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



May 14, 2025

Company name: TOBISHIMA HOLDINGS Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 256A
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 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date of commencing dividend payments: June 30, 2025
 Scheduled date of filing annual securities report: June 26, 2025
 Availability of supplementary explanatory materials on annual financial results: Available
 Schedule of annual financial results briefing session: Not scheduled

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

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

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	138,259	—	6,426	—	5,730	—	3,723	—
March 31, 2024	—	—	—	—	—	—	—	—

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥2,881million [—%]

Fiscal year ended March 31, 2024: ¥ — million [—%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	194.46	—	7.5	3.7	4.6
March 31, 2024	—	—	—	—	—

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2025: ¥(97) million

Fiscal year ended March 31, 2024: ¥ — million

(Note) The Company was established through sole share transfer on October 1, 2024. Accordingly, operating results for the fiscal year ended March 31, 2024 and changes from the previous fiscal year are not stated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	157,166	50,450	32.0	2,629.92
As of March 31, 2024	—	—	—	—

(Reference) Equity: As of March 31, 2025: ¥50,362million

As of March 31, 2024: ¥ — million

(Note) The Company was established through sole share transfer on October 1, 2024. Accordingly, financial position for the previous fiscal year is not stated.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	2,906	(1,294)	207	25,492
March 31, 2024	—	—	—	—

(Note) The Company was established through sole share transfer on October 1, 2024. Accordingly, cash flows for the previous fiscal year are not stated.

2. Dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter- end	2nd quarter- end	3rd quarter- end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	—	—	—	—	—	—	—
Fiscal year ended March 31, 2025	—	—	—	90.00	90.00	1,730	46.3	3.5
Fiscal year ending March 31, 2026 (Forecast)	—	0.00	—	100.00	100.00		49.1	

(Notes) 1. The Company was established through sole share transfer on October 1, 2024. Accordingly, dividends for the previous fiscal year and dividends for the 1st and 2nd quarter-ends are not stated.

2. Dividends for the fiscal year ended March 31, 2025 are scheduled to be paid in full from other capital surplus as the source of dividends. Please refer to “Breakdown of dividends to be paid from other capital surplus” below for details.

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	140,000	1.3	6,500	1.1	5,800	1.2	3,900	4.7	203.66

*** Notes:**

(1) Significant changes in the scope of consolidation during the period under review: None

Newly included: – (), Excluded: – ()

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025: 19,225,868 shares

March 31, 2024: – shares

2) Total number of treasury shares at the end of the period:

March 31, 2025: 76,144 shares

March 31, 2024: – shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2025: 19,146,560 shares

Fiscal year ended March 31, 2024: – shares

Notes: 1. The number of treasury shares at the end of the fiscal year ended March 31, 2025 and the number of treasury shares deducted in the calculation of the average number of shares during the fiscal year ended March 31, 2025 include the Company's shares held by the Board Benefit Trust (BBT).

2. The Company was established through sole share transfer on October 1, 2024. Accordingly, numbers for the previous fiscal year are not stated.

3. The Company was established through sole share transfer on October 1, 2024. Accordingly, the average number of common shares during the fiscal year ended March 31, 2025 was calculated using the average number of shares during the period for Tobishima Corporation from April 1, 2024 to September 30, 2024 before the Company was established, and using the average number of shares during the period for the Company from October 1, 2024 to March 31, 2025.

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

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

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company as of the date of publication of this document. Actual results may differ from these forecasts due to a wide range of factors.

Breakdown of dividends to be paid from other capital surplus

Among the dividends for the fiscal year ended March 31, 2025, those to be paid from other capital surplus are as follows:

Record date	Year-end	Total
Dividend per share (Yen)	90.00	90.00
Total dividends paid (Millions of yen)	1,730	1,730

(Note) Ratio of net assets reduction: 0.036

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1. Overview of Operating Results, etc.

TOBISHIMA HOLDINGS Inc. (the “Company”) was established on October 1, 2024 through a sole share transfer, as a wholly-owning parent company of Tobishima Corporation. The Company’s scope of consolidation has been practically unchanged from that of Tobishima Corporation before business combination. Comparison, however, has not been made with financial results for the fiscal year ended March 31, 2024, as this document is the first financial results for a fiscal year after the establishment of the Company.

In addition, the Company took over the consolidated financial statements of Tobishima Corporation, which became a wholly-owned subsidiary through the sole share transfer, to prepare the consolidated financial statements for the fiscal year ended March 31, 2025 (April 1, 2024 to December 31, 2025).

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

During the fiscal year ended March 31, 2025, the Japanese economy was on a moderate recovery trend, supported by improvements in employment and income environments and an increase in inbound demand. However, conditions have remained uncertain about the future, mainly due to concerns over the outlook of the Chinese economy, expected policy trends in the United States, and geopolitical risks in the Middle East region. The domestic construction market requires continued careful observation due to persistently high prices of labor, materials and equipment, although public investment remained strong and private capital investment has also shown signs of recovery.

Under these circumstances, for the fiscal year ended March 31, 2025, net sales were ¥138.2 billion, operating profit was ¥6.4 billion, ordinary profit was ¥5.7 billion, and profit attributable to owners of parent was ¥3.7 billion.

By reportable segment, in the Construction Business (Civil Engineering Business), net sales of completed construction contracts were ¥68.6 billion and segment income was ¥5.5 billion, owing mainly to steady progress made on construction projects. In the Construction Business (Building Construction Business), net sales of completed construction contracts were ¥51.1 billion and segment income was ¥2.5 billion, owing mainly to steady progress made on construction projects. In the Growth Business, etc., net sales were ¥18.4 billion and segment income was ¥2.0 billion.

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

In the consolidated balance sheets as of March 31, 2025, assets amounted to ¥157.1 billion, liabilities ¥106.7 billion, and net assets ¥50.4 billion.

Equity ratio was 32.0%.

Going forward, the Company will accelerate the promotion of strategies designed to expand the future revenue base by investing in new and existing businesses while at the same time increasing equity.

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

Net cash provided by operating activities was ¥2.9 billion mainly due to the posting of profit before income taxes, an increase in trade receivables, an increase in costs on development business and other in progress, an increase in accounts receivable - other, an increase in deposits received, and an increase in accrued consumption taxes, as well as a decrease in consumption taxes refund receivable and a decrease in trade payables. Net cash used in investing activities was ¥1.2 billion mainly due to purchase of property, plant and equipment. Net cash provided by financing activities amounted to ¥0.2 billion mainly due to proceeds from long-term borrowings, repayments of long-term borrowings, and dividends paid.

As a result, cash and cash equivalents at the end of the fiscal year under review increased by ¥1.8 billion to ¥25.4 billion.

(4) Future Outlook

In the outlook for the Japanese economy, a moderate recovery is expected to continue, supported by improvements in the employment and income environments and the effects of various policy measures. However, sufficient attention remains necessary as downside risks persist, such as continued inflation, policy developments in the United States, and fluctuations in the financial and capital markets. With regard to the domestic construction market, public investment is expected to remain firm, and private capital investment is also projected to continue its recovery, backed by strong corporate earnings. Nevertheless, the shortage of skilled construction workers is becoming more serious, and close monitoring of the situation is anticipated to be necessary.

Under these conditions, with the transition to a holding company structure as a catalyst, we have formulated “A Story to Innovate the Future” as our management policy, aiming to enhance corporate value over the medium to long term and achieve sustainable growth. This story comprises three main components: the Group Vision, the Roadmap to Corporate Transformation entitled “Innovate the future plan” and the Action Plan to Increase Corporate Value. As the specific action plan, the Medium-Term Management Plan (to 2027) seeks to strengthen our earnings foundations, implement management that is conscious of the cost of capital and share prices in alignment with stock market expectations, and enhance our corporate governance toward these goals, thereby realizing the “Innovate the future plan.”

In executing our action plan, we will leverage our holding company structure and continuously review our business portfolio, seeking to reconcile the three perspectives of capital efficiency, business growth, and pursuing sustainability, and achieve optimal balance between them, while increasing corporate value and realizing sustainable growth.

Our Goals

~ Aiming to be a Company that supports future industrial promotion and development ~

New Business Contractor

We will create new businesses ourselves, while also acting as a business partner that supports and is committed to the creation of businesses driven by diverse people.

Our Role

We will safeguard the infrastructure that supports people's daily lifestyles, and create the future of construction—ensuring it continues to serve as the foundation for economic development

New Business Contractor—Our Three Core Values

Creating the future of construction

Construction Innovation

- We will continue exploring new approaches to create the future of construction, while staying attuned to the times and changes in values, so as to evolve further and enhance our corporate value.

Co-creation with diverse partners

Alliance Innovation

- We will continue to accelerate innovation through co-creation with partners who have outstanding strengths, and evolve as a platform company.

Continuing to coexist with people and society

Social Innovation

- We will share our vision, passion, knowledge and technologies with society, as well as our dedication, inspiration and creativity. We remain committed to harmoniously coexisting with people and society as a trusted business partner, while contributing to the realization of a brighter future.

In light of the above, in the next fiscal year we project operating results of net sales of ¥140.0 billion, operating profit of ¥6.5 billion, ordinary profit of ¥5.8 billion, and profit attributable to owners of parent of ¥3.9 billion.

2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP, for the time being, taking into consideration the comparability of the consolidated financial statements from period to period and the comparability among companies.

With regard to the adoption of International Financial Reporting Standards (IFRS), the Company will appropriately consider its policy in light of various conditions in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

As of March 31, 2025	
Assets	
Current assets	
Cash and deposits	25,839
Notes receivable, accounts receivable from completed construction contracts and other	*1 81,722
Real estate for sale	1,410
Costs on construction contracts in progress	*2 1,272
Costs on development business and other in progress	*3 9,969
Other	*4 7,580
Total current assets	127,794
Non-current assets	
Property, plant and equipment	
Buildings and structures	*5 19,119
Machinery, vehicles, tools, furniture and fixtures	5,213
Land	7,906
Leased assets	129
Construction in progress	358
Accumulated depreciation	(14,295)
Total property, plant and equipment	18,431
Intangible assets	1,666
Investments and other assets	
Investment securities	*6 4,054
Retirement benefit asset	3,278
Other	*7 1,923
Allowance for doubtful accounts	(43)
Total investments and other assets	9,212
Total non-current assets	29,309
Deferred assets	
Organization expenses	58
Bond issuance costs	2
Total deferred assets	61
Total assets	157,166

(Millions of yen)

As of March 31, 2025

Liabilities	
Current liabilities	
Notes payable, accounts payable for construction contracts and other	28,060
Short-term borrowings	*8 22,089
Income taxes payable	1,674
Advances received on construction contracts in progress	8,909
Deposits received	26,658
Provision for warranties for completed construction	202
Provision for loss on construction contracts	*9 258
Other	2,887
Total current liabilities	90,740
Non-current liabilities	
Long-term borrowings	*10 14,322
Provision for share awards for directors (and other officers)	54
Provision for retirement benefits for directors (and other officers)	127
Retirement benefit liability	68
Other	1,402
Total non-current liabilities	15,974
Total liabilities	106,715
Net assets	
Shareholders' equity	
Share capital	5,500
Capital surplus	5,784
Retained earnings	38,325
Treasury shares	(85)
Total shareholders' equity	49,524
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	627
Foreign currency translation adjustment	37
Remeasurements of defined benefit plans	172
Total accumulated other comprehensive income	837
Non-controlling interests	88
Total net assets	50,450
Total liabilities and net assets	157,166

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

(Millions of yen)

	For the fiscal year ended March 31, 2025
Net sales	
Net sales of completed construction contracts	128,830
Net sales in development business and other	9,428
Total net sales	*1 138,259
Cost of sales	
Cost of sales of completed construction contracts	*2 114,613
Cost of sales in development business and other	7,849
Total cost of sales	122,462
Gross profit	
Gross profit on completed construction contracts	14,217
Gross profit on development business and other	1,579
Total gross profit	15,797
Selling, general and administrative expenses	*3 9,370
Operating profit	6,426
Non-operating income	
Interest income	6
Dividend income	34
Gain on investments in investment partnerships	68
Other	36
Total non-operating income	145
Non-operating expenses	
Interest expenses	449
Share of loss of entities accounted for using equity method	97
Other	295
Total non-operating expenses	842
Ordinary profit	5,730
Extraordinary income	
Gain on sale of non-current assets	*4 72
Other	13
Total extraordinary income	86
Extraordinary losses	
Loss on sale of non-current assets	*5 6
Loss on retirement of non-current assets	*6 80
Other	3
Total extraordinary losses	90
Profit before income taxes	5,726
Income taxes - current	1,881
Income taxes - deferred	149
Total income taxes	2,031
Profit	3,695
Loss attributable to non-controlling interests	(28)
Profit attributable to owners of parent	3,723

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025
Profit	3,695
Other comprehensive income	
Valuation difference on available-for-sale securities	(349)
Foreign currency translation adjustment	9
Remeasurements of defined benefit plans, net of tax	(473)
Total other comprehensive income	(813)
Comprehensive income	2,881
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	2,908
Comprehensive income attributable to non-controlling interests	(27)

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,519	6,235	35,948	(567)	47,135
Changes during period					
Changes by share transfer	(19)	19			—
Dividends of surplus			(1,345)		(1,345)
Profit attributable to owners of parent			3,723		3,723
Disposal of treasury shares		(0)		13	13
Cancellation of treasury shares		(469)		469	—
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	(19)	(450)	2,377	481	2,389
Balance at end of period	5,500	5,784	38,325	(85)	49,524

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	976	28	646	1,651	15	48,803
Changes during period						
Changes by share transfer						—
Dividends of surplus						(1,345)
Profit attributable to owners of parent						3,723
Disposal of treasury shares						13
Cancellation of treasury shares						—
Purchase of treasury shares						(1)
Net changes in items other than shareholders' equity	(349)	8	(473)	(814)	72	(741)
Total changes during period	(349)	8	(473)	(814)	72	1,647
Balance at end of period	627	37	172	837	88	50,450

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025
Cash flows from operating activities	
Profit before income taxes	5,726
Depreciation	1,233
Amortization of goodwill	78
Increase (decrease) in provision for warranties for completed construction	(6)
Increase (decrease) in provision for loss on construction contracts	67
Increase (decrease) in retirement benefit liability	10
Decrease (increase) in retirement benefit asset	(574)
Interest and dividend income	(41)
Interest expenses	449
Foreign exchange losses (gains)	8
Compensation for pneumoconiosis damages	30
Loss (gain) on sale of investment securities	(2)
Loss (gain) on valuation of investment securities	2
Loss (gain) on investments in investment partnerships	(68)
Share of loss (profit) of entities accounted for using equity method	97
Loss (gain) on sale of property, plant and equipment	(64)
Decrease (increase) in trade receivables	(5,114)
Decrease (increase) in real estate for sale	(794)
Decrease (increase) in costs on construction contracts in progress	945
Decrease (increase) in costs on development business and other in progress	(1,163)
Decrease (increase) in consumption taxes refund receivable	3,377
Decrease (increase) in accounts receivable - other	(1,064)
Decrease (increase) in other assets	0
Increase (decrease) in trade payables	(859)
Increase (decrease) in advances received on construction contracts in progress	(361)
Increase (decrease) in advances received on development business and other in progress	106
Increase (decrease) in deposits received	1,560
Increase (decrease) in accrued consumption taxes	830
Increase (decrease) in other liabilities	(193)
Other, net	104
Subtotal	4,319
Interest and dividends received	41
Interest paid	(455)
Compensation for pneumoconiosis damages paid	(0)
Income taxes paid	(998)
Net cash provided by (used in) operating activities	2,906

	(Millions of yen)
	For the fiscal year ended March 31, 2025
Cash flows from investing activities	
Purchase of property, plant and equipment	(915)
Proceeds from sale of property, plant and equipment	129
Purchase of intangible assets	(493)
Purchase of investment securities	(1)
Proceeds from sale of investment securities	3
Proceeds from distributions from investment partnerships	159
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(60)
Loan advances	(0)
Proceeds from collection of loans receivable	6
Other, net	(121)
Net cash provided by (used in) investing activities	(1,294)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	130
Proceeds from long-term borrowings	4,902
Repayments of long-term borrowings	(3,564)
Dividends paid	(1,345)
Proceeds from share issuance to non-controlling shareholders	100
Other, net	(15)
Net cash provided by (used in) financing activities	207
Effect of exchange rate change on cash and cash equivalents	0
Net increase (decrease) in cash and cash equivalents	1,819
Cash and cash equivalents at beginning of period	23,673
Cash and cash equivalents at end of period	25,492

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27; October 28, 2022), the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25; October 28, 2022), and the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28; October 28, 2022) have been applied since the beginning of the fiscal year ended March 31, 2025. These changes in accounting policies have no impact on the consolidated financial statements.

(Additional information)

(Summary of performance-linked share-based remuneration plan for directors)

Tobishima Corporation, a consolidated subsidiary of the Company, had introduced a performance-linked share-based remuneration plan, or BBT (“Board Benefit Trust”), for directors (excluding outside directors). On October 1, 2024, Tobishima Corporation amended the Board Benefit Trust agreement to transfer the status of the trustor of the trust and the rights and obligations thereunder from Tobishima Corporation to the Company. (Hereinafter the BBT after the transfer is referred to as the “Plan.”)

1. Transaction summary

The Plan, which is intended for the Company’s directors (excluding outside directors and directors who are audit and supervisory committee members), aims to further clarify the link between remuneration of directors, the Company’s performance and prices of the Company’s shares for the purpose of heightening awareness about the improvement in medium to long-term business performance and contribution to increased corporate value from such performance by sharing not only the benefits of rising stock prices between directors and the shareholders but also the risk of falling stock prices.

The Plan is a performance-linked share-based remuneration plan in which the trust will acquire the Company’s shares using money contributed by the Company as the source of funds and directors are provided with the Company’s shares and cash equivalent to the market value of the Company’s shares through the Trust in accordance with the performance-linked share-based remuneration system established by the Company. As a general rule, directors shall be entitled to receive the Company’s shares at the time of retirement.

2. Shares of the Company remaining in the Trust

The Company’s shares remaining in the trust are included as treasury shares in net assets based on the book value of the trust (excluding the amount of incidental expenses). The book value of the concerned treasury shares is ¥84 million with the number of shares of 75 thousand for the current fiscal year.

(Notes to consolidated balance sheets)

- 1 *1: In notes receivable, accounts receivable from completed construction contracts and other, the amounts of receivables and contract assets arising from contracts with customers are as follows:

	Current fiscal year (As of March 31, 2025)
Notes receivable, electronically recorded monetary claims	¥216 million
Accounts receivable from completed construction contracts and other	18,688
Contract assets	62,758

- 2 *6: In this figure, the amounts pertaining to non-consolidated subsidiaries are as follows:

	Current fiscal year (As of March 31, 2025)
Investment securities (stock)	¥175 million
(Amount of investments in jointly controlled entities)	(175)

- 3 Assets pledged as collateral

(1) The assets pledged as collateral are as follows:

	Current fiscal year (As of March 31, 2025)
*3 Costs on development business and other in progress	¥8,187 million
*5 Buildings and structures	446
Total	8,633

The debts related to the above collateral are as follows:

	Current fiscal year (As of March 31, 2025)
*8 Short-term borrowings	¥4,842 million
*10 Long-term borrowings	2,291
Total	7,134

(2) The Company has pledged the following assets as collateral for guarantee money for operations:

	Current fiscal year (As of March 31, 2025)
*4 Marketable securities	¥19 million
*6 Investment securities	43
*7 Investments and other assets “Other” (Long-term guarantee money)	216
Total	279

- 4 *2, *9: With respect to construction contracts that are expected to result in losses, both the costs on construction contracts in progress and the provision for loss on construction contracts have been presented in full without being offset. Costs on construction contracts in progress related to provisions for loss on construction contracts are as follows:

Current fiscal year (As of March 31, 2025)	
	¥83 million

- 5 *10: Syndicated term loan agreements

Current fiscal year (as of March 31, 2025):

The Company has signed syndicated term loan agreements with financial institutions (total amount: ¥10,000 million), with the following restrictive financial covenants attached:

- From the fiscal year ended March 2025, the Company must maintain the amount of net assets in the consolidated balance sheet at the end of each fiscal year's closing date more than 75% of the amount of net assets on the consolidated balance sheet of Tobishima Corporation as the former borrower as of the end of the fiscal year ended March 2024, and more than 75% of the amount of net assets in the consolidated balance sheet as of the end of the previous fiscal year;
- From the fiscal year ending March 2026, the Company must maintain the amount of net assets in the non-consolidated balance sheet at the end of each fiscal year's closing date more than 75% of the higher of the amount of net assets on the non-consolidated balance sheet as of the end of the fiscal year ended March 2025, or the amount of net assets in the non-consolidated balance sheet as of the end of the previous fiscal year;
- The Company must avoid reporting ordinary loss in the consolidated statement of income presented at the end of each fiscal year for two consecutive years;
- The Company must avoid reporting ordinary loss in the non-consolidated statement of income presented at the end of each fiscal year for two consecutive years.

- 6 The Company has entered into commitment line agreements to make flexible and stable procurement of working capital. The contract maximum amount and borrowing execution balance at the end of consolidated fiscal year are as follows:

Current fiscal year (As of March 31, 2025)	
Contract maximum amount	¥10,000 million
Borrowing execution balance	—
Deducted amount	10,000

- 7 *8: The Company has entered into syndicated revolving line of credit agreements with 10 correspondent banks for the purpose of flexible and stable procurement of working capital. The following table shows the maximum contract amount and the balance of executed loans at the end of the current fiscal year.

Current fiscal year (As of March 31, 2025)	
Contract maximum amount	¥15,000 million
Borrowing execution balance	12,000
Deducted amount	3,000

(Notes to consolidated statements of income)

- 1 *1: Revenue from contracts with customers

Revenues are not separately presented for revenues arising from contracts with customers and other revenues. The amount of revenue arising from contracts with customers is presented in "Notes (Segment information, etc.)" to the consolidated financial statements.

- 2 *2: Liabilities for loss on construction contracts included in “Cost of sales of completed construction contracts” are as follows:

Current fiscal year (from April 1, 2024 to March 31, 2025)	
	¥173 million

- 3 *3: Major expense items and amounts are as follows:

	Current fiscal year (from April 1, 2024 to March 31, 2025)
Provision for share-based remuneration for directors (and other officers)	¥12 million
Employee salaries	3,740
Retirement benefit costs	53
Provision for retirement benefits for directors (and other officers)	4

- 4 *3: R&D expenses included in “Selling, general and administrative expenses” are as follows:

Current fiscal year (from April 1, 2024 to March 31, 2025)	
	¥679 million

- 5 *4: The breakdown of gain on sale of non-current assets is as follows:

	Current fiscal year (from April 1, 2024 to March 31, 2025)
Buildings	¥22 million
Land	45
Others	4
Total	72

- 6 *5: The breakdown of loss on sale of non-current assets is as follows:

	Current fiscal year (from April 1, 2024 to March 31, 2025)
Land	¥6 million
Others	0
Total	6

- 7 *6: The breakdown of loss on retirement of non-current assets is as follows:

	Current fiscal year (from April 1, 2024 to March 31, 2025)
Buildings	¥79 million
Others	1
Total	80

(Business combination, etc.)

Transaction under common control, etc.

(Establishment of a pure holding company through a sole share transfer

(1) Transaction summary

The Company was established on October 1, 2024 through a sole share transfer by Tobishima Corporation.

(i) Name of combined entity and description of its business

Wholly-owned subsidiary of share transfer: Tobishima Corporation

Description of business: contracting of civil engineering and building construction works, designing, etc.

(ii) Date of business combination

October 1, 2024

(iii) Legal form of business combination

Establishment of a holding company through a sole share transfer

(iv) Name of the company after business combination

Wholly-owning parent company established through share transfer: TOBISHIMA HOLDINGS Inc.

(v) Purpose of business combination

The Company has determined that it is optimal to shift to a holding company structure in order to accelerate its transformation into a “conglomerate” that operates in a wide range of business domains that can flexibly respond to the recent diversification and complexity of social needs and issues, and to pursue the enhancement of corporate value by further strengthening group governance.

(2) Overview of accounting procedures implemented

The transaction has been treated as a transaction under common control based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21; January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10; September 13, 2024).

Transaction under common control, etc.

(Acquisition of subsidiary shares through distribution in kind)

(1) Transaction summary

The Company acquired shares of subsidiaries held by its wholly-owned subsidiary, Tobishima Corporation, through a distribution in kind.

(i) Name of combined entities and description of their businesses

Name of combined entity	Description of business
FOR YOU, INC.	Real estate sales, leasing, brokerage, and other services
KYOKUTO CONSTRUCTION CO., LTD.	Underwater civil engineering work and development of underwater special-purpose machinery

(ii) Date of business combination

January 1, 2025

(iii) Legal form of business combination

Distribution in kind from a consolidated subsidiary

(iv) Name of the company after business combination

No change

(vi) Purpose of business combination

On October 1, 2024, the Group transitioned to a holding company structure. Under this structure, the Company, as the holding company, focuses on group management functions to optimize management resources and strengthen corporate functions, while each operating company engages in solution businesses tailored to its respective function in order to address social issues. The objective is to drive further growth of the Group. As part of this initiative, Tobishima Corporation, a wholly-owned subsidiary of the Company, transferred the shares of its subsidiaries to the Company through a distribution in kind.

(2) Overview of accounting procedures implemented

The shares of the subsidiaries acquired through the distribution in kind have been accounted for as having been, in substance, exchanged for the corresponding portion of the shares in Tobishima Corporation previously held, in accordance with the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10; September 13, 2024).

Transaction under common control, etc.

(Succession of cash and deposits, shares of subsidiaries, and shares of affiliates through an absorption-type company split)

(1) Transaction summary

The Company acquired cash and deposits, shares of subsidiaries, and shares of affiliates held by its wholly-owned subsidiary, Tobishima Corporation, through an absorption-type company split.

(i) Names of combined entities and description of their businesses

Name of combined entity	Description of business
Axisware, Inc.	Development and maintenance of IT systems
SUGITA CONSTRUCTION CORPORATION	General construction business
TEQUANAUTS CO., LTD.	Underwater construction, etc.
WOOD ENGINEERING, Inc.	Planning, proposal, design, construction, and management of non-residential wooden buildings and other services
Next Field Co., Ltd.	Total support services for construction DX

(ii) Date of business combination

January 1, 2025

(iii) Legal form of business combination

Absorption-type company split (simplified absorption-type company split), in which Tobishima Corporation, a consolidated subsidiary of the Company, was the splitting company and the Company was the succeeding company

(iv) Name of the company after business combination

No change

(v) Purpose of business combination

On October 1, 2024, the Group transitioned to a holding company structure. Under this structure, the Company, as the holding company, focuses on group management functions to optimize management resources and strengthen corporate functions, while each operating company engages in solution businesses tailored to its respective function in order to address social issues. The objective is to drive further growth of the Group. As part of this initiative, Tobishima Corporation, a wholly-owned subsidiary of the Company, transferred to the Company the shares of its subsidiaries and affiliates through an absorption-type company split.

(2) Overview of accounting procedures implemented

The transaction has been treated as a transaction under common control based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21; January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10; September 13, 2024).

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The reportable segments of the Group are constituent units of the Group for which separate financial information can be obtained and regularly examined by the Board of Directors to determine the allocation of management resources and evaluate business performance.

The Group is engaged in business activities consisting primarily of businesses related to construction work in general, centered on civil engineering and building construction undertaken mainly by Tobishima Corporation, as well as construction-related businesses and construction DX support services handled by other consolidated subsidiaries, along with other operations.

The Group is therefore composed primarily of segments based on these business service categories, and reports on the following three segments: Construction Business (Civil Engineering Business), Construction Business (Building Construction Business), and Growth Business, etc.

The Construction Business (Civil Engineering Business) involves performing civil engineering work and other contingent businesses, and the Construction Business (Building Construction Business) involves performing building construction work and other contingent businesses. The Growth Business, etc. involves construction-related businesses, construction DX support services, and other businesses that do not belong to either the Construction Business (Civil Engineering Business) or the Construction Business (Building Construction Business).

Following the transition to a holding company structure through a sole share transfer, the Company revised its categories of business segment. Effective from the third quarter of the fiscal year under review, the Company reports on the following three segments: Construction Business (Civil Engineering Business), Construction Business (Building Construction Business), and Growth Business, etc.

2. Methods of measurement for the amounts of sales, income/loss, assets, and other items for each reportable segment

The accounting policies of each reportable segment are generally the same as those used in the preparation of the consolidated financial statements.

Income reported for the segments are figures based on operating profit.

Figures for intersegment sales and transactions are based on current market values.

3. Information relating to net sales, profit and loss, assets, and other items by reportable segment and information on disaggregation of revenue

Current fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Construction Business		Growth Business, etc.	Total	Adjusted amount (Note 1)	Consolidated (Note 2)
	Civil Engineering Business	Building Construction Business				
Net sales						
Public sector	46,031	12,570	4,990	63,591	—	63,591
Private sector	22,638	38,535	12,399	73,574	—	73,574
Revenue from contracts with customers	68,669	51,106	17,390	137,166	—	137,166
Other revenue	—	—	1,093	1,093	—	1,093
Sales to third parties	68,669	51,106	18,483	138,259	—	138,259
Intersegment sales and transactions	—	0	16,664	16,664	(16,664)	—
Total	68,669	51,106	35,148	154,924	(16,664)	138,259
Segment income	5,507	2,570	2,072	10,150	(3,723)	6,426
Segment assets	77,237	27,607	44,340	149,186	7,979	157,166
Other items						
Depreciation	225	196	802	1,223	2	1,226
Investments in equity-method affiliates	—	—	—	—	175	175
Increase in property, plant and equipment and intangible assets	304	266	812	1,384	30	1,414

Notes 1. Amounts have been adjusted as follows:

- (1) Adjusted amount of ¥(3,723) million under “Segment income” includes ¥(101) million in elimination of intersegment transactions and ¥(3,621) million in total corporate operating expenses that are not allocated to the reportable segments. Total corporate operating expenses are selling, general and administrative expenses and the Company’s group management and administrative expenses, which are not attributable to the reportable segments.
 - (2) Adjusted amount of ¥7,979 million under “Segment assets” includes ¥11,721 million in total corporate assets that are not allocated to the reportable segments and ¥(3,741) million in inter-segment eliminations. Total corporate assets primarily comprise assets related to surplus operational funds (deposits), assets related to the administrative departments of the Group, and assets owned by the Company.
2. Adjustments have been made between “Segment income” and “Operating profit” in the consolidated statements of income.

[Related Information]

Current fiscal year (from April 1, 2024 to March 31, 2025)

1. Information by product and service

Omitted since similar information is presented in Segment information.

2. Information by geographical representation

(1) Net sales

Omitted since net sales in Japan account for more than 90% of net sales presented in the consolidated statements of income.

(2) Property, plant and equipment

Omitted since the monetary value of property, plant and equipment located in Japan accounts for more than 90% of the monetary value of property, plant and equipment presented in the consolidated balance sheets.

3. Information by major client

Omitted since there are no external clients that account for 10% or more of net sales in the consolidated statements of income.

[Information on Impairment Losses on Fixed Assets by Reportable Segment]

Current fiscal year (from April 1, 2024 to March 31, 2025)

Not applicable.

[Information on Amortization of Goodwill and Balance of Unamortized Goodwill by Reportable Segment]

Current fiscal year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Construction Business		Growth Business, etc.	Total	Eliminations	Total
	Civil Engineering Business	Building Construction Business				
Amortization	—	—	78	78	—	78
Balance	—	—	102	102	—	102

[Information on Gain on Negative Goodwill by Reportable Segment]

Current fiscal year (from April 1, 2024 to March 31, 2025)

No material gain was recognized.

(Per share information)

	Current fiscal year (from April 1, 2024 to March 31, 2025)
Net assets per share	¥2,629.92
Basic earnings per share	¥194.46

Notes 1. Diluted earnings per share are not shown because there were no potentially dilutive shares outstanding

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

	Current fiscal year (from April 1, 2024 to March 31, 2025)
Profit attributable to owners of parent (Millions of yen)	3,723
Amount not attributable to common shareholders (Millions of yen)	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	3,723
Average number of common shares outstanding during the period (1,000 shares)	19,146

In order to calculate basic earnings per share for the period, the number of shares held by Board Benefit Trust (BBT) are included in treasury shares, which are subtracted in calculating the average number of common shares outstanding during the period.

The average number of treasury shares was 118 thousand during the current fiscal year. In these, the average number held by BBT was 79 thousand during the current fiscal year.

3. The basis of calculation for net assets per share is as follows:

	Current fiscal year (As of March 31, 2025)
Total net assets (Millions of yen)	50,450
Deduction from net assets (Millions of yen)	88
[Non-controlling interests (Millions of yen)]	[88]
Term-end amount allocated to common shares (Millions of yen)	50,362
Number of common shares used to calculate net assets per share (1,000 shares)	19,149

In order to calculate net assets per share at the end of the period, the number of shares held by Board Benefit Trust (BBT) are included in treasury shares, which are subtracted from the number of outstanding common shares at the end of the period.

The number of treasury shares at the end of the period was 76 thousand for the current fiscal year. In these, the number held by BBT at the end of the period was 75 thousand for the current fiscal year.

(Significant subsequent events)

Not applicable.

4. Supplementary Information on Tobishima Corporation

(1) Orders Received, Net Sales, and Balance Brought Forward

(a) Orders

(Millions of yen)

Category			For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025		Changes	
			Amount	Percentage	Amount	Percentage	Amount	Percentage changes
Construction Business	Civil Engineering	Domestic public sector	39,678	35.6%	39,016	33.9%	(661)	(1.7)%
		Domestic private sector	14,128	12.7%	17,672	15.4%	3,544	25.1 %
		Overseas	920	0.8%	2,343	2.0%	1,423	154.6 %
		Total	54,727	49.1%	59,032	51.3%	4,305	7.9 %
	Building Construction	Domestic public sector	11,670	10.5%	2,621	2.3%	(9,049)	(77.5)%
		Domestic private sector	39,389	35.4%	51,517	44.7%	12,128	30.8 %
		Overseas	4,345	3.9%	748	0.7%	(3,596)	(82.8)%
		Total	55,405	49.8%	54,887	47.7%	(517)	(0.9)%
	Total	Domestic public sector	51,349	46.1%	41,637	36.2%	(9,711)	(18.9)%
		Domestic private sector	53,517	48.1%	69,190	60.1%	15,672	29.3 %
		Overseas	5,265	4.7%	3,092	2.7%	(2,173)	(41.3)%
		Total	110,132	98.9%	113,920	99.0%	3,787	3.4 %
Development Business, etc.			1,223	1.1%	1,129	1.0%	(93)	(7.7)%
Total			111,355	100.0%	115,049	100.0%	3,693	3.3 %

(b) Net sales

(Millions of yen)

Category			For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025		Changes	
			Amount	Percentage	Amount	Percentage	Amount	Percentage changes
Construction Business	Civil Engineering	Domestic public sector	42,091	36.3%	42,884	35.5%	792	1.9 %
		Domestic private sector	18,241	15.8%	22,638	18.7%	4,396	24.1 %
		Overseas	3,847	3.3%	3,146	2.6%	(700)	(18.2)%
		Total	64,180	55.4%	68,669	56.8%	4,488	7.0 %
	Building Construction	Domestic public sector	8,307	7.2%	10,270	8.5%	1,963	23.6 %
		Domestic private sector	39,826	34.4%	37,420	31.0%	(2,405)	(6.0)%
		Overseas	2,242	1.9%	3,439	2.8%	1,197	53.4 %
		Total	50,376	43.5%	51,131	42.3%	754	1.5 %
	Total	Domestic public sector	50,399	43.5%	53,154	44.0%	2,755	5.5 %
		Domestic private sector	58,067	50.2%	60,059	49.7%	1,991	3.4 %
		Overseas	6,090	5.2%	6,586	5.4%	496	8.2 %
		Total	114,557	98.9%	119,800	99.1%	5,243	4.6 %
Development Business, etc.			1,223	1.1%	1,129	0.9%	(93)	(7.7)%
Total			115,780	100.0%	120,929	100.0%	5,149	4.4 %

(c) Balance Brought Forward

(Millions of yen)

(millions of yen)

Category			For the fiscal year ended March 31, 2024		For the fiscal year ended March 31, 2025		Changes	
			Amount	Percentage	Amount	Percentage	Amount	Percentage changes
Construction Business	Civil Engineering	Domestic public sector	61,486	31.1%	57,618	30.0%	(3,867)	(6.3)%
		Domestic private sector	47,241	23.9%	42,275	22.0%	(4,965)	(10.5)%
		Overseas	18,383	9.3%	17,580	9.2%	(803)	(4.4)%
		Total	127,111	64.3%	117,474	61.2%	(9,636)	(7.6)%
	Building Construction	Domestic public sector	25,340	12.8%	17,691	9.2%	(7,649)	(30.2)%
		Domestic private sector	41,087	20.8%	55,184	28.8%	14,096	34.3 %
		Overseas	4,213	2.1%	1,522	0.8%	(2,691)	(63.9)%
		Total	70,641	35.7%	74,397	38.8%	3,756	5.3 %
	Total	Domestic public sector	86,826	43.9%	75,309	39.2%	(11,516)	(13.3)%
		Domestic private sector	88,329	44.7%	97,459	50.8%	9,130	10.3 %
		Overseas	22,596	11.4%	19,102	10.0%	(3,494)	(15.5)%
		Total	197,752	100.0%	191,872	100.0%	(5,880)	(3.0)%
Development Business, etc.			—	—%	—	—%	—	—%
Total			197,752	100.0%	191,872	100.0%	(5,880)	(3.0)%

(2) Orders Forecast

(Millions of yen)

Category		Fiscal year ended March 31, 2025 Full-year Results	Fiscal year ending March 31, 2026 Full-year Forecasts	Changes	Percentage changes
Construction Business	Civil Engineering	59,032	58,000	(1,032)	(1.7)%
	Building Construction	54,887	46,000	(8,887)	(16.2)%
	Total	113,920	104,000	(9,920)	(8.7)%
Development Business, etc.		1,129	1,300	170	15.1%
Total		115,049	105,300	(9,749)	(8.5)%

(3) Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025	YoY change
Net sales	115,780	120,929	5,149
Gross profit	12,003	12,524	521
Selling, general and administrative expenses	7,765	7,518	(246)
Operating profit	4,237	5,006	768
Ordinary profit	3,989	4,566	577
1. Profit	2,982	3,009	26