

Tobishima

Annual Report

2025



PROFILE

Since its founding in 1883, Tobishima has steadfastly contributed to society through major construction projects, from the undersea expressway tunnel, Tokyo Aqua-Line, to the Surikamigawa Dam, one of Japan's largest core rock-filled dams. Our portfolio not only exemplifies the high quality of our projects; it also demonstrates Tobishima's advanced technologies, the fruit of our many years of experience.

Renowned for our products and services, as well as the knowledge of our employees, we are constantly developing and investing in new technologies and systems to support continuous improvement.

Moreover, we have expanded our business domains by responding to the demands of the times. We are now engaged in solutions businesses that meet the varied needs of our customers in addition to construction work. We will strengthen our explorations into new areas where Tobishima can fully apply its expertise in engineering and disaster prevention.



Project for the Improvement of Water Treatment Plant and Water Distribution System in Faisalabad [Pakistan]



Finese Co.,Ltd. Main Logistics Center [Ishikawa Pref.]

Outside of Japan, Tobishima has long been involved in improving infrastructure through construction of roads, ports, subways, hospitals, factories and government buildings, particularly in Southeast and West Asia.

We are working just as hard today to establish a corporate culture commensurate with the challenges of building the structures that people around the world need in order to enjoy better lives.

Financial Highlights

Year ended March 31, 2025

		Millions of Yen 2025	Millions of Yen 2024	Thousands of U.S. Dollars 2025
For the Year:	Net sales	¥ 120,930	¥ 115,780	\$ 808,788
	Income before income taxes	4,488	4,167	30,019
	Net income	3,009	2,983	20,125
At Year-end:	Total assets	¥ 117,648	¥ 133,162	\$ 786,838
	Total equity	25,707	45,539	171,930

Note 1: U.S. dollar amounts here and elsewhere in this annual report are translated from yen at the rate of ¥149.52=US\$1.00, the rate on March 31, 2025 for the reader's convenience only.

Note 2: The years included in the text are fiscal years, which run from April 1 through March 31 of the following year.

MESSAGE FROM THE PRESIDENT

To our stakeholders

We would like to express our sincere gratitude to all of you for your continued support.

The construction industry faces many difficult issues that cannot be postponed, such as aging infrastructure and the vulnerability of cities to natural disasters revealed by earthquakes and heavy rains, and efforts to resolve these social issues are more necessary than ever.

We recognize that gaining the trust of our customers and local communities is of utmost importance, and by leveraging the innovative mindset and technological development know-how that Tobishima Corporation has cultivated to date, we will contribute to resolving social issues by incorporating new technologies and methods, and continue to be an “indispensable company.”



June 2025

Isao Tsukiji

President and Representative Director

Balance Sheet

TOBISHIMA CORPORATION

As of March 31, 2025

		Millions of Yen	Millions of Yen	Thousands of U.S.Dollars (Note 1)
		2025	2024	2025
ASSETS				
Current assets	Cash and deposits	¥ 7,427	¥ 19,666	\$ 49,672
	Electronically recorded monetary claims- operating (Note 6 (4))	94	259	631
	Accounts receivable from completed construction contracts	78,068	73,408	522,123
	Securities (Notes 6 (1) and 10)	19	6	128
	Costs on uncompleted construction contracts	948	1,347	6,338
	Accounts receivable- other	6,804	5,677	45,507
	Other	526	4,624	3,519
Total current assets		93,886	104,987	627,918
Property, plant and equipment	Buildings and structures	7,441	7,721	49,762
	Machinery and equipment	437	514	2,923
	Furniture and fixtures	112	138	751
	Land	6,043	6,039	40,416
	Lease assets	23	21	153
	Construction in progress	165	-	1,104
Total property, plant, and equipment, net (Notes 6 (2) and 11)		14,221	14,433	95,109
Investments and other assets	Investment securities (Notes 6 (1) and 10)	3,822	4,440	25,560
	Shares of subsidiaries and associates (Note 10)	0	4,423	0
	Intangible assets, net	1,249	961	8,355
	Long-term loans receivable	6	166	42
	Distressed receivables	0	0	1
	Long-term prepaid expenses	113	130	756
	Prepaid pension costs	3,026	2,451	20,237
	Other (Note 6 (1))	1,369	1,372	9,152
	Allowance for doubtful accounts	(44)	(201)	(292)
Total investments and other assets		9,541	13,742	63,811
Total		¥ 117,648	¥ 133,162	\$ 786,838

See notes to financial statements.

		Millions of Yen	Millions of Yen	Thousands of U.S.Dollars (Note 1)
LIABILITIES AND EQUITY		2025	2024	2025
Current liabilities	Notes payable	¥ 107	¥ 243	\$ 718
	Electronically recorded obligations- operating	5,935	6,418	39,695
	Accounts payable for construction contracts (Note 13)	17,690	18,722	118,310
	Short-term borrowings (Note 13)	28,205	15,204	188,638
	Income taxes payable	1,215	564	8,126
	Advances received on uncompleted construction contracts	8,135	7,950	54,406
	Deposits received	26,538	25,061	177,484
	Provision for warranties for completed construction	203	209	1,358
	Provision for loss on construction contracts	258	191	1,727
	Other (Note 13)	2,346	1,551	15,691
Total current liabilities		90,632	76,113	606,153
Long-term liabilities	Long-term borrowings (Note 10)	148	10,353	988
	Deferred tax liabilities (Note 9)	776	755	5,191
	Provision for share-based remuneration for directors (and other officers)	50	68	335
	Other	335	334	2,241
Total long-term liabilities		1,309	11,510	8,755
Total liabilities		¥ 91,941	¥ 87,623	\$ 614,908
Equity	Common stock—authorized, 40,000 thousand shares; Issued, 19,226 thousand shares in 2025 and 19,310 thousand shares in 2024	¥ 5,520	¥ 5,520	\$ 36,918
	Capital surplus			
	Legal capital surplus	2,980	2,980	19,931
	Other capital surplus	16	3,255	102
	Total	2,996	6,235	20,033
	Retained earnings			
	Other retained earnings	16,588	33,393	110,944
	Retained earnings brought forward	16,588	33,393	110,944
	Total	16,588	33,393	110,944
	Treasury stock—at cost: 87,600 shares in 2024	-	(567)	-
	Accumulated other comprehensive income			
	Unrealized gain on available-for-sale securities	603	958	4,035
	Total	603	958	4,035
Total equity		25,707	45,539	171,930
Total		¥ 117,648	¥ 133,162	\$ 786,838

See notes to financial statements.

Statement of Income

TOBISHIMA CORPORATION

Year ended March 31, 2025

		Millions of Yen	Millions of Yen	Thousands of U.S.Dollars (Note 1)
		2025	2024	2025
Net sales	Net sales of completed construction contracts (Note 4)	¥ 119,801	¥ 114,557	\$ 801,234
	Net sales of development business and other	1,129	1,223	7,554
	Total net sales (Note 7)	120,930	115,780	808,788
Cost of sales	Cost of sales of completed construction contracts	107,447	102,710	718,615
	Cost of sales on development business and other	958	1,067	6,406
	Total cost of sales (Note 7)	108,405	103,777	725,021
Gross profit	Gross profit on completed construction contracts	12,354	11,847	82,619
	Gross profit on development business and other	171	156	1,148
	Gross profit	12,525	12,003	83,767
Selling, general, and administrative expenses		7,519	7,766	50,285
Operating income		5,006	4,237	33,482
Other income	Interest and dividends	48	49	318
(expenses)	Gain on investments in investment partnerships	68	-	457
	Foreign exchange gains	-	122	-
	Gain on sales of property, plant and equipment	2	204	11
	Gain on sales of investment securities	3	-	20
	Interest expense	(387)	(183)	(2,590)
	Foreign exchange losses	(73)	-	(485)
	Commission for syndicate loan	-	(156)	-
	Compensation for damage	-	(65)	-
	Loss on retirement of property, plant and equipment	(80)	(21)	(531)
	Loss on valuation of investment securities	-	(16)	-
	Other net	(99)	(4)	(663)
	Other expenses—net	(518)	(70)	(3,463)
Income before income taxes		4,488	4,167	30,019
Income taxes	Current	1,306	748	8,738
	Deferred	173	436	1,156
	Total income taxes	1,479	1,184	9,894
Net income		¥ 3,009	¥ 2,983	\$ 20,125
		Yen	Yen	U.S. Dollars (Note 1)
Per share of common stock (Note 14)		2025	2024	2025
Net assets per share		1,337.10	2,379.36	8.943
Basic net income		156.88	155.87	1.049

See notes to financial statements.

Statement of Changes in Equity

TOBISHIMA CORPORATION

Year ended March 31, 2025

	Thousands		Millions of Yen								
	Outstanding number of Shares		Capital surplus			Retained earnings		Accumulated Other Comprehensive Income			
						Other retained earnings					
	Common Stock	Common stock	Legal capital surplus	Other capital surplus	Total	Retained earnings brought forward	Total	Treasury stock	Unrealized Gain (Loss) on Available-for-Sale Securities	Total	Total equity
Balance, April 1, 2023 (March 31, 2023)	19,310	¥ 5,520	¥ 2,980	¥ 3,256	¥ 6,236	¥ 31,564	¥ 31,564	(¥ 576)	¥ 639	¥ 639	43,383
Cash dividends, ¥60 per share						(1,154)	(1,154)				(1,154)
Net income						2,983	2,983				2,983
Disposal of treasury stock				(1)	(1)			12			11
Purchase of treasury stock								(3)			(3)
Net changes in the year									319	319	319
Balance, April 1, 2024 (March 31, 2024)	19,310	5,520	2,980	3,255	6,235	33,393	33,393	(567)	958	958	45,539
Cash dividends, ¥70 per share						(1,346)	(1,346)				(1,346)
Dividends of surplus-other capital surplus				(2,769)	(2,769)						(2,769)
Net income						3,009	3,009				3,009
Disposal of treasury stock				(0)	(0)			98			98
Cancellation of treasury shares	(84)			(470)	(470)			470			-
Purchase of treasury stock								(1)			(1)
Decrease by company split						(18,468)	(18,468)				(18,468)
Net changes in the year									(355)	(355)	(355)
Balance, March 31, 2025	19,226	¥ 5,520	¥ 2,980	¥ 16	¥ 2,996	¥ 16,588	¥ 16,588	¥ -	¥ 603	¥ 603	¥ 25,707

Thousands of U.S. Dollars (Note 1)

	Capital surplus				Retained earnings			Accumulated Other Comprehensive Income		
					Other retained earnings					
	Common stock	Legal capital surplus	Other capital surplus	Total	Retained earnings brought forward	Total	Treasury stock	Unrealized Gain (Loss) on Available- for-Sale Securities	Total	Total equity
Balance, April 1, 2024 (March 31, 2024)	\$ 36,918	\$ 19,931	\$ 21,769	\$ 41,700	\$ 223,333	\$ 223,333	(\$ 3,794)	\$ 6,406	\$ 6,406	\$ 304,563
Cash dividends, \$0.468 per share					(9,001)	(9,001)				(9,001)
Dividends of surplus- other capital surplus			(18,522)	(18,522)						(18,522)
Net income					20,125	20,125				20,125
Disposal of treasury stock			(2)	(2)			658			656
Cancellation of treasury shares			(3,143)	(3,143)			3,143			-
Purchase of treasury stock							(7)			(7)
Decrease by company split					(123,513)	(123,513)				(123,513)
Net changes in the year								(2,371)	(2,371)	(2,371)
Balance, March 31, 2025	\$ 36,918	\$ 19,931	\$ 102	\$ 20,033	\$ 110,944	\$ 110,944	\$ -	\$ 4,035	\$ 4,035	\$ 171,930

See notes to financial statements.

TOBISHIMA CORPORATION

Notes to Financial Statements Year Ended March 31, 2025

1. Basis of Presentation of Financial Statements

The accompanying financial statements have been prepared from the accounts maintained by Tobishima Corporation (the “Company”), in accordance with the provisions set forth in the Companies Act of Japan and applicable regulations and in accordance with accounting principles generally accepted in Japan. The information provided in the notes to the nonconsolidated financial statements is limited to that required by the Companies Act of Japan and applicable regulations. Statements of comprehensive income and cash flows are not required as a part of the basic financial statements under the Companies Act of Japan and applicable regulations and, accordingly, are not presented herein.

In preparing these financial statements, certain reclassifications and rearrangements have been made to the financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2024 financial statements to conform to the classifications used in 2025.

The financial statements, are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥149.52 to \$1, the approximate rate of exchange at March 31, 2025. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. Notes to Summary of Significant Accounting Policies

(1) Basis and method for valuation of assets

(i) Basis and method for valuation of securities

Shares of subsidiaries and associates:

Stated at cost determined by the moving-average method

Available-for-sale securities:

Securities other than nonmarketable available-for-sale equity securities

Stated at fair value (with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity, and the cost of sales determined by the moving-average method)

Nonmarketable available-for-sale equity securities

Stated at cost determined by the moving-average method

(ii) Basis and method for valuation of inventories

Costs on uncompleted construction contracts

Stated at cost based on the specific identification method

Other current assets (real estate for sale)

Stated at cost based on the specific identification method (or net selling value)

(2) Depreciation method for non-current assets

(i) Property, plant and equipment (excluding leased items)

Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings acquired on or after April 1, 1998, and building improvements and structures acquired on or after April 1, 2016.

Useful lives and residual values of assets are in accordance with the regulations stipulated in the Corporation Tax Law.

(ii) Intangible assets (excluding leased items)

Intangible assets (excluding leased items) are amortized using the straight-line method.

Useful lives of these assets are in accordance with regulations stipulated in the Corporation Tax Law.

Software for internal use is amortized by the straight-line method based on an estimated useful life of five years.

(iii) Lease assets

Assets resulting from financial lease transactions for which ownership does not transfer at the end of the lease are depreciated by the straight-line method with the leasing period as the useful life and residual value as zero.

(3) Basis for recognition of provisions

(i) Allowance for doubtful accounts

To prepare for losses from defaults on sales receivables, loans receivable, and other accounts receivable, the Company reports the estimated uncollectible amounts for general claims based on its past default rates and for specific accounts with acknowledged credit risks based on an evaluation of the possibility of collection on an individual basis.

(ii) Provision for warranties for completed construction

The provision is recorded in an amount based on the Company's experience, with an additional amount deemed necessary in the future for execution of warranty obligations regarding construction projects.

(iii) Provision for loss on construction contracts

The provision is recorded in an amount deemed necessary at term end on the basis of estimated losses on construction contracts in the future.

(iv) Provision for retirement benefits

To prepare for the payment of retirement benefits to employees, the provision is recorded based on the estimated amount of projected benefit obligations and pension assets at the end of the fiscal year. In the event that the pension assets to be recognized at the end of the fiscal year exceed the amount of retirement benefit obligations after deduction of unrecognized actuarial differences, etc., the excess is recognized as prepaid pension cost in investments and other assets.

Retirement benefit obligations are calculated using straight-line attribution to allocate projected retirement benefit payments to the end of the current fiscal year.

Unrecognized actuarial loss is amortized over 10 years, within the remaining average service period of employees when recognized, using the straight-line method beginning with the year following recognition.

Unrecognized prior service cost is amortized over five years, within the remaining average service period of employees when recognized, using the straight-line method.

(v) Provision for share-based remuneration for directors (and other officers)

The provision is recorded in an amount deemed necessary at term end based on the regulations for share-based remuneration for directors (and other officers) (excluding outside directors).

The Company had introduced a performance-linked share-based remuneration plan, or BBT ("Board Benefit Trust"). However, on October 1, 2024, the Company transferred the status of the trustor of the trust and the rights and obligations thereunder from the Company to TOBISHIMA HOLDINGS Inc. Accordingly, provision for share-based remuneration for directors (and other officers) as of March 31, 2025 was based on the estimated obligations for share-based remuneration incurred prior to that date.

(4) Basis for recognition of revenues and expenses

The Company is principally engaged in the construction business (civil engineering and building construction) based on construction contracts with customers. Furthermore, their main performance obligations are for new construction and repair of civil engineering structures and buildings.

In the construction business, the Company recognizes revenue over time by measuring the progress towards complete satisfaction of performance obligations in the construction contracts, if the progress can be estimated reasonably. The percentage-of-completion estimate and revenue recognition is based on the estimated final construction profit multiplied by the ratio of the cost of construction already incurred to the estimated final construction cost (cost proportion method), which is added to the cost of construction already incurred and recognized as construction completed. When the stage of completion cannot be reasonably estimated, but the costs incurred are expected to be recovered, revenue is recognized on a cost recovery basis. When the time required to satisfy a performance obligation is very short, the Company recognizes revenue when the performance obligation is satisfied.

(5) Other basic policies and important items for the preparation of financial statements

Accounting principles and procedures adopted when the provisions of relevant accounting standards are not obvious

Joint ventures related to construction work are incorporated into the Company's accounting without being recognized as separate organizations, and the amount of completed construction work and cost of completed construction work are recorded according to the percentage of investment in the joint ventures.

3. Notes to Changes in Accounting Policies

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

4. Notes to Significant Accounting Estimates

Amount of revenue recognized over a period of time as performance obligations are satisfied

(1) Amount recorded in the consolidated financial statements

	Current fiscal year (from April 1, 2024 to March 31, 2025)	Prior fiscal year (from April 1, 2023 to March 31, 2024)
Net sales of completed construction contracts	¥ 113,319 million	¥ 108,078 million

(2) Information on significant accounting estimates for identified items

(i) Calculation method

The amount of Net sales of complete construction contracts recognized over a certain period of time as performance obligations are satisfied is calculated by multiplying the percentage of completion by the total amount of construction revenue. The percentage-of-completion rate of construction work is estimated based on the cost-to-cost approach.

(ii) Key assumptions

Total construction revenue for which the agreement on the price of design changes was not finalized in the contract or other documents was estimated based on the details of the change order. The total construction costs are estimated by considering various factors such as weather conditions, construction conditions, material prices and other estimates.

(iii) Effect on financial statements for the following fiscal year

Changes in key assumptions may affect the recording of Net sales of completed construction contracts in the financial statements for the following fiscal year.

5. Additional Information

Prior fiscal year (from April 1, 2023 to March 31, 2024):

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

The Company introduced a performance-linked share-based remuneration plan, or BBT (“Board Benefit Trust”), for directors (excluding outside directors) from the Fiscal Year 2019. The plan further clarifies 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.

The Company’s shares remaining in the trust are included as treasury stock in net assets based on the book value of the trust (excluding the amount of incidental expenses). The book value of the concerned treasury stock is ¥ 98 million with the number of shares of 87 thousand for the fiscal year ended March 31, 2024.

6. Notes to the Balance Sheet

(1) Assets pledged as collateral

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

	Current fiscal year (as of March 31, 2025)	Prior fiscal year (as of March 31, 2024)
Securities	¥ 19 million	¥ 6 million
Investment securities	44	65
“Other” in investments and other assets	217	211
Total	¥ 280	¥ 282

(2) Accumulated depreciation of property, plant and equipment

	Current fiscal year (as of March 31, 2025)	Prior fiscal year (as of March 31, 2024)
Accumulated depreciation of property, plant and equipment	¥ 10,471 million	¥ 10,238 million

(3) Monetary claims and obligations to parent company, subsidiaries and associates

	Current fiscal year (as of March 31, 2025)	Prior fiscal year (as of March 31, 2024)
Short-term monetary claims to parent company, subsidiaries and associates	¥ 927 million	¥ 1,388 million
Short-term monetary obligations to parent company, subsidiaries and associates	31,735	4,259

(4) Accounting for bills maturing at the end of the fiscal year

Accounting for bills maturing at the end of the fiscal year is settled on the date of exchange of bills or the date of settlement. Since the last day of the prior fiscal year was a holiday for financial institutions, bills maturing as of March 31, 2024 are included in the balance as of March 31, 2024 as follows:

	Current fiscal year (as of March 31, 2025)	Prior fiscal year (as of March 31, 2024)
Electronically recorded monetary claims- operating	¥ — million	¥ 2 million

(5) Syndicated term loan agreements

Prior fiscal year (as of March 31, 2024)

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

- (i) 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 as of the end of the fiscal year ending March 2023, and more than 75% of the amount of net assets in the consolidated balance sheet as of the end of the previous fiscal year;
- (ii) 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 amount of net assets on the non-consolidated balance sheet as of the end of the fiscal year ending March 2023, and more than 75% of the amount of net assets in the non-consolidated balance sheet as of the end of the previous fiscal year;
- (iii) 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.
- (iv) The Company must avoid reporting ordinary loss in the nonconsolidated statement of income presented at the end of each fiscal year for two consecutive years.

7. Notes to the Statement of Income

Amount of transactions with parent company, subsidiaries and associates

	Current fiscal year (from April 1, 2024 to March 31, 2025)	Prior fiscal year (from April 1, 2023 to March 31, 2024)
Amount of net sales to subsidiaries and associates	¥ 466 million	¥ 143 million
Purchases from subsidiaries and associates included in cost of sales	12,573	9,261
Amount of transactions with parent company, subsidiaries and associates other than operating transactions	639	22

8. Notes to the Statement of Changes in Equity

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

(1) Type and amount of issued shares at fiscal year-end

Common stock: 19,226 thousand of shares

(2) Notes on dividends

Amount of dividends paid

(i) Cash dividends

Resolution	Type	Total amount of dividend	Dividend per share	Record date	Effective date
Ordinary General Shareholders' Meeting on June 27, 2024	Common stock	¥1,346 million	¥70.00	March 31, 2024	June 28, 2024

Note: The total amount of dividends based on the resolution of the Ordinary General Shareholders' Meeting on June 27, 2024 includes 6 million yen of dividends for the Company's shares held by the Board Benefit Trust (BBT).

Resolution	Type	Total amount of dividend	Dividend per share	Record date	Effective date
Ordinary General Shareholders' Meeting on June 20, 2025	Common stock	¥3,009 million	¥ 156.50	March 31, 2025	June 23, 2025

(ii) Dividends other than cash

Resolution	Type	Source of dividends	Book value of source of dividends	Record date	Effective date
Extraordinary General Shareholders' Meeting on November 13, 2024	Common stock	Shares of subsidiaries and associates	¥ 2,769 million	—	January 1, 2025

Note: At the extraordinary general shareholders' meeting held on November 13, 2024, the Company decided to distribute 1,000 shares of common stock of FOR YOU, INC. and 3,400 shares of common stock of KYOKUTO CONSTRUCTION CO., LTD. held by the Company to TOBISHIMA HOLDINGS Inc. as dividends in kind, which was implemented on January 1, 2025.

Prior fiscal year (from April 1, 2023 to March 31, 2024)

Type and amount of treasury stock

Common stock 171 thousand of shares

Note: The treasury stock of common stock as of March 31, 2024 includes 87 thousand shares of the Company's shares held by the Board Benefit Trust (BBT).

9. Notes to Income Taxes

The tax effects of significant temporary differences and loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2025 and 2024 are as follows:

	Current fiscal year (as of March 31, 2025)	Prior fiscal year (as of March 31, 2024)
Deferred tax assets		
Loss on valuation of real estate for sale	¥ 498 million	¥ 484 million
Impairment losses	290	282
Other	714	827
Deferred tax assets subtotal	1,502	1,593
Less valuation allowance	(1,054)	(1,176)
Deferred tax assets total	448	417
Deferred tax liabilities		
Unrealized loss on available-for-sale securities	(271)	(422)
Others	(953)	(750)
Deferred tax liabilities total	(1,224)	(1,172)
Net deferred tax (liabilities) assets	¥ (776) million	¥ (755) million

10. Notes to Financial Instruments and Related Disclosures

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

(1) Status of financial instruments

The Company upholds its policy of limiting its fund management to the use of short-term deposits, etc., based on its funding plan, and undertakes fund procurement primarily through borrowings from TOBISHIMA HOLDINGS Inc., its parent company.

While trade receivables are subject to the credit risk of customers, the Company operates under a system that alleviates such credit risk as much as possible through stringent credit management, from credit control of business associates at the order receiving stage to collection of accounts receivable from construction contracts. In addition, investment securities consist primarily of equity in companies with which the Company maintains business relationships and government bonds pledged as collateral for guarantee money for operations, etc. The Company regularly monitors the fair value of the security and the financial condition of the issuer.

Borrowings are primarily funds procured in relation to operational transactions. For liquidity risk related to fund procurement, the Company manages such risks through measures that include estimating the balance of funding requirements and formulating funding plans for effective and appropriate fund procurement.

The Company did not engage in any derivative transactions as of the end of the current fiscal year.

(2) Fair value of financial instruments

The carrying amounts, fair values, and the unrealized gain (loss) between them as of March 31, 2025 are in the following table. Stocks and other securities without market prices are not included in the following table (see Note 4).

Current fiscal year (as of March 31, 2025)

	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Unrealized gain (loss) (Millions of yen)
Assets			
(1) Securities and investment securities			
Available-for-sale securities	¥ 2,038	¥ 2,038	¥ —
Liabilities			
(2) Long-term borrowings (Note2)	¥ 353	¥ 352	¥ (1)

Note1: "Cash and deposits," "Electronically recorded monetary claims - operating," "Accounts receivable from completed construction contracts," "Notes payable," "Electronically recorded obligations - operating," "Accounts payable for construction contracts," and "Short-term borrowings" are omitted because the fair value approximates the book value due to cash and short-term settlements.

Note2: (2) Long-term borrowings includes current portion of long-term debt.

Note3: Descriptions regarding investments in limited partnerships and other similar entities in which the net amount of equity interest is recorded on the balance sheets are omitted. The amounts of such investments in the balance sheets are 73 million yen in the current fiscal year.

Note4: Stocks and other securities without market prices

Classification	Carrying amount (Millions of yen)
Unlisted stocks	¥ 1,730
Shares of subsidiaries	0

Note5: Explanation of valuation techniques used in the calculation of fair value and inputs:

The fair value of financial instruments is classified into the following three levels based on the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: Fair value calculated based on quoted market prices for the assets or liabilities for which the fair value is calculated that are formed in an active market

Level 2 fair value: Fair value calculated using inputs other than Level 1 inputs

Level 3 fair value: Fair value calculated using inputs related to the calculation of fair value that are not observable

Securities and investment securities

Listed stocks and government bonds are valued using quoted market prices. Since listed stocks and government bonds are traded in active markets, their fair value is classified as Level 1 fair value.

Long-term borrowings

Long-term borrowings with floating interest rates are based on book values, which are classified as Level 2 fair values, as their fair values approximate their book values because they reflect market interest rates in a short period of time. Those with fixed interest rates are based on the present value of the total principal and interest discounted by the interest rate assumed when a new similar borrowing is made, and are classified as Level 2 fair value.

11. Notes to Investment Property

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

- (1) Status of investment property
- The Company holds office buildings and land for rent in Kanagawa Prefecture and other areas. A portion of the land and buildings in Japan where its offices are located are rented, and these are recognized as “Real estate including portions for rent and other purposes.”
- (2) Notes on fair value, etc. of investment property

	Carrying amount (Millions of yen)	Fair value (Millions of yen)
Real estate for rent and other purposes	¥ 10,779	¥ 10,422
Real estate including portions for rent and other purposes	313	583

Note 1: Carrying amounts are calculated by subtracting the accumulated depreciation from the purchasing price.

Note 2: Fair values as of the end of the current fiscal year are based on real estate appraisal reports submitted by external real estate appraisers. Some of the figures were adjusted based on appraisal values and indices in cases where no substantial changes have occurred in indices that are considered to accurate reflections of appraisal value and market price since the most recent appraisal.

12. Notes to Revenue Recognition

Information that forms the basis for understanding revenue

Information that forms the basis for understanding revenue is omitted since the same information is presented in “2. Notes to Significant Accounting Policies, (4) Basis for recognition of revenues and expenses.”

13. Notes to Transactions with Related Parties

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

Parent company:

Category	Name of company	Percentage of voting rights holding (held)	Relationship with related party	Summary of transactions	Transaction amount (Millions of yen)	Item	Balance at end of period (Millions of yen)
Parent company	TOBISHIMA HOLDINGS Inc.	Held Direct 100.0%	Borrowing funds	Borrowing funds (net) (Note)	¥ 28,000	Short-term borrowings	¥ 28,000
				Payment of interest (Note)	¥ 226	Other under current liabilities	¥ 25

Transaction terms and policy on determination of transaction terms

Note: The interest rate is determined by taking into consideration the fund procurement rate.

Subsidiaries and associates:

Category	Name of company	Percentage of voting rights holding (held)	Relationship with related party	Summary of transactions	Transaction amount (Millions of yen)	Item	Balance at end of period (Millions of yen)
Subsidiary	E&CS Co. Ltd.	Holding Direct 100.0%	Purchase of construction materials, etc.	Purchase of construction materials, etc. (Note)	¥ 15,624	Accounts payable for construction contracts	¥ 3,435

Transaction terms and policy on determination of transaction terms

Note: Prices and other transaction terms are determined through negotiations, taking into consideration actual market conditions.

Prior fiscal year (from April 1, 2023 to March 31, 2024)

Subsidiaries and associates:

Category	Name of company	Percentage of voting rights holding (held)	Relationship with related party	Summary of transactions	Transaction amount (Millions of yen)	Item	Balance at end of period (Millions of yen)
Subsidiary	E&CS Co. Ltd.	Holding Direct 100.0%	Purchase of construction materials, etc.	Purchase of construction materials, etc. (Note)	¥ 12,115	Accounts payable for construction contracts	¥ 4,118

Transaction terms and policy on determination of transaction terms

Note: Prices and other transaction terms are determined through negotiations, taking into consideration actual market conditions.

14. Notes to Per Share Information

	Current fiscal year (from April 1, 2024 to March 31, 2025)	Prior fiscal year (from April 1, 2023 to March 31, 2024)
Net assets per share	¥ 1,337.10	¥ 2,379.36
Net income per share	¥ 156.88	¥ 155.87

Note: In order to calculate net income per share for the term, 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 stocks outstanding during term.

The average number of treasury stock was 83 thousand during the current fiscal year and 173 thousand during the previous fiscal year. In these, the average number held by BBT was 44 thousand during the current fiscal year and 90 thousand during the previous fiscal year.

15. Notes to Business Combinations

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

Transaction under common control

(Share transfer)

(1) Transaction summary

The Company established TOBISHIMA HOLDINGS Inc. through the Company's sole share transfer.

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

Wholly owned subsidiary company resulting from a share transfer: Tobishima Corporation

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

(ii) Date of the business combination

October 1, 2024

(iii) Legal form of the business combination

Establishment of a holding company through a sole share transfer

(iv) Name of the company after the business combination

Wholly owning parent company incorporated in a share transfer: TOBISHIMA HOLDINGS Inc.

(v) Purpose of the 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

(Absorption-type company split)

(1) Transaction summary

The Company transferred cash and deposits, shares of subsidiaries and associates held by the Company to its wholly-owning parent company, TOBISHIMA HOLDINGS Inc. through an absorption-type company split.

(i) Date of the business divestiture

January 1, 2025

(ii) Legal form of the business divestiture

Absorption-type company split (simplified absorption-type company split), in which the Company was the absorbed and split company and TOBISHIMA HOLDINGS Inc., its wholly-owning parent company, was the succeeding company

(iii) Purpose of business divestiture

TOBISHIMA HOLDINGS Inc., the Company's wholly owning parent company, aims to realize further growth of the Group, and as part of this initiative, the Company transferred shares in subsidiaries and associates held by the Company to TOBISHIMA HOLDINGS Inc. through an absorption-type company split.

(2) Overview of accounting procedures implemented

(i) Appropriate book value of assets and liabilities transferred and their description

Current assets	¥ 16,000 million
Non-current assets	¥ 2,468 million
Total assets	¥ 18,468 million

(ii) Accounting procedures

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), 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).

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tobishima Corporation:

Opinion

We have audited the financial statements of Tobishima Corporation (the "Company"), which comprise the balance sheet as of March 31, 2025, and the statement of income and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance for the year then ended in accordance with the Companies Act of Japan and applicable regulations and accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As explained in Note 1 to the financial statements, the information provided in the notes to the financial statements is limited to that required by the Companies Act of Japan and applicable regulations. Statements of comprehensive income and cash flows are not required as a part of the basic financial statements under the Companies Act of Japan and applicable regulations and, accordingly, are not presented herein. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Audit & Supervisory Board members are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board Members for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the financial statements are in accordance with the Companies Act of Japan and applicable regulations and accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Deloitte Touche Tomatsu LLC

September 30, 2025

Board of Directors

(As of July 1, 2025)

Representative Director

Isao Tsukiji

Directors

Masahiro Norikyo
Junichi Fukada
Mitsuhiko Takahashi
Seiichi Okuyama

Corporate Auditor

Kiyoshi Usui

Executive Officers

Chairman

Masahiro Norikyo

President and Chief Executive Officer

Isao Tsukiji

Executive Vice-President

Junichi Fukada

Senior Executive Officer

Shiro Takeki

Executive Officers

Yoichi Shimada
Hajime Ikebuchi
Akira Sakaguchi
Yutaka Yanagimori
Hiroyashu Ohori

International Operations Division

W BLDG. 3F
1-8-15, Konan, Minato-ku,
Tokyo, Japan
Phone 03-6455-8390
Fax 03-6455-8391

Overseas Offices

Brunei Office

Unit 6, 2nd floor, Block J, Abdul Razak
Complex, Gadong, BE 2719, Bandar Seri
Begawan, Negara Brunei Darussalam
Phone 673-2-425946
Fax 673-2-422041

Pakistan Office

1st Floor, Plot No.55-C, U-Fone Tower,
Jinnah Avenue, Islamabad, Pakistan
Phone 92-51-2310510
Fax 92-51-2310512

Overseas Subsidiary

Tobishima (Brunei) Sdn.Bhd.

Unit 6, 2nd floor, Block J, Abdul Razak
Complex, Gadong, BE 2719, Bandar Seri
Begawan, Negara Brunei Darussalam

Employees by Occupation

(As of July 1, 2025)	
Administrative Officers	202
Civil Engineers	437
Building Engineers	394
Mechanical Engineers	11
Electrical Engineers	7
Other Equipment Engineers	41
Total number of regular employees	1,092

Year of Establishment

March 1947
(Predecessor founded in 1883)

Stock Information

(As of March 31, 2025)
Paid-In Capital: ¥ 5,519,942,968

Number of Shares Authorized:
Common Stock 40,000,000 shares

Number of Shares Issued:
Common Stock 19,225,868 shares

Shareholder:
TOBISHIMA HOLDINGS Inc.
(listed on the Tokyo Stock Exchange
Prime Market)

