Disclaimer: This document is an English translation of the Japanese original which is filed with the Tokyo Stock Exchange and is only for reference purposes. In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Consolidated Financial Results for the Six Months Ended September 30, 2026 [Japanese GAAP]

November 12, 2026

Company name: HAZAMA ANDO CORPORATION
Stock exchange listing: Tokyo Stock Exchange
Code number: 1719
URL: https://www.ad-hzm.co.jp/english/
Representative: Kazuhiko Kuniya, Representative Director and President
Contact: Koji Saito, Corporate Communication Department General Manager
Phone: +81-3-3575-6094
Scheduled date of filing semi-annual securities report: November 12, 2026
Scheduled date of commencing dividend payments: December 10, 2026
Availability of supplementary briefing material on financial results: Yes
Schedule of financial results briefing session: Yes (For analysts and institutional investors)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2026 (April 1, 2026 to September 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	228,016	13.4	18,651	54.5	20,054	77.1	14,299	84.4
September 30, 2025	201,023	7.6	12,076	24.2	11,321	19.5	7,752	18.3

(Note) Comprehensive income: Six months ended September 30, 2026: ¥18,484 million [0.1%]
Six months ended September 30, 2025: ¥18,468 million [104.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	91.13	—
September 30, 2025	49.45	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	439,847	221,555	50.1
As of March 31, 2026	411,575	209,380	50.6

(Reference) Equity: As of September 30, 2026: ¥220,479 million
As of March 31, 2026: ¥208,264 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	40.00	—	40.00	80.00
Fiscal year ending March 31, 2027	—	42.00			
Fiscal year ending March 31, 2027 (Forecast)			—	42.00	84.00

(Note) Revision to the forecast for dividends announced most recently: No

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	480,000	9.2	37,600	11.8	38,800	16.7	26,900	(9.6)	171.40

(Note) Revision to the financial results forecast announced most recently: Yes

*** Notes:**

(1) Significant changes in scope of consolidation during the six months ended September 30, 2026: No

(2) Accounting policies adopted specially for the preparation of interim consolidated financial statements: Yes

(Note) For details, please see "2. Interim Consolidated Financial Statements and Key Notes (4) Notes to Interim Consolidated Financial Statements (Notes on accounting policies specific to the preparation of interim consolidated financial statements)" on page 11 of the attachments.

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

1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

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

1) Total number of issued shares at the end of the period (including treasury shares):
September 30, 2026: 181,021,197 shares
March 31, 2026: 181,021,197 shares
2) Total number of treasury shares at the end of the period:
September 30, 2026: 24,039,017 shares
March 31, 2026: 24,138,125 shares
3) Average number of shares during the period:
Six months ended September 30, 2026: 156,906,113 shares
Six months ended September 30, 2025: 156,781,412 shares

1,310,088 shares held by the management board incentive plan trust and 2,890,570 shares held by the employee stock ownership plan trust are included in the total number of treasury shares at the end of the period, and the average number of shares during the period is calculated and stated taking into account the shares held by the trusts.

(Reference) Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	442,000	6.9	35,700	11.9	35,000	10.2	23,700	(18.2)	151.01

(Note) Revision to the financial results forecast announced most recently: Yes

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

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

(1) The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to a wide range of factors. For assumptions used in forecasting operating results and points to consider in utilizing such forecasts, please see "1. Overview of Operating Results, etc. (3) Explanation of Future Forecast Information Such as Consolidated Financial Results Forecasts" on page 3 of the attachments.

(2) The Company plans to hold a financial results briefing session for analysts and institutional investors on Tuesday, November 17, 2026. The financial results briefing materials distributed at this briefing will be posted on the Company website.

○ Table of Contents of Attachments

1. Overview of Operating Results, etc. 2
(1) Summary of operating results for the interim period under review 2
(2) Overview of financial position for the interim period under review 2
(3) Explanation of Future Forecast Information Such as Consolidated Financial Results Forecasts 3
2. Interim Consolidated Financial Statements and Key Notes 5
(1) Interim Consolidated Balance Sheets 5
(2) Interim Consolidated Statements of Income and Comprehensive Income 7
(Interim Consolidated Statements of Income) 7
(Interim Consolidated Statements of Comprehensive Income) 8
(3) Interim Consolidated Statements of Cash Flows 9
(4) Notes to Interim Consolidated Financial Statements 11
(Notes on going concern assumption) 11
(Notes on substantial changes in the amount of shareholders' equity) 11
(Notes on accounting policies specific to the preparation of interim consolidated financial statements) 11
(Additional information) 11
(Notes on segment information, etc.) 13
3. (Reference) Interim Non-Consolidated Financial Statements 14
(1) Interim Non-Consolidated Balance Sheets 14
(2) Interim Non-Consolidated Statements of Income 16
4. Supplementary Information 17
(1) Results for the six months ended September 30, 2026 and forecasts for full year 17
(2) Non-consolidated orders received, net sales, and backlog 19

1. Overview of Operating Results, etc.

(1) Summary of operating results for the interim period under review

During the interim period under review, the Japanese economy remained on a moderate recovery trend as consumer spending picked up and corporate profits continued to improve.

Going forward, while a moderate recovery is expected on the back of improvement in the employment and income environment, etc., we must monitor the impact of the situation in the Middle East and natural disasters on economic activities. In addition, it is still necessary to pay attention to the impact of fluctuations in financial and capital markets, among other factors.

In the construction industry, both government construction investment and private construction investment remained generally firm. But it remains imperative to closely monitor developments, particularly with regard to material prices and labor costs.

Under these circumstances, the Group's performance for the interim period under review was as follows. Net sales were ¥228.0 billion (up 13.4% from ¥201.0 billion in the same period of the previous fiscal year), operating profit was ¥18.6 billion (up 54.5% from ¥12.0 billion in the same period of the previous fiscal year), ordinary profit was ¥20.0 billion (up 77.1% from ¥11.3 billion in the same period of the previous fiscal year), and profit attributable to owners of parent came to ¥14.2 billion (up 84.4% from ¥7.7 billion in the same period of the previous fiscal year).

Segment results are described as follows:

(Civil engineering business)

Orders received amounted to ¥64.2 billion (up 110.2% year on year), net sales of completed construction contracts were ¥62.4 billion (down 5.3% year on year) and operating profit came to ¥6.2 billion (down 6.2% year on year).

(Building construction business)

Orders received amounted to ¥141.3 billion (up 9.9% year on year), net sales of completed construction contracts were ¥148.7 billion (up 25.6% year on year) and operating profit came to ¥15.9 billion (up 78.3% year on year).

(Group business)

Net sales were ¥13.3 billion (up 12.4% year on year) and operating profit came to ¥0.5 billion (up 2.7% year on year).

(Other)

Net sales were ¥3.3 billion (down 28.2% year on year) and operating profit was ¥0.4 billion (down 7.5% year on year).

(2) Overview of financial position for the interim period under review

In assets, mainly cash and deposits increased, and in liabilities, mainly advances received on construction contracts in progress increased. As a result, total assets at the end of the interim period under review increased by ¥28.2 billion from the end of the previous fiscal year to ¥439.8 billion, and liabilities increased by ¥16.0 billion from the end of the previous fiscal year to ¥218.2 billion. Net assets increased by ¥12.1 billion from the end of the previous fiscal year to ¥221.5 billion, mainly due to an increase in retained earnings, and the equity ratio decreased by 0.5 percentage points from the end of the previous fiscal year to 50.1%.

Cash and cash equivalents at the end of the interim period under review increased by ¥13.1 billion from the beginning of the fiscal year to ¥77.7 billion. The status of cash flows and underlying factors are as follows:

(Cash flows from operating activities)

Net cash obtained was ¥14.8 billion (compared with net cash obtained of ¥10.7 billion in the same period of the previous fiscal year), as cash-increasing factors such as profit before income taxes of ¥20.1 billion and an increase in advances received on construction contracts in progress of ¥14.6 billion exceeded cash-decreasing factors such as income taxes paid of ¥6.6 billion and an increase in costs on construction contracts in progress of ¥4.3 billion.

(Cash flows from investing activities)

Net cash obtained was ¥3.5 billion (compared with net cash used of ¥1.8 billion in the same period of the previous fiscal year), as cash-increasing factors such as proceeds from sale of short-term and long-term investment securities of ¥9.4 billion exceeded cash-decreasing factors such as purchase of property, plant and equipment of ¥2.6 billion.

(Cash flows from financing activities)

Net cash used was ¥5.2 billion (compared with net cash used of ¥5.1 billion in the same period of the previous fiscal year), as cash-decreasing factors such as dividends paid of ¥6.4 billion and repayments of long-term borrowings of ¥2.1 billion exceeded cash-increasing factors such as proceeds from long-term borrowings of ¥3.7 billion.

(3) Explanation of Future Forecast Information Such as Consolidated Financial Results Forecasts

The Company has revised its financial forecasts for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027), previously released on May 14, 2026, in light of recent performance trends. Brief details are provided as follows.

1. Fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

Revised consolidated results forecast (Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
Previously announced forecast (A)	490,000	34,000	33,600	22,200	141.51
Revised forecast (B)	480,000	37,600	38,800	26,900	171.40
Difference (B - A)	(10,000)	3,600	5,200	4,700	
Percentage change (%)	(2.0)	10.6	15.5	21.2	
[Reference] Results for the previous fiscal year	439,615	33,618	33,257	29,746	189.68

2. Fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

Revised non-consolidated results forecast (Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share (Yen)
Previously announced forecast (A)	457,000	32,300	31,800	21,000	133.86
Revised forecast (B)	442,000	35,700	35,000	23,700	151.01
Difference (B - A)	(15,000)	3,400	3,200	2,700	
Percentage change (%)	(3.3)	10.5	10.1	12.9	
[Reference] Results for the previous fiscal year	413,353	31,896	31,766	28,976	184.78

3. Reasons for the above financial forecast revisions

1) Reasons for the revision of the non-consolidated results forecast

Net sales are expected to be lower than the previous forecast due to a decrease in net sales of completed construction contracts in the civil engineering business and building construction business.

Although gross profit on completed construction contracts in the civil engineering business is expected to decrease due to lower net sales of completed construction contracts and other factors, this decrease is expected to be more than offset by an increase in gross profit on completed construction contracts in the building construction business, driven by improvements in project profitability and other factors. As a result, operating profit, ordinary profit, and profit are expected to exceed the previous forecasts.

2) Reasons for the revision of the consolidated results forecast

The Company has revised its consolidated results forecasts primarily to reflect the revisions to its non-consolidated financial results forecasts.

In addition, ordinary profit is expected to increase due to recognition of share of profit of entities accounted for using equity method as non-operating income in the interim period under review.

4. Other

As of the end of the fiscal year ended March 31, 2024, the Company expects additional costs of approximately ¥6.2 billion arising from repair and other expenses in relation to the incident (the “incident”) occurring during foundation work for the steel guard wall (south side foundation and north side foundation) for works of seawall in power plant being undertaken in Tokai Village, Ibaraki Prefecture, by a joint venture with the Company as the representative.

The Company is still discussing the repair plan for the incident with the contractee and other concerned parties to the construction work, and the Company will continue to take appropriate measures responsibly as a constructor.
If, after determining the repair plan and other matters, it becomes clear that there will be a significant impact on the financial results, the Company will disclose this information in a timely and appropriate manner.

2. Interim Consolidated Financial Statements and Key Notes

(1) Interim Consolidated Balance Sheets

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	66,170	79,261
Notes receivable, accounts receivable from completed construction contracts and other	200,657	203,533
Costs on construction contracts in progress	5,452	9,808
Other inventories	6,536	6,917
Other	21,939	17,867
Allowance for doubtful accounts	(21)	(27)
Total current assets	300,735	317,361
Non-current assets		
Property, plant and equipment		
Land	15,644	15,644
Other, net	20,128	20,669
Total property, plant and equipment	35,773	36,313
Intangible assets	5,574	5,567
Investments and other assets		
Investment securities	49,544	58,107
Deferred tax assets	687	685
Other	19,260	21,814
Allowance for doubtful accounts	(0)	(3)
Total investments and other assets	69,492	80,604
Total non-current assets	110,839	122,485
Total assets	411,575	439,847

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	59,764	60,675
Short-term borrowings	20,995	21,230
Income taxes payable	7,171	6,429
Advances received on construction contracts in progress	31,657	46,315
Deposits received	49,400	50,370
Provision for warranties for completed construction	1,746	1,772
Provision for bonuses	3,990	3,964
Provision for loss on construction contracts	605	377
Other	11,049	7,464
Total current liabilities	186,382	198,601
Non-current liabilities		
Long-term borrowings	6,519	7,817
Deferred tax liabilities	3,531	5,734
Retirement benefit liability	1,633	1,286
Provision for management board incentive plan trust	618	667
Provision for employee stock ownership plan trust	1,635	1,840
Other	1,874	2,343
Total non-current liabilities	15,812	19,690
Total liabilities	202,195	218,291
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,678	18,668
Retained earnings	162,349	170,232
Treasury shares	(21,335)	(22,215)
Total shareholders' equity	175,698	183,691
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,968	27,063
Deferred gains or losses on hedges	4,720	4,045
Foreign currency translation adjustment	473	590
Remeasurements of defined benefit plans	5,402	5,089
Total accumulated other comprehensive income	32,565	36,788
Non-controlling interests	1,115	1,076
Total net assets	209,380	221,555
Total liabilities and net assets	411,575	439,847

(2) Interim Consolidated Statements of Income and Comprehensive Income

(Interim Consolidated Statements of Income)

(Six Months Ended September 30)

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales		
Net sales of completed construction contracts	186,518	215,569
Net sales in other businesses	14,505	12,446
Total net sales	201,023	228,016
Cost of sales		
Cost of sales of completed construction contracts	161,105	182,786
Cost of sales in other businesses	12,820	10,583
Total cost of sales	173,926	193,369
Gross profit		
Gross profit on completed construction contracts	25,412	32,782
Gross profit - other business	1,684	1,863
Total gross profit	27,097	34,646
Selling, general and administrative expenses	15,021	15,994
Operating profit	12,076	18,651
Non-operating income		
Dividend income	387	404
Share of profit of entities accounted for using equity method	—	1,916
Other	360	117
Total non-operating income	748	2,437
Non-operating expenses		
Interest expenses	281	330
Share of loss of entities accounted for using equity method	346	—
Commission expenses	403	331
Foreign exchange losses	322	216
Other	148	156
Total non-operating expenses	1,502	1,034
Ordinary profit	11,321	20,054
Extraordinary income		
Gain on sale of non-current assets	87	—
Subsidy income	31	—
Gain on sale of investment securities	376	121
Total extraordinary income	494	121
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	31	—
Loss on retirement of non-current assets	32	—
Loss on litigation	1	24
Total extraordinary losses	64	24
Profit before income taxes	11,751	20,151
Income taxes	3,999	5,851
Profit	7,752	14,300
Profit (loss) attributable to non-controlling interests	(0)	1
Profit attributable to owners of parent	7,752	14,299

(Interim Consolidated Statements of Comprehensive Income)
(Six Months Ended September 30)

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	7,752	14,300
Other comprehensive income		
Valuation difference on available-for-sale securities	10,570	5,094
Foreign currency translation adjustment	(114)	77
Remeasurements of defined benefit plans	(134)	(313)
Share of other comprehensive income of entities accounted for using equity method	394	(675)
Total other comprehensive income	10,715	4,183
Comprehensive income	18,468	18,484
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,510	18,521
Comprehensive income attributable to non-controlling interests	(42)	(37)

(3) Interim Consolidated Statements of Cash Flows
(Six Months Ended September 30)

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	11,751	20,151
Depreciation	1,776	1,660
Amortization of goodwill	—	188
Loss on tax purpose reduction entry of non-current assets	31	—
Increase (decrease) in allowance for doubtful accounts	(39)	9
Increase (decrease) in provision for warranties for completed construction	(28)	25
Increase (decrease) in provision for loss on construction contracts	(194)	(227)
Increase (decrease) in retirement benefit liability	(382)	(515)
Decrease (increase) in retirement benefit asset	(192)	(248)
Interest and dividend income	(436)	(454)
Interest expenses	281	330
Foreign exchange losses (gains)	39	83
Share of loss (profit) of entities accounted for using equity method	346	(1,916)
Loss (gain) on sale of investment securities	(376)	(120)
Decrease (increase) in trade receivables	35,983	(2,859)
Decrease (increase) in costs on construction contracts in progress	205	(4,320)
Decrease (increase) in other inventories	(388)	(381)
Decrease (increase) in advances paid	(2,683)	(1,731)
Decrease (increase) in consumption taxes refund receivable	129	(2,617)
Increase (decrease) in trade payables	(10,063)	875
Increase (decrease) in advances received on construction contracts in progress	(7,227)	14,659
Increase (decrease) in deposits received	(8,154)	970
Increase (decrease) in accrued consumption taxes	(1,517)	(1,761)
Other, net	(471)	(526)
Subtotal	18,387	21,275
Interest and dividends received	430	513
Interest paid	(292)	(353)
Income taxes paid	(7,741)	(6,600)
Net cash provided by (used in) operating activities	10,784	14,834
Cash flows from investing activities		
Payments for investments in capital of subsidiaries and associates	(922)	(1,013)
Purchase of short-term and long-term investment securities	(734)	(1,171)
Proceeds from sale of short-term and long-term investment securities	530	9,453
Purchase of property, plant and equipment	(522)	(2,624)
Proceeds from sale of property, plant and equipment	99	343
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(725)
Other, net	(263)	(737)
Net cash provided by (used in) investing activities	(1,812)	3,523

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	55	(102)
Proceeds from long-term borrowings	3,797	3,735
Repayments of long-term borrowings	(2,150)	(2,119)
Dividends paid	(6,404)	(6,404)
Dividends paid to non-controlling interests	(1)	(1)
Other, net	(422)	(362)
Net cash provided by (used in) financing activities	(5,127)	(5,255)
Effect of exchange rate change on cash and cash equivalents	(71)	43
Net increase (decrease) in cash and cash equivalents	3,772	13,146
Cash and cash equivalents at beginning of period	55,772	64,591
Cash and cash equivalents at end of period	59,545	77,738

(4) Notes to Interim Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on substantial changes in the amount of shareholders' equity)

The Company resolved at the Board of Directors meeting held on August 5, 2026 to dispose of treasury shares to the BIP Trust for officers' compensation and the ESOP Trust, and disposed of 1,072,700 shares of common stock on August 21, 2026. As a result, capital surplus increased by ¥990 million and treasury shares decreased by ¥925 million during the interim period under review. In addition, the Company's shares obtained by the BIP Trust for officers' compensation and the ESOP Trust (1,072,700 shares, ¥1,916 million), are recorded as treasury shares.

As a result, capital surplus amounted to ¥18,668 million and treasury shares were ¥22,215 million at the end of the interim period under review.

(Notes on accounting policies specific to the preparation of interim consolidated financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year containing the interim period under review and multiplying profit before income taxes by this estimated effective tax rate.

However, if the calculation using the estimated effective tax rate brings about an extremely unreasonable result, the statutory effective tax rate is adopted.

(Additional information)

(Performance-linked stock compensation plan)

The Company has introduced a performance-linked stock compensation plan for board directors and executive officers and an employee stock ownership plan trust for employees as a performance-linked stock compensation plan.

1 Performance-linked stock compensation plan for board directors and executive officers

(1) Transaction summary

In FY2016, the Company introduced a performance-linked stock compensation plan (the "Plan") as an incentive plan for its board directors and executive officers (excluding board directors serving as audit and supervisory committee members, external directors, and non-residents of Japan; hereinafter collectively referred to as "the Board Directors, etc."). The Plan is highly transparent and objective and is closely linked with the Company's performance, with the aim of increasing awareness of the importance of helping to enhance the corporate value and performance of the Company over the medium to long term.

Specifically, the Plan adopts a mechanism called the Board Incentive Plan (BIP) Trust ("BIP Trust") where the Company's shares acquired through the BIP Trust and cash equivalent to the value of the Company's shares upon conversion are provided to the Board Directors, etc. according to their titles and the level of achievement of performance targets, etc.

(2) The Company's stock in the Trust

The Company's shares remaining in the Trust are recorded as treasury shares under net assets based on the book value in the Trust (excluding ancillary expenses). The book value and the number of these treasury shares in the Trust were ¥1,193 million and 1,237,029 shares, respectively, at the end of the previous consolidated fiscal year, while they were ¥1,359 million and 1,310,088 shares, respectively, at the end of the interim period under review. The Company decided to extend the trust period and to contribute an additional trust by a resolution at the Board of Directors meeting held on August 5, 2026, and acquired additional shares during the interim period under review. As a result, the book value and the number of shares increased from the end of the previous consolidated fiscal year.

2 Employee stock ownership plan trust

(1) Transaction summary

In FY2022, the Company introduced an Employee Stock Ownership Plan Trust ("ESOP Trust") as an incentive plan for its employees (the "Employees"). The ESOP Trust is an incentive plan intended to improve treatment of Employees and raise their awareness about the Company's performance over the medium to long term and its stock price, thereby further promoting business operations aimed at the sustainable improvement of corporate value. At the same time, it is designed to strengthen the linkage with the development and achievement of the Company's future management personnel and the development of the Company and its corporate value.

Specifically, the Company's shares acquired through the ESOP Trust and cash equivalent to the value of the Company's shares upon conversion are provided to the beneficiaries, who are the Employees meeting certain requirements, according to their working status and performance targets achieved during the trust period.

(2) The Company's stock in the Trust

The Company's shares remaining in the Trust are recorded as treasury shares under net assets based on the book value in the Trust (excluding ancillary expenses). The book value and the number of these treasury shares in the Trust were ¥2,096 million and 1,990,911 shares, respectively, at the end of the previous consolidated fiscal year, while they were ¥3,734 million and 2,890,570 shares, respectively, at the end of the interim period under review. The Company decided to extend the trust period and to contribute an additional trust by a resolution at the Board of Directors meeting held on August 5, 2026, and acquired additional shares during the interim period under review. As a result, the book value and the number of shares increased from the end of the previous consolidated fiscal year.

(Notes on segment information, etc.)

[Segment information]

For the previous interim period (April 1, 2025 to September 30, 2025)

Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segments				Other, net (Note 1.)	Total	Reconciliation (Note 2.)	Amount recorded on the interim consolidated statements of income (Note 3.)
	Civil Engineering Business	Building Construction Business	Group Business	Total				
Net sales								
External customers	65,994	118,435	11,913	196,343	4,680	201,023	-	201,023
Intersegment sales or transfers	-	-	29,327	29,327	5	29,333	(29,333)	-
Total	65,994	118,435	41,241	225,671	4,685	230,357	(29,333)	201,023
Segment profit	6,614	8,941	538	16,095	433	16,529	(4,453)	12,076

(Notes) 1. The “Other” segment consists of operations not attributed to “Reportable segments” and includes research, commissioned operations and other activities.

2. Reconciliation of segment profit amounting to ¥(4,453) million includes ¥16 million in intersegment eliminations and others, and ¥(4,469) million in corporate expenses which are not allocated to any reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributed to reportable segments.

3. Segment profit is adjusted with operating profit of the interim consolidated statements of income.

For the interim period under review (April 1, 2026 to September 30, 2026)

Information on net sales and profit or loss by reportable segment

(Million yen)

	Reportable segments				Other, net (Note 1.)	Total	Reconciliation (Note 2.)	Amount recorded on the interim consolidated statements of income (Note 3.)
	Civil Engineering Business	Building Construction Business	Group Business	Total				
Net sales								
External customers	62,495	148,764	13,395	224,655	3,360	228,016	-	228,016
Intersegment sales or transfers	-	-	31,728	31,728	5	31,734	(31,734)	-
Total	62,495	148,764	45,124	256,384	3,366	259,750	(31,734)	228,016
Segment profit	6,206	15,945	553	22,705	401	23,106	(4,455)	18,651

(Notes) 1. The “Other” segment consists of operations not attributed to “Reportable segments” and includes research, commissioned operations and other activities.

2. Reconciliation of segment profit amounting to ¥(4,455) million includes ¥(15) million in intersegment eliminations and others, and ¥(4,439) million in corporate expenses that are not allocated to any reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributed to reportable segments.

3. Segment profit is adjusted with operating profit of the interim consolidated statements of income.

3. (Reference) Interim Non-Consolidated Financial Statements

(1) Interim Non-Consolidated Balance Sheets

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	50,297	63,353
Notes receivable, accounts receivable from completed construction contracts and other	197,469	201,059
Costs on construction contracts in progress	2,886	9,142
Other inventories	2,617	2,977
Other	21,521	17,472
Allowance for doubtful accounts	(20)	(27)
Total current assets	274,771	293,977
Non-current assets		
Property, plant and equipment		
Land	13,241	13,241
Other, net	15,471	15,866
Total property, plant and equipment	28,712	29,107
Intangible assets	1,648	1,725
Investments and other assets		
Investment securities	56,689	65,248
Other	13,046	14,626
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	69,735	79,874
Total non-current assets	100,096	110,707
Total assets	374,868	404,685

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable for construction contracts and other	56,995	59,199
Short-term borrowings	20,950	21,185
Income taxes payable	6,501	6,096
Advances received on construction contracts in progress	30,357	44,796
Deposits received	47,152	48,695
Provision for warranties for completed construction	1,746	1,772
Provision for bonuses	3,689	3,724
Provision for loss on construction contracts	602	375
Other	7,092	3,973
Total current liabilities	175,087	189,818
Non-current liabilities		
Long-term borrowings	6,396	7,717
Provisions for retirement benefits	3,554	3,014
Deferred tax liabilities	1,205	3,627
Provision for management board incentive plan trust	618	667
Provision for employee stock ownership plan trust	1,635	1,840
Other	1,718	2,144
Total non-current liabilities	15,128	19,011
Total liabilities	190,216	208,830
Net assets		
Shareholders' equity		
Share capital	17,006	17,006
Capital surplus	17,743	18,734
Retained earnings	149,312	155,312
Treasury shares	(21,335)	(22,215)
Total shareholders' equity	162,726	168,836
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	21,925	27,018
Total valuation and translation adjustments	21,925	27,018
Total net assets	184,651	195,855
Total liabilities and net assets	374,868	404,685

(2) Interim Non-Consolidated Statements of Income
(Six Months Ended September 30)

(Million yen)

	For the Six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales		
Net sales of completed construction contracts	185,824	212,745
Net sales in other businesses	4,685	3,366
Total net sales	190,510	216,111
Cost of sales		
Cost of sales of completed construction contracts	160,554	180,590
Cost of sales in other businesses	4,243	2,958
Total cost of sales	164,798	183,549
Gross profit		
Gross profit on completed construction contracts	25,270	32,154
Gross profit - other business	442	407
Total gross profit	25,712	32,562
Selling, general and administrative expenses	13,987	14,236
Operating profit	11,724	18,326
Non-operating income	873	719
Non-operating expenses	1,139	1,009
Ordinary profit	11,458	18,036
Extraordinary income	494	121
Extraordinary losses	63	24
Profit before income taxes	11,889	18,133
Income taxes	3,854	5,728
Profit	8,035	12,404

(Note) Interim non-consolidated financial statements are prepared in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements and are stated pursuant to the Ordinance for Enforcement of the Construction Business Act. However, categorization of items is condensed in part.

4. Supplementary Information

(1) Results for the six months ended September 30, 2026 and forecasts for full year

1. Consolidated

(Unit: Million yen. Rounded down to the unit)

Items	Interim period				Full year			
	Fiscal year ended March 31, 2026	Fiscal year ending March 31, 2027	Change over previous year		Fiscal year ended March 31, 2026	Fiscal year ending March 31, 2027	vs. Actual results (Current period)	
	Results	Results	Amount	%	Results	Revised forecast	Amount	%
Net sales	**201,023**	**228,016**	**26,992**	**13.4**	**439,615**	**480,000**	**40,384**	**9.2**
Gross profit	27,097 [13.5%]	34,646 [15.2%]	7,549	27.9	63,959 [14.5%]	71,300 [14.9%]	7,340	11.5
Selling, general and administrative expenses	15,021	15,994	973	6.5	30,341	33,700	3,358	11.1
Operating profit	**12,076** [6.0%]	**18,651** [8.2%]	**6,575**	**54.5**	**33,618** [7.6%]	**37,600** [7.8%]	**3,981**	**11.8**
Ordinary profit	**11,321** [5.6%]	**20,054** [8.8%]	**8,733**	**77.1**	**33,257** [7.6%]	**38,800** [8.1%]	**5,542**	**16.7**
Profit attributable to owners of parent	**7,752** [3.9%]	**14,299** [6.3%]	**6,546**	**84.4**	**29,746** [6.8%]	**26,900** [5.6%]	**(2,846)**	**(9.6)**

2. Non-consolidated

(Unit: Million yen. Rounded down to the unit)

Items	Interim period				Full year			
	Fiscal year ended March 31, 2026	Fiscal year ending March 31, 2027	Change over previous year		Fiscal year ended March 31, 2026	Fiscal year ending March 31, 2027	vs. Actual results (Current period)	
	Results	Results	Amount	%	Results	Revised forecast	Amount	%
Civil engineering	30,540	64,202	33,661	110.2	143,578	140,000	(3,578)	(2.5)
Building construction	128,692	141,375	12,682	9.9	390,005	320,000	(70,005)	(17.9)
Orders received	159,233	205,577	46,344	29.1	533,583	460,000	(73,583)	(13.8)
Civil engineering	67,399	63,986	(3,413)	(5.1)	141,127	135,000	(6,127)	(4.3)
Building construction	118,425	148,759	30,333	25.6	262,257	300,000	37,742	14.4
Net sales of completed construction contracts	185,824	212,745	26,920	14.5	403,384	435,000	31,615	7.8
Sales in other business	4,685	3,366	(1,319)	(28.2)	9,969	7,000	(2,969)	(29.8)
Net sales	**190,510**	**216,111**	**25,601**	**13.4**	**413,353**	**442,000**	**28,646**	**6.9**
Civil engineering	10,516 [15.6%]	9,798 [15.3%]	(717)	(6.8)	22,870 [16.2%]	20,000 [14.8%]	(2,870)	(12.6)
Building construction	14,753 [12.5%]	22,356 [15.0%]	7,602	51.5	35,942 [13.7%]	45,000 [15.0%]	9,057	25.2
Gross profit on completed construction contracts	25,270 [13.6%]	32,154 [15.1%]	6,884	27.2	58,813 [14.6%]	65,000 [14.9%]	6,186	10.5
Gross profit – other business	442	407	(34)	(7.8)	1,015	700	(315)	(31.1)
Gross profit	25,712 [13.5%]	32,562 [15.1%]	6,850	26.6	59,829 [14.5%]	65,700 [14.9%]	5,870	9.8
Selling, general and administrative expenses	13,987	14,236	248	1.8	27,933	30,000	2,066	7.4
Operating profit	**11,724** [6.2%]	**18,326** [8.5%]	**6,601**	**56.3**	**31,896** [7.7%]	**35,700** [8.1%]	**3,803**	**11.9**
Non-operating income/expenses	(266)	(290)	(23)	—	(129)	(700)	(570)	—
Ordinary profit	**11,458** [6.0%]	**18,036** [8.3%]	**6,577**	**57.4**	**31,766** [7.7%]	**35,000** [7.9%]	**3,233**	**10.2**
Extraordinary income/losses	431	97	(334)	(77.5)	9,795	(200)	(9,995)	—
Profit before income taxes	11,889	18,133	6,243	52.5	41,562	34,800	(6,762)	(16.3)
Tax expenses	3,854	5,728	1,874	48.6	12,586	11,100	(1,486)	(11.8)
Profit	**8,035** [4.2%]	**12,404** [5.7%]	**4,368**	**54.4**	**28,976** [7.0%]	**23,700** [5.4%]	**(5,276)**	**(18.2)**

(2) Non-consolidated orders received, net sales, and backlog

(Orders received for the construction business) (Unit: Million yen. Rounded down to the unit)

Category		For the six months ended September 30, 2025		For the six months ended September 30, 2026		Increase / decrease		Results for the fiscal year ended March 31, 2026	
		Amount	%	Amount	%	Amount	% change	Amount	%
Civil engineering	Domestic (Government sector)	11,509	7.2	43,551	21.2	32,042	278.4	97,065	18.2
	Domestic (Private sector)	19,127	12.0	19,714	9.6	586	3.1	42,458	8.0
	Domestic (Total)	30,637	19.2	63,265	30.8	32,628	106.5	139,524	26.1
	Overseas	(96)	(0.1)	936	0.5	1,032	—	4,054	0.8
	Total	30,540	19.2	64,202	31.2	33,661	110.2	143,578	26.9
Building construction	Domestic (Government sector)	6,806	4.3	6,922	3.4	115	1.7	22,501	4.2
	Domestic (Private sector)	113,122	71.0	130,151	63.3	17,029	15.1	352,462	66.1
	Domestic (Total)	119,928	75.3	137,073	66.7	17,145	14.3	374,963	70.3
	Overseas	8,764	5.5	4,301	2.1	(4,462)	(50.9)	15,041	2.8
	Total	128,692	80.8	141,375	68.8	12,682	9.9	390,005	73.1
Sum total	Domestic (Government sector)	18,316	11.5	50,474	24.6	32,157	175.6	119,567	22.4
	Domestic (Private sector)	132,249	83.1	149,865	72.9	17,616	13.3	394,920	74.0
	Domestic (Total)	150,565	94.6	200,339	97.5	49,774	33.1	514,487	96.4
	Overseas	8,667	5.4	5,237	2.5	(3,429)	(39.6)	19,095	3.6
	Total	159,233	100.0	205,577	100.0	46,344	29.1	533,583	100.0

(Net sales for the construction business) (Unit: Million yen. Rounded down to the unit)

Category		For the six months ended September 30, 2025		For the six months ended September 30, 2026		Increase / decrease		Results for the fiscal year ended March 31, 2026	
		Amount	%	Amount	%	Amount	% change	Amount	%
Civil engineering	Domestic (Government sector)	44,962	24.2	36,354	17.1	(8,607)	(19.1)	90,484	22.4
	Domestic (Private sector)	20,303	10.9	25,280	11.9	4,976	24.5	46,056	11.4
	Domestic (Total)	65,265	35.1	61,634	29.0	(3,631)	(5.6)	136,540	33.8
	Overseas	2,133	1.1	2,352	1.1	218	10.2	4,586	1.1
	Total	67,399	36.3	63,986	30.1	(3,413)	(5.1)	141,127	35.0
Building construction	Domestic (Government sector)	19,568	10.5	12,431	5.8	(7,137)	(36.5)	34,496	8.6
	Domestic (Private sector)	88,630	47.7	130,507	61.3	41,877	47.2	207,727	51.5
	Domestic (Total)	108,198	58.2	142,938	67.2	34,739	32.1	242,223	60.0
	Overseas	10,226	5.5	5,820	2.7	(4,406)	(43.1)	20,034	5.0
	Total	118,425	63.7	148,759	69.9	30,333	25.6	262,257	65.0
Sum total	Domestic (Government sector)	64,530	34.7	48,785	22.9	(15,745)	(24.4)	124,980	31.0
	Domestic (Private sector)	108,933	58.6	155,787	73.2	46,853	43.0	253,783	62.9
	Domestic (Total)	173,464	93.3	204,573	96.2	31,108	17.9	378,763	93.9
	Overseas	12,360	6.7	8,172	3.8	(4,187)	(33.9)	24,620	6.1
	Total	185,824	100.0	212,745	100.0	26,920	14.5	403,384	100.0

(Backlog for the construction business) (Unit: Million yen. Rounded down to the unit)

Category		For the six months ended September 30, 2025		For the six months ended September 30, 2026		Increase / decrease		Results for the fiscal year ended March 31, 2026	
		Amount	%	Amount	%	Amount	% change	Amount	%
Civil engineering	Domestic (Government sector)	86,430	16.3	133,661	19.6	47,231	54.6	126,463	18.4
	Domestic (Private sector)	143,568	27.0	135,580	19.9	(7,987)	(5.6)	141,146	20.5
	Domestic (Total)	229,998	43.3	269,242	39.5	39,243	17.1	267,610	38.9
	Overseas	4,638	0.9	4,968	0.7	329	7.1	6,360	0.9
	Total	234,637	44.2	274,210	40.3	39,573	16.9	273,971	39.8
Building construction	Domestic (Government sector)	37,567	7.1	32,826	4.8	(4,741)	(12.6)	38,335	5.6
	Domestic (Private sector)	243,241	45.8	363,129	53.3	119,887	49.3	363,485	52.8
	Domestic (Total)	280,809	52.9	395,955	58.1	115,145	41.0	401,820	58.4
	Overseas	15,824	3.0	10,850	1.6	(4,973)	(31.4)	12,399	1.8
	Total	296,634	55.8	406,806	59.7	110,172	37.1	414,219	60.2
Sum total	Domestic (Government sector)	123,998	23.3	166,487	24.4	42,489	34.3	164,799	23.9
	Domestic (Private sector)	386,810	72.8	498,710	73.2	111,900	28.9	504,632	73.3
	Domestic (Total)	510,808	96.1	665,198	97.7	154,389	30.2	669,431	97.3
	Overseas	20,463	3.9	15,819	2.3	(4,643)	(22.7)	18,759	2.7
	Total	531,271	100.0	681,017	100.0	149,745	28.2	688,190	100.0

[Main construction projects among orders received]

Sendai City	National Route 286 Minami-Akaishi No. 1 Tunnel Construction Work
Ishikawa Prefecture	Disaster Restoration Work for the Hakkagawa River (Class B River), Disaster No. 1239 FY2024
THE CHUGOKU ELECTRIC POWER CO., INC.	Replacement Work for the Water Turbine, Generator and Other Equipment at Akatsuka Power Station
Sendai Nagamachi II Facility Development Specified Purpose Company	New Construction Work for DPL Sendai Nagamachi II (Tentative Name)
Eastern Japan Raw Milk Supply and Demand Adjustment Core Facility Consortium	Construction Work for a Dairy Processing Facility to Be Developed by the Eastern Japan Raw Milk Supply and Demand Adjustment Core Facility Consortium
Marubeni Real Estate Development Co., Ltd./ TOKYU LAND CORPORATION	New Construction Work for DPL Sendai Nagamachi II (Tentative Name)

[Main completed construction projects]

Ministry of Land, Infrastructure, Transport and Tourism Chubu Regional Development Bureau	FY2021 Chubu-Jukan Expressway Boukata Tunnel Construction Work
West Nippon Expressway Company Limited	Takamatsu Expressway Kan-onji Smart Interchange Construction Work
Ministry of Physical Infrastructure and Transport, Federal Democratic Republic of Nepal	Nagdhunga Tunnel Construction Project
Medical Corporation Foundation Meirikai	Relocation and Construction Work of Shin-Koshigaya Hospital (Tentative Name)
Gamagori City	Nishiura District School Complex Construction Work
Seiren Viscotec Mexico S.A. de C.V.	Seiren Mexico Plant Extension Work