

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

May 9, 2025

Company name: DAIHO CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 1822 URL <https://www.daiho.co.jp>
 Representative: CEO Kakue Morishita
 Deputy General Manager of Administration
 Inquiries: Division Headquarters; Yoshinori Umehara TEL 03-3297-7406
 General Manager of Accounting Division
 Scheduled date of ordinary general meeting of shareholders: June 27, 2025
 Scheduled date to file Securities Report: June 24, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2025	143,394	(12.1)	5,533	—	5,204	313.2	3,691	—
Year ended March 31, 2024	163,222	4.6	466	(90.8)	1,259	(75.1)	(2,072)	—

Note: Comprehensive income For the fiscal year ended March 31, 2025 ¥4,595 million [—%]
 For the fiscal year ended March 31, 2024 ¥51 million [(98.3)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2025	209.55	208.96	5.3	3.3	3.9
Year ended March 31, 2024	(117.70)	—	(3.0)	0.8	0.3

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

For the fiscal year ended March 31, 2025 ¥— million
 For the fiscal year ended March 31, 2024 ¥— million

Note: Diluted earnings per share for the fiscal year ended March 31, 2024 are not described here because, although there are potentially dilutive shares, loss per share was recorded.

(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	149,842	73,065	47.7	4,053.19
As of March 31, 2024	165,081	68,919	40.9	3,838.84

Reference: Equity As of March 31, 2025 ¥71,472 million
 As of March 31, 2024 ¥67,534 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2025	11,776	(876)	(6,621)	21,657
Year ended March 31, 2024	(11,536)	(996)	1,725	17,523

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	—	—	—	27.00	27.00	478	—	0.7
Year ended March 31, 2025	—	—	—	147.00	147.00	2,609	70.2	3.7
Year ending March 31, 2026 (Forecast)	—	—	—	32.00	32.00		70.5	

Note: The Company conducted a 5-for-1 share split of its common shares with an effective date of April 1, 2025. Accordingly, the amount after the share split is shown for the fiscal year-end dividend per share for the fiscal year ending March 31, 2026 (forecast). Without taking into account the share split, the fiscal year-end dividend per share for the fiscal year ending March 31, 2026 (forecast) would be ¥160.00.

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	63,000	(6.8)	400	(36.1)	1,700	394.4	900	84.8	10.21
Full year	140,000	(2.4)	5,200	(6.0)	6,400	23.0	4,000	8.4	45.37

Note: The Company conducted a 5-for-1 share split of its common shares with an effective date of April 1, 2025. Accordingly, the forecast amounts after the share split are shown for earnings per share in the forecast of consolidated financial results for the fiscal year ending March 31, 2026. Without taking into account the share split, the forecast amounts for earnings per share in the forecast of consolidated financial results for the fiscal year ending March 31, 2026 would be ¥51.04 for the six months ending September 30, 2025 (cumulative) and ¥226.84 for the full year.

4. Notes

- (1) Significant changes in the scope of consolidation during the year ended March 31, 2025: No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2025	18,083,163 shares	As of March 31, 2024	18,083,163 shares
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Number of treasury shares at the end of the period

As of March 31, 2025	449,587 shares	As of March 31, 2024	490,847 shares
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Average number of shares during the period

Year ended March 31, 2025	17,614,918 shares	Year ended March 31, 2024	17,605,564 shares
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Note: The Company has introduced a share distribution trust system for delivering shares to the Company's Directors, etc. via a trust. The Company's shares that are owned by the trust (117,100 shares) are included in "number of treasury shares at the end of the period," and in calculating and presenting "average number of shares during the period," the Company has considered the shares owned by said trust to be included.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	99,030	(18.7)	2,895	—	3,287	—	2,940	—
Fiscal year ended March 31, 2024	121,791	5.3	(1,572)	—	136	(94.5)	(2,163)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	166.90	166.44
Fiscal year ended March 31, 2024	(122.89)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	117,719	57,686	48.9	3,267.67
As of March 31, 2024	132,843	55,318	41.5	3,137.26

Reference: Equity As of March 31, 2025 ¥57,620 million
As of March 31, 2024 ¥55,191 million

2. Non-consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	47,000	1.4	100	—	2,300	—	1,700	275.3	19.28
Full year	100,000	1.0	3,300	14.0	5,400	64.2	3,800	29.3	43.10

Note: The Company conducted a 5-for-1 share split of its common shares with an effective date of April 1, 2025. Accordingly, the forecast amounts after the share split are shown for basic earnings per share in the non-consolidated earnings forecasts for the fiscal year ending March 31, 2026. Without taking into account the share split, the forecast amounts for basic earnings per share in the non-consolidated earnings forecasts for the fiscal year ending March 31, 2026 would be ¥96.41 for the six months ending September 30, 2025 (cumulative) and ¥215.50 for the full year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the consolidated forecasts due to various factors.

Consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	17,533	21,669
Notes receivable, accounts receivable from completed construction contracts and other	100,024	88,397
Electronically recorded monetary claims - operating	5,779	393
Costs on construction contracts in progress	1,258	1,312
Short-term loans receivable	2	29
Advances paid	9,554	7,408
Income taxes refund receivable	538	—
Other	2,199	861
Allowance for doubtful accounts	(2,125)	(6)
Total current assets	134,764	120,066
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,016	12,064
Machinery, vehicles, tools, furniture and fixtures	7,744	7,899
Land	8,895	8,569
Leased assets	202	221
Construction in progress	4	38
Accumulated depreciation	(11,158)	(11,949)
Total property, plant and equipment	17,705	16,842
Intangible assets	603	510
Investments and other assets		
Investment securities	10,990	11,491
Deferred tax assets	274	262
Other	1,035	2,913
Allowance for doubtful accounts	(293)	(2,244)
Total investments and other assets	12,007	12,422
Total non-current assets	30,316	29,776
Total assets	165,081	149,842

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	32,556	23,769
Electronically recorded obligations - operating	12,122	7,124
Short-term borrowings	6,950	850
Current portion of bonds payable	—	18
Income taxes payable	286	748
Accrued consumption taxes	580	2,243
Advances received on construction contracts in progress	5,144	8,472
Deposits received	18,670	16,816
Provision for warranties for completed construction	1,026	767
Provision for bonuses	810	647
Provision for loss on construction contracts	3,746	1,702
Provision for shareholder benefit program	—	12
Provision for performance-linked compensation	—	31
Other	869	657
Total current liabilities	82,762	63,861
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	23	—
Long-term borrowings	6,000	6,000
Deferred tax liabilities	9	465
Provision for share awards	193	182
Provision for retirement benefits for directors (and other officers)	19	26
Provision for retirement benefits for directors (and executive officers)	19	26
Retirement benefit liability	6,430	5,552
Other	703	663
Total non-current liabilities	13,398	12,916
Total liabilities	96,161	76,777
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	42,446	42,377
Retained earnings	14,698	17,911
Treasury shares	(2,116)	(1,950)
Total shareholders' equity	65,028	68,338
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,507	2,270
Foreign currency translation adjustment	(58)	(72)
Remeasurements of defined benefit plans	56	936
Total accumulated other comprehensive income	2,505	3,133
Share acquisition rights	126	65
Non-controlling interests	1,258	1,527
Total net assets	68,919	73,065
Total liabilities and net assets	165,081	149,842

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	163,222	143,394
Cost of sales	155,611	130,258
Gross profit	7,610	13,136
Selling, general and administrative expenses	7,144	7,602
Operating profit	466	5,533
Non-operating income		
Interest income	17	22
Dividend income	304	189
Foreign exchange gains	664	—
rental income from dormitory and company housing	33	33
Other	96	55
Total non-operating income	1,116	299
Non-operating expenses		
Interest expenses	65	94
Guarantee commission	64	76
Provision of allowance for doubtful accounts	164	55
Foreign exchange losses	—	248
Commission expenses	17	103
Other	12	50
Total non-operating expenses	324	629
Ordinary profit	1,259	5,204
Extraordinary income		
Gain on sale of non-current assets	56	241
Gain on sale of investment securities	110	62
Reversal of allowance for doubtful accounts	—	224
Other	19	—
Total extraordinary income	185	528
Extraordinary losses		
Loss on sale and retirement of non-current assets	38	2
Provision of allowance for doubtful accounts	2,120	—
Loss on litigation	20	31
Impairment losses	36	126
Other	28	7
Total extraordinary losses	2,244	167
Profit (loss) before income taxes	(799)	5,565
Income taxes - current	1,130	1,073
Income taxes - deferred	(94)	524
Total income taxes	1,035	1,598
Profit (loss)	(1,835)	3,967
Profit attributable to non-controlling interests	236	276
Profit (loss) attributable to owners of parent	(2,072)	3,691

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	(1,835)	3,967
Other comprehensive income		
Valuation difference on available-for-sale securities	1,997	(236)
Foreign currency translation adjustment	(14)	(14)
Remeasurements of defined benefit plans, net of tax	(95)	880
Total other comprehensive income	1,886	628
Comprehensive income	51	4,595
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(185)	4,319
Comprehensive income attributable to non-controlling interests	236	276

Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,736	21,746	20,843	(1,959)	71,367
Changes during period					
Dividends of surplus			(4,072)		(4,072)
Capital reduction	(20,736)	20,736			—
Profit (loss) attributable to owners of parent			(2,072)		(2,072)
Purchase of treasury shares				(265)	(265)
Disposal of treasury shares		(37)		108	71
Net changes in items other than shareholders' equity					—
Total changes during period	(20,736)	20,699	(6,145)	(156)	(6,339)
Balance at end of period	10,000	42,446	14,698	(2,116)	65,028

	Accumulated other comprehensive income				Share acquisition rights	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	510	(43)	152	618	166	1,026	73,179
Changes during period							
Dividends of surplus							(4,072)
Capital reduction							—
Profit (loss) attributable to owners of parent							(2,072)
Purchase of treasury shares							(265)
Disposal of treasury shares							71
Net changes in items other than shareholders' equity	1,997	(14)	(95)	1,886	(39)	232	2,079
Total changes during period	1,997	(14)	(95)	1,886	(39)	232	(4,259)
Balance at end of period	2,507	(58)	56	2,505	126	1,258	68,919

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	10,000	42,446	14,698	(2,116)	65,028
Changes during period					
Dividends of surplus			(478)		(478)
Capital reduction					—
Profit (loss) attributable to owners of parent			3,691		3,691
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		(69)		172	102
Net changes in items other than shareholders' equity					—
Total changes during period		(69)	3,212	166	3,309
Balance at end of period	10,000	42,377	17,911	(1,950)	68,338

	Accumulated other comprehensive income				Share acquisition rights	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	2,507	(58)	56	2,505	126	1,258	68,919
Changes during period							
Dividends of surplus							(478)
Capital reduction							—
Profit (loss) attributable to owners of parent							3,691
Purchase of treasury shares							(5)
Disposal of treasury shares							102
Net changes in items other than shareholders' equity	(236)	(14)	880	628	(61)	268	835
Total changes during period	(236)	(14)	880	628	(61)	268	4,145
Balance at end of period	2,270	(72)	936	3,133	65	1,527	73,065

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(799)	5,565
Depreciation	831	1,046
Impairment losses	36	126
Loss on litigation	20	31
Increase (decrease) in allowance for doubtful accounts	2,285	(168)
Increase (decrease) in provision for warranties for completed construction	(21)	(258)
Increase (decrease) in provision for bonuses	2	(163)
Increase (decrease) in retirement benefit liability	30	0
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(15)	6
Increase (decrease) in provision for retirement benefits for executive officer (and other officers)	(6)	6
Increase (decrease) in provision for loss on construction contracts	2,135	(2,044)
Increase (decrease) in provision for share awards	28	25
Increase (decrease) in provision for shareholder benefit program	—	12
Increase (decrease) in provision for performance-based compensation	—	31
Loss (gain) on sale and retirement of non-current assets	(18)	(239)
Interest and dividend income	(322)	(211)
Interest expenses	65	94
Foreign exchange losses (gains)	(328)	159
Loss (gain) on sale of investment securities	(101)	(55)
Decrease (increase) in trade receivables	(6,467)	17,013
Decrease (increase) in inventories	967	(48)
Increase (decrease) in trade payables	(418)	(13,788)
Increase (decrease) in advances received on construction contracts in progress	(4,178)	3,327
Decrease (increase) in other assets	247	1,404
Increase (decrease) in other liabilities	(2,637)	(113)
Other loss (gain)	22	82
Subtotal	(8,641)	11,844
Interest and dividends received	327	211
Interest paid	(63)	(96)
Income taxes paid	(3,145)	(626)
Income taxes refund	2	464
Payments for loss on litigation	(16)	(20)
Net cash provided by (used in) operating activities	(11,536)	11,776

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(10)	(10)
Proceeds from withdrawal of time deposits	10	10
Purchase of property, plant and equipment	(1,579)	(451)
Proceeds from sale of property, plant and equipment	236	523
Payments for retirement of property, plant and equipment	(13)	(25)
Purchase of intangible assets	(188)	(157)
Purchase of investment securities	(210)	(955)
Proceeds from sale of investment securities	350	182
Proceeds from refund of investment securities	44	35
Decrease (increase) in short-term loans receivable	8	(21)
Payments of leasehold and guarantee deposits	(68)	–
Proceeds from refund of leasehold and guarantee deposits	26	–
Other, net	397	(3)
Net cash provided by (used in) investing activities	(996)	(876)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	6,000	(6,100)
Purchase of treasury shares	(5)	(5)
Payments of money held in trust for purchase of treasury stock	(208)	–
Proceeds from disposal of treasury shares	0	–
Dividends paid	(4,071)	(482)
Dividends paid to non-controlling interests	(3)	(7)
Repayments of lease liabilities	(9)	(21)
Other, net	23	(3)
Net cash provided by (used in) financing activities	1,725	(6,621)
Effect of exchange rate change on cash and cash equivalents	307	(145)
Net increase (decrease) in cash and cash equivalents	(10,501)	4,134
Cash and cash equivalents at beginning of period	28,025	17,523
Cash and cash equivalents at end of period	17,523	21,657

Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	12,150	13,952
Notes receivable - trade	59	26
Electronically recorded monetary claims - operating	5,776	388
Accounts receivable from completed construction contracts	71,995	65,190
Costs on construction contracts in progress	812	863
Short-term loans receivable	2,803	797
Advances paid	9,735	7,109
Income taxes refund receivable	468	—
Other	2,064	593
Allowance for doubtful accounts	(2,167)	(10)
Total current assets	103,700	88,913
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,805	10,819
Accumulated depreciation	(3,698)	(3,938)
Buildings and structures, net	7,106	6,881
Machinery and vehicles	5,554	5,558
Accumulated depreciation	(5,022)	(5,321)
Machinery and vehicles, net	531	237
Tools, furniture and fixtures	1,410	1,488
Accumulated depreciation	(1,239)	(1,315)
Tools, furniture and fixtures, net	171	173
Land	8,086	7,752
Leased assets	192	210
Accumulated depreciation	(145)	(164)
Leased assets, net	47	46
Construction in progress	4	38
Total property, plant and equipment	15,948	15,128
Intangible assets		
Software	323	399
Other	247	78
Total intangible assets	570	478
Investments and other assets		
Investment securities	9,831	10,478
Shares of subsidiaries and associates	2,138	2,134
Long-term loans receivable from subsidiaries and associates	353	374
Long-term prepaid expenses	24	49
Deferred tax assets	24	—
Other	795	2,653
Allowance for doubtful accounts	(544)	(2,489)
Total investments and other assets	12,623	13,199
Total non-current assets	29,142	28,806
Total assets	132,843	117,719

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable - trade	685	153
Electronically recorded obligations - operating	8,816	4,390
Accounts payable for construction contracts	24,971	16,951
Short-term borrowings	6,650	650
Current portion of bonds payable	—	18
Lease liabilities	17	19
Income taxes payable	21	226
Accrued consumption taxes	144	1,535
Advances received on construction contracts in progress	2,704	6,100
Deposits received	16,915	15,539
Provision for warranties for completed construction	933	654
Provision for bonuses	540	367
Provision for loss on construction contracts	3,248	1,301
Provision for shareholder benefit program	—	12
Provision for performance-linked compensation	—	31
Other	674	487
Total current liabilities	66,324	48,439
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	23	—
Long-term borrowings	6,000	6,000
Lease liabilities	34	30
Provision for retirement benefits	4,684	4,648
Provision for share awards	193	182
Deferred tax liabilities	—	463
Other	265	268
Total non-current liabilities	11,199	11,594
Total liabilities	77,524	60,033

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus		
Legal capital surplus	10,000	10,000
Other capital surplus	32,446	32,377
Total capital surplus	42,446	42,377
Retained earnings		
Legal retained earnings	1,105	1,105
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	111	109
General reserve	2,915	815
Retained earnings brought forward	(1,535)	3,028
Total retained earnings	2,596	5,058
Treasury shares	(2,116)	(1,950)
Total shareholders' equity	52,927	55,485
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,264	2,135
Total valuation and translation adjustments	2,264	2,135
Share acquisition rights	126	65
Total net assets	55,318	57,686
Total liabilities and net assets	132,843	117,719

Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales		
Net sales of completed construction contracts	121,791	99,030
Total net sales	121,791	99,030
Cost of sales		
Cost of sales of completed construction contracts	118,577	91,034
Total cost of sales	118,577	91,034
Gross profit		
Gross profit on completed construction contracts	3,213	7,995
Total gross profit	3,213	7,995
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	172	216
Employees' salaries and allowances	1,995	2,096
Provision for bonuses	134	87
Retirement benefit expenses	114	113
Provision for share awards	28	25
Legal welfare expenses	341	354
Welfare expenses	71	74
Repair and maintenance expenses	25	15
Stationery expenses	70	60
Communication and transportation expenses	207	241
Power utilities expenses	26	27
Research study expenses	175	292
Advertising expenses	59	37
Entertainment expenses	101	116
Donations	9	8
Rent expenses on land and buildings	142	151
Depreciation	288	348
Taxes and dues	363	295
Insurance expenses	55	64
Miscellaneous expenses	400	470
Total selling, general and administrative expenses	4,785	5,100
Operating profit (loss)	(1,572)	2,895
Non-operating income		
Interest income	48	51
Dividend income	1,231	846
Foreign exchange gains	658	–
Other	115	69
Total non-operating income	2,053	967
Non-operating expenses		
Interest expenses	65	94
Guarantee commission	53	61
Commission expenses	17	103
Provision of allowance for doubtful accounts	196	12
Foreign exchange losses	–	253
Other	11	49
Total non-operating expenses	344	574
Ordinary profit	136	3,287

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of non-current assets	56	240
Gain on sale of investment securities	110	62
Reversal of allowance for doubtful accounts	—	224
Other	1	—
Total extraordinary income	168	527
Extraordinary losses		
Loss on sale and retirement of non-current assets	38	2
Loss on litigation	13	8
Provision of allowance for doubtful accounts	2,120	—
Impairment losses	36	126
Other	16	7
Total extraordinary losses	2,225	144
Profit (loss) before income taxes	(1,920)	3,670
Income taxes - current	397	225
Income taxes - deferred	(154)	504
Total income taxes	243	729
Profit (loss)	(2,163)	2,940

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings				
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward		
Balance at beginning of period	30,736	21,746	—	1,105	114	6,915	697	(1,959)	59,357
Changes during period									
Reversal of reserve for tax purpose reduction entry of non-current assets					(2)		2		—
Reversal of general reserve						(4,000)	4,000		—
Dividends of surplus							(4,072)		(4,072)
Capital reduction	(20,736)	(11,746)	32,483						—
Profit (loss)							(2,163)		(2,163)
Purchase of treasury shares								(265)	(265)
Disposal of treasury shares			(37)					108	71
Net changes in items other than shareholders' equity									—
Total changes during period	(20,736)	(11,746)	32,446	—	(2)	(4,000)	(2,233)	(156)	(6,430)
Balance at end of period	10,000	10,000	32,446	1,105	111	2,915	(1,535)	(2,116)	52,927

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	359	359	166	59,883
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				–
Reversal of general reserve				–
Dividends of surplus				(4,072)
Capital reduction				–
Profit (loss)				(2,163)
Purchase of treasury shares				(265)
Disposal of treasury shares				71
Net changes in items other than shareholders' equity	1,904	1,904	(39)	1,864
Total changes during period	1,904	1,904	(39)	(4,565)
Balance at end of period	2,264	2,264	126	55,318

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings				
					Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward		
Balance at beginning of period	10,000	10,000	32,446	1,105	111	2,915	(1,535)	(2,116)	52,927
Changes during period									
Reversal of reserve for tax purpose reduction entry of non-current assets					(2)		2		–
Reversal of general reserve						(2,100)	2,100		–
Dividends of surplus							(478)		(478)
Profit (loss)							2,940		2,940
Purchase of treasury shares								(5)	(5)
Disposal of treasury shares			(69)					172	102
Net changes in items other than shareholders' equity									–
Total changes during period	–	–	(69)	–	(2)	(2,100)	4,564	166	2,558
Balance at end of period	10,000	10,000	32,377	1,105	109	815	3,028	(1,950)	55,485

	Valuation and translation adjustments		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	2,264	2,264	126	55,318
Changes during period				
Reversal of reserve for tax purpose reduction entry of non-current assets				–
Reversal of general reserve				–
Dividends of surplus				(478)
Profit (loss)				2,940
Purchase of treasury shares				(5)
Disposal of treasury shares				102
Net changes in items other than shareholders' equity	(129)	(129)	(61)	(190)
Total changes during period	(129)	(129)	(61)	2,367
Balance at end of period	2,135	2,135	65	57,686