



CONSOLIDATED FINANCIAL STATEMENTS
together with
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
as of March 31,2024

KUMAGAI GUMI CO., LTD.
TOKYO, JAPAN

Consolidated Balance Sheet

March 31, 2024

	(JPY million)	(US\$ thousand)
Assets		
Current assets		
Cash and deposits	¥ 70,073	\$ 464,060
Notes receivable, accounts receivable from completed construction contracts and other	266,541	1,765,172
Costs on construction contracts in progress	8,460	56,026
Accounts receivable - other	22,117	146,470
Other	2,331	15,437
Allowance for doubtful accounts	(64)	(424)
Total current assets	369,460	2,446,755
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,271	160,735
Machinery, vehicles, tools, furniture and fixtures	19,471	128,947
Land	17,897	118,523
Leased assets	811	5,371
Construction in progress	42	278
Accumulated depreciation	(32,691)	(216,497)
Total property, plant and equipment	29,803	197,371
Intangible assets	1,592	10,543
Investments and other assets		
Investment securities	48,586	321,762
Long-term loans receivable	6,860	45,430
Long-term non-operating accounts receivable	101	669
Distressed receivables	30	199
Deferred tax assets	3,547	23,490
Other	7,447	49,318
Allowance for doubtful accounts	(196)	(1,298)
Total investments and other assets	66,376	439,576
Total non-current assets	97,771	647,490
Total assets	¥ 467,232	\$ 3,094,252

	(JPY million)	(US\$ thousand)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	¥ 100,457	\$ 665,278
Electronically recorded obligations - operating	29,158	193,099
Short-term borrowings	10,906	72,225
Commercial papers	14,999	99,331
Income taxes payable	3,439	22,775
Advances received on construction contracts in progress	23,130	153,179
Deposits received	36,669	242,841
Provision for warranties for completed construction	522	3,457
Provision for loss on construction contracts	3,820	25,298
Provision for bonuses	4,097	27,132
Other	16,260	107,682
Total current liabilities	<u>243,460</u>	<u>1,612,318</u>
Non-current liabilities		
Long-term borrowings	26,474	175,325
Provision for share awards	292	1,934
Retirement benefit liability	16,433	108,828
Other	556	3,682
Total non-current liabilities	<u>43,757</u>	<u>289,781</u>
Total liabilities	<u>287,218</u>	<u>1,902,106</u>
Net assets		
Shareholders' equity		
Share capital	30,108	199,391
Capital surplus	15,170	100,464
Retained earnings	120,115	795,464
Treasury shares	(657)	(4,351)
Total shareholders' equity	<u>164,737</u>	<u>1,090,974</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,437	88,987
Deferred gains or losses on hedges	3	20
Foreign currency translation adjustment	1,887	12,497
Remeasurements of defined benefit plans	(50)	(331)
Total accumulated other comprehensive income	<u>15,276</u>	<u>101,166</u>
Total net assets	<u>180,014</u>	<u>1,192,146</u>
Total liabilities and net assets	<u>467,232</u>	<u>\$ 3,094,252</u>

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

For the year ended March 31, 2024

Consolidated Statement of Income

	(JPY million)	(US\$ thousand)
Net sales of completed construction contracts	¥ 443,193	\$ 2,935,053
Cost of sales of completed construction contracts	407,112	2,696,106
Gross profit on completed construction contracts	36,080	238,940
Selling, general and administrative expenses	23,430	155,166
Operating profit	12,649	83,768
Non-operating income		
Interest income	122	808
Dividend income	817	5,411
Share of profit of entities accounted for using equity method	168	1,113
Foreign exchange gains	108	715
Other	159	1,053
Total non-operating income	1,376	9,113
Non-operating expenses		
Interest expenses	379	2,510
Loss on sale of receivables	41	272
Commission for syndicated loans	273	1,808
Loss on investments in investment partnerships	122	808
Other	168	1,113
Total non-operating expenses	985	6,523
Ordinary profit	13,040	86,358
Extraordinary income		
Gain on sales of non-current assets	9	60
Gain on sales of memberships	0	0
Compensation for damage income	67	444
Other	0	0
Total extraordinary income	77	510
Extraordinary losses		
Loss on retirement of non-current assets	17	113
Loss on valuation of shares of subsidiaries and associates	46	305
Provision of allowance for doubtful accounts	30	199
Compensation for damage	307	2,033
Loss on litigation	0	0
Expenses related to the anniversary project of subsidiary	77	510
Other	43	285
Total extraordinary losses	521	3,450
Profit before income taxes	12,595	83,411
Income taxes - current	4,888	32,371
Income taxes - deferred	(608)	(4,026)
Total income taxes	4,279	28,338
Profit	8,316	55,073
Profit attributable to owners of parent	¥ 8,316	\$ 55,073

Consolidated Statement of Comprehensive Income

	(JPY million)	(US\$ thousand)
Profit	¥ 8,316	\$ 55,073
Other comprehensive income		
Valuation difference on available-for-sale securities	8,920	59,073
Deferred gains or losses on hedges	3	20
Foreign currency translation adjustment	514	3,404
Remeasurements of defined benefit plans, net of tax	87	576
Share of other comprehensive income of entities accounted for using equity method	3	20
Total other comprehensive income	9,529	63,106
Comprehensive income	¥ 17,845	\$ 118,179
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,845	118,179
Comprehensive income attributable to non-controlling interests	—	—

Consolidated Statement of Cash Flows

For the year ended March 31, 2024

	(JPY million)	(US\$ thousand)
Cash flows from operating activities		
Profit before income taxes	¥ 12,595	\$ 83,411
Depreciation	2,062	13,656
Increase (decrease) in allowance for doubtful accounts	37	245
Increase (decrease) in provision for loss on construction contracts	2,825	18,709
Increase (decrease) in provision for contingent loss	(4)	(26)
Increase (decrease) in retirement benefit liability	(151)	(1,000)
Interest and dividend income	(939)	(6,219)
Interest expenses	379	2,510
Foreign exchange losses (gains)	(39)	(258)
Share of loss (profit) of entities accounted for using equity method	(168)	(1,113)
Loss (gain) on investments in investment partnerships	122	808
Loss (gain) on sale of non-current assets	(9)	(60)
Loss on retirement of non-current assets	17	113
Decrease (increase) in trade receivables	(40,470)	(268,013)
Decrease (increase) in costs on construction contracts in progress	2,015	13,344
Increase (decrease) in trade payables	17,403	115,252
Increase (decrease) in advances received on construction contracts in progress	10,258	67,934
Decrease (increase) in accounts receivable - other	(3,729)	(24,695)
Increase (decrease) in deposits received	10,625	70,364
Other, net	5,196	34,411
Subtotal	<u>18,027</u>	<u>119,384</u>
Interest and dividends received	915	6,060
Interest paid	(380)	(2,517)
Income taxes paid	<u>(1,590)</u>	<u>(10,530)</u>
Net cash provided by (used in) operating activities	<u>16,971</u>	<u>112,391</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,239)	(14,828)
Proceeds from sale of property, plant and equipment	9	60
Purchase of investment securities	(26)	(172)
Purchase of shares of subsidiaries and associates	(65)	(430)
Purchase of investments in other securities of subsidiaries and associates	(1,508)	(9,987)
Loan advances	(6,607)	(43,755)
Proceeds from collection of loans receivable	62	411
Other, net	(403)	(2,669)
Net cash provided by (used in) investing activities	<u>(10,778)</u>	<u>(71,377)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,120	14,040
Proceeds from long-term borrowings	13,971	92,523
Repayments of long-term borrowings	(908)	(6,013)
Proceeds from issuance of commercial papers	44,985	297,914
Redemption of commercial papers	(30,000)	(198,675)
Purchase of treasury shares	(2,025)	(13,411)
Dividends paid	(5,697)	(37,728)
Other, net	(125)	(828)
Net cash provided by (used in) financing activities	<u>22,319</u>	<u>147,808</u>
Effect of exchange rate change on cash and cash equivalents	<u>586</u>	<u>3,881</u>
Net increase (decrease) in cash and cash equivalents	<u>29,099</u>	<u>192,709</u>
Cash and cash equivalents at beginning of period	<u>40,974</u>	<u>271,351</u>
Cash and cash equivalents at end of period	<u>¥ 70,073</u>	<u>\$ 464,060</u>

Notes to the Consolidated Financial Statements

(1) Financial reporting framework

The accompanying consolidated financial statements have been prepared only for the purpose of submission to the parties concerned.

The accounting principles generally accepted in Japan have been applied in preparation of the financial statements and the presentation of the financial statements and notes to the financial statements have been prepared to satisfy the requirement of the parties concerned.

(2) Consolidation

The Company applies the control or influence standard for determining the criteria of subsidiaries and affiliates included within the scope of consolidation.

The consolidated financial statements include the accounts of the Company, seven of its consolidated subsidiaries and three of its affiliates accounted for applying the equity method as at and for the year ended March 31, 2024.

The subsidiaries which are consolidated with the Company are listed below:

Company Name	Fiscal Year-End
GAEART Co., Ltd.	31 Mar. 2024
Technos Co., Ltd.	31 Mar. 2024
K&E Co., Ltd.	31 Mar. 2024
Techno-Space Creates Co., Ltd.	31 Mar. 2024
FATEC Co., Ltd.	31 Mar. 2024
Technical Support Co., Ltd.	31 Mar. 2024
Taiwan Kumagai Co., Ltd.	31 Dec. 2023

All significant intercompany accounts and transactions are eliminated in consolidation. Investments in unconsolidated subsidiaries and affiliates that are not accounted for applying the equity method are stated at cost.

The Company consolidates such subsidiaries' financial statements as of each subsidiary's most recent year-end. Unusual significant transactions occurring between subsidiaries' year-ends and the Company's are adjusted on consolidation.

(3) United states dollar amounts

The United States dollar amounts included in the accompanying consolidated financial statements are presented solely for convenience and are stated, as a matter of arithmetical computation only, at the rate of JPY151=US\$1, which was the approximate exchange rate at March 31, 2024, and rounded to the nearest US\$ thousand from JPY million.

These translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into United States dollars at that rate.