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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 6, 2025

Company name: OKUMURA CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 1833
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 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	%
Three months ended June 30, 2025	69,792	5.1	4,139	-	3,983	245.8	3,693	195.2
June 30, 2024	66,405	2.7	158	(88.7)	1,152	(48.8)	1,251	(44.8)

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ 2,270 million [-%]
 Three months ended June 30, 2024: ¥ (48) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	102.90	-
June 30, 2024	33.97	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	379,150	169,384	46.2
March 31, 2025	393,466	172,455	45.1

(Reference) Equity: As of June 30, 2025: ¥ 175,132 million
 As of March 31, 2025: ¥ 177,285 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, 2025	-	113.00	-	103.00	216.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		110.00	-	110.00	220.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Full year	298,500	0.1	10,800	11.0	12,700	42.3	11,300	315.0	Yen 315.02

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

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

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2025: 38,665,226 shares
March 31, 2025: 38,665,226 shares

2) Number of treasury shares at the end of the period:

June 30, 2025: 2,815,867 shares
March 31, 2025: 2,440,729 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 35,894,058 shares
Three months ended June 30, 2024: 36,827,866 shares

Note: The Company has introduced the Employee Share Award Plan. Shares of the Company held in the plan's trust account are included in the number of treasury shares at the end of the period (269,200 shares as of June 30, 2025, and 273,700 shares as of March 31, 2025). Shares of the Company held in the plan's trust account are also included in the number of treasury shares deducted when calculating the average number of shares outstanding during the period (269,476 shares and 274,715 shares in Three months ended June 30, 2025 and 2024, respectively).

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters

In accordance with a resolution passed at the meeting of the Board of Directors held on July 14, 2025, the Company is planning to execute a disposal of treasury shares as restricted stock compensation on August 8, 2025. The amounts shown in "Fiscal year ending March 31, 2026 (Forecast)" under "2. Dividends" and "Basic earnings per share" under "3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026" take into account the effect of this disposal of treasury shares.

The performance forecasts and other forward-looking statements contained in this document are based on information available at the time of publication and certain assumptions considered reasonable by the Company. The Company does not provide any guarantee that these forecasts will be achieved, and actual results may differ significantly due to various factors. Please refer to "1. Overview of Operating Results, etc. (3)Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements" on page 3 of the Attachment for details of the conditions assumed in the financial results forecast and precautions regarding the use of the financial results forecast.

The financial results supplementary material will be disclosed through TDnet and posted on the Company's website today.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	69,034	7.5	4,536	499.6	5,803	184.0	4,630	162.7
June 30, 2024	64,189	4.3	756	(48.9)	2,043	(23.5)	1,762	(31.7)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	129.00	-
June 30, 2024	47.86	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	348,171	168,562	48.4
March 31, 2025	360,065	169,795	47.2

(Reference) Equity: As of June 30, 2025: ¥ 168,562 million
As of March 31, 2025: ¥ 169,795 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	292,000	0.6	13,200	(1.6)	13,800	(0.8)	11,500	65.3	320.59

(Note) Revision to the financial results forecast announced most recently: None

* Proper use of earnings forecasts, and other special matters

In accordance with a resolution passed at the meeting of the Board of Directors held on July 14, 2025, the Company is planning to execute a disposal of treasury shares as restricted stock compensation on August 8, 2025. The amounts shown in “Basic earnings per share” under “2. Non-Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026” take into account the effect of this disposal of treasury shares.

The performance forecasts and other forward-looking statements contained in this document are based on information available at the time of publication and certain assumptions considered reasonable by the Company. The Company does not provide any guarantee that these forecasts will be achieved, and actual results may differ significantly due to various factors.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

During the three months ended June 30, 2025, the Japanese economy continued to recover moderately amid improvements in the employment and income environment, despite the uncertainty caused by US trade policies. In the construction industry, the situation continued to require close attention to rising construction costs, such as the trends in material and equipment prices and labor costs, despite strong construction investment in both the public and private sectors.

At the Group, net sales for the three months ended June 30, 2025 increased by 5.1% year on year to ¥69,792 million, due mainly to firm progress in the Construction Business on projects carried over from the previous fiscal year. In terms of profit and loss, gross profit increased by 63.9% year on year to ¥9,485 million due to an improvement in the gross profit margin of the Construction Business, among other factors. Operating profit was ¥4,139 million (compared to ¥158 million in the same period of the previous year). Ordinary profit increased by 245.8% year on year to ¥3,983 million, and profit attributable to owners of parent increased by 195.2% year on year to ¥3,693 million.

On July 19, 2024, an explosion occurred at the power generation equipment of ISHIKARI BIO ENERGY GODO KAISHA, a consolidated subsidiary, resulting in the failure to meet the criteria for hedge accounting. As a result, hedge accounting has been discontinued as of the second quarter (interim period) of the fiscal year ended March 31, 2025. In the three months ended June 30, 2025, loss on valuation of forward exchange contracts related to ISHIKARI BIO ENERGY GODO KAISHA has been recorded as non-operating expenses. For details, refer to the “Notice Concerning the Recording of Non-operating Expenses (Loss on Valuation of Forward Exchange Contracts)” released separately today.

Operating results by segment are as follows.

(Civil Engineering)

Net sales increased by 1.1% year on year to ¥23,686 million. The profitability of the backlog of projects from the previous fiscal year improved with orders awarded for additional work, lower costs and other factors, improving the gross profit margin and leading to operating profit increasing by 379.4% year on year to ¥2,082 million.

Orders received decreased by 26.6% year on year to ¥22,158 million.

(Building)

Net sales increased by 11.9% year on year to ¥43,977 million. The profitability of the backlog of projects from the previous fiscal year improved with orders awarded for additional work, lower costs and other factors, improving the gross profit margin and leading to operating profit of ¥1,919 million (compared to an operating loss of ¥303 million in the same period of the previous year).

In addition, due to the securing of orders for large-scale construction projects in Japan, orders received increased by 76.1% year on year to ¥26,829 million.

(Investment Development)

The Investment Development Business comprises business related to the sale and leasing of real estate and the renewable energy business. In conjunction with the suspension of commercial operation by ISHIKARI BIO ENERGY GODO KAISHA, a consolidated subsidiary, net sales decreased by 41.6% year on year to ¥1,628 million. However, reductions in regular inspection costs and depreciation of the company's power generation equipment, among other factors, brought operating profit to ¥109 million (compared to an operating loss of ¥80 million for the same period in the previous fiscal year).

(Other)

Other business refers to the manufacture and sale of construction machinery, equipment, etc. Net sales decreased by 42.0% year on year to ¥500 million, resulting in operating losses of ¥16 million (compared to an operating profit of ¥96 million in the same period of the previous fiscal year).

(2) Overview of Financial Position for the Period under Review

Status of assets, liabilities and net assets

(Assets)

Total assets amounted to ¥379,150 million, a decrease of ¥14,315 million from the end of the previous fiscal year. This was due mainly to a decrease in notes receivable, accounts receivable from completed construction contracts and other.

(Liabilities)

Total liabilities amounted to ¥209,766 million, a decrease of ¥11,244 million from the end of the previous fiscal year, because although long-term borrowings increased, notes payable, accounts payable for construction contracts and other and short-term borrowings decreased.

(Net assets)

Total net assets amounted to ¥169,384 million, a decrease of ¥3,071 million from the end of the previous fiscal year. This was mainly due to the purchase of treasury shares and a decrease in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements

There are no changes to the full-year consolidated financial results forecast for the fiscal year ending March 31, 2026 that was released at the time of the financial results briefing held on May 14, 2025. For more details on the financial results forecast, see “1. Consolidated Results and Forecasts” on Page 1 and “2. Non-consolidated Results and Forecasts” on Page 2 of the “Financial Results Supplementary Materials for the First Quarter of the Fiscal Year Ending March 31, 2026” announced separately today.

Gains and losses on valuation of forward exchange contracts recorded by ISHIKARI BIO ENERGY GODO KAISHA, a consolidated subsidiary, are not included in non-operating income and expenses in the consolidated financial results forecast. The Company’s consolidated financial result may be significantly impacted by movements in foreign exchange markets in the future.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	28,714	13,480
Notes receivable, accounts receivable from completed construction contracts and other	190,568	177,612
Securities	-	12,000
Real estate for sale	493	979
Costs on construction contracts in progress	5,340	6,926
Costs on real estate investment, development business and other	2,247	2,048
Work in process	815	1,357
Raw materials and supplies	675	659
Other	12,479	12,860
Allowance for doubtful accounts	(199)	(188)
Total current assets	241,135	227,736
Non-current assets		
Property, plant and equipment		
Land	36,296	36,181
Other, net	28,867	29,855
Total property, plant and equipment	65,164	66,037
Intangible assets	1,544	1,464
Investments and other assets		
Investment securities	60,397	59,624
Retirement benefit asset	8,519	8,482
Other	18,631	17,728
Allowance for doubtful accounts	(1,926)	(1,923)
Total investments and other assets	85,621	83,912
Total non-current assets	152,330	151,414
Total assets	393,466	379,150

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	56,999	51,843
Short-term borrowings	43,801	8,801
Income taxes payable	2,083	2,072
Advances received on construction contracts in progress	18,133	21,973
Provisions	3,768	2,078
Provision for loss on construction contracts	2,327	2,166
Other	47,853	54,741
Total current liabilities	174,967	143,679
Non-current liabilities		
Long-term borrowings	5,006	25,006
Non-recourse borrowings	20,172	20,125
Provisions	348	383
Asset retirement obligations	479	480
Other	20,037	20,091
Total non-current liabilities	46,043	66,087
Total liabilities	221,010	209,766
Net assets		
Shareholders' equity		
Share capital	19,838	19,838
Capital surplus	26,510	26,510
Retained earnings	100,276	100,211
Treasury shares	(7,972)	(9,555)
Total shareholders' equity	138,653	137,005
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30,212	29,809
Deferred gains or losses on hedges	5,396	5,387
Remeasurements of defined benefit plans	3,023	2,930
Total accumulated other comprehensive income	38,631	38,127
Non-controlling interests	(4,829)	(5,748)
Total net assets	172,455	169,384
Total liabilities and net assets	393,466	379,150

(2)Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales		
Net sales of completed construction contracts	62,753	67,663
Net sales of real estate investment, development business and other	3,651	2,128
Total net sales	66,405	69,792
Cost of sales		
Cost of sales of completed construction contracts	57,448	58,748
Cost of real estate investment, development business and other	3,170	1,558
Total cost of sales	60,618	60,306
Gross profit		
Gross profit on completed construction contracts	5,305	8,915
Gross profit on real estate investment, development business and other	481	570
Total gross profit	5,786	9,485
Selling, general and administrative expenses	5,628	5,346
Operating profit	158	4,139
Non-operating income		
Interest income	23	35
Dividend income	739	668
Foreign exchange gains	324	578
Other	61	58
Total non-operating income	1,148	1,341
Non-operating expenses		
Interest expenses	149	194
Loss on valuation of forward exchange contracts	-	1,176
Other	5	125
Total non-operating expenses	155	1,496
Ordinary profit	1,152	3,983
Extraordinary income		
Gain on sale of investment securities	563	882
Other	-	0
Total extraordinary income	563	883
Extraordinary losses		
Loss on valuation of investment securities	-	6
Loss on retirement of non-current assets	21	16
Total extraordinary losses	21	22
Profit before income taxes	1,693	4,844
Income taxes - current	451	1,837
Income taxes - deferred	401	222
Total income taxes	853	2,060
Profit	840	2,783
Loss attributable to non-controlling interests	(411)	(909)
Profit attributable to owners of parent	1,251	3,693

Quarterly Consolidated Statement of Comprehensive Income
For the three months ended June 30, 2025

	(Millions of yen)	
	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	840	2,783
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,432)	(403)
Deferred gains or losses on hedges	2,612	(16)
Remeasurements of defined benefit plans, net of tax	(68)	(92)
Total other comprehensive income	(888)	(513)
Comprehensive income	(48)	2,270
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(943)	3,188
Comprehensive income attributable to non-controlling interests	895	(918)

(3) Notes to Quarterly Consolidated Financial Statements

The Company's quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the standards for the preparation of quarterly financial statements, etc. of the Tokyo Stock Exchange, Inc. and other accounting standards for quarterly financial statements generally accepted in Japan (except for the omissions specified in Article 4, Paragraph 2 of the standards for the preparation of quarterly financial statements, etc.).

(Segment information, etc.)

[Segment information]

For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Information on net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statement of Income (Note 3)
	Civil Engineering	Building	Investment Development	Total				
Net sales								
Net sales to external customers	23,438	39,315	2,789	65,543	862	66,405	—	66,405
Inter-segment net sales or transfers	—	—	9	9	315	324	(324)	—
Total	23,438	39,315	2,798	65,552	1,177	66,730	(324)	66,405
Segment profit (loss)	434	(303)	(80)	50	96	147	11	158

- Notes. 1. The "Other" category is a business segment not included in reportable segments. It includes such operations as the manufacture and sale of construction machinery, equipment, etc.
2. The segment profit (loss) adjustment of ¥11 million is mainly eliminations of inter-segment transactions.
3. Segment profit (loss) is adjusted to the operating profit figure on the Quarterly Consolidated Statements of Income.

For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Information on net sales and income (loss) by reportable segment

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statement of Income (Note 3)
	Civil Engineering	Building	Investment Development	Total				
Net sales								
Net sales to external customers	23,686	43,977	1,628	69,291	500	69,792	—	69,792
Inter-segment net sales or transfers	—	—	9	9	259	269	(269)	—
Total	23,686	43,977	1,638	69,301	759	70,061	(269)	69,792
Segment profit (loss)	2,082	1,919	109	4,110	(16)	4,094	44	4,139

- Notes. 1. The "Other" category is a business segment not included in reportable segments. It includes such operations as the manufacture and sale of construction machinery, equipment, etc.
2. The segment profit (loss) adjustment of ¥44 million is mainly eliminations of inter-segment transactions.
3. Segment profit (loss) is adjusted to the operating profit figure on the Quarterly Consolidated Statements of Income.

(Notes on noteworthy changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes to Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows have not been prepared for the three months ended June 30, 2025.

Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2025 are as follows..

	For the three months ended June 30, 2024 (April 1, 2024 - June 30, 2024)	For the three months ended June 30, 2025 (April 1, 2025 - June 30, 2025)
Depreciation	¥988million	¥742million
Amortization of goodwill	7	—

(Additional information)

(Financial covenants)

The Company has recognized a breach in the financial covenants for non-recourse borrowings by ISHIKARI BIO ENERGY GODO KAISHA, a consolidated subsidiary. The Company has concluded an additional loan agreement with ISHIKARI BIO ENERGY GODO KAISHA to support its day-to-day cash flow. The lender has not exercised its right to demand early repayment.