CONSOLIDATED FINANCIAL STATEMENTS
together with
REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

as of March 31,2026

KUMAGAI GUMI CO., LTD.
TOKYO, JAPAN

Consolidated Balance Sheet

March 31, 2026

	(JPY million)	(US$ thousand)
Assets		
Current assets		
Cash and deposits	¥ 64,679	$ 404,244
Notes receivable, accounts receivable from completed construction contracts and other	240,570	1,503,563
Costs on construction contracts in progress	7,692	48,075
Accounts receivable - other	22,433	140,206
Other	2,610	16,313
Allowance for doubtful accounts	(67)	(419)
Total current assets	337,919	2,111,994
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,670	160,438
Machinery, vehicles, tools, furniture and fixtures	20,454	127,838
Land	19,470	121,688
Leased assets	601	3,756
Construction in progress	5,488	34,300
Accumulated depreciation	(34,425)	(215,156)
Total property, plant and equipment	37,260	232,875
Intangible assets	2,012	12,575
Investments and other assets		
Investment securities	49,226	307,663
Long-term loans receivable	8,460	52,875
Long-term non-operating accounts receivable	101	631
Distressed receivables	30	188
Deferred tax assets	4,024	25,150
Other	10,048	62,800
Allowance for doubtful accounts	(166)	(1,038)
Total investments and other assets	71,726	448,288
Total non-current assets	110,998	693,738
Total assets	¥ 448,918	$ 2,805,738

	(JPY million)	(US$ thousand)
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	¥ 78,356	$ 489,725
Electronically recorded obligations - operating	30,222	188,888
Short-term borrowings	11,575	72,344
Income taxes payable	8,372	52,325
Advances received on construction contracts in progress	18,149	113,431
Deposits received	40,604	253,775
Provision for warranties for completed construction	574	3,588
Provision for loss on construction contracts	875	5,469
Provision for bonuses	4,618	28,863
Other	14,391	89,944
Total current liabilities	207,740	1,298,375
Non-current liabilities		
Bonds payable	8,500	53,125
Long-term borrowings	29,658	185,363
Provision for share awards	205	1,281
Retirement benefit liability	14,056	87,850
Deferred tax liabilities	23	144
Other	867	5,419
Total non-current liabilities	53,310	333,188
Total liabilities	261,050	1,631,563
Net assets		
Shareholders' equity		
Share capital	30,108	188,175
Capital surplus	15,166	94,788
Retained earnings	134,447	840,294
Treasury shares	(4,377)	(27,356)
Total shareholders' equity	175,344	1,095,900
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,604	53,775
Deferred gains or losses on hedges	70	438
Foreign currency translation adjustment	2,646	16,538
Remeasurements of defined benefit plans	1,200	7,500
Total accumulated other comprehensive income	12,521	78,256
Non-controlling interests	0	0
Total net assets	187,867	1,174,169
Total liabilities and net assets	448,918	$ 2,805,738

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

For the year ended March 31, 2026

Consolidated Statement of Income

	(JPY million)	(US$ thousand)
Net sales of completed construction contracts	¥ 487,698	$ 3,048,113
Cost of sales of completed construction contracts	434,458	2,715,363
Gross profit on completed construction contracts	53,239	332,744
Selling, general and administrative expenses	26,147	163,419
Operating profit	27,092	169,325
Non-operating income		
Interest income	390	2,438
Dividend income	1,060	6,625
Foreign exchange gains	185	1,156
Other	451	2,819
Total non-operating income	2,088	13,050
Non-operating expenses		
Interest expenses	998	6,238
Loss on sale of receivables	248	1,550
Share of loss of entities accounted for using equity method	49	306
Commission for syndicated loans	79	494
Loss on investments in investment partnerships	470	2,938
Other	284	1,775
Total non-operating expenses	2,130	13,313
Ordinary profit	27,049	169,056
Extraordinary income		
Gain on sales of non-current assets	41	256
Gain on sale of investment securities	4,209	26,306
Other	28	175
Total extraordinary income	4,279	26,744
Extraordinary losses		
Loss on retirement of non-current assets	71	444
Compensation for damage	73	456
Loss on litigation	429	2,681
Impairment losses	735	4,594
Other	86	538
Total extraordinary losses	1,394	8,713
Profit before income taxes	29,934	187,088
Income taxes - current	9,714	60,713
Income taxes - deferred	153	956
Total income taxes	9,868	61,675
Profit	20,066	125,413
Loss attributable to non-controlling interests	(2)	(13)
Profit attributable to owners of parent	¥ 20,068	$ 125,425

Consolidated Statement of Comprehensive Income

	(JPY million)	(US$ thousand)
Profit	¥ 20,066	$ 125,413
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,887)	(18,044)
Deferred gains or losses on hedges	(5)	(31)
Foreign currency translation adjustment	363	2,269
Remeasurements of defined benefit plans, net of tax	1,267	7,919
Share of other comprehensive income of entities accounted for using equity method	24	150
Total other comprehensive income	(1,236)	(7,725)
Comprehensive income	¥ 18,829	$ 117,681
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,832	117,700
Comprehensive income attributable to non-controlling interests	(2)	(13)

Consolidated Statement of Cash Flows

For the year ended March 31, 2026

	(JPY million)	(US$ thousand)
Cash flows from operating activities		
Profit before income taxes	¥ 29,934	$ 187,088
Depreciation	2,136	13,350
Impairment losses	735	4,594
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for loss on construction contracts	(1,491)	(9,319)
Increase (decrease) in retirement benefit liability	(408)	(2,550)
Interest and dividend income	(1,451)	(9,069)
Interest expenses	998	6,238
Foreign exchange losses (gains)	(66)	(413)
Share of loss (profit) of entities accounted for using equity method	49	306
Loss (gain) on investments in investment partnerships	470	2,938
Loss (gain) on sale of investment securities	(4,203)	(26,269)
Loss (gain) on sale of non-current assets	(40)	(250)
Loss on retirement of non-current assets	71	444
Decrease (increase) in trade receivables	24,453	152,831
Decrease (increase) in costs on construction contracts in progress	(423)	(2,644)
Increase (decrease) in trade payables	(37,598)	(234,988)
Increase (decrease) in advances received on construction contracts in progress	(4,643)	(29,019)
Decrease (increase) in accounts receivable - other	9,838	61,488
Increase (decrease) in deposits received	3,967	24,794
Other, net	5,260	32,875
Subtotal	27,588	172,425
Interest and dividends received	1,372	8,575
Interest paid	(931)	(5,819)
Income taxes paid	(3,013)	(18,831)
Net cash provided by (used in) operating activities	25,016	156,350
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,683)	(29,269)
Proceeds from sale of property, plant and equipment	185	1,156
Purchase of investment securities	(2,406)	(15,038)
Proceeds from sale of investment securities	761	4,756
Purchase of shares of subsidiaries and associates	(249)	(1,556)
Proceeds from sale of shares of subusidiaries and associates	6,903	43,144
Purchase of investments in other securities of subsidiaries and associates	(4,405)	(27,531)
Loan advances	(1,953)	(12,206)
Proceeds from collection of loans receivable	61	381
Other, net	(672)	(4,200)
Net cash provided by (used in) investing activities	(6,458)	(40,363)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,400)	(21,250)
Proceeds from long-term borrowings	3,957	24,731
Repayments of long-term borrowings	(1,459)	(9,119)
Net increase (decrease) in commercial papers	(159)	(994)
Proceeds from issuance of bonds	8,500	53,125
Purchase of treasury shares	(3,514)	(21,963)
Dividends paid	(9,062)	(56,638)
Other, net	(128)	(800)
Net cash provided by (used in) financing activities	(5,268)	(32,925)
Effect of exchange rate change on cash and cash equivalents	517	3,231
Net increase (decrease) in cash and cash equivalents	13,807	86,294
Cash and cash equivalents at beginning of period	50,156	313,475
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	714	4,463
Increase in cash and cash equivalents resulting from merger	0	0
Cash and cash equivalents at end of period	¥ 64,679	$ 404,244

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, nine of its consolidated subsidiaries and four of its affiliates accounted for applying the equity method as at and for the year ended March 31, 2026.

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

Company Name	Fiscal Year-End
GAEART Co., Ltd.	31 Mar. 2026
Technos Co., Ltd.	31 Mar. 2026
K&E Co., Ltd.	31 Mar. 2026
Techno-Space Creates Co., Ltd.	31 Mar. 2026
FATEC Co., Ltd.	31 Mar. 2026
Technical Support Co., Ltd.	31 Mar. 2026
Taiwan Kumagai Co., Ltd.	31 Dec. 2025
KG Dino Resort Co., Ltd.	31 Mar. 2026
Local Energy System Co., Ltd.	31 Mar. 2026

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 JPY160=US$1, which was the approximate exchange rate at March 31, 2026, and rounded to the nearest US$ 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.