



SEIKITOKYU KOGYO CO.,LTD.

Financial Results Presentation for the Fiscal Year Ended March 31, 2024

June 3, 2024

Becoming a truly strong corporate group





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1

Overview of Financial Results for the Fiscal Year Ended March 31, 2024



- Socioeconomic activities are normalizing following the reclassification of COVID-19 as a Class 5 infectious disease.
- In the road construction market, public construction investment remained strong due to disaster prevention and mitigation projects as well as for building national resilience.
- Prices remain elevated, with the increasingly tense international situation and other factors pushing up resource prices worldwide.
- Due also to the impact of the weak yen, straight asphalt and other raw material prices remained high, which continued to make it difficult for us to make a significant profit.



Key Initiatives in the Fiscal Year Ended March 31, 2024

We promote strategies in the Medium-term Management Plan (FY2021–FY2023)

- 1 Expand stable earnings by further strengthening the competitiveness of our core businesses**
- 2 Rise to the challenge of expanding business areas and developing new business fields**
- 3 Create a virtuous cycle in the recruitment, retention, and development of human resources**
- 4 Establish new ways of working that help improve productivity**
- 5 Build a strong and sound management and financial base**

▶ Becoming a truly strong corporate group that can respond to any future environmental changes

1 Financial Results (Consolidated and Non-consolidated)

- Net sales decreased 4.7% year on year. Despite the lingering impact of high costs, profits swung back to growth after two consecutive years of declines.
- Compared to the initial forecast ([consolidated] net sales of 93.3 billion yen, operating income of 4.92 billion yen, ordinary income of 4.82 billion yen, and net income of 3.25 billion yen), sales and profits came in below the forecast.
- The difference between consolidated and non-consolidated net income reflects the booking of an extraordinary losses (497 million yen) in non-consolidated accounts mainly due to the business withdrawal by a consolidated subsidiary (STK PACIFIC CORPORATION [Guam]) (eliminated in consolidated accounts).

(Millions of yen)

Consolidated	FY2021 results	FY2022 results	FY2023 results	YoY change (Amount)	YoY change (%)
Net sales	85,132	92,414	88,037	(4,377)	(4.7%)
Gross profit	10,231	8,802	9,946	1,144	13.0%
Selling, general and administrative expenses	5,812	6,132	5,854	(277)	(4.5%)
Operating income	4,418	2,669	4,091	1,422	53.3%
Ordinary income	4,358	2,647	4,078	1,430	54.0%
Net income	3,304	1,127	2,740	1,613	143.2%

Non-consolidated	FY2021 results	FY2022 results	FY2023 results	YoY change (Amount)	YoY change (%)
Net sales	81,168	87,676	83,705	(3,970)	(4.5%)
Gross profit	9,238	7,823	8,986	1,162	14.9%
Selling, general and administrative expenses	5,148	5,387	5,208	(179)	(3.3%)
Operating income	4,089	2,436	3,778	1,341	55.1%
Ordinary income	4,025	2,400	3,782	1,382	57.6%
Net income	3,083	1,028	2,087	1,059	103.0%

1 Orders Received, Net Sales and Construction Contracts Brought Forward (Consolidated)

- With construction work orders received being strong and net sales of finished goods exceeding the previous year, total orders received were up 4.0%.
- Net sales declined 4.7% year on year due in part to the start of full-scale work for multiple large-scale projects deferred to next fiscal year.
- Construction contracts brought forward to next fiscal year remained elevated and were at their highest level for the past few years.

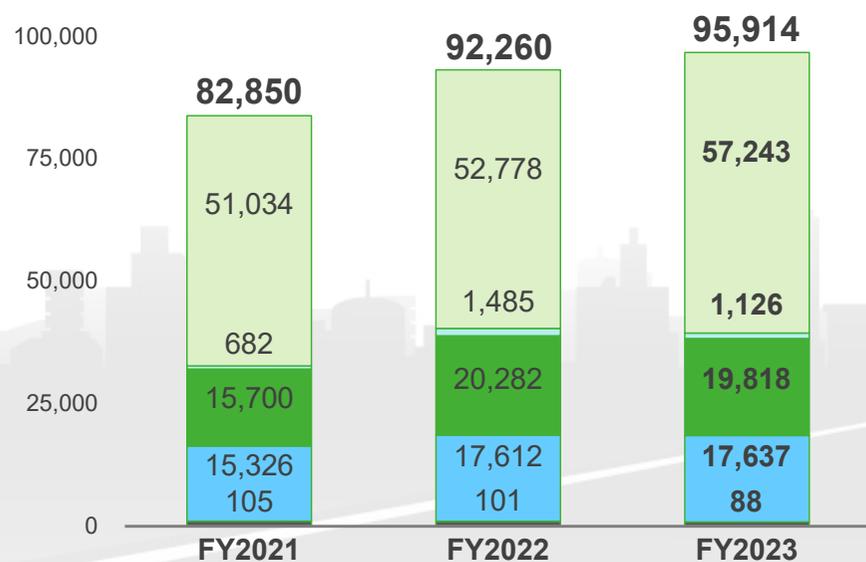
(Millions of yen)

Orders received	FY2021	FY2022	FY2023		YoY change (Amount)	YoY change (%)
	Amount	Amount	Amount	Composition (%)		
Construction Business	67,417	74,546	78,189	81.5%	3,642	4.9%
Asphalt pavement	51,034	52,778	57,243	59.7%	4,465	8.5%
Concrete pavement	682	1,485	1,126	1.1%	(358)	(24.2%)
Civil engineering works, etc.	15,700	20,282	19,818	20.7%	(463)	(2.3%)
Pavement Materials Manufacturing and Sales Business	15,326	17,612	17,637	18.4%	24	0.1%
Electricity Sales Business, etc.	105	101	88	0.1%	(12)	(12.5%)
Total orders received	82,850	92,260	95,914	100.0%	3,654	4.0%

Orders received

■ Asphalt pavement
 ■ Concrete pavement
 ■ Civil engineering works, etc.
■ Pavement Materials Manufacturing and Sales Business
 ■ Electricity Sales Business, etc.

(Millions of yen)



(Millions of yen)

Net sales

	FY2021	FY2022	FY2023
Construction Business	69,699	74,700	70,311
Asphalt pavement	53,810	56,557	52,114
Concrete pavement	640	1,075	1,257
Civil engineering works, etc.	15,249	17,067	16,939
Pavement Materials Manufacturing and Sales Business	15,326	17,612	17,637
Electricity Sales Business, etc.	105	101	88
Total	85,132	92,414	88,037

Construction contracts brought forward

(Millions of yen)

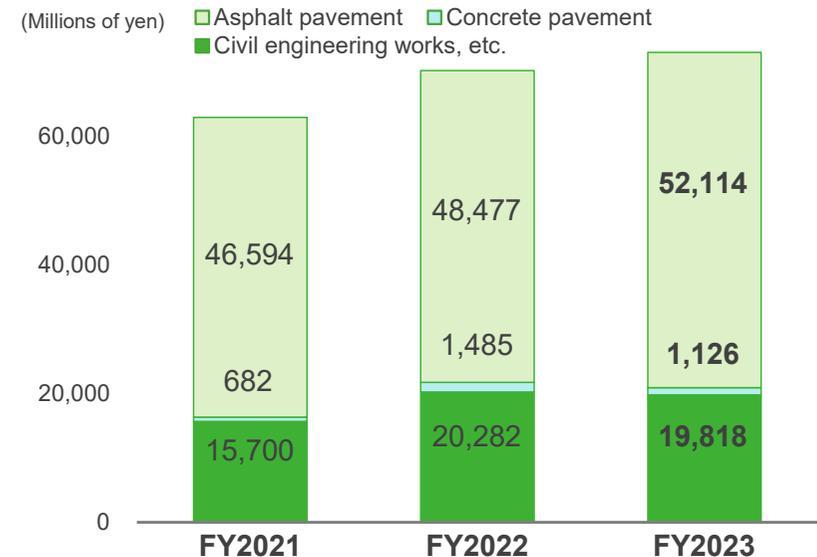
	FY2021	FY2022	FY2023
Construction Business	36,538	36,384	44,261
Asphalt pavement	26,195	22,417	27,546
Concrete pavement	325	736	605
Civil engineering works, etc.	10,017	13,231	16,110
Total	36,538	36,384	44,261

1 Construction Work Orders Received (Non-consolidated)

- Orders received from public agencies and from the private sector excluding Tokyu Group continued to rise year on year.
- Orders received for large-scale construction work such as those related to expressways were strong. As a result, overall construction orders received were above the initial forecast (70 billion yen) as well as higher than the previous year.
- For two straight years, we have achieved the FY2030 target (non-consolidated orders received of 70 billion yen) in our long-term vision.

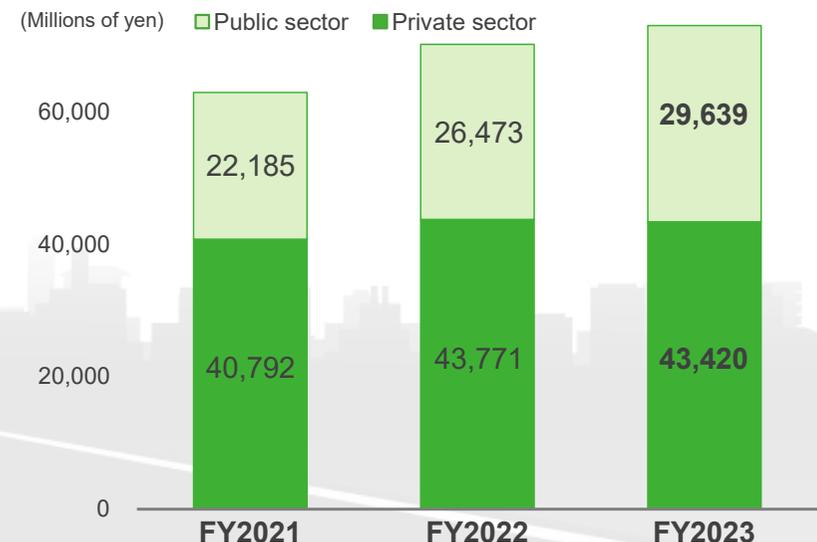
(Millions of yen)

Orders received by type of work	FY2021	FY2022	FY2023	YoY change (Amount)	YoY change (%)
Asphalt pavement	46,594	48,477	52,114	3,637	7.5%
Concrete pavement	682	1,485	1,126	(358)	(24.2%)
Civil engineering works, etc.	15,700	20,282	19,818	(463)	(2.3%)
Total	62,977	70,245	73,060	2,814	4.0%



(Millions of yen)

Orders received by public and private sectors	FY2021	FY2022	FY2023	YoY change (Amount)	YoY change (%)
Public sector	22,185	26,473	29,639	3,165	12.0%
Private sector	40,792	43,771	43,420	(350)	(0.8%)
Tokyu Group	2,005	2,966	1,634	(1,331)	(44.9%)
Total	62,977	70,245	73,060	2,814	4.0%



1 Product Manufacturing and Sales Results (Non-consolidated)

- Amid continued sluggish demand, we saw year-on-year decreases in both production volume and sales volume of asphalt composites.
- While variable expenses such as prices of energy and other resources, including those related to crude oil, remained high, selling prices increased to a certain extent, and as a result, asphalt composite sales were generally at a similar level to those of the previous year.

(Millions of yen)

		FY2021	FY2022	FY2023	YoY change(Amount)	YoY change(%)
Asphalt composites	Production volume (Kilotons)	1,642	1,649	1,582	(67)	(4.1%)
	Sales volume (Kilotons)	1,230	1,257	1,213	(44)	(3.5%)
	Sales	11,089	12,811	12,741	(69)	(0.5%)
Sales of other products		4,476	5,044	5,360	316	6.3%
Total net sales		15,566	17,855	18,101	246	1.4%

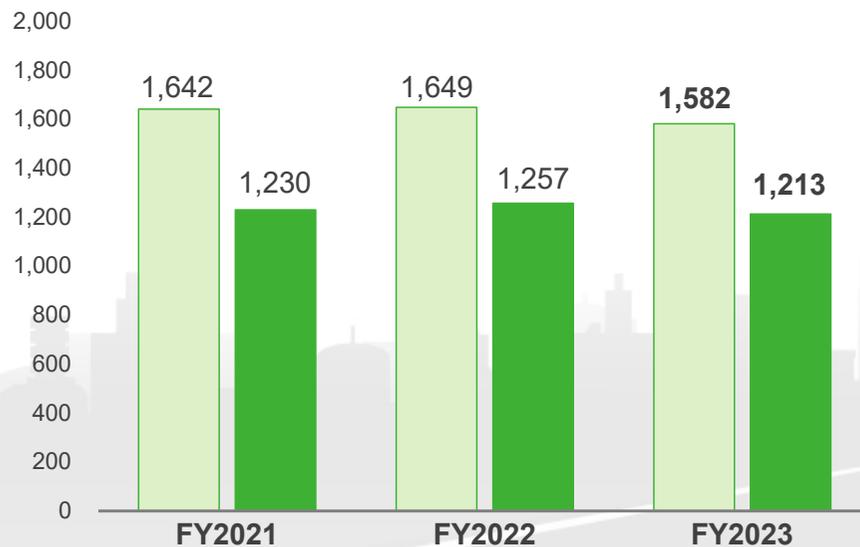
Notes

1. The difference between production volume and sales volume of asphalt composites is the quantity used for construction works we received orders for.
2. Sales of other products were generated by the sales of asphalt emulsion, crushed stone, etc.

Production volume and sales volume

□ Production volume ■ Sales volume

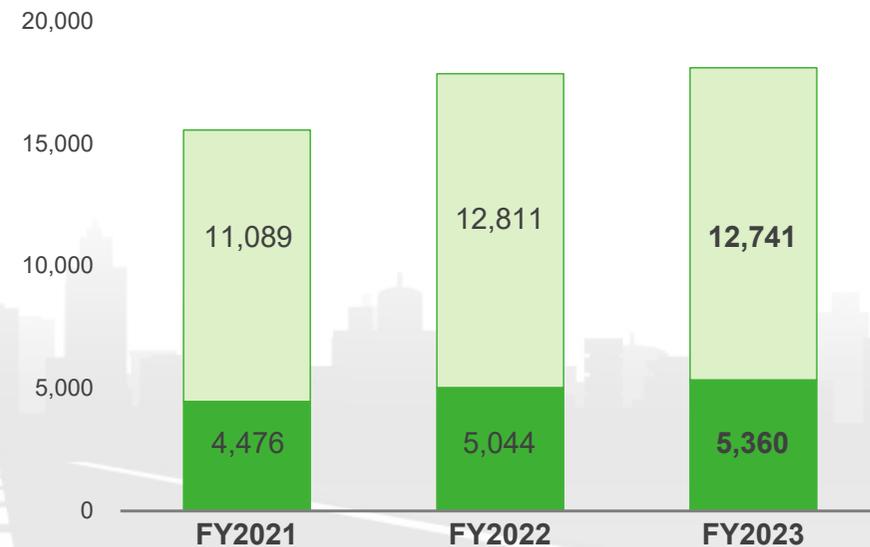
(Kilotons)



Net sales

□ Asphalt composites ■ Other products

(Millions of yen)



1 Net Sales and Profit (Loss) Results by Segment (Consolidated)

- In the construction business, construction work orders received were strong from the beginning of FY2023 but with no progress made on some large-scale construction works in progress, net sales decreased. For profits, the margin improved narrowly due to absorbed impacts of rising material prices and personnel expenses, and segment profit was basically at the same level as the previous year.
- In the pavement materials manufacturing and sales business, costs were at a high level throughout the year. In addition to benefits from manufacturing efficiency improvements, we made progress, albeit less than adequate, with passing costs onto selling prices gradually, and as a result, brought the decline in segment profit to a halt. However, the segment margin was 11.0% in FY2020 and is still on a recovery.

(Millions of yen)

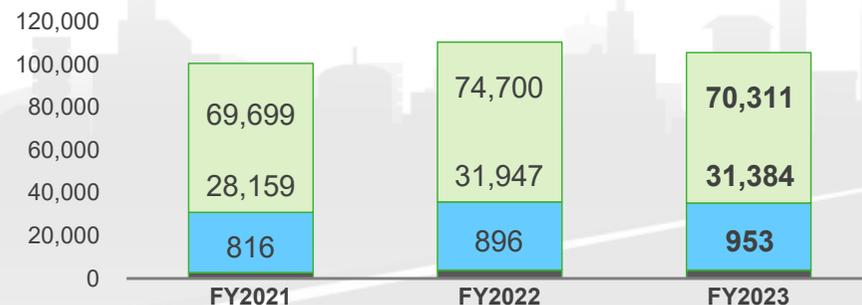
Net sales	FY2021	FY2022	FY2023	YoY change(Amount)	YoY change(%)
Construction Business	69,699	74,700	70,311	(4,388)	(5.9%)
Pavement Materials Manufacturing and Sales Business	28,159	31,947	31,384	(563)	(1.8%)
Electricity Sales Business, etc.	816	896	953	57	6.4%
Adjustments	(13,543)	(15,130)	(14,613)	517	—
Total net sales	85,132	92,414	88,037	(4,377)	(4.7%)

Operating income	FY2021	FY2022	FY2023	YoY change(Amount)	YoY change(%)
Construction Business	6,038	5,540	5,563	23	0.4%
Pavement Materials Manufacturing and Sales Business	1,623	596	1,841	1,245	208.9%
Electricity Sales Business, etc.	155	168	172	4	2.5%
Adjustments	(3,398)	(3,635)	(3,486)	148	—
Total net sales	4,418	2,669	4,091	1,422	53.3%

Net sales

(Millions of yen)

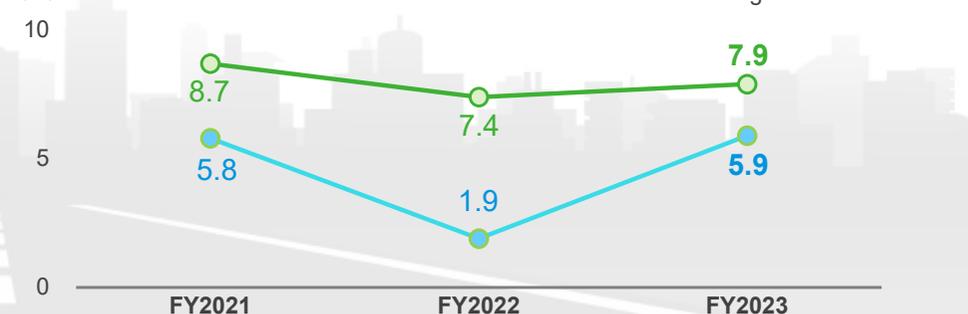
- Construction Business
- Pavement Materials Manufacturing and Sales Business
- Electricity Sales Business, etc.



Operating income

(%)

- Construction Business margin
- Pavement Materials Manufacturing and Sales Business margin



1 SG&A, Operating Income, Ordinary Profit and Net Income (Consolidated)

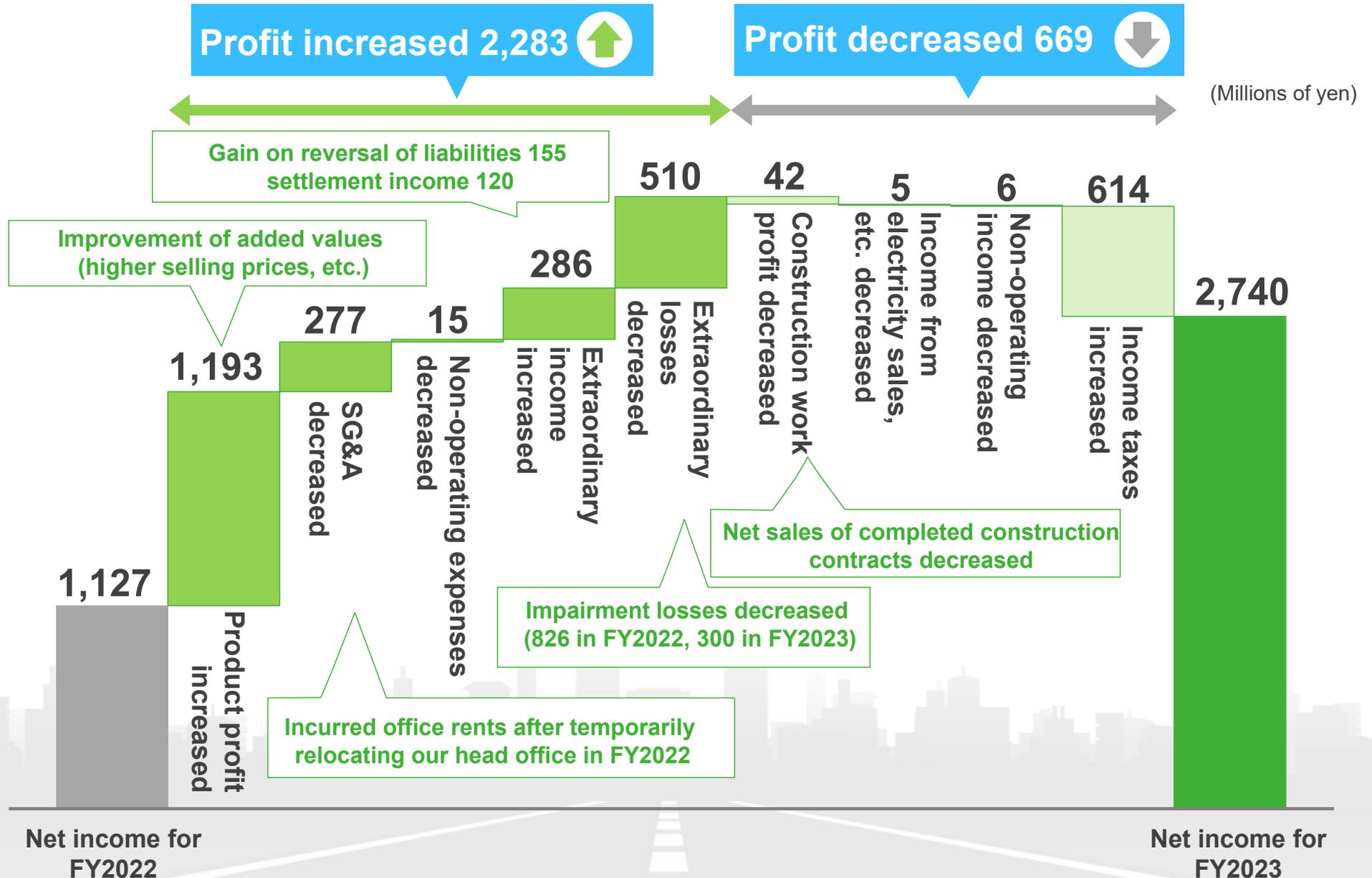
- Selling, general and administrative expenses decreased compared to the previous year partly because in FY2022 we incurred rent expenses for temporary office locations stemming from the reconstruction of our head office.
- Extraordinary income was booked reflecting the settlement income received of 120 million yen in a shareholder derivative lawsuit and the gain on reversal of liabilities of 155 million yen in connection with the past violations of the Anti-Monopoly Act due to statute of limitations expiring.
- An impairment losses of 300 million yen was recorded for some manufacturing facilities for the pavement materials manufacturing and sales business, which faces tough conditions for profits.

(Millions of yen)

	FY2022		FY2023		YoY change (Amount)	YoY change(%)
	Amount	Composition (%)	Amount	Composition (%)		
Net sales	92,414	100.0%	88,037	100.0%	(4,377)	(4.7%)
Gross profit	8,802	9.5%	9,946	11.3%	1,144	13.0%
Selling, general and administrative expenses	6,132	6.6%	5,854	6.7%	(277)	(4.5%)
Operating income	2,669	2.9%	4,091	4.6%	1,422	53.3%
Non-operating income	113	0.1%	106	0.1%	(6)	(5.9%)
Non-operating expenses	135	0.1%	119	0.1%	(15)	(11.4%)
Ordinary income	2,647	2.9%	4,078	4.6%	1,430	54.0%
Extraordinary income	24	0.0%	310	0.4%	286	—
Extraordinary losses	873	0.9%	363	0.4%	(510)	(58.4%)
Profit before income taxes	1,798	1.9%	4,025	4.6%	2,227	123.9%
Income taxes -current	726	0.8%	1,210	1.4%	484	66.7%
Income taxes -deferred	(55)	(0.1%)	74	0.1%	129	—
Net income	1,127	1.2%	2,740	3.1%	1,613	143.2%

1 Analysis of Factors Affecting Changes in Net Income (Consolidated)

- Compared to the previous year, there were positive factors, such as a recovery in product profit, increased extraordinary income, and decreased extraordinary losses. As a result, net income increased by 1,613 million yen.



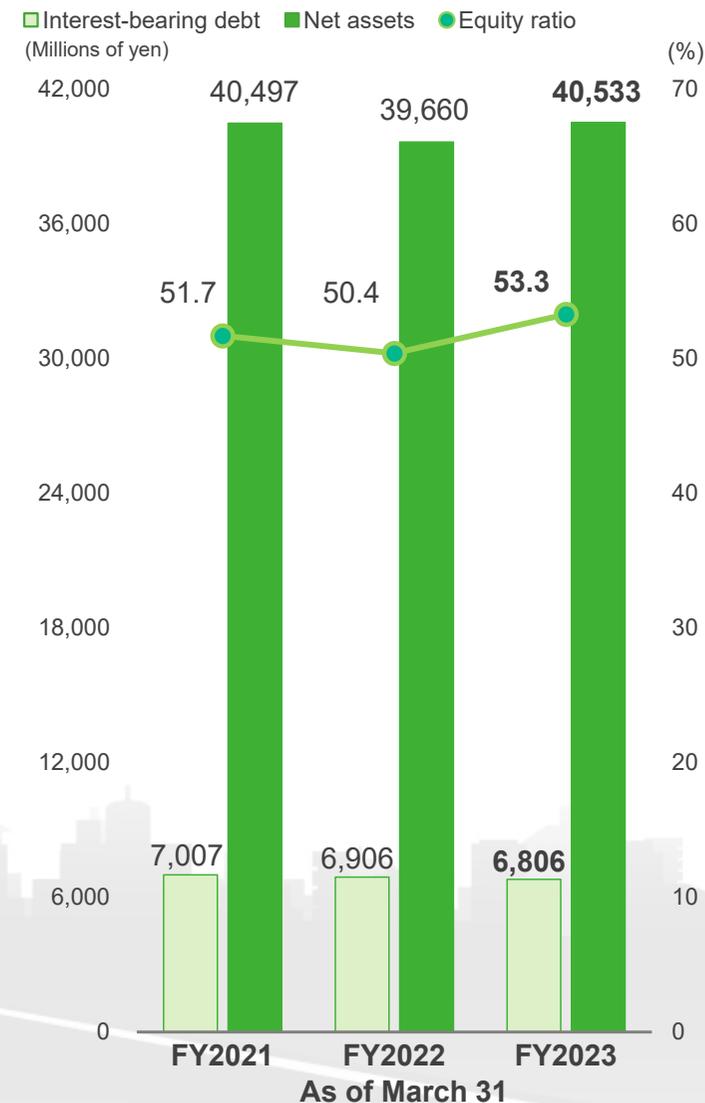
1 Consolidated Financial Position and Cash Flows

- Purchases of property, plant and equipment of 2,933 million yen, including the crushing facility upgrade of Myokenjima Mixture Plant and rebuilding of business offices.
- Dividends paid of 2,734 million yen. (1,093 million yen paid for end-FY2022 dividend, 1,641 million yen paid for FY2023 interim dividend.)
- Equity increased by 873 million yen due to greater remeasurements of defined benefit plans (785 million yen).
- Due to the increase in income before income taxes and the decrease in receivables, trade as a result of the net sales decline, operating cash flow increased considerably compared with the previous year.

Consolidated financial position

(Millions of yen)

	FY2021	FY2022	FY2023	YoY change
Total assets	78,295	78,762	76,042	(2,719)
Total liabilities	37,797	39,101	35,509	(3,592)
Interest-bearing debt	7,007	6,906	6,806	(100)
(Short-term borrowings)	107	106	106	—
(Long-term borrowings)	6,900	6,800	6,700	(100)
Net assets	40,497	39,660	40,533	873
Equity ratio	51.7%	50.4%	53.3%	—



Consolidated cash flows

(Millions of yen)

	FY2021	FY2022	FY2023
Net cash provided by (used in) operating activities	4,646	2,380	10,949
Net cash provided by (used in) investing activities	(3,668)	(5,028)	(2,873)
Net cash provided by (used in) financing activities	(2,232)	(2,022)	(2,823)
Effect of exchange rate change on cash and cash equivalents	33	28	14
Net increase (decrease) in cash and cash equivalents	(1,220)	(4,641)	5,267
Cash and cash equivalents at end of period	12,814	8,173	13,440

1 Major Construction Works We Received Orders for

Customer	Project	Site (Prefecture)
Miyagi Prefecture	Approval renewal development work for Miyagi Sports Park stadium, etc.	Miyagi
Tohoku Regional Development Bureau, MLIT	Maintenance and repair work on Soma area of National Route 6	Fukushima
East Nippon Expressway Company Limited	Pavement work on Onahama Road in Yamada	Fukushima
Tokyo Metropolitan Government	Surface repair work (5-2-7 double-layer, low-noise pavement)	Tokyo
Kanto Regional Development Bureau, MLIT	Maintenance work within the jurisdiction of Atsugi Branch Office	Kanagawa
Central Nippon Expressway Company Limited	Meishin Expressway (large-scale renewal project) between Ichinomiya Junction and Gifu-Hashima Interchange (inbound) pavement improvement work (FY2023)	Aichi
Central Nippon Expressway Company Limited	Pavement work on Tokai-Kanjo Expressway between Hokusei Interchange and Daian Interchange	Mie
Hanshin Expressway Company Limited	Large-scale pavement repair work (2023-4-Wan)	Osaka
Chugoku Regional Development Bureau, MLIT	Maintenance work for Okayama Tobu (FY2023)	Okayama
West Nippon Expressway Company Limited	Pavement work for Hayato Road Hayato-Higashi (FY2023)	Kagoshima

1 Major Completed Construction Works

Customer	Project	Site (Prefecture)
TOKYU LAND CORPORATION	Artificial ground work for BRANZ Kita 24-jo East	Hokkaido
East Nippon Expressway Company Limited	Pavement repair work within the jurisdiction of Morioka Operation Office of Tohoku Expressway	Iwate
East Nippon Expressway Company Limited	Pavement repair work within the jurisdiction of Utsunomiya Operation Office of the Tohoku Expressway	Tochigi
Kanto Regional Development Bureau, MLIT	Maintenance work within the jurisdiction of Hachioji National Route Branch Office	Tokyo
Tokyo Metropolitan Government	Surface repair work (4-2-9, solar radiation reflection)	Tokyo
Central Nippon Expressway Company Limited	Pavement repair work (large-scale renewal project) within the jurisdiction of Toyama Operation Office of Hokuriku Expressway (FY2020)	Toyama
Central Nippon Expressway Company Limited	Pavement repair work (large-scale renewal project) within the jurisdiction of Nagoya Operation Office of Tomei Expressway (FY2022)	Aichi
Hanshin Expressway Company Limited	Large-scale pavement repair work (2021-10-Wan)	Osaka
Kobe City	Repair work for the Universiade Memorial Stadium in the Kobe Sports Park	Hyogo
Chugoku Regional Development Bureau, MLIT	Pavement repair and other work within the jurisdiction of Saijo Maintenance Branch Office (FY2022)	Hiroshima



Surface repair work (4-2-9, solar radiation reflection)



Pavement repair work (large-scale renewal project) within the jurisdiction of Toyama Operation Office of Hokuriku Expressway (FY2020)



Repair work for the Universiade Memorial Stadium in the Kobe Sports Park

Prevent recurrence of violation of the Anti-Monopoly Act

- In response to the violations of the Anti-Monopoly Act that had taken place in the period up to January 2015, we will continue to implement measures laid out to prevent recurrence across the Company and strive to regain trust early.

Outline of measures to prevent recurrence

Announced on March 25, 2016

Measures to Prevent the Recurrence of Anti-Monopoly Act Violations (Mainly includes measures against violations in bidding for construction works)

Announced on January 24, 2020

Specific Measures to Prevent Recurrence Compiled in Response to the Recommendations in the Investigation Report (Additional measures against violations in deciding mixture prices)

Settlement of the shareholder derivative lawsuit (Tokyo District Court, Case No. wa-32120 [2020])

In December 2020, one shareholder filed a lawsuit against four former directors of the Company, seeking compensation for damages caused to the company due to violations in deciding mixture prices.

- March 28, 2022: Tokyo District Court ruled in favor of the plaintiff's claim.
- January 26, 2023: Tokyo High Court ruled in favor of the plaintiff's claim.
- June 22, 2023: A settlement was reached at the Tokyo High Court.

- Settlement income: 120 million yen
- The Company paid 18 million yen as a legal fee for the plaintiff.

2

Outlook for the Fiscal Year Ending March 31, 2025



2 Financial Results Forecast for FY2024 (Consolidated and Non-consolidated)

- We continue to expect firm underlying demand in the road construction market, such as disaster prevention and disaster mitigation business and building national resilience.
- Given extensive construction works in progress, we expect net sales to be at their highest level in the past 20 years and forecast profits to recover to above the FY2021 level.
- Forecasts at this moment do not factor in further deterioration of the revenue environment caused by risks related to geopolitics and other factors.

(Millions of yen)

Consolidated	FY2022	FY2023	FY2024 (Forecast)	YoY change (Amount)	YoY change (%)
Orders received	92,260	95,914	97,300	1,386	1.4%
Net sales	92,414	88,037	96,900	8,863	10.1%
Gross profit	8,802	9,946	11,610	1,664	16.7%
Operating income	2,669	4,091	5,520	1,429	34.9%
Ordinary income	2,647	4,078	5,450	1,372	33.6%
Net income	1,127	2,740	3,700	960	35.0%

Non-consolidated	FY2022	FY2023	FY2024 (Forecast)	YoY change (Amount)	YoY change (%)
Orders received	88,114	91,176	91,600	424	0.5%
Net sales	87,676	83,705	91,600	7,895	9.4%
Gross profit	7,823	8,986	10,450	1,464	16.3%
Operating income	2,436	3,778	4,950	1,172	31.0%
Ordinary income	2,400	3,782	4,870	1,088	28.8%
Net income	1,028	2,087	3,340	1,253	60.0%

2 Net Sales and Profit (Loss) Forecast by Segment (Consolidated)

- In the construction business, we expect a sharp year-on-year increase in net sales of completed construction contracts, backed by extensive construction works in progress and solid orders received. As for construction work profit, we expect a 21.3% increase, with the margin anticipated improving due to productivity improvements thanks to progress with large-scale construction works and profit loss preventions.
- In the pavement materials manufacturing and sales business, we will continue to strive to realize appropriate selling prices reflecting manufacturing and transportation costs, to increase sales volume, and improve manufacturing efficiency, and thus we to aim to recover profit.

(単位：百万円)

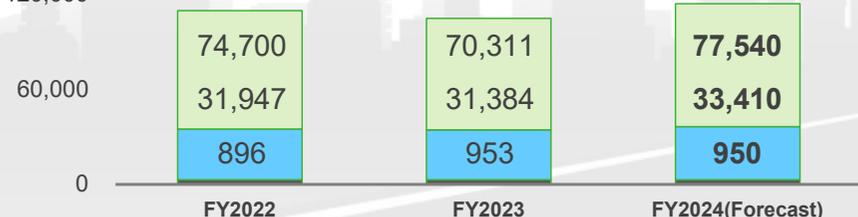
Net sales	FY2023	FY2024(Forecast)	YoY change (Amount)	YoY change (%)
Construction Business	70,311	77,540	7,229	10.3%
Pavement Materials Manufacturing and Sales Business	31,384	33,410	2,026	6.5%
Electricity Sales Business, etc.	953	950	(3)	(0.3%)
Adjustments	(14,613)	(15,000)	(387)	—
Total net sales	(88,037)	96,900	8,863	10.1%

Operating income	FY2023	FY2023(Forecast)		YoY change (Amount)	YoY change(%)
	Amount	Amount	Margin (%)		
Construction Business	5,563	6,750	8.7%	1,187	21.3%
Pavement Materials Manufacturing and Sales Business	1,841	2,100	6.3%	259	14.1%
Electricity Sales Business, etc.	172	170	17.9%	(2)	(1.2%)
Adjustments	(3,486)	(3,500)	—	(14)	—
Total net sales	4,091	5,520	5.7%	1,429	34.9%

Net sales

(Millions of yen)

120,000



Operating income margin

(%)

10

0

0

0

0

0

0

0

0

- Construction Business
- Pavement Materials Manufacturing and Sales Business



2 Forecast of Construction Work Orders to be Received (Non-consolidated)

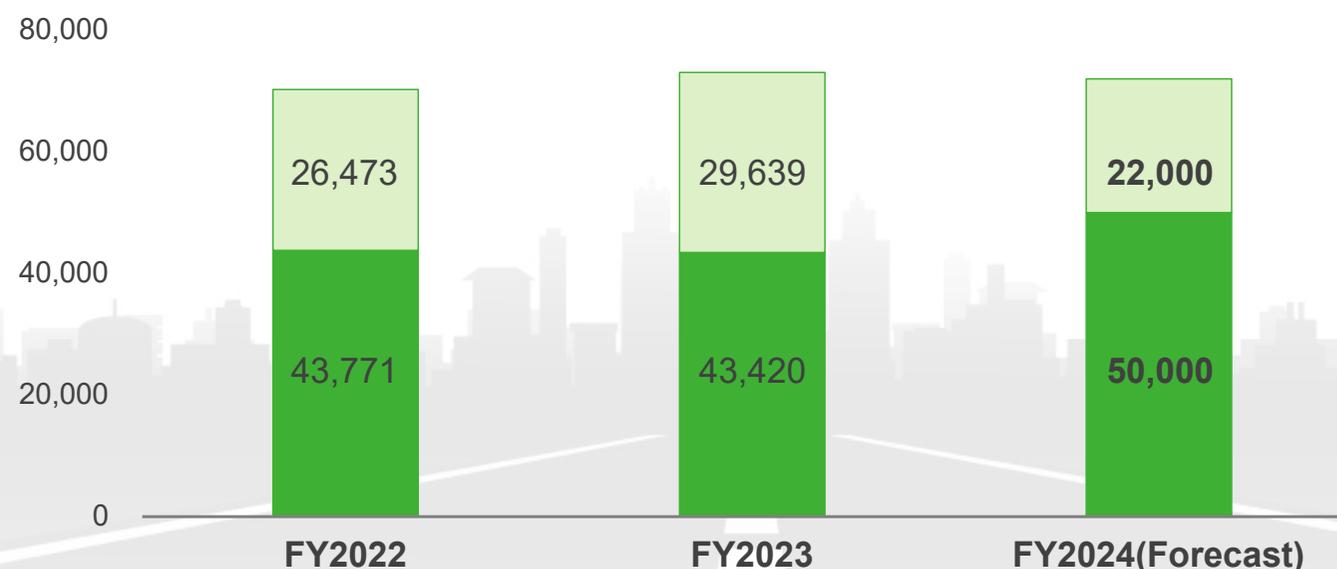
- We will continue to focus on strengthening the base of receiving construction orders from the private sector, taking into account medium- to long-term marketability amid an anticipated gradual downward trend in the amount of public works in the future.
- While uncompleted construction works in progress remain at high levels not seen in the past few years, we currently expect to receive firm orders. We will strive to secure construction work orders from the public sector from the beginning of the fiscal year.
- We will work to bolster our competitiveness as we aim to reach our new FY2030 target (non-consolidated construction work orders received of 78 billion yen).

(Millions of yen)

Orders received by public and private sector	FY2023	FY2024 (Forecast)	YoY change (Amount)	YoY change (%)
Public sector	29,639	22,000	(7,639)	(25.8%)
Private sector	43,420	50,000	6,580	15.2%
Tokyu Group	1,634	2,600	966	59.1%
Total	73,060	72,000	(1,060)	(1.5%)

(Millions of yen)

Public sector Private sector



3

To Improve Valuation in the Stock Market

(Management with an awareness of equity cost and share prices)



3 To Improve Valuation in the Stock Market

Analysis of current situation

- ROE had been on a downward trajectory following efforts to enhance equity but has been recovering from the bottom marked in FY2022, when earnings were sluggish, helped by controls on equity through active shareholder returns since FY2021. As of late, ROE has exceeded shareholders' equity costs.
- Sparked by the announcement of a tentative shareholder return policy in May 2023, our stock price has recovered sharply, with our PER and PBR ratios topping the Prime Market averages.
- We calculate shareholders' equity costs at 5.5%-6.5% using CAPM. We consider this an appropriate level also in light of our earnings and dividend yields.

Amount per share [consolidated]

Fiscal year	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
EPS	86.16	162.40	128.45	84.81	30.73	75.16
BPS	780.73	909.13	1,010.99	1,082.33	1,088.13	1,111.46
Dividends	27	47	43	30	30	90
Stock price at end of year	589	816	931	746	811	1,928

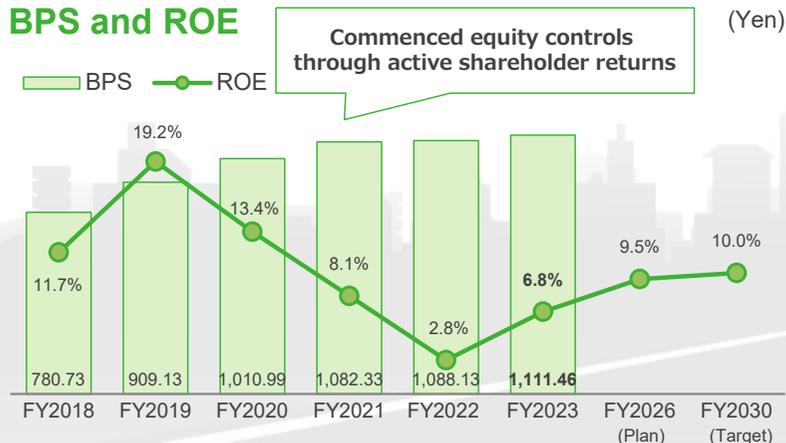
(Yen) Shareholders' equity cost (CAPM basis)

FY2023	5.5%~6.5%
Risk-free rate	0.8%~1.4%
Risk premium	6.3%~6.7%
Beta	0.70~0.82

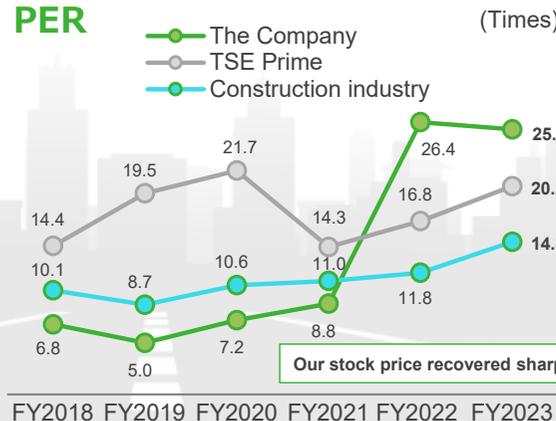
PBR, etc.

Fiscal year	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2026 (Plan)	FY2030 (Target)
ROE	11.7%	19.2%	13.4%	8.1%	2.8%	6.8%	9.5%	10.0%
PER	6.8times	5.0times	7.2times	8.8times	26.4times	25.7times		
PBR	0.8times	0.9times	0.9times	0.7times	0.7times	1.7times		
Earnings yield	14.6%	19.9%	13.8%	11.4%	3.8%	3.9%		
Dividend yield	4.6%	5.8%	4.6%	4.0%	3.7%	4.7%		
CAPM	—	—	7%~8%	7%~8%	5%~6%	5.5%~6.5%		

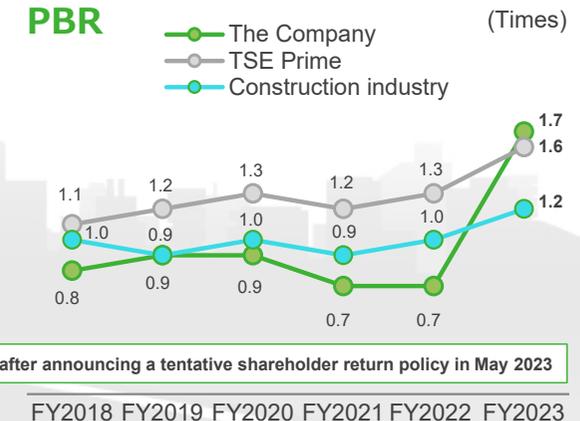
BPS and ROE



PER



PBR



Our stock price recovered sharply after announcing a tentative shareholder return policy in May 2023

* FY2023 figures for the TSE have been provisionally replaced with Jan-Dec 2023 figures

■ Initiatives to improve valuation in the stock market since April 2023

During dialogues with shareholders and institutional investors through March 2023, multiple stakeholders showed their concerns over the achievement of the medium- to long-term ROE targets, taking into consideration the current business environment, trends in results, capital structure, etc.

In light of such analysis and opinions, the Company, in a Board of Directors meeting in May 2023 reiterated its commitment to enhance efforts for “profitability improvement,” “equity control,” and “reduction of shareholders’ equity costs” and to expand the equity spread. This strategic approach aims to improve the valuation of our stock, to boost the probability of achieving KPIs for 2030, dispel market skepticism regarding the future maintenance and improvement of ROE, as well as enhancing medium- to long-term corporate value and shareholder value.

● Improved earnings and sustainability

We steadily implemented measures in our Medium-Term Management Plan (FY2021-2023), the first phase toward Where We Should Be in 2030. With our move to the new Medium-Term Management Plan (FY2024-2026), the second phase, we are accelerating moves to become a truly strong corporate group.

● Review of financial strategy and capital policies (pursuit of optimal capital structure)

We consecutively implemented shareholder returns which exceeded 100% in total shareholders return both in FY2021 and FY2022, which curbed the increase in shareholders’ equity. However, in dialogues with stakeholders, concerns were expressed about the persistent build-up in shareholders equity. As a result, in May 2023 we tentatively set “shareholder returns with a targeted dividend payout ratio of 100% and DOE of 8%” for the time being, with a view to achieving the FY2030 ROE target as early as possible. We clarified our stance to continue to actively return profits to shareholders and control shareholders’ equity.

In the new shareholder return policy, which we revised when formulating our Medium-Term Management Plan in May 2024, we follow this approach and also officially adopt a target for DOE, which is insulated from the impact of single-year earnings performances, in order to achieve stable shareholder returns over the medium to long term with greater transparency, while maintaining a balance between growth investments, financial soundness and capital efficiency.

From FY2024

Shareholder returns targeting DOE (dividends on equity) of 6%.

***For FY2024, we will continue targeting DOE of 8%.**

[However, only in the absence of unexpected demand for considerable funds or a marked change in the environment]

● Thorough information disclosure and continuing dialogue

We aim to lower shareholder equity costs by continuing to strive for dialogue with shareholders and investors and thorough information disclosure for deeper understanding of the Company as well as mitigating asymmetrical provision of information. ➔ **SR and IR meetings, integrated report, English disclosures, etc.**

■ Dialogue

In dialogues with shareholders and institutional investors after announcing our tentative shareholder return policy in May 2023, we received the following opinions.

- The DOE target in the shareholder return policy seems appropriate considering the Company's business operations.
- The Company seems strongly committed to controlling the capital structure.
- There are concerns that given the Company's current situation, "shareholder return levels for the time being" may be excessive.
- How long is "for the time being?" There are expectations for stable returns over the medium to long term.
- The 50% targeted equity ratio seems excessive considering the strong stability of the Company's businesses.
- The next Medium-Term Management Plan should contain a scenario painting a picture for growth prospects and sustainability as well as non-financial KPIs.

■ Formulation of new Medium-Term Management Plan (FY2024-2026)

In formulating our new Medium-Term Management Plan, we referenced the above-noted opinions received during dialogues. Specifically, these are mainly reflected in the following items.

- For our shareholder return policy, we have officially adopted a DOE target in order to realize dividends with even greater stability over the medium to long term, while also clarifying the final year of our tentative policy, which had been set "for the time being."
- The targeted equity ratio of 50% for equity controls is viewed by the Company as the optimal level in light of striking a balance between return on capital, financial soundness, growth investments, shareholder returns and the like. We have again clarified this stance.
- We have established KPIs for materiality, clarifying our stance for advancing sustainability management.

■ Aiming for further valuation improvement

In both our long-term vision Where We Should Be in 2030 and the Medium-Term Management Plan, we have indicated our commitment to expansion in the equity spread through both improving ROE and reducing shareholders' equity cost, targeting ROE of 9.5% and 10%, respectively, in the final year of our long-term vision and the Medium-Term Management Plan and. (Please see Medium-Term Management Plan (FY2024-2026) for more details.)

Currently, the shares are trading at a PBR ratio above 1x, but we will continuously implement initiatives for even greater improvement in market evaluation and will work toward enhancing corporate value and shareholder value over the medium and long term.

4

Medium-term Management Plan (FY2024–2026)



Corporate Philosophy

An infrastructure building company that helps create affluent communities

Where We Should Be in 2030

A truly strong corporate group that pursues personal and corporate growth in tandem and helps realize a sustainable society

Back casting

1st Phase
Medium-term Management Plan (FY2021-2023)

2nd Phase
Medium-term Management Plan (FY2024-2026)

3rd Phase
Medium-term Management Plan (FY2027-2029)

Complete achievement of Where We Should Be in 2030
(establish foundation for sustained growth)

- Sustainable growth for core businesses
- Nurture future growth drivers
- Deepen sustainable management

Accelerate achievement of Where We Should Be in 2030
(achieve growth, sow seeds for sustainable growth)

- Expand earnings for core businesses, establish foundation for growth
- Create (acquire) future growth drivers
- Advance sustainable management

Build the foundation to achieve Where We Should Be in 2030

- Shore up earnings base for core businesses, lay the groundwork for growth
- Implement workstyle reforms
- First steps with implementing sustainable management

Key Performance Indicators

consolidated

- FY2023 net sales, operating income and net income fell short of the plan’s initial targets, but in FY2022 (second year of plan) net sales were at their highest level in 20 years, exceeding the initial target.
- In terms of profit and loss, the business environment remained tough amid surging personnel expenses and high material prices.
- Construction work orders received achieved the FY2030 target (non-consolidated 70 billion yen: undisclosed) in the long-term vision ahead of schedule and construction contracts brought forward remained at a high level.
- FY2023 ROE missed the initial target but has currently recovered to above shareholders’ equity costs (5.5%-6.5%), based on our recognition

Medium-term Management Plan (FY2021-2023) (Millions of yen)

consolidated	FY2020	FY2021	FY2022	FY2023	FY2023 initial plan
Net sales	90,025	85,132	92,414	88,037	91,600
Operating income	8,470	4,418	2,669	4,091	5,800
Net income	5,180	3,304	1,127	2,740	3,700
ROE	13.4%	8.1%	2.8%	6.8%	Approx. 8.6%
Equity	40,790	40,497	39,660	40,533	43,000
Total assets	79,409	78,295	78,762	76,042	86,000
Equity ratio	51.4%	51.7%	50.4%	53.3%	Approx. 50%

Investment Plans and Shareholder Returns

- Total investments missed the plan due in part to drawn-out approval processes, but consistent investment to build a sustainable business foundation, including the rebuilding of our headquarter building, renewals of key factories, and office relocations, was basically in line with the plan. Meanwhile, we did not engage in M&A, etc. given the lack of candidates meeting conditions for strategic investments
- Our initial plan was for a dividend payout ratio of roughly 30% and a total return ratio of 50% or more, but for three straight years starting FY2021, we delivered a total return ratio of over 100%
- We have revised our shareholder return policy from FY2023.
- We have clarified our policy to continue to actively return profits to shareholders and control shareholders' equity in order to quickly achieve our FY2030 ROE target.

Investment Plan		Plan (over three-year plan)	Actual (over three-year plan)
	Maintenance, renewal, acquisition of factories, offices, construction machinery, etc.	15.0 billion yen	10.6 billion yen
	Strategic investment (M&A, etc.)	1.5 billion yen	—
	Total	16.5 billion yen	10.6 billion yen

Shareholder Returns	Dividends		FY2021	FY2022	FY2023 (planned)	
		Dividend per share	30yen	30yen	90yen (includes interim dividend of 45 yen)	
		Dividend payout ratio	35.4%	97.6%	119.7%	DOE
		Total return ratio	109.6%	168.0%	—	8.2%

Stable and consistent shareholder returns with a targeted dividend payout ratio of roughly 30% and total return ratio of 50% or more

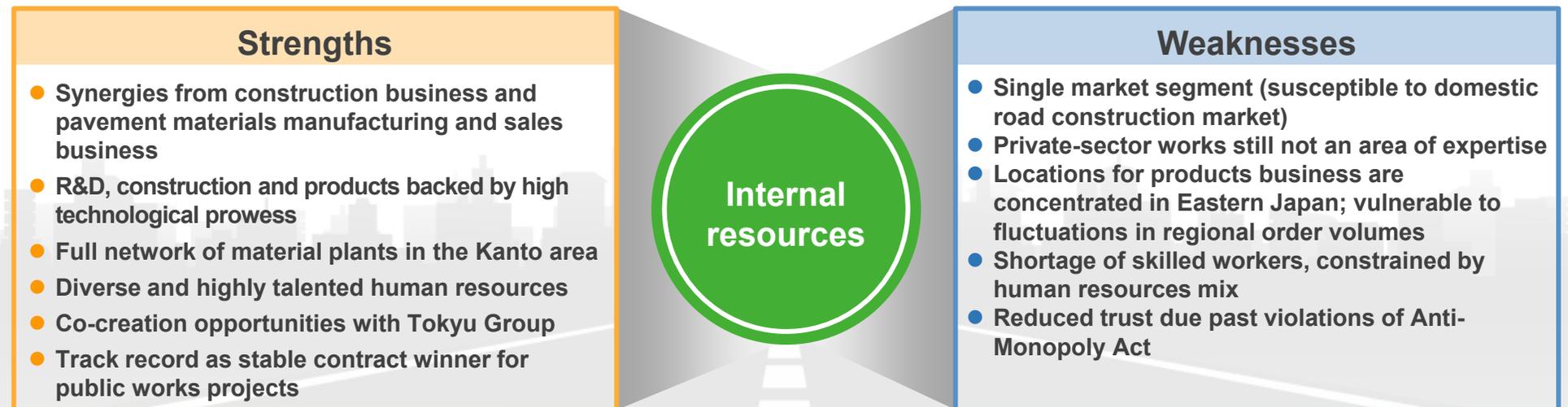
Shareholder returns with a targeted dividend payout ratio of 100% and DOE of 8%

Risks and opportunities

External Environment and Social Issues



Internal Resources



Basic Policies

Becoming a truly strong corporate group

2nd Phase

For achieving our vision (Where We Should Be in 2030), we are furthering initiatives under the five basic policies: “Expand stable earnings,” “Diversify revenue sources,” “Execute people-centric management,” “Establish new ways of working,” and “Enhance management and financial base,” to accelerate the transformation into a “truly strong corporate group.”

Medium-term Management Plan (FY2024-2026)

Pages 31~34

Individual Strategies



01

Expand stable earnings by further strengthening the competitiveness of our core businesses



02

Rise to the challenge of expanding business areas and developing new business fields



03

Create a virtuous cycle in the recruitment, retention, and development of human resources



04

Establish new ways of working that help improve productivity



05

Build a strong and sound management and financial base

Initiatives for important sustainability themes

We are promoting sustainable management by identifying six materialities as we pursue our vision (Where We Should Be in 2030), organizing materialities as well as specific initiatives and the SDGs that we can contribute to, and strengthening our business foundation in tandem with contributions to solving social issues.

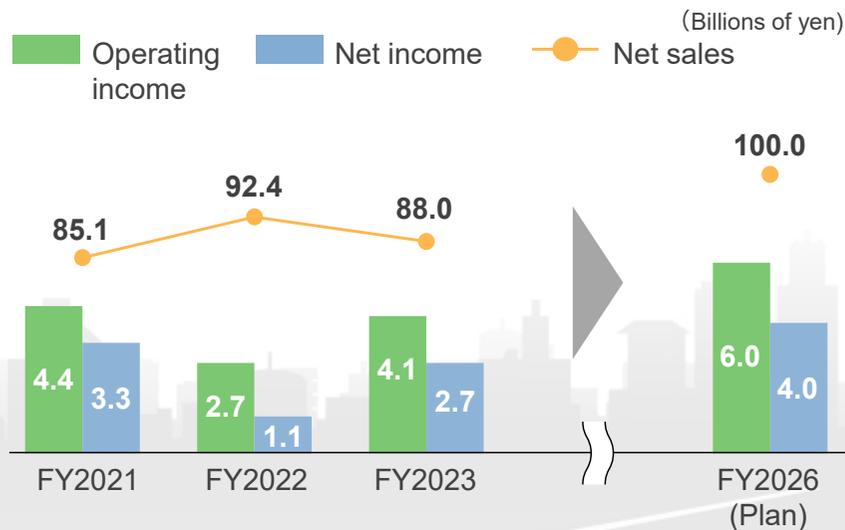


4 Medium-term Management Plan (FY2024-2026)

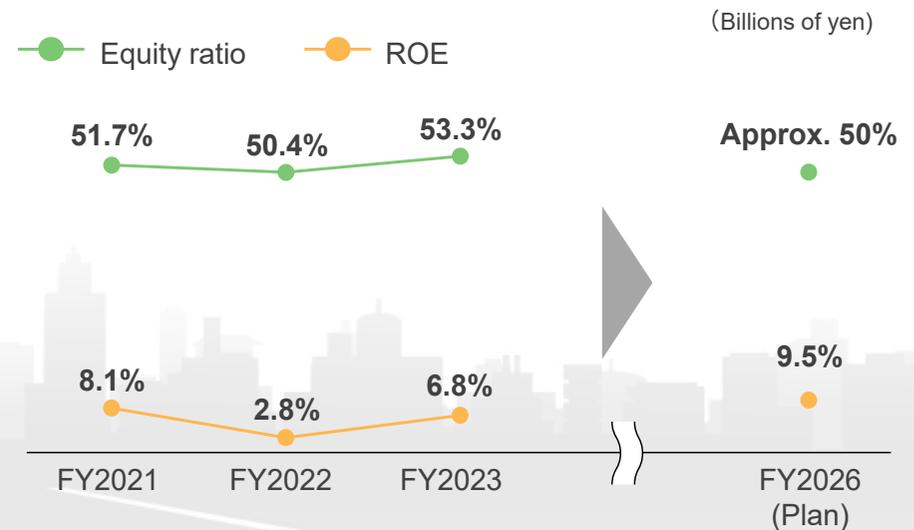
Key Performance Indicators Consolidated

Item	FY2023 actual	FY2026 plan
Net sales	88.0 billion yen	100.0 billion yen
Operating income	4.1 billion yen	6.0 billion yen
Net income	2.7 billion yen	4.0 billion yen
ROE	6.8%	9.5%
Equity ratio	53.3%	Approx. 50%

Net sales, Operating income, Net income



Equity ratio, ROE



Individual Strategies

01

Expand stable earnings by further strengthening the competitiveness of our core businesses

Key Strategies

Construction Business

- Build track record with construction and strengthen response capacity (win construction work from Ministry of Land, Infrastructure, Transport and Tourism and expressway companies)
- Countermeasures for aging and deteriorating infrastructure, strengthen marketing in disaster prevention/mitigation fields and renewable energy



Tokai-Kanjo Expressway Pavement work between Ono-Kobe Interchange and Ogaki-Nishi Interchange



Myokenjima Mixture Plant Renovation Plan (rendering of completed facility)

Pavement Materials Manufacturing and Sales Business

- Regional strategies for securing sales volumes
- Strengthen sales of eco-friendly products (strengthen business foundation for cold asphalt mixtures)
- Implement capital expenditure plans to preserve competitive edge and for environmental measures

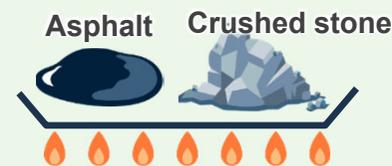
Technological Development

- Sophisticated technology proposals and technological development with an eye to changes in the living environment, including technology to reduce CO2 through low-carbon asphalt mixtures*

Obtained patents for low-carbon asphalt technology
 Combined foamed asphalt mixture (Patent No. 6216905)
 Static foamed asphalt mixture (Patent No. 6788138)

*(general designation) foamed asphalt mixture

What is low-carbon asphalt mixture?



CO2 emissions are reduced 15% compared with production of regular asphalt mixture

By reducing heating temperature during production by 10-30°C (compared with during production of regular asphalt mixture)

*When reducing heating temperature during production by 30°C

Individual Strategies

02

Rise to the challenge of expanding business areas and developing new business fields

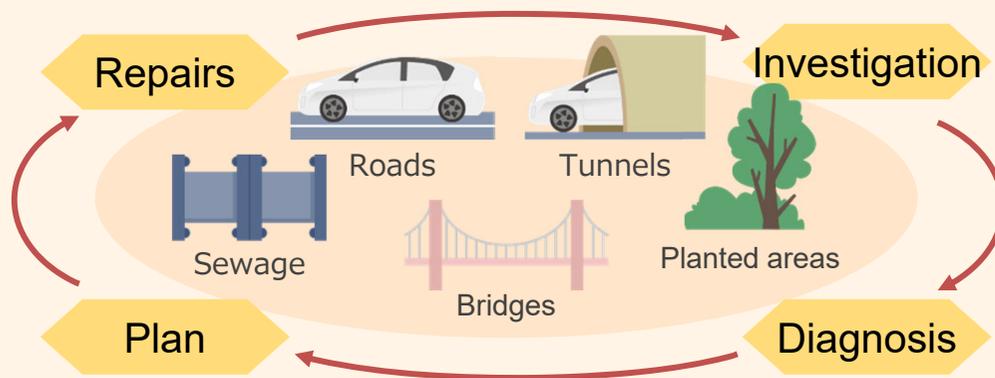
Key Strategies

Provide new technology and value for social infrastructure development

- Lengthen the life of road infrastructure
- Expand recycling and other environmental technologies



Surface repair work within jurisdiction of Kokubunji Branch Office
<Stronghphalt, a highly durable asphalt mixture>

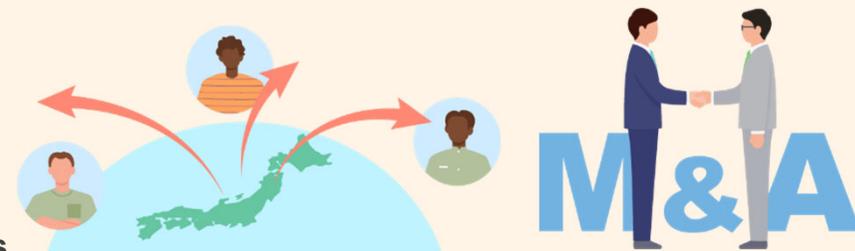


Continued comprehensive contracting to the private sector, including for roads

- Create business models for solving issues faced by contractees
- Hone technology for inspecting/diagnosing roads

Expand business fields, including overseas expansion

- Pursue M&A and partnership, etc., which help create synergies with existing business and expansion of business fields and markets
- Push ahead with growth strategy to develop new business fields



Individual Strategies



03

Create a virtuous cycle in the recruitment, retention, and development of human resources

Key Strategies

Actively Promote Diversity & Inclusion and Improve Engagement

- Enhance recruiting through the promotion of diversity and stronger ties with educational institutions
- Improve engagement by creating an “attractive workplace” where employees feel comfortable and motivated



Multifunctional vehicle for women
<Equipped with toilet, change room, other features>



Inside Tama Business Office
(Hino City, Tokyo)
<Rebuild completed June 2023>

	Current		FY2026 target	(reference) FY2030 target
Number of women in career-track positions	65	⇒	100	140
Number of female managers	4	⇒	5	7
Employee engagement score	B	⇒	BB or higher	A or higher



Tochigi Training Center (TTC)
<In-house training facility>

*Engagement Score: Evaluation based on a survey service provided by an external expert organization. Comprises 11 levels, with DD the lowest and AAA the highest. In the November 2023 survey, we ranked B, which is the sixth level from the top. BB is the fifth level from the top and A the third level from the top.



Improve the abilities of increasingly diverse human resources

- Promote flexible career development and enhance education in response to increasingly diverse human resources

Individual Strategies

04 Establish new ways of working that help improve productivity

Key Strategies

Improve Productivity and Operational Efficiency

- Proactive use of ICT, digitization of work tasks, and accelerated division of labor



AI x Human Resources = Improved Labor Productivity

- Adopt AI to support workers and change workstyles
- Reduce internal operations



05 Build a strong and sound management and financial base

Key Strategies

Regain Credibility and Trust from Stakeholders

- Complete implementation of measures to prevent the recurrence of the Anti-Monopoly Act violations and thoroughly ensure compliance with other laws and regulations



Strengthen Corporate Governance

- Enhance information disclosures, including for non-financial information
- Advance sustainable management (initiatives with materiality)

SUSTAINABLE DEVELOPMENT GOALS



SCIENCE BASED TARGETS

Financial Capital Policy

■ Achieve management aware of share price and cost of capital and

Improve ROE	Improve profitability (improve profit margins, capital efficiency)	Execute business strategy to ensure profitability exceeding the cost of capital [pages 31-34]
	Growth strategies	Investments in human resources in addition to capital expenditure, R&D investments and M&As, etc. [pages 31-34]
	Control equity (financial leverage)	KPIs for equity ratio of around 50%, DE ratio below 0.3 [pages 37 and 40]
Lower shareholders' equity costs	Initiatives for sustainability and resilience	Specific initiatives based on materialities [page 29]
	Management transparency	Enhance information disclosure and continue dialogs, etc., leading to understanding of shareholders, investors, and share market



To maintain and improve PBR, strive to ensure ROE above shareholders' equity and further expand the equity spread.



Financial Capital Policy

Shareholder Return Policy

	Previous Policy in Medium-Term Management Plan (FY2021-FY2023)	New Policy in Medium-Term Management Plan (FY2024-2026)
Approach to dividends	Linked to single-year earnings	Stable dividends over the medium and long term
Shareholder returns indicators	Dividend payout ratio of approx. 30%, total return ratio of over 50% (for time being, targeting dividend payout ratio of 100% and DOE of 8%)	<p>Targeting DOE of 6</p> <p>*For FY2024, maintain DOE target of 8%</p> <p>However, only in the absence of unexpected demand for considerable funds or a marked change in the environment</p>

Reasons for change in shareholder return policy

We continue to actively control equity capital to maintain and improve ROE

- Mitigate the correlation between the impact of externals such as fluctuations in crude oil prices, the impact of one-off events on profits/losses, and total shareholder returns
- Combining DOE in order to transparently provide stable and continuous dividends over the medium and long term
- As we strive to achieve our 2030 KPIs, we will change our DOE target to 6% based on the most appropriate timing and details

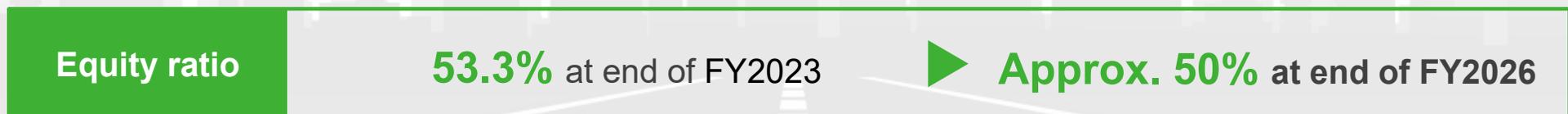
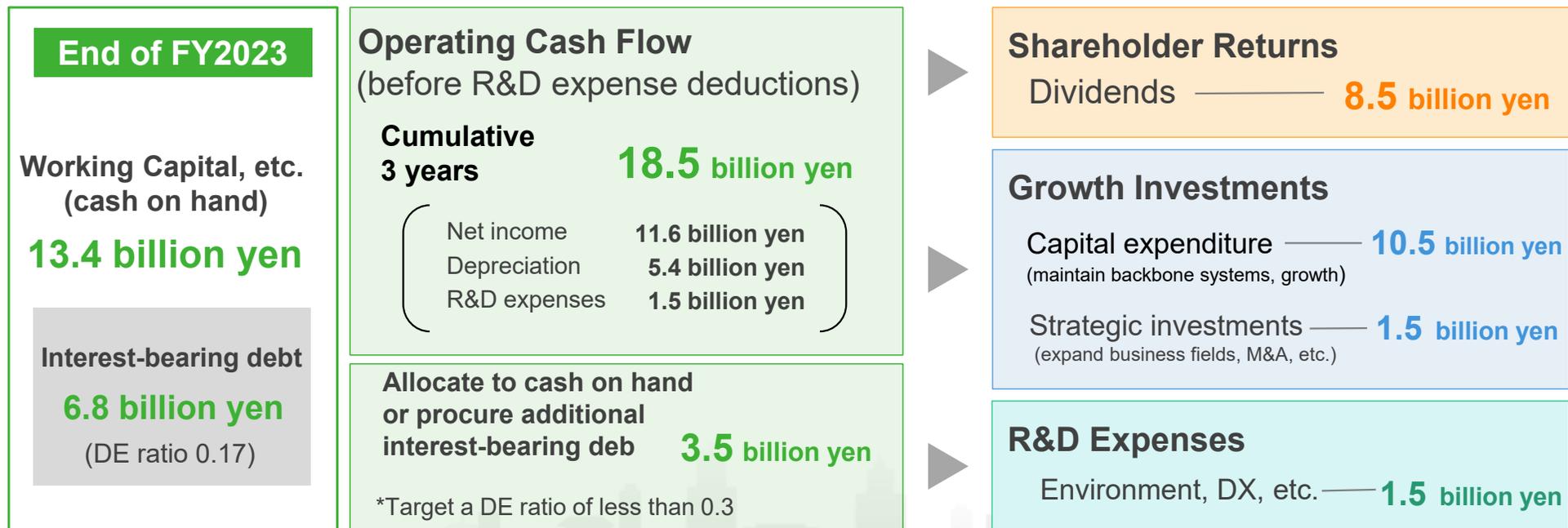
In the future we will continue with generous shareholder returns, focusing on the balance between capital efficiency and financial soundness, and will strive to improve corporate and shareholder value over the medium and long term.

	FY2021	FY2022	FY2023 (予定)	FY2024 (Forecast)
Dividend per share	30yen (includes interim dividend -)	30yen (includes interim dividend -)	90yen (includes interim dividend of 45 yen)	90yen (includes interim dividend of 45 yen)

Financial Capital Policy

Capital Allocation (FY2024-2026)

- Implement continuous and strategic investments for building a sustainable business foundation
- Control the balance sheet to reflect a balance between financial soundness and capital efficiency
- Stable and proactive shareholder returns based on DOE



4 Where We Should Be in 2030

Basic Policies to Achieve Where We Should Be



In the medium-term management plan (three years), we aim to achieve Where We Should Be by compiling individual strategies and key initiatives, based on the above five policies, and ensure their implementation.

4 Where We Should Be in 2030

Where We Should Be in 2030 (Quantitative Targets)

Key Performance Indicators (KPI)

Consolidated

	Original target (May 2021)	Updated target (May 2024)
Item	FY2030 Target	FY2030 Target
Net sale	100 billion yen	110 billion yen
Operating income	8 billion yen	8 billion yen
Net income	5 billion yen	5 billion yen
ROE	10.0%	10.0%
Equity	50.0 billion yen	—
Total assets	100 billion yen	—
Equity ratio	50.0%	Approx. 50%

Our New Approach to Where We Should Be (Quantitative Targets)

- Net Sales of 110 billion yen and Operating Income of 8 billion yen**

Our initial target for 100 billion yen in net sales in our 2030 vision was premised on our belief that net sales of 100 billion yen is the optimum scale of our business that would maximize profits, while having secured the necessary human resources for our current business divisions and capping the rise in management costs. Since then, orders received have been steady and combined with rising product and personnel costs, we brought forward our KPI for achieving net sales of 100 billion yen earlier to the new Medium-Term Management Plan (FY2024-FY2026). Together when compiling the Plan, we raised our FY2030 target for net sales to 110 billion yen.

As regards our optimum scale, as noted above, we believe that business volume is within the optimum scale given the impact of rising prices. For the same reason, and in light of improved compensation for workers and likely expanded human capital investments, such as education and training, we have kept our initial targets for profit unchanged.

- ROE of 10.0% and Equity Ratio of 50%**

For the medium and long term, we will maintain our stance for actively controlling equity in order to quickly achieve ROE of 10% while ensuring the equity spread.

An equity ratio of 50% is the return on capital demanded of a listed company, and as we pursue a high level of financial soundness as demanded of a construction company involved in public works, we aim to strike an optimal balance.

Together with this revision, we have streamlined management of balance sheet indicators, swapping amounts with percentages.

4 Where We Should Be in 2030

Cash Flow Allocation

● Cash flow use (2024-2030)

Operating cash flow (for 7 cumulative years)

Approx. 43 billion yen

(net income approx. 29 billion yen)
(depreciation approx. 14 billion yen)

Growth Investments
(capital expenditure/strategic investment)

Approx. 23 billion yen
(approx. 18 billion yen/approx. 5 billion yen)

Shareholder returns

Approx. 19 billion yen

● Our Approach to Financial Soundness

■ Maintain credit rating at an equivalent BBB+ as a benchmark for financial soundness

- Ensure cash on hand roughly double the amount of monthly sales
- Management targeting DE ratio of less than 0.3
- Give consideration to the business model in which expenditures are upfront (time gap between payment of accounts payable and recovery of accounts receivable)
- Closely watch impact on capital plans from larger sized projects taking longer times, etc.
- Effective use of overdraft facility agreements and commitment lines

● Our Approach to Free Cash Flow Allocation

■ Equity control

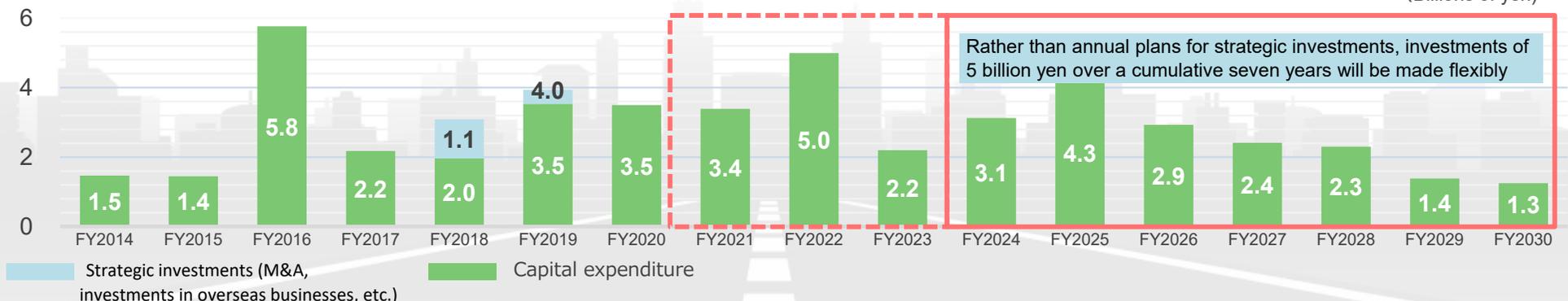
We intend to allocate a reasonable amount to shareholder returns with an eye toward ROE of 10% and equity ratio of 50%

■ Remaining free cash flow after shareholder returns will be allocated as follows based on management's decision

- Additional shareholder returns
- Strengthening of the financial foundation
- Additional investments, etc. (Capital expenditure/strategic investment, human capital investments, support for partner companies, etc.)

● Changes in investment amounts (actual and planned)

(Billions of yen)



5 Reference Information



Corporate Philosophy

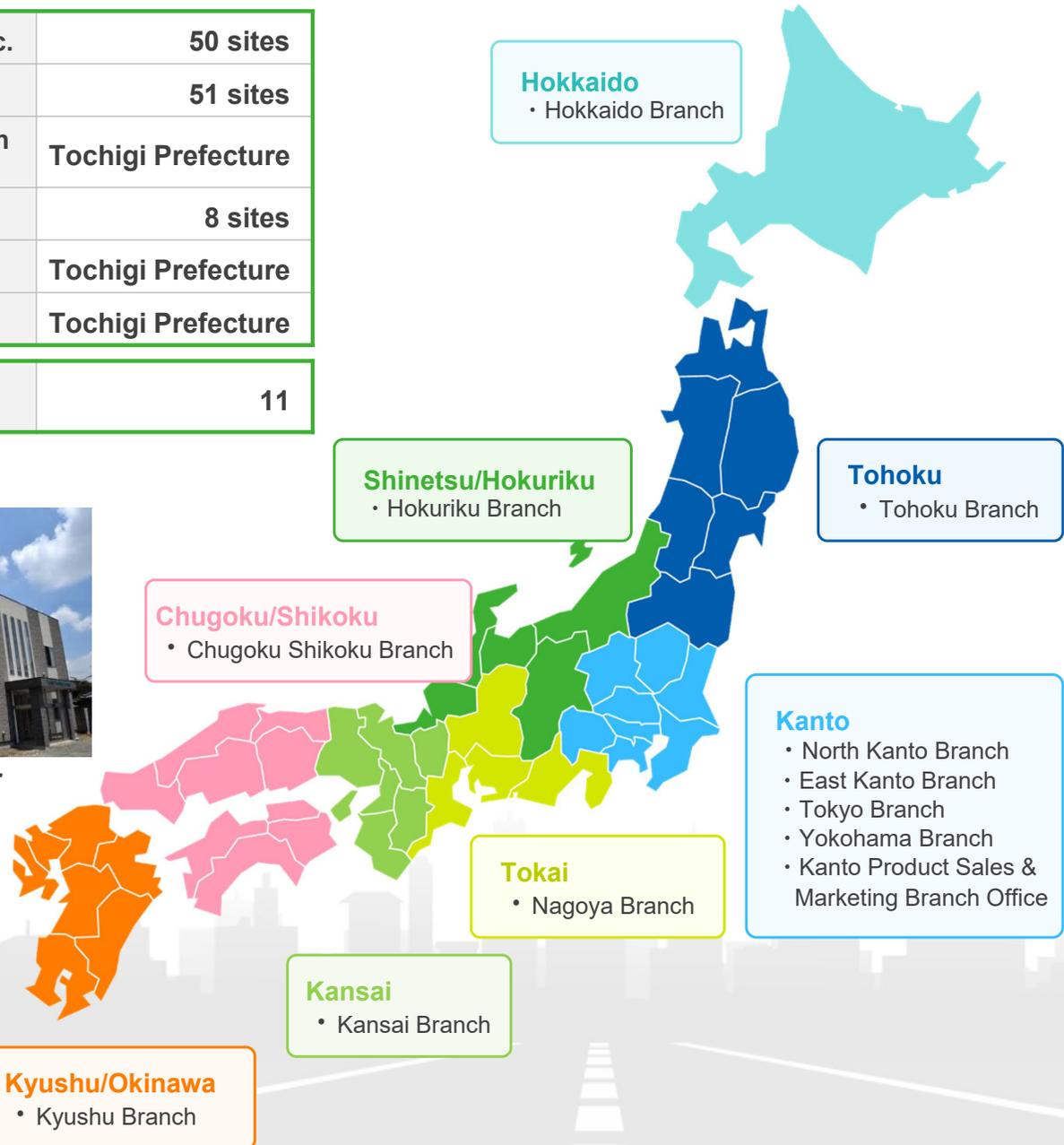
An infrastructure building company that helps create affluent communities

Company name	SEIKITOKYU KOGYO CO., LTD.
Established	January 16, 1950
Head office location	2-9-3, Shibakoen, Minato-ku, Tokyo,
Representative	Yoshikazu Taira, Director, President
Share capital	2,000 million yen (March 31, 2024)
Net sales	83,705 million yen (FY2023)
Number of employees	995 (March 31, 2024)
Listing	Prime Market of the Tokyo Stock Exchange
Construction business license	Special construction business license issued by the Minister of Land, Infrastructure, Transport and Tourism (Special - 4) No. 1962

Business offices, etc.	50 sites
Material plants, etc.	51 sites
Technology research laboratory	Tochigi Prefecture
Testing laboratories	8 sites
Equipment center	Tochigi Prefecture
Training center	Tochigi Prefecture
Consolidated subsidiaries	11



Training center



Head office



Sakura Material Plant



Kobe Business Office

5 Our Technologies



CRACK REPAIR

CRACK REPAIR is an ultra-low viscosity polyurethane-based repairing material that can be flown naturally and injected into concrete cracks. Its superior performance enables to open roads to traffic approximately one hour after construction works. The product, jointly developed with TOKYU CONSTRUCTION CO., LTD., helps to extend the life of infrastructure.



Mible-eco (generic term: foamed asphalt mixture)

Asphalt and aggregate can be mixed easily with an additive to foam fine bubbles in asphalt, which enables mixing and application at a temperature approx. 30°C lower than that of general asphalt. This contributes to the expansion of supply areas, improvement of asphalt workability in winter season and in cold areas, reduction of the traffic restriction time, and alleviation of environmental impact.



Road Surface Properties Measuring Vehicle

The vehicle records the status of road surface using cameras in the survey unit, which can be installed on a passenger car. The vertical and horizontal laser scanners check the conditions of road surface and provides crack percentages and other data. Using AI, the product also calculates rutting percentages and detects potholes and fading lines.



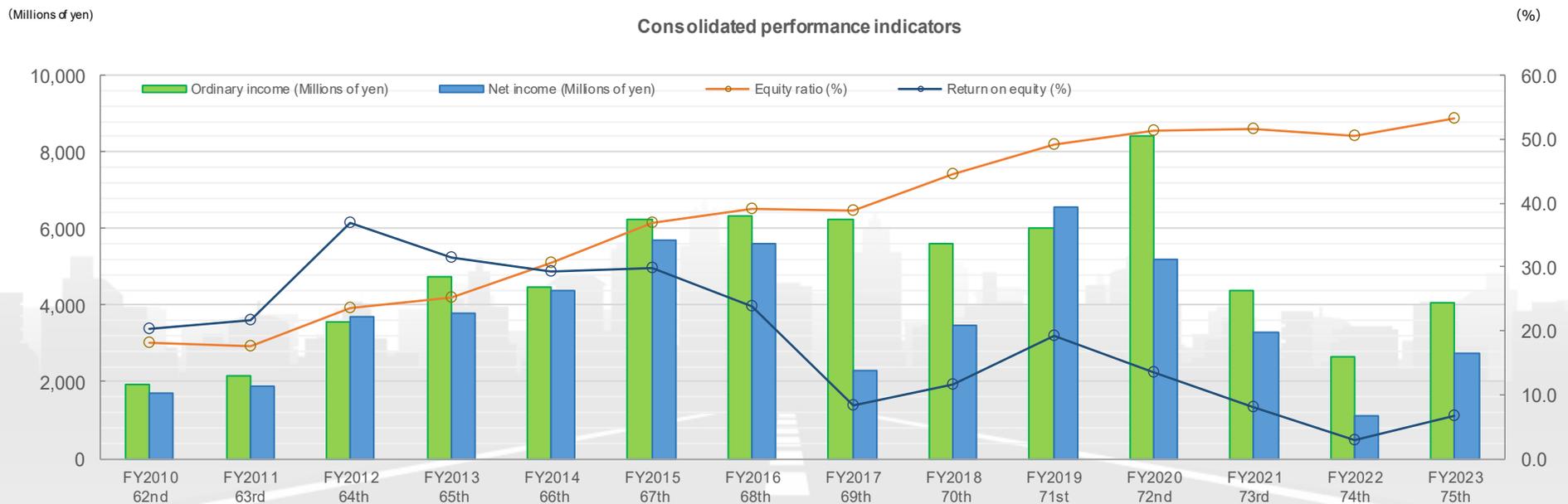
Cold asphalt mixture "Ecomix"

Ecomix is an environmentally friendly cold asphalt mixture, which contains 50% or more aggregate recycled from asphalt. It is an Eco Mark certified product that ensures a certain level of workability and demonstrates a high level of strength.

5 Consolidated Performance Indicators, etc

Business term	59th	60th	61st	62nd	63rd	64th	65th	66th	67th	68th	69th	70th	71st	72nd	73rd	74th	75th
Fiscal year	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Net sales (Millions of yen)	71,172	62,598	71,589	59,365	61,106	71,091	71,691	63,542	74,634	70,075	81,659	74,036	78,631	90,025	85,132	92,414	88,037
Operating income (Millions of yen)	822	825	4,085	2,109	2,294	3,731	4,779	4,528	6,291	6,412	6,235	5,564	5,961	8,470	4,418	2,669	4,091
Operating profit ratio (%)	1.2	1.3	5.7	3.6	3.8	5.2	6.7	7.1	8.4	9.2	7.6	7.5	7.6	9.4	5.2	2.9	4.6
Ordinary income (Millions of yen)	493	489	3,705	1,943	2,178	3,551	4,730	4,487	6,261	6,338	6,239	5,584	6,009	8,395	4,358	2,647	4,078
Net income (Millions of yen)	224	326	3,283	1,715	1,886	3,705	3,793	4,365	5,682	5,621	2,274	3,480	6,544	5,180	3,304	1,127	2,740
Comprehensive income (Millions of yen)	—	—	—	1,705	1,887	3,720	3,794	4,899	4,754	5,527	2,712	3,822	6,243	6,010	3,992	1,049	3,578
Net assets (Millions of yen)	4,780	5,065	8,349	8,544	8,801	11,344	12,791	17,083	21,231	26,072	28,098	31,543	36,632	40,790	40,497	39,660	40,533
Total assets (Millions of yen)	49,237	48,069	50,348	47,339	49,597	48,106	50,809	56,079	57,544	66,444	72,192	70,906	74,656	79,409	78,295	78,762	76,042
BPS (yen)	(36.43)	(32.07)	(4.27)	8.77	31.50	51.34	316.84	423.19	525.96	645.90	696.09	780.73	909.13	1,010.99	1,082.33	1,088.13	1,111.46
EPS (yen)	1.61	2.30	22.48	11.85	10.54	19.36	95.48	108.13	140.78	139.26	56.35	86.16	162.40	128.45	84.81	30.73	75.16
Diluted EPS (yen)	0.74	0.77	10.72	5.80	7.19	16.00	—	—	—	—	—	—	—	—	—	—	—
Equity ratio (%)	9.7	10.5	16.6	18.1	17.7	23.6	25.2	30.5	36.9	39.2	38.9	44.5	49.1	51.4	51.7	50.4	53.3
Return on equity (%)	4.8	6.6	49.0	20.3	21.7	36.8	31.4	29.2	29.7	23.8	8.4	11.7	19.2	13.4	8.1	2.8	6.8
Price-earnings ratio (Times)	45.34	13.04	2.58	7.51	6.26	4.24	6.14	4.79	3.35	3.81	12.21	6.84	5.02	7.25	8.80	26.40	25.65
Cash flows from operating activities (Millions of yen)	496	2,040	6,372	1,217	2,945	4,796	5,433	2,862	6,679	6,949	6,303	4,781	4,461	1,138	4,646	2,380	10,949
Cash flows from investing activities (Millions of yen)	(932)	(1,184)	(997)	(361)	(130)	(608)	(1,407)	(1,234)	(1,658)	(4,896)	(2,231)	(1,777)	(3,808)	(3,622)	(3,668)	(5,028)	(2,873)
Cash flows from financing activities (Millions of yen)	(629)	(794)	(1,580)	(2,525)	(2,610)	(4,828)	(1,551)	(1,604)	(1,603)	1,815	(1,684)	(2,005)	(2,919)	2,343	(2,232)	(2,022)	(2,823)
Cash and cash equivalents at the end of year (Millions of yen)	819	880	4,675	3,006	3,206	2,566	5,041	5,064	8,482	12,350	14,737	15,735	14,169	14,035	12,814	8,173	13,440
Dividend per share (yen)	—	—	—	—	—	—	15	15	17	17	10	27	47	43	30	30	90
Dividend payout ratio (%)	—	—	—	—	—	—	15.0	13.9	12.1	12.2	17.7	31.3	28.9	33.5	35.4	97.6	119.7
Employees (persons)	869	865	860	840	824	797	792	825	863	904	896	907	1,031	1,043	1,098	1,117	1,149
[plus average number of part-time staff]	[235]	[230]	[236]	[240]	[245]	[251]	[268]	[279]	[275]	[275]	[274]	[274]	[289]	[293]	[277]	[292]	[292]

* A 1-for-5 reverse stock split was conducted in October 2014. "Net assets per share," "Net income per share," and "Dividend per share" for FY2014 onwards reflect the effects of the reverse stock split.



This material contains financial results forecasts, projections, and other forward-looking statements, which are based on available information and certain assumptions that are considered reasonable at the time of preparation. Various factors including changes in future business environment may cause actual results to be materially different from those expressed in these forward-looking statements.



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ST and K (Seiki Tokyu Kogyo mascot characters)

ST and K, our mascot characters, were born in January 2020 on the occasion of our 70th anniversary. They will help promote safety at construction sites and asphalt plants across the country, improve the industry's image, and conduct public relations activities.

世紀東急工業キャラクター
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