



CONSOLIDATED FINANCIAL STATEMENTS
together with
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
as of March 31,2025

KUMAGAI GUMI CO., LTD.
TOKYO, JAPAN

Consolidated Balance Sheet

March 31, 2025

	(JPY million)	(US\$ thousand)
Assets		
Current assets		
Cash and deposits	¥ 50,156	\$ 334,373
Notes receivable, accounts receivable from completed construction contracts and other	264,450	1,763,000
Costs on construction contracts in progress	7,255	48,367
Accounts receivable - other	32,113	214,087
Other	3,502	23,347
Allowance for doubtful accounts	(65)	(433)
Total current assets	<u>357,413</u>	<u>2,382,753</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,585	170,567
Machinery, vehicles, tools, furniture and fixtures	19,867	132,447
Land	19,638	130,920
Leased assets	737	4,913
Construction in progress	57	380
Accumulated depreciation	(33,414)	(222,760)
Total property, plant and equipment	<u>32,472</u>	<u>216,480</u>
Intangible assets	1,725	11,500
Investments and other assets		
Investment securities	50,372	335,813
Long-term loans receivable	9,324	62,160
Long-term non-operating accounts receivable	98	653
Distressed receivables	30	200
Deferred tax assets	3,488	23,253
Other	7,833	52,220
Allowance for doubtful accounts	(225)	(1,500)
Total investments and other assets	<u>70,922</u>	<u>472,813</u>
Total non-current assets	<u>105,120</u>	<u>700,800</u>
Total assets	<u>¥ 462,533</u>	<u>\$ 3,083,553</u>

	(JPY million)	(US\$ thousand)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	¥ 102,267	\$ 681,780
Electronically recorded obligations - operating	43,502	290,013
Short-term borrowings	8,109	54,060
Income taxes payable	1,372	9,147
Advances received on construction contracts in progress	22,761	151,740
Deposits received	36,636	244,240
Provision for warranties for completed construction	609	4,060
Provision for loss on construction contracts	2,367	15,780
Provision for bonuses	4,144	27,627
Other	7,626	50,840
Total current liabilities	229,398	1,529,320
Non-current liabilities		
Long-term borrowings	34,026	226,840
Provision for share awards	263	1,753
Retirement benefit liability	16,316	108,773
Deferred tax liabilities	73	487
Other	625	4,167
Total non-current liabilities	51,305	342,033
Total liabilities	280,703	1,871,353
Net assets		
Shareholders' equity		
Share capital	30,108	200,720
Capital surplus	15,170	101,133
Retained earnings	123,852	825,680
Treasury shares	(987)	(6,580)
Total shareholders' equity	168,143	1,120,953
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,467	76,447
Deferred gains or losses on hedges	4	27
Foreign currency translation adjustment	2,282	15,213
Remeasurements of defined benefit plans	(67)	(447)
Total accumulated other comprehensive income	13,686	91,240
Total net assets	181,829	1,212,193
Total liabilities and net assets	462,533	\$ 3,083,553

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

For the year ended March 31, 2025

Consolidated Statement of Income

	(JPY million)	(US\$ thousand)
Net sales of completed construction contracts	¥ 498,581	\$ 3,323,873
Cost of sales of completed construction contracts	460,266	3,068,440
Gross profit on completed construction contracts	38,315	255,433
Selling, general and administrative expenses	24,016	160,107
Operating profit	14,299	95,327
Non-operating income		
Interest income	252	1,680
Dividend income	953	6,353
Share of profit of entities accounted for using equity method	157	1,047
Other	85	567
Total non-operating income	1,448	9,653
Non-operating expenses		
Interest expenses	571	3,807
Loss on sale of receivables	115	767
Commission for syndicated loans	238	1,587
Loss on investments in investment partnerships	282	1,880
Foreign exchange losses	28	187
Other	99	660
Total non-operating expenses	1,336	8,907
Ordinary profit	14,411	96,073
Extraordinary income		
Gain on sales of non-current assets	3	20
Gain on sales of investment securities	52	347
Other	7	47
Total extraordinary income	63	420
Extraordinary losses		
Loss on retirement of non-current assets	12	80
Loss on valuation of shares of subsidiaries and associates	335	2,233
Provision of allowance for doubtful accounts	32	213
Compensation for damage	204	1,360
Loss on litigation	89	593
Other	0	0
Total extraordinary losses	674	4,493
Profit before income taxes	13,799	91,993
Income taxes - current	3,646	24,307
Income taxes - deferred	798	5,320
Total income taxes	4,445	29,633
Profit	9,354	62,360
Profit attributable to owners of parent	¥ 9,354	\$ 62,360

Consolidated Statement of Comprehensive Income

	(JPY million)	(US\$ thousand)
Profit	¥ 9,354	\$ 62,360
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,969)	(13,127)
Deferred gains or losses on hedges	1	7
Foreign currency translation adjustment	395	2,633
Remeasurements of defined benefit plans, net of tax	(17)	(113)
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	<u>(1,590)</u>	<u>(10,600)</u>
Comprehensive income	<u>¥ 7,764</u>	<u>\$ 51,760</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,764	51,760
Comprehensive income attributable to non-controlling interests	—	—

Consolidated Statement of Cash Flows

For the year ended March 31, 2025

	(JPY million)	(US\$ thousand)
Cash flows from operating activities		
Profit before income taxes	¥ 13,799	\$ 91,993
Depreciation	2,068	13,787
Increase (decrease) in allowance for doubtful accounts	23	153
Increase (decrease) in provision for loss on construction contracts	(1,452)	(9,680)
Increase (decrease) in retirement benefit liability	(143)	(953)
Interest and dividend income	(1,205)	(8,033)
Interest expenses	571	3,807
Foreign exchange losses (gains)	57	380
Share of loss (profit) of entities accounted for using equity method	(157)	(1,047)
Loss (gain) on valuation of shares of subsidiaries and associates	335	2,233
Loss (gain) on investments in investment partnerships	282	1,880
Loss (gain) on sale of investment securities	(52)	(347)
Loss (gain) on sale of non-current assets	(3)	(20)
Loss on retirement of non-current assets	12	80
Decrease (increase) in trade receivables	2,608	17,387
Decrease (increase) in costs on construction contracts in progress	1,222	8,147
Increase (decrease) in trade payables	15,051	100,340
Increase (decrease) in advances received on construction contracts in progress	(397)	(2,647)
Decrease (increase) in accounts receivable - other	(9,995)	(66,633)
Increase (decrease) in deposits received	(32)	(213)
Other, net	(9,231)	(61,540)
Subtotal	<u>13,360</u>	<u>89,067</u>
Interest and dividends received	1,112	7,413
Interest paid	(568)	(3,787)
Income taxes paid	(5,670)	(37,800)
Net cash provided by (used in) operating activities	<u>8,233</u>	<u>54,887</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,074)	(27,160)
Proceeds from sale of property, plant and equipment	4	27
Purchase of investment securities	(1,053)	(7,020)
Proceeds from sale of investment securities	73	487
Purchase of shares of subsidiaries and associates	(462)	(3,080)
Purchase of investments in other securities of subsidiaries and associates	(3,381)	(22,540)
Loan advances	(2,814)	(18,760)
Proceeds from collection of loans receivable	189	1,260
Other, net	(471)	(3,140)
Net cash provided by (used in) investing activities	<u>(11,990)</u>	<u>(79,933)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,490	9,933
Proceeds from long-term borrowings	9,070	60,467
Repayments of long-term borrowings	(5,804)	(38,693)
Proceeds from issuance of commercial papers	207,940	1,386,267
Redemption of commercial papers	(223,000)	(1,486,667)
Purchase of treasury shares	(429)	(2,860)
Dividends paid	(5,614)	(37,427)
Other, net	(118)	(787)
Net cash provided by (used in) financing activities	<u>(16,466)</u>	<u>(109,773)</u>
Effect of exchange rate change on cash and cash equivalents	<u>306</u>	<u>2,040</u>
Net increase (decrease) in cash and cash equivalents	<u>(19,916)</u>	<u>(132,773)</u>
Cash and cash equivalents at beginning of period	<u>70,073</u>	<u>467,153</u>
Cash and cash equivalents at end of period	<u>¥ 50,156</u>	<u>\$ 334,373</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, 2025.

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

Company Name	Fiscal Year-End
GAEART Co., Ltd.	31 Mar. 2025
Technos Co., Ltd.	31 Mar. 2025
K&E Co., Ltd.	31 Mar. 2025
Techno-Space Creates Co., Ltd.	31 Mar. 2025
FATEC Co., Ltd.	31 Mar. 2025
Technical Support Co., Ltd.	31 Mar. 2025
Taiwan Kumagai Co., Ltd.	31 Dec. 2024

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 JPY150=US\$1, which was the approximate exchange rate at March 31, 2025, 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.