in the Following Fiscal Year

						Millions of Japanese Yen
Resolution	Class of shares	Dividend resource	Total amount of dividends	Cash dividends per share (Yen)	Record date	Effective date
Annual Shareholders' Meeting held on June 27,2025	Common stock	Retained earnings	¥6,251	¥76	March 31, 2025	June 30, 2025

Note: 1. Total amount of dividends ¥6,251 million based on the resolution adopted at the Annual General Meeting of Shareholders on June 27, 2025, is inclusive of the dividend payment of ¥220 million for the shares acquired by the BBT and J-ESOP-RS stock benefit trusts.

Ⅱ.For the year ended March 31, 2026

a) Class and number of Issued Shares

				Thousands of shares
Class of shares	Number of shares at beginning of year	Increase	Decrease	Number of shares at end of year
Issued stock				
Common stock	**87,978**	**-**	**-**	**87,978**

b) Class and number of Treasury Shares

				Thousands of shares
Class of shares	Number of shares at beginning of year	Increase	Decrease	Number of shares at end of year
Treasury stock				
Common stock	**8,626**	**3,838**	**1,803**	**10,661**

Note: 1. The number of common shares of treasury stock at the beginning of the year includes 2,900 thousand shares acquired by the BBT and J-ESOP-RS.

2. The number of common shares of treasury stock at the end of the year includes 4,497 thousand shares acquired by the BBT and J-ESOP-RS.

3. The principal reasons for the increase and decrease in treasury stock were as follows:

Increase due to acquisition of treasury stock under the board resolution on May 13, 2025	2,138
Increase due to purchase of odd lot shares	0
Increase due to acquisition of (BBT) stock benefit trusts under the board resolution on February 24, 2026	900
Increase due to acquisition of (J-ESOP-RS) stock benefit trusts under the board resolution on February 24, 2026	800
Decrease due to granting of shares for (BBT) and (J-ESOP-RS) stock benefit trusts	103
Decrease due to disposal of treasury stock under the board resolution on February 24, 2026	1,700

c) Dividends

(1) Dividends paid

		Millions of Japanese Yen		Thousands of U.S. Dollars			
Resolution	Class of shares	Total amount of dividends	Cash dividends per share (Yen)	Total amount of dividends	Cash dividends per share (Dollars)	Record date	Effective date
Annual Shareholders' Meeting held on June 27, 2025	Common stock	¥6,251	¥76	$39,315	$0.47	March 31, 2025	June 30, 2025
Board of Directors Meeting held on November 11, 2025	Common stock	¥3,059	¥38	$19,243	$0.23	September 30, 2025	December 5, 2025

Note: 1. Total amount of dividends ¥6,251 million (US$39,315 thousand) based on the resolution adopted at the Annual General Meeting of Shareholders on June 27, 2025, is inclusive of the dividend payment of ¥220 million (US$1,386 thousand) for the shares acquired by the BBT and J-ESOP-RS stock benefit trusts.

2.Total amount of dividends ¥3,059 million (US$19,243 thousand) based on the resolution adopted at the Board of Directors Meeting on November 11, 2025, is inclusive of the dividend payment of ¥107 million (US$673 thousand) for the shares acquired by the BBT and J-ESOP-RS stock benefit trusts.

(2) Dividends with a Record Date in the Current Fiscal Year and an Effective Date in the Following Fiscal Year

The following proposal is scheduled to be presented at the Annual General Meeting of Shareholders to be held on June 26, 2026.

			Millions of Japanese Yen		Thousands of U.S. Dollars			
Scheduled to be resolved	Class of shares	Dividend resource	Total amount of dividends	Cash dividends per share (Yen)	Total amount of dividends	Cash dividends per share (Dollars)	Record date	Effective date
Annual Shareholders' Meeting held on June 26,2026	Common stock	Retained earnings	**¥5,072**	**¥62**	**$31,902**	**$0.38**	March 31, 2026	June 29, 2026

Note: 1. Total amount of dividends ¥5,072 million (US$31,902 thousand) based on the resolution to be adopted at the Annual General Meeting of Shareholders on June 26, 2026, is inclusive of the dividend payment of ¥278 million (US$1,753 thousand) for the shares acquired by the BBT and J-ESOP-RS stock benefit trusts.

2.The dividend per share includes a special dividend of ¥23 (US$0.14) per share.

11.Notes to Consolidated Statement of Cash Flows

Cash and cash equivalents consisted of:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Cash and bank deposits	¥41,605	**¥49,380**	**$310,569**
Time deposits due over three months	(22)	**(148)**	**(936)**
Cash and cash equivalents	¥41,583	**¥49,231**	**$309,633**

12.Leases

Operating lease

The scheduled maturities of future operating lease payments, including an interest portion on such lease contracts as of March 31, 2025 and 2026, were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Due within one year	¥74	**¥50**	**$317**
Due over one year	72	**88**	**553**
Total	¥146	**¥138**	**$871**

13.Financial Instruments

Ⅰ.Summary of financial instruments

a) Policy for financial instruments

The Companies limit its fund management to low-risk financial instruments, such as bank deposits in a short period and have a policy to raise low-interest funds through bank borrowings and corporate bonds flexibly. The Companies utilize derivatives in order to reduce the risk of fluctuation in interest rates and foreign exchange rates for debts and credits in foreign currencies. The Companies, furthermore, utilize the hedging instruments for the purpose of stabilizing the cost on contracts and do not enter into derivatives for speculative purpose.

b) Contents of financial instruments, related risk and risk management

Notes and accounts receivable which are categorized into operating receivables are exposed to credit risk of customers. These risks are reviewed at entering into a contract and the concerned counterparts are managed by the administration headquarters in each case.

Investments in securities are exposed to fluctuation risks of market price.

Those securities are mainly shares of other companies with which the Company has business relationships and the Company monitors the monthly fair value.

Among the debt and corporate bonds, short-term borrowings are principally applicable to funds for business activities and long-term debt (maturities are within five years in principle) and corporate bonds are funds for capital investments. Long-term debt with variable interest rates is exposed to the risk of interest rate fluctuation. The Company utilizes derivatives which are the interest swaps in each contracts in order to avoid fluctuation risk of interest expenses and stabilize interest cost.

In addition, the Company utilizes foreign currency exchange contracts to hedge foreign currency exposure of certain transactions related to construction work denominated in foreign currencies.

Conducting of derivative transactions is managed by gaining approval by directors and derivatives provided by the highly-rated financial institutions are utilized in order to avoid credit risk.

c) Supplemental explanation for fair value of financial instruments

Notional amounts of derivatives are not indicative of the actual market risk involved in derivative transactions.

Ⅱ.Fair value of financial instruments

As of March 31, 2025, carrying amount, fair value and unrealized gain (loss) were as follows:

	Carrying amount	Fair value	Unrealized gain (loss)
	Millions of Japanese Yen		
Investments in securities			
Other securities	¥11,947	¥11,947	-
Total assets	11,947	11,947	-
Corporate bonds	5,000	4,993	(¥6)
Long-term debt (*3)	14,101	13,974	(126)
Total liabilities	19,101	18,968	(¥133)
Derivative transactions (*4)	¥1	¥1	-

(*1) Cash and bank deposits are not shown because they are cash, and their carrying amounts approximate fair value because of the short maturity of these instruments Notes and accounts receivable, trade, advanced money, notes and accounts payable, trade, electronically recorded obligations, operating short-term borrowings, commercial papers, and deposits received are not shown because their carrying amounts approximate fair value because of the short maturity of these instruments.

(*2) Unlisted stocks are not included in Investment in securities, since those have no market price and it is extremely difficult to determine fair value.

	Millions of Japanese Yen
	2025
Unlisted stocks	¥1,874

(*3) Current portion of long-term debt of ¥4,140 million is included in long-term debt and carrying amount and fair value are represented.

(*4) The assets and liabilities are reported as net amount.

As of March 31, 2026, carrying amount, fair value and unrealized gain (loss) were as follows:

	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
	Millions of Japanese Yen			Thousands of U.S. Dollars		
Investments in securities						
Other securities	¥12,786	¥12,786	¥-	$80,419	$80,419	$-
Total assets	12,786	12,786	-	80,419	80,419	-
Corporate bonds	5,000	4,889	(110)	31,446	30,751	(694)
Long-term debt (*3)	14,085	13,899	(186)	88,590	87,419	(1,171)
Total liabilities	19,085	18,789	(296)	120,037	118,170	(1,866)
Derivative transactions (*4)	¥18	¥18	¥-	$118	$118	$-

(*1) Cash and bank deposits are not shown because they are cash, and their carrying amounts approximate fair value because of the short maturity of these instruments Notes and accounts receivable, trade, advanced money, notes and accounts payable, trade, electronically recorded obligations, operating short-term borrowings, commercial papers, and deposits received are not shown because their carrying amounts approximate fair value because of the short maturity of these instruments.

(*2) Unlisted stocks are not included in Investments in securities, since those have no market price and it is extremely difficult to determine fair value.

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2026	2026
Unlisted stocks	¥1,946	$12,243

(*3) Current portion of long-term debt of ¥4,000 million (US$25,161 thousand) is included in long-term debt and carrying amount and fair value are represented.

(*4) The assets and liabilities are reported as net amount.

a) Projected redemption

The projected redemption of monetary claims as of March 31, 2025, was as follows:

	Within one year	Over one year within five years	Over five years within ten years	Over ten years
	Millions of Japanese Yen			
Cash and bank deposits	¥41,605	¥-	¥-	¥-
Notes and accounts receivable, trade	172,485	1	-	-
Total	¥214,091	¥1	¥-	¥-

The projected redemption of monetary claims as of March 31, 2026, was as follows:

	Within one year	Over one year within five years	Over five years within ten years	Over ten years	Within one year	Over one year within five years	Over five years within ten years	Over ten years
	Millions of Japanese Yen				Thousands of U.S. Dollars			
Cash and bank deposits	¥49,342	¥-	¥-	¥-	$310,329	$-	$-	$-
Notes and accounts receivable, trade	157,782	-	-	-	992,340	-	-	-
Total	¥207,124	¥-	¥-	¥-	$1,302,669	$-	$-	$-

b) The projected repayment of short-term borrowings, long-term debt and lease obligation as of March 31, 2025, was as follows:

	Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years	Over five years
			Millions of Japanese Yen			
Short-term borrowings	¥25,370	¥-	¥-	¥-	¥-	¥-
Corporate bonds	-	-	-	-	5,000	-
Long-term debt	4,140	3,959	2,975	1,983	1,042	-
Lease obligation	207	204	176	8	1	1
Total	¥29,718	¥4,163	¥3,152	¥1,991	¥6,043	¥1

The projected repayment of short-term borrowings, corporate bonds, long-term debt and lease obligation as of March 31, 2026, was as follows:

	Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years	Over five years
			Millions of Japanese Yen			
Short-term borrowings	**¥6,050**	**¥-**	**¥-**	**¥-**	**¥-**	**¥-**
Corporate bonds	**-**	**-**	**-**	**5,000**	**-**	**-**
Long-term debt	**4,000**	**4,003**	**3,011**	**2,070**	**999**	**-**
Lease obligation	**207**	**180**	**11**	**4**	**4**	**2**
Total	**¥10,258**	**¥4,184**	**¥3,022**	**¥7,075**	**¥1,003**	**¥2**

	Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years	Over five years
			Thousands of U.S. Dollars			
Short-term borrowings	**$38,050**	**$-**	**$-**	**$-**	**$-**	**$-**
Corporate bonds	**-**	**-**	**-**	**31,446**	**-**	**-**
Long-term debt	**25,161**	**25,181**	**18,940**	**13,021**	**6,285**	**-**
Lease obligation	**1,305**	**1,132**	**72**	**30**	**27**	**14**
Total	**$64,517**	**$26,314**	**$19,012**	**$44,498**	**$6,313**	**$14**

Ⅲ.Classification of fair value of financial instruments

Fair value of financial instruments is classified into 3 levels in accordance with the observability and importance of the inputs related to fair value measurement.

Level 1 of fair value: Measured at fair value using unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2 of fair value: Measured at fair value using the directly or indirectly observable inputs except level 1
Level 3 of fair value: Measured at fair value using significant but unobservable inputs

In case several inputs are used that significantly affect the fair value measurement are used, the priority on fair value measurement classifies the fair value in the lowest level

a) Financial instruments with fair value recorded in the consolidated balance sheet

As of March 31, 2025

	Millions of Japanese Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment in securities				
Other securities	¥11,947	¥-	¥-	¥11,947
Total assets	¥11,947	¥-	¥-	¥11,947
Derivatives				
Currency	¥-	¥1	¥-	¥1
Interest rate	-	-	-	-
Total derivative transactions	¥-	¥1	¥-	¥1

As of March 31, 2026

	Millions of Japanese Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment in securities				
Other securities	**¥12,786**	**¥-**	**¥-**	**¥12,786**
Total assets	**¥12,786**	**¥-**	**¥-**	**¥12,786**
Derivatives				
Currency	**¥-**	**¥195**	**¥-**	**¥195**
Interest rate	**-**	**6**	**-**	**6**
Total derivative transactions	**¥-**	**¥201**	**¥-**	**¥201**

	Thousands of U.S. Dollars			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment in securities				
Other securities	**$80,419**	**$-**	**$-**	**$80,419**
Total assets	**$80,419**	**$-**	**$-**	**$80,419**
Derivatives				
Currency	**$-**	**$1,227**	**$-**	**$1,227**
Interest rate	**-**	**39**	**-**	**39**
Total derivative transactions	**$-**	**$1,267**	**$-**	**$1,267**

b) Financial instruments with fair value recorded in the consolidated balance sheet except those indicated above in a)

As of March 31, 2025

	Millions of Japanese Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Corporate bonds	¥-	¥4,993	¥-	¥4,993
Long-term debt	-	13,974	-	13,974
Total liabilities	¥-	¥18,968	¥-	¥18,968

As of March 31, 2026

	Millions of Japanese Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Corporate bonds	¥-	¥4,889	¥-	¥4,889
Long-term debt	-	13,899	-	13,899
Total liabilities	¥-	¥18,789	¥-	¥18,789

	Thousands of U.S. Dollars			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Corporate bonds	$-	$30,751	$-	$30,751
Long-term debt	-	87,419	-	87,419
Total liabilities	$-	$118,170	$-	$118,170

(Note) Valuation method using fair value for financial instruments and explanation on inputs related to fair value for financial instruments

Assets

Investment in securities

The fair value of listed stocks classified as level 1 is evaluated using market prices because these are traded in an active market.

Liabilities

Corporate bonds

The fair value of the corporate bonds issued by the Company is based on market prices and is classified as Level 2 fair value because the bonds are not traded in an active market.

Long-term debt

The fair value of long-term debt with variable interest rates classified as level 2 is evaluated based on the book value because it reflects market interest rates within a short period of time, and it approximates fair value.

The fair value of long-term debt with fixed interest rates classified as level 2 is measured using the present value discounted by the interest rate estimated to be applied for new similar borrowings.

Derivatives

The fair value of derivatives classified as level 2 is evaluated based on prices provided by counterparty financial institutions.

14.Securities

(1) The following is certain information related to the aggregate acquisition costs, carrying amount and fair value of securities.

At March 31, 2025

	Millions of Japanese Yen		
	Fair value (Carrying value)	Acquisition cost	Unrealized gain (loss)
Other securities whose fair value amount exceeds their acquisition cost			
Stock	¥11,056	¥3,754	¥7,301
Sub total	11,056	3,754	7,301
Other securities whose fair value does not exceed their acquisition cost			
Stock	891	1,061	(170)
Sub total	891	1,061	(170)
Total	¥11,947	¥4,815	¥7,131

At March 31, 2026

	Millions of Japanese Yen			Thousands of U.S. Dollars		
	Fair value (Carrying value)	Acquisition cost	Unrealized gain (loss)	Fair value (Carrying value)	Acquisition cost	Unrealized gain (loss)
Other securities whose fair value exceeds their acquisition cost						
Stock	¥12,333	¥3,236	¥9,096	$77,566	$20,354	$57,211
Sub total	12,333	3,236	9,096	77,566	20,354	57,211
Other securities whose fair value does not exceed their acquisition cost						
Stock	453	612	(158)	2,853	3,853	(999)
Sub total	453	612	(158)	2,853	3,853	(999)
Total	¥12,786	¥3,849	¥8,937	$80,419	$24,207	$56,212

(2) Other securities sold during the years ended March 31, 2025 and 2026, were as follows:

Year ended March 31, 2025

	Millions of Japanese Yen		
	Sales proceeds	Gain on sales	Loss on sales
Stock	¥1,851	¥1,112	¥-
Total	¥1,851	¥1,112	¥-

Year ended March 31, 2026

	Millions of Japanese Yen			Thousands of U.S. Dollars		
	Sales proceeds	Gain on sales	Loss on sales	Sales proceeds	Gain on sales	Loss on sales
Stock	¥2,399	¥1,402	¥3	$15,091	$8,817	$21
Total	¥2,399	¥1,402	¥3	$15,091	$8,817	$21

15.Derivative Transactions

Ⅰ.Derivative transactions not designated for hedge accounting

a) Derivative transactions not designated for hedge accounting for the year ended March 31, 2025, were as follows:

(1) Currency related

Not applicable

(2) Interest rate related

Not applicable

b) Derivative transactions not designated for hedge accounting for the year ended March 31, 2026, were as follows:

(1) Currency related

		Millions of Japanese Yen				Thousands of U.S. Dollars			
Hedge accounting method	Types of derivative	Notional amount	Maturing over one year	Fair value	Valuation gain or loss	Notional amount	Maturing over one year	Fair value	Valuation gain or loss
Non-market transactions	Forward foreign exchange contracts Buying U.S. Dollars	¥304	¥-	¥18	¥18	$1,918	$-	$118	$118

(2) Interest rate related

Not applicable

Ⅱ.Derivative transactions designated for hedge accounting

a) Derivative transactions designated for hedge accounting for the year ended March 31, 2025, were as follows:

(1) Currency related

					Millions of Japanese Yen
Hedge accounting method	Types of derivative	Hedged item	Notional amount	Maturing over one year	Fair value
Accounting in principle	Forward foreign exchange contracts Buying U.S. Dollars	Accounts payable	**¥17**	**¥-**	**¥1**

(2) Interest rate related

Not applicable

b) Derivative transactions designated for hedge accounting for the year ended March 31, 2026, were as follows:

(1) Currency related

			Millions of Japanese Yen			Thousands of U.S. Dollars		
Hedge accounting method	Types of derivative	Hedged item	Notional amount	Maturing over one year	Fair value	Notional amount	Maturing over one year	Fair value
Accounting in principle	Forward foreign exchange contracts Buying U.S. Dollars	Accounts payable	**¥4,449**	**¥388**	**¥176**	**$27,985**	**$2,444**	**$1,109**

(2) Interest rate related

			Millions of Japanese Yen			Thousands of U.S. Dollars		
Hedge accounting method	Types of derivative	Hedged item	Notional amount	Maturing over one year	Fair value	Notional amount	Maturing over one year	Fair value
Accounting in principle	Interest rate swap pre-fixed, receive-floating	Long-term borrowings	**¥2,300**	**¥2,300**	**¥6**	**$14,465**	**$14,465**	**$39**

16.Reserve for Retirement Benefits and Pension Plan

The Company and some of its consolidated subsidiaries have the funded/unfunded defined benefit retirement plans and defined contribution plans.

The Company has the funded defined benefit plan, the cash balance plan and sets up the retirement benefit trust.

Some of the consolidated subsidiaries have the unfunded retirement lump sum plans and the Smaller Enterprise Retirement Allowance Mutual Aid System.

Furthermore, there are additional severance payments covering substantially all employees.

(1) The changes in the retirement benefit obligation during the years ended March 31, 2025 and 2026, were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Retirement benefit obligation balance at the beginning of the year	¥19,258	**¥17,979**	**$113,080**
Service cost	777	**757**	**4,767**
Interest cost	172	**287**	**1,806**
Actuarial gain	(911)	**(1,785)**	**(11,230)**
Retirement benefit paid	(1,316)	**(1,530)**	**(9,625)**
Retirement benefit obligation balance at the end of the year	¥17,979	**¥15,708**	**$98,798**

Notes:1. Service cost does not include the amounts contributed by employees with respect to welfare pension fund plans.

2. Retirement benefit expenses for consolidated subsidiaries adopting the simplified method which assumes retirement benefit obligation to be equal to the benefits payable if all eligible employees voluntarily terminated their employment at fiscal year end are included in “Service cost.”

(2) The changes in plan assets during the years ended March 31, 2025 and 2026, were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Plan assets balance at the beginning of the year	¥24,789	**¥22,529**	**$141,696**
Expected return on plan assets	321	**326**	**2,055**
Actual gain (loss)	(1,861)	**2,334**	**14,679**
Contributions by the Company	547	**1,118**	**7,033**
Retirement benefits paid	(1,268)	**(1,516)**	**(9,540)**
Plan assets balance at the end of the year	¥22,529	**¥24,792**	**$155,924**

(3) The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2025 and 2026, for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Funded retirement benefit obligation	¥17,350	**¥15,009**	**$94,398**
Plan assets at fair value	(22,529)	**(24,792)**	**(155,924)**
	(5,179)	**(9,782)**	**(61,525)**
Unfunded retirement benefit obligation	629	**699**	**4,399**
Net liability and asset for retirement benefits in the balance sheet	(4,549)	**(9,083)**	**(57,126)**
Liability for retirement benefits	629	**699**	**4,399**
Asset for retirement benefits	(5,179)	**(9,782)**	**(61,525)**
Net liability and asset for retirement benefits in the balance sheet	(¥4,549)	**(¥9,083)**	**($57,126)**

(4) The components of retirement benefit expense for the years ended March 31,2025 and 2026, were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Service cost	¥777	**¥757**	**$4,767**
Interest cost	172	**287**	**1,806**
Expected return on plan assets	(321)	**(326)**	**(2,055)**
Amortization of actuarial loss	(437)	**(380)**	**(2,392)**
Past service costs	39	**39**	**248**
Other	4	**1**	**9**
Retirement benefit expense	¥234	**¥379**	**$2,384**

(5) Unrecognized actuarial gain (loss) included in other comprehensive income (corporate tax and before tax effect) for the years ended March 31, 2025 and 2026, was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Past service costs	¥39	**¥39**	**$248**
Actuarial gain (loss)	(1,387)	**3,739**	**23,517**
Total	(¥1,347)	**¥3,778**	**$23,766**

(6) Unrecognized actuarial gain (loss) included in accumulated other comprehensive income (corporate tax and before tax effect) as of March 31, 2025 and 2026, was as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Unrecognized past service costs	¥39	**¥-**	**$-**
Unrecognized actuarial gain (loss)	(3,526)	**(7,265)**	**(45,696)**
Total	(¥3,486)	**(¥7,265)**	**($45,696)**

(7) The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2025 and 2026, was as follows:

	2025	2026
Stocks	37%	**34%**
Bonds	31%	**31%**
General account assets	14%	**13%**
Other	18%	**22%**
Total	100%	**100%**

The retirement benefit trust, which was set up by the Company for the corporate pension plan, accounted for 27% of the total plan for the year ended March 31, 2025, and 31% for the year ended March 31, 2026.

The expected return on assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

(8) The assumptions used in accounting for the above plans as of March 31, 2025 and 2026, were as follows:

(Weighted average)

	2025	2026
Discount rate	1.7%	**3.0%**
Expected rate of return on plan assets	2.0%	**2.2%**
Expected rate of future salary increase	2.4%~7.8%	**2.1%~8.5%**

(9) Retirement Lump Sum Plans

Some consolidated subsidiaries have required contributions of ¥2 million for the year ended March 31, 2025, and ¥2 million (US$17 thousand) for the year ended March 31, 2026, for retirement lump sum plans, such as the Smaller Enterprise Retirement Allowance Mutual Aid System.

17.Tax Effect Accounting

1.The significant components of deferred tax assets and liabilities at March 31, 2025 and 2026, were as follows:

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	2026	2026
Deferred Tax Assets:			
Net liability for retirement benefits	¥216	**¥240**	**$1,512**
Loss carried forward	215	**157**	**988**
Reserve for loss on construction works	990	**2,803**	**17,632**
Accrued bonus to employees	1,298	**1,689**	**10,622**
Loss on valuation of utility rights	235	**238**	**1,501**
Loss on valuation of investment in securities	45	**23**	**147**
Loss on impairment of fixed assets	243	**320**	**2,017**
Foreign tax credit	1,395	**929**	**5,847**
Others	1,803	**3,069**	**19,302**
Total gross deferred tax assets	¥6,445	**¥9,471**	**$59,572**
Valuation allowance for tax loss carried forward	(134)	**(124)**	**(782)**
Valuation allowance for deductible temporary differences	(944)	**(970)**	**(6,102)**
Total valuation allowance	(¥1,079)	**(¥1,094)**	**($6,884)**
Total deferred tax assets	¥5,365	**¥8,377**	**$52,687**
Deferred Tax Liabilities:			
Unrealized gains on securities	(2,244)	**(2,843)**	**(17,886)**
Assets for retirement benefits	(345)	**(740)**	**(4,654)**
Revaluation reserve for land	(571)	**(602)**	**(3,791)**
Other	(255)	**(397)**	**(2,500)**
Total deferred tax liabilities	(¥3,417)	**(¥4,584)**	**($28,832)**
Net Deferred Tax Assets	¥1,948	**¥3,792**	**$23,854**

(Note) A breakdown of tax loss carried forward and valuation allowance by expiry date was as follows:

At March 31, 2025

	Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years	Over five years	Total
	Millions of Japanese Yen						
Tax loss carried forward (*1)	¥-	¥-	¥-	¥105	¥34	¥75	¥215
Valuation allowance	-	-	-	(84)	(34)	(15)	(134)
Deferred tax assets	¥-	¥-	¥-	¥20	¥-	¥60	¥80 (*2)

(*1) The tax loss carried forward is stated at the amount multiplied by the statutory effective tax rate.

(*2) The deferred tax asset of ¥80 million has been recognized for a tax loss carried forward of ¥215 million (calculated using the statutory effective tax rate). This deferred tax asset of ¥80 million corresponds to a portion of the tax loss carried forward of ¥215 million (calculated using the statutory effective tax rate) at a consolidated subsidiary, and no valuation allowance has been recorded for the portion deemed recoverable based on expected future taxable income.

At March 31, 2026

	Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years	Over five years	Total
	Millions of Japanese Yen						
Tax loss carried forward (*1)	**¥-**	**¥-**	**¥82**	**¥34**	**¥15**	**¥24**	**¥157**
Valuation allowance	**-**	**-**	**(62)**	**(34)**	**(15)**	**(12)**	**(124)**
Deferred tax assets	**¥-**	**¥-**	**¥20**	**¥-**	**¥-**	**¥12**	**¥32 (*2)**

	Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years	Over five years	Total
	Thousands of U.S. Dollars						
Tax loss carried forward (*1)	**$-**	**$-**	**$517**	**$219**	**$94**	**$156**	**$988**
Valuation allowance	**-**	**-**	**(390)**	**(219)**	**(94)**	**(77)**	**(782)**
Deferred tax assets	**$-**	**$-**	**$127**	**$-**	**-$**	**$78**	**$206 (*2)**

(*1) The tax loss carried forward is stated at the amount multiplied by the statutory effective tax rate.

(*2) The deferred tax asset of ¥32 million (US$206 thousand) has been recognized for a tax loss carried forward of ¥157 million (US$988 thousand) (calculated using the statutory effective tax rate). This deferred tax asset of ¥32 million (US$206 thousand) corresponds to a portion of the tax loss carried forward of ¥157 million (US$988 thousand) (calculated using the statutory effective tax rate) at a consolidated subsidiary, and no valuation allowance has been recorded for the portion deemed recoverable based on expected future taxable income.

2. A reconciliation between the normal effective statutory tax rates for the years ended March 31, 2025 and 2026, and the actual effective tax rates reflected in the accompanying consolidated statements of income was as follows:

	2025	**2026**
Normal effective statutory tax rate	30.60%	**30.60%**
Expenses not deductible for income tax purposes	1.1%	**0.9%**
Non-taxable income	(0.2%)	**(0.2%)**
Corporate income tax for prior years	(0.9%)	**(2.0%)**
Per capita levy of inhabitant taxes	0.6%	**0.5%**
Change in valuation allowance	(0.8%)	**(0.1%)**
Tax credits for research and development expenses	(0.3%)	**(0.6%)**
Tax credits for salary increase	(1.6%)	**(2.7%)**
Write-down of tax rate change for deferred tax assets	(0.2%)	**(0.8%)**
Other-net	(0.6%)	**(1.3%)**
Actual effective tax rates	27.8%	**24.3%**

18.Asset Retirement Obligations

Because the amounts of asset retirement obligations are immaterial, the Companies have omitted a disclosure in the Notes to Consolidated Financial Statements for the years ended March 31, 2025 and 2026.

19.Investment and Rental Property

Because the amounts of investment and rental property are immaterial, the Companies have omitted a disclosure in the Notes to Consolidated Financial Statements for the years ended March 31, 2025 and 2026.

20.Revenue Recognition

a) Disaggregation of revenue arising from contracts with customers

For the year ended March 31, 2025

						Millions of Japanese Yen
	Reportable Segments					
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total	Others (Note)	Total
Domestic government	¥116,074	¥11,378	¥-	¥127,452	¥3,789	¥131,242
Domestic private	25,021	98,987	-	124,009	8,673	132,683
Overseas	-	-	65,737	65,737	-	65,737
Revenue from contracts with customers	141,096	110,365	65,737	317,199	12,463	329,662
Other revenue	0	-	-	0	808	809
Net sales: External customers	¥141,096	¥110,365	¥65,737	¥317,200	¥13,272	¥330,472

For the year ended March 31, 2026

						Millions of Japanese Yen
	Reportable Segments					
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total	Others (Note)	Total
Domestic government	**¥123,521**	**¥7,294**	**¥-**	**¥130,815**	**¥7,360**	**¥138,176**
Domestic private	**32,479**	**86,955**	**-**	**119,435**	**7,889**	**127,325**
Overseas	**-**	**-**	**92,337**	**92,337**	**-**	**92,337**
Revenue from contracts with customers	**156,001**	**94,250**	**92,337**	**342,588**	**15,250**	**357,839**
Other revenue	**0**	**-**	**-**	**0**	**856**	**857**
Net sales: External customers	**¥156,001**	**¥94,250**	**¥92,337**	**¥342,589**	**¥16,107**	**¥358,697**

For the year ended March 31, 2026

	Reportable Segments					
						Thousands of U.S. Dollars
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total	Others (Note)	Total
Domestic government	**$776,862**	**$45,876**	**$-**	**$822,739**	**$46,294**	**$869,033**
Domestic private	**204,275**	**546,891**	**-**	**751,167**	**49,622**	**800,789**
Overseas	**-**	**-**	**580,740**	**580,740**	**-**	**580,740**
Revenue from contracts with customers	**981,138**	**592,767**	**580,740**	**2,154,647**	**95,916**	**2,250,563**
Other revenue	**5**	**-**	**-**	**5**	**5,387**	**5,392**
Net sales: External customers	**$981,144**	**$592,767**	**$580,740**	**$2,154,653**	**$101,303**	**$2,255,956**

(Note) "Other" is excluded from the reportable segments and includes Real Estate Business, Manufacture / Sale / Repairing of construction machinery.

b) Basic information to understand the revenue from contracts with customers

Basic information to understand the revenue from contracts with customers is shown in "Ⅱ. Basis of accounting treatment, (5) Recognition of significant revenue and expenses."

The transaction price of construction contracts is the contract amount of the construction contract. Additional or variable contract amounts are shown in the amended construction contracts. In case additional or variable contract amounts are not agreed or fixed, the reasonably estimated amounts are included in the aggregate construction revenue.

Contract payments are usually paid incrementally or in accordance with construction progress in a construction period and do not contain a significant financing component.

c) The relationship between satisfaction of performance obligation based on contracts with customers and the cash flow of the contract and information on future (from the next fiscal year) revenue amount and timing from the contracts with customers, recognized as follows:

For the year ended March 31, 2025

(1) Balances of contract assets and contract liabilities

	Millions of Japanese Yen		Thousands of U.S. Dollars	
	Beginning balance	Ending balance	Beginning balance	Ending balance
Receivables from contracts with customers	¥59,094	¥64,432	$371,663	$405,238
Contract assets	69,190	107,580	435,162	676,605
Contract liabilities	¥22,641	¥18,022	$142,397	$113,346

(Note) The amount of notes receivables, trade, and electronically recorded monetary claims are not included in the balance of receivables and contract assets generated from contracts with customers.

Payment conditions in the construction business are different for each contract. Thus, they may not correspond with satisfaction of performance obligations, however, payments are usually made throughout the construction period, or in accordance with satisfaction of performance obligations.

The contract assets corresponding to performance obligations satisfied as of the end of fiscal year, but these represent the amounts of claims for which the due date has not yet been established, and increase with revenue recognition. Contract assets are transferred to receivables, trade from contracts with customers when the claims are submitted to the customers. In addition, the amount of contract assets will fluctuate in accordance with the revision of estimated aggregate construction revenue or aggregate construction cost.

Receivables from contracts with the customers and the contract assets are shown in "Notes and accounts receivable, trade" and "Contract assets." and contract liabilities is also shown in "Advances received on construction contracts in progress" on the consolidated balance sheets.

Regarding the amount of revenue recognition in the current fiscal year, the contract liability amount is ¥21,627 million. Furthermore, revenue recognition from satisfaction (or partial satisfaction) of performance obligations in prior periods is ¥450 million.

(2) Transaction prices allocated to remaining performance obligations

The aggregate amount of transaction prices allocated to remaining performance obligations and the estimated period of revenue recognition were as follows.

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2025	2025
Domestic civil business	¥192,605	$1,211,357
Domestic building business	101,070	635,662
Overseas business	219,135	1,378,212
Others	2,035	12,801
Total	¥514,847	$3,238,034

(Note) "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machinery.

For the above transaction prices allocated to remaining performance obligations, the amounts are mainly the construction contracts satisfied performance obligations over one year. From the end of current fiscal year, the remaining performance obligations of each reportable segment are going to be satisfied within the following periods, and recognized as revenue.

Domestic civil business	Within 2 years
Domestic building business	Within 2 years
Overseas business	Within 3 years
Others	Within 2 years

For the year ended March 31, 2026

(1) Balances of contract assets and contract liabilities

	Millions of Japanese Yen		Thousands of U.S. Dollars	
	Beginning balance	Ending balance	Beginning balance	Ending balance
Receivables from contracts with customers	**¥64,432**	**¥76,747**	**$405,238**	**$482,690**
Contract assets	**107,580**	**80,796**	**676,605**	**508,153**
Contract liabilities	**¥18,022**	**¥17,166**	**$113,346**	**$107,967**

(Note) The amount of notes receivables, trade, and electronically recorded monetary claims are not included in the balance of receivables and contract assets generated from contracts with customers.

Payment conditions in the construction business are different for each contract. Thus, they may not correspond with satisfaction of performance obligations, however, payments are usually made throughout the construction period, or in accordance with satisfaction of performance obligations.

The contract assets corresponding to performance obligations satisfied as of the end of fiscal year, but these represent the amounts of claims for which the due date has not yet been established, and increase with revenue recognition. Contract assets are transferred to receivables, trade from contracts with customers when the claims are submitted to the customers. In addition, the amount of contract assets will fluctuate in accordance with the revision of estimated aggregate construction revenue or aggregate construction cost.

Receivables from contracts with the customers and the contract assets are shown in "Notes and accounts receivable, trade" and "Contract assets." and contract liabilities is also shown in "Advances received on construction contracts in progress" on the consolidated balance sheets.

Regarding the amount of revenue recognition in the current fiscal year, the contract liability amount is ¥16,670 million (US$104,844 thousand). Furthermore, revenue recognition from satisfaction (or partial satisfaction) of performance obligations in prior periods is ¥1,235 million (US$7,771 thousand).

(2) Transaction prices allocated to remaining performance obligations

The aggregate amount of transaction prices allocated to remaining performance obligations and the estimated period of revenue recognition were as follows.

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2026	2026
Domestic civil business	¥198,454	$1,248,142
Domestic building business	110,105	692,488
Overseas business	200,579	1,261,503
Others	6,298	39,616
Total	¥515,438	$3,241,750

(Note) "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machineries.

For the above transaction prices allocated to remaining performance obligations, the amounts are mainly the construction contracts satisfied performance obligations over one year. From the end of current fiscal year, the remaining performance obligations of each reportable segment are going to be satisfied within the following periods, and recognized as revenue.

Domestic civil business	Within 2 years
Domestic building business	Within 2 years
Overseas business	Within 2 years
Others	Within 2 years

21.Information on Reportable Segments

Ⅰ.Outline of the reportable segments

The reportable segments of the Companies are components for which discrete financial information is available and prepared for the regular review, so that the board of directors can make decisions on the distribution of management resources and evaluate the operating performance. The Company comprises "Civil Engineering General Headquarters" and "Civil Engineering Sales and Managing General Headquarters," which control domestic civil engineering businesses,"Building Construction General Headquarters"and "Building Construction Sales and Managing General Headquarters," which control domestic construction businesses, and "International General Headquarters" for overseas businesses. Those Headquarters develop strategies comprehensively in each line of business and expand business activities.

Accordingly, the Company's businesses consist of segments classified by products and services based on the headquarters.The reportable segments are composed of "Domestic Civil Engineering Businesses", "Domestic Architectural Businesses", "Overseas Businesses" and principal activities in each segment are the following:

1) Domestic Civil Engineering Businesses: domestic civil engineering contracts, contracts related to design and others
2) Domestic Architectural Building Businesses: domestic architectural contracts, contracts related to design and others
3) Overseas Businesses: contracts for business overseas as a whole, as well as business operated by consolidated subsidiary PT TOA TUNAS JAYA INDONESIA

Ⅱ.Computation for the amount of net sales, profits or losses and other items in each reportable segment

The accounting policies of the reportable segments are substantially equivalent to the description in Significant Respects for the Basis of Preparing Consolidated Financial Statements. Intersegment net sales and transfers are based on the current market price. Meanwhile, assets are not allocated to the business segments.

Ⅲ.Information on net sales, profits or losses and other items in the reportable segments

For the year ended March 31, 2025

Millions of Japanese Yen

	Reportable Segments							
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Net sales:								
External customers	¥141,096	¥110,365	¥65,737	¥317,200	¥13,272	¥330,472	¥-	¥330,472
Inter-segment	-	62	-	62	9,090	9,153	(9,153)	-
Total	¥141,096	¥110,428	¥65,737	¥317,263	¥22,363	¥339,626	(¥9,153)	¥330,472
Segment profits or losses	13,186	6,421	4,230	23,838	2,115	25,953	(5,331)	20,621
Other items Depreciation and amortization	¥1,773	¥1	¥734	¥2,509	¥394	¥2,903	¥366	¥3,270

Notes:1. "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machinery.

2. Adjustment of the segment profits amounting to ¥(5,331) million is inclusive of inter-segment elimination amounting to ¥(59) million and Selling, General and Administrative Expenses amounting to ¥(5,271) million which are not attributed to any reportable segments.

3. Segment profits or losses are adjusted to the operating income in the consolidated statements of income.

4. Assets are not described due to no allocation to the business segments.

For the year ended March 31, 2026

Millions of Japanese Yen

	Reportable Segments							
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Net sales:								
External customers	**¥156,001**	**¥94,250**	**¥92,337**	**¥342,589**	**¥16,107**	**¥358,697**	**¥-**	**¥358,697**
Inter-segment	**-**	**199**	**-**	**199**	**11,170**	**11,370**	**(11,370)**	**-**
Total	**¥156,001**	**¥94,450**	**¥92,337**	**¥342,789**	**¥27,278**	**¥370,067**	**(¥11,370)**	**¥358,697**
Segment profits	**13,717**	**8,169**	**7,527**	**29,414**	**1,643**	**31,058**	**(6,859)**	**24,199**
Other items Depreciation and amortization	**¥1,441**	**¥8**	**¥752**	**¥2,202**	**¥414**	**¥2,616**	**¥396**	**¥3,013**

For the year ended March 31, 2026

Thousands of U.S. Dollars

	Reportable Segments							
	Domestic Civil Engineering	Domestic Architectural Building	Overseas	Total	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Net sales:								
External customers	**$981,144**	**$592,767**	**$580,740**	**$2,154,652**	**$101,303**	**$2,255,956**	**$-**	**$2,255,956**
Inter-segment	**-**	**1,257**	**-**	**1,257**	**70,257**	**71,514**	**(71,514)**	**-**
Total	**$981,144**	**$594,025**	**$580,740**	**$2,155,909**	**$171,561**	**$2,327,471**	**($71,514)**	**$2,255,956**
Segment profits	**86,276**	**51,377**	**47,344**	**184,998**	**10,338**	**195,336**	**($43,139)**	**152,196**
Other items Depreciation and amortization	**$9,064**	**$52**	**$4,734**	**$13,852**	**$2,604**	**$16,456**	**$2,494**	**$18,951**

Notes:1. "Other" is excluded from the reportable segments and inclusive of Real Estate Business, Manufacture / Sale / Repairing of construction machinery.
2. Adjustment of the segment profits amounting to ¥(6,859) million (US$(43,139) thousand) is inclusive of inter-segment elimination amounting to ¥92 million (US$579 thousand) and Selling, General and Administrative Expenses amounting to ¥(6,951) million (US$(43,719) thousand) which are not attributed to any reportable segments.
3. Segment profits are adjusted to the operating income in the consolidated statements of income.
4. Assets are not described due to no allocation to the business segments.

22.Related Information

Ⅰ.Information on products and services

Description is excluded since the similar information is disclosed in the segment information.

Ⅱ.Geographical information

1) Net sales

For the year ended March 31, 2025

	Millions of Japanese Yen
	2025
Japan	¥264,734
Southeast Asia	41,798
Other	23,939
Total	¥330,472

For the year ended March 31, 2026

	Millions of Japanese Yen	Thousands of U.S. Dollars
	2026	**2026**
Japan	**¥266,359**	**$1,675,215**
Southeast Asia	**58,115**	**365,505**
Other	**34,222**	**215,235**
Total	**¥358,697**	**$2,255,956**

(Note) Net sales are based on the customers' location and categorized into the countries or areas.

2) Tangible fixed assets

Description is excluded since the amounts of the tangible fixed assets in Japan exceed 90% of those amounts in the consolidated balance sheets.

Ⅲ.Information on principal customers

For the year ended March 31, 2025

Name of Customer	Related segments	Net sales Millions of Japanese Yen 2025
Japanese Ministry of Land, Infrastructure, Transport and Tourism	Domestic Civil Engineering Businesses, others	¥70,586

For the year ended March 31, 2026

Name of Customer	Related segments	Net sales	
		Millions of Japanese Yen	Thousands of U.S. Dollars
		2026	**2026**
Japanese Ministry of Land, Infrastructure, Transport and Tourism	Domestic Civil Engineering Businesses, others	**¥70,326**	**$442,307**

Ⅳ.Information on the loss on impairment of fixed assets in each reportable segment

The losses on impairment of fixed assets were not allocated to the reportable segments of the Companies. Description of the amounts and contents is excluded since the similar information is disclosed in the notes related to the consolidated statements of income for the years ended March 31, 2025 and 2026.

Ⅴ.Information on amortization and the unamortized balance of goodwill in each reportable segment

Amortization was not applicable for the years ended March 31, 2025 and 2026.

Ⅵ.Information on gain on negative goodwill in each reportable segment

The gain on negative goodwill was not applicable for the years ended March 31, 2025 and 2026.

23.Related party transactions

The related party transactions was not applicable for the years ended March 31, 2025 and 2026.

24.Per Share Data

1.Per Share data

	Japanese Yen		U.S. Dollars
	2025	**2026**	**2026**
Net assets	¥1,342.70	**¥1,507.27**	**$9.479**
Net income	¥187.94	**¥248.40**	**$1.562**

(Note) 1. Diluted net income per share is not presented for this consolidated fiscal year since the Company has no outstanding dilutive shares.
2. The basic information used to calculate per-share data was as follows:

2.Per share data on net income

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Profit attributable to owners of parent	¥14,908	**¥19,361**	**$121,771**
Profit attributable to owners of parent not attributable to common stockholders	-	**-**	**-**
Profit attributable to owners of parent for common stock	¥14,908	**¥19,361**	**$121,771**

	Thousands of shares	
	2025	**2026**
Average number of shares of common stock	79,329	**77,944**

To calculate net income per share, the stock acquired by the BBT and J-ESOP-RS stock benefit trusts (2,758 thousand shares and 2,975 thousand shares in the previous fiscal year and the current fiscal year, respectively) is included in treasury stock, which is deducted when calculating the average number of shares during the fiscal period. Furthermore, the number of treasury stock deducted when calculating the average number of shares during the fiscal period is 8,648 thousand shares for the previous fiscal year and 10,033 thousand shares for the current fiscal year.

3.Per share data on net assets

	Millions of Japanese Yen		Thousands of U.S. Dollars
	2025	**2026**	**2026**
Net assets	¥107,873	**¥117,926**	**$741,674**
Net assets amount for common stock	106,546	**116,537**	**732,937**
Significant breakdown of differences			
Non-controlling interests	¥1,327	**¥1,389**	**$8,737**

	Thousands of Shares	
	2025	**2026**
Numbers of issued shares of common stock	87,978	**87,978**
Numbers of shares of treasury stock	8,626	**10,661**
Numbers of shares of common stock which were used for calculation for per share data on net assets	79,352	**77,316**

To calculate net assets per share, the stock acquired by the BBT and J-ESOP-RS stock benefit trusts (2,900 thousand shares and 4,497 thousand shares respectively in the previous fiscal year and the current fiscal year, respectively) is included in treasury stock that is deducted from the total number of issued shares at the end of the fiscal period. Furthermore, the number of treasury stock deducted from the total number of issued shares at the end of the fiscal period is 8,626 thousand shares for the previous fiscal year and 10,661 thousand shares for the current fiscal year.

Supplementary Information

Details of corporate bond

			Millions of Japanese Yen		Thousands of U.S. Dollars		Interest rate		
Company	Brand	Issuance Date	Beginning balance	Closing balance	Beginning balance	Closing balance	%	Collateral	Maturity Date
TOA CORPORATION	1st Unsecured Bond (with limited inter-bond pari passu clause) (Sustainability Linked Bond)	March 6, 2025	¥5,000	¥5,000	$31,446	$31,446	-	Unsecured	March 6, 2030
Total	-	-	¥5,000	¥5,000	$31,446	$31,446	-	-	-

Notes:1.Total amount of scheduled redemptions per year within 5 years after the consolidated balance sheet date

				Millions of Japanese Yen
Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years
-	-	-	¥5,000	-

				Thousands of U.S. Dollars
Within one year	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years
-	-	-	$31,446	-

Details of borrowings

	Millions of Japanese Yen		Thousands of U.S. Dollars		Average rates	Repayment deadline
	Beginning balance	Closing balance	Beginning balance	Closing balance	%	
Short-term borrowings	¥25,370	¥6,050	$159,559	$38,050	1.74	-
Current portion of long-term debt	4,134	3,999	26,001	25,151	1.43	-
Current portion of non-recourse debt	6	1	39	10	2.18	-
Current portion of lease obligations	207	207	1,307	1,305	-	-
Long-term debt (excluding current portion)	9,959	10,085	62,637	63,429	2.07	from 2027 to 2031
Non-recourse debt (excluding current portion)	1	-	10	-	-	-
Lease obligation (excluding current portion)	391	203	2,463	1,278	-	from 2027 to 2031
Other debt: commercial paper (scheduled to be repaird within one year)	6,000	-	37,735	-	-	-
Total	¥46,071	¥20,546	$289,756	$129,224	-	-

Notes:1.The "average rates" are balanced by the weighted average.

The average rates of lease obligations are not listed because interest is included in the lease obligation in the consolidated balance sheets.

2.The amount scheduled to be repaid of long-term debt, non-recourse debt and lease obligations (excluding current portions) within 5 years after the consolidated closing date were as follows:

	Millions of Japanese Yen				Thousands of U.S. Dollars			
	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years	Over one year within two years	Over two years within three years	Over three years within four years	Over four years within five years
Long-term debt	¥4,003	¥3,011	¥2,070	¥999	$25,181	$18,940	$13,021	$6,285
Lease obligations	¥180	¥11	¥4	¥4	$1,132	$72	$30	$27

Details of asset retirement obligations

Disclosure is omitted because the beginning and ending balances of asset retirement obligations did not exceed 1% of the beginning and ending balances of liabilities and net assets.

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Independent Auditor's Report

The Board of Directors
TOA CORPORATION

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of TOA CORPORATION and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2026, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue as performance obligations are satisfied over time in construction contracts	
Description of Key Audit Matter	**Auditor's Response**
TOA CORPORATION Group is engaged in the construction business and other businesses related to construction. As described in "(5)	We mainly performed the following audit procedures in evaluating the reasonableness of estimates of total construction costs for

Recognition of significant revenue and expenses” under “II. Basis of accounting treatment” in “1. Significant Items that Form the Basis of Preparing Consolidated Financial Statements,” TOA CORPORATION and its consolidated subsidiaries mainly use the method of recognizing revenue as performance obligations are satisfied over time (cost-based input method is applied for estimates of progress towards satisfaction of the performance obligation) for construction that is deemed to satisfy performance obligations for the portion of work completed up to the end of the fiscal year ended March 31, 2026 in recording net sales and cost of sales for completed construction work related to construction contracts. As described in “ I . Accounting Standard for Revenue Recognition” under “2. Significant accounting estimates,” net sales for completed construction work of 344,813 million yen were recorded using the method of recognizing revenue as performance obligations are satisfied over time, accounting for 96.1% of net sales in the amount of 358,697 million yen for the fiscal year ended March 31, 2026. Revenue recognized using the method of recognizing revenue as performance obligations are satisfied over time is measured based on the progress towards the satisfaction of the performance obligation, and such progress is determined based on the ratio of actual incurred costs up to the end of the fiscal year to total construction costs. Total construction costs are estimated using the operating budget for each construction contract and, when estimates of total construction costs are revised according to changes in the construction environment after construction begins, progress towards satisfaction of a performance obligation is calculated based on the latest revised budget following such revision of estimates. Operating budgets on which estimates of total construction costs are based are	revenue recognized as performance obligations are satisfied over time. (1) Evaluation of internal controls We evaluated the design and operation of the following internal controls relating to estimates of total construction costs. ・Controls to ensure reliability by requiring that operating budgets on which estimates of total construction costs are based are prepared in a timely manner by construction managers and approved by decision makers designated in accordance with decision-making standards ・Controls to ensure that each of the elements of total construction costs is calculated based on aggregations for which appropriate unit prices and quantities were used, and that the necessary expenses arising throughout the construction period are appropriately calculated ・Controls to ensure that management of profit (loss) on construction and timely and appropriate revisions of estimates of total construction costs are carried out by requiring that construction managers prepare monthly construction management reports and revise operating budgets as necessary based on an understanding of the actual costs that have arisen, the progress of construction work, and other changes in the construction environment, and requiring that managers in construction departments monitor whether revised budgets have been prepared to reflect changes in circumstances after construction begins within estimates of total construction costs (2) Evaluation of the reasonableness of estimates of total construction costs In order to evaluate the reasonableness of total construction costs, we identified construction work for which uncertainty associated with estimates of total construction costs has a material impact on financial reporting in consideration of the existence of changes in construction contract amounts, profit (loss) on

individual in nature since specifications, construction periods, and other considerations differ by construction contract, and are formulated based not only on objective figures and indicators such as quotations provided by counterparties, but also on subjective determinations based on factors such as past construction experience and specialized construction knowledge of construction managers. In formulating the aforementioned budgets, estimates are made based on certain assumptions, including changes in construction material and labor prices. If these assumptions change, it is necessary to revise total construction costs according to changes in the construction environment after construction begins and the status of discussions with counterparties. However, given that construction work generally spans long periods of time, it is difficult to accurately predict such changes and, therefore, estimates are subject to uncertainty. Based on the above, we have determined that estimates of total construction costs, which are an assumption underlying the measurement of progress towards satisfaction of a performance obligation related to revenue recognition for construction contracts, are of particular significance for the fiscal year ended March 31, 2026 and, accordingly, that this is a key audit matter.	construction, and the construction environment, and performed the following audit procedures. ・ We obtained monthly construction management reports and considered whether the types of work making up construction projects are consistent with overviews of projects, whether there were any irregularities in the percentage of progress for each type of work. ・ We analyzed changes in profit margin, inquired about the factors causing fluctuations that were above a certain threshold, and considered the impact of events causing fluctuations on the significant assumptions and whether such fluctuations were reflected in the latest revised budgets as of the end of the fiscal year ended March 31, 2026. ・ We inspected construction sites or made inquiries of construction managers about the status of construction work, and then considered whether the actual status of construction was consistent with work schedules and progress percentages. ・ Regarding significant assumptions included in total construction costs in operating budgets or the latest revised budgets, we reconciled these items to documents such as quotations from subcontractors and considered whether the items were consistent with contract periods, workforce plans, and other information. ・ We evaluated the process for estimating total construction costs by comparing initial operating budgets with the latest revised budgets or finalized amounts and considering the details of any differences.

Other Information

Other information comprises the information included in disclosure documents that contain audited consolidated financial statements, but does not include the consolidated financial statements and our auditor’s report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to other information.

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Responsibilities of Management, the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2026 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of TOA CORPORATION and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2026 are 72 million yen and 15 million yen, respectively.

Shape the future
with confidence

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 7, 2026

/s/ Makoto Suzuki
Designated Engagement Partner
Certified Public Accountant

/s/ Yoji Yuki
Designated Engagement Partner
Certified Public Accountant