

# **FINANCIAL STATEMENTS**

## **Fiscal year 2022**

(For the year ended March 31, 2023)

**Penta-Ocean Construction Co., Ltd.**

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## **Consolidated Financial Statements**

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# Consolidated Balance Sheets

Penta-Ocean Construction Co., Ltd. and Consolidated Subsidiaries  
As of March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Current assets:</b>			
Cash and deposits (Note 19)	¥ 44,838	¥ 50,490	\$ 378,088
Securities (Notes 3(3), 6, 7 and 19)	18	12	88
Trade receivables: (Notes 10 and 19)			
Notes	6,105	4,020	30,105
Accounts	269,436	288,008	2,156,714
Inventories: (Note 3(5))			
Costs on uncompleted construction contracts	11,453	11,074	82,929
Real estate for sale and development projects in progress	1,228	1,192	8,925
Other	3,443	4,322	32,369
Other	8,202	18,566	139,032
Allowance for doubtful accounts (Note 3(9))	(346)	(307)	(2,301)
Total current assets	344,377	377,377	2,825,949
<b>Non-current assets:</b>			
<b>Property, plant and equipment: (Notes 3(6) and 3(8))</b>			
Land	33,501	33,392	250,052
Buildings and structures	37,943	40,956	306,697
Machinery, equipment and vehicles	20,787	23,304	174,511
Dredgers and vessels	89,067	90,694	679,150
Construction in progress	16,341	17,567	131,544
Total property, plant and equipment	197,639	205,913	1,541,954
Less: accumulated depreciation	(110,132)	(114,150)	(854,794)
Property, plant and equipment - net	87,507	91,763	687,160
<b>Intangible assets (Notes 3(7) and 3(17))</b>	3,762	3,661	27,413
<b>Investments and other assets:</b>			
Investment securities (Notes 3(3), 6, 7 and 19)	21,057	22,459	168,185
Deferred tax assets (Note 17)	4,249	5,797	43,408
Net defined benefit asset (Note 18)	3,477	4,156	31,120
Other (Note 7)	6,434	6,829	51,137
Allowance for doubtful accounts (Note 3(9))	(3,499)	(3,862)	(28,922)
Total investments and other assets	31,718	35,379	264,928
Total non-current assets	122,987	130,803	979,501
<b>Total assets</b>	¥467,364	¥508,180	\$3,805,450

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Current liabilities:</b>			
Short-term loans payable (Note 8)	¥ 21,188	¥ 23,355	\$ 174,894
Commercial papers (Note 8)	10,000	10,000	74,883
Current portion of long-term loans payable and bonds payable (Note 8)	7,922	19,074	142,834
Trade payable:			
Accounts	124,473	129,562	970,213
Advance received on uncompleted construction contracts (Note 10)	30,900	50,747	380,015
Deposits received	38,735	51,202	383,418
Income taxes payable	2,839	1,552	11,620
Provision for loss on construction contracts (Note 3(12))	3,868	11,103	83,147
Provision for warranties for completed construction (Note 3(10))	792	910	6,814
Provision for bonuses (Note 3(11))	3,123	3,074	23,018
Other	3,925	3,365	25,195
Total current liabilities	247,765	303,944	2,276,051
<b>Non-current liabilities:</b>			
Bonds payable (Notes 8 and 19)	30,000	20,000	149,768
Long-term loans payable (Notes 8 and 19)	23,447	21,265	159,243
Provision for board benefit trust (Note 3(13))	348	346	2,590
Net defined benefit liability (Notes 3(14) and 18)	1,847	1,511	11,316
Deferred tax liabilities for land revaluation (Note 9(2))	3,680	3,680	27,554
Other	491	480	3,598
Total non-current liabilities	59,813	47,282	354,069
Total liabilities	307,578	351,226	2,630,120
<b>Commitments and contingent liabilities (Note 16)</b>			
<b>Net assets:</b>			
Shareholders' equity:			
Capital stock	30,450	30,450	228,021
Authorized - 599,135,000 shares			
Issued shares - 286,013,910 shares 2022 and 2023			
Capital surplus (Note 9(1))	18,387	18,387	137,687
Retained earnings (Note 9(1))	103,985	97,932	733,352
Less: Treasury shares (Note 5(1))	(565)	(512)	(3,828)
Total shareholders' equity	152,257	146,257	1,095,232
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities (Notes 3(3) and 9(3))	3,228	3,817	28,582
Deferred gains or losses on hedges (Note 3(16))	(162)	842	6,307
Revaluation reserve for land (Note 9(2))	3,913	3,977	29,784
Foreign currency translation adjustment (Note 3(2))	512	1,700	12,732
Remeasurements of defined benefit plans (Notes 3(14) and 18)	(149)	252	1,885
Total accumulated other comprehensive income	7,342	10,588	79,290
Non-controlling interests	187	109	808
Total net assets	159,786	156,954	1,175,330
<b>Total liabilities and net assets</b>	¥467,364	¥508,180	\$3,805,450

See accompanying Notes to Consolidated Financial Statements.

# Consolidated Statements of Income

Penta-Ocean Construction Co., Ltd. and Consolidated Subsidiaries  
For the years ended March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Construction business: (Notes 3(15), 4 and 10)</b>			
Net sales	¥447,888	<b>¥492,118</b>	<b>\$3,685,174</b>
Cost of sales	413,458	<b>467,969</b>	<b>3,504,337</b>
Gross profit	34,430	<b>24,149</b>	<b>180,837</b>
<b>Other:</b>			
Net sales	10,344	<b>10,088</b>	<b>75,543</b>
Cost of sales	7,538	<b>7,813</b>	<b>58,507</b>
Gross profit	2,806	<b>2,275</b>	<b>17,036</b>
<b>Total:</b>			
Total net sales	458,232	<b>502,206</b>	<b>3,760,717</b>
Total cost of sales	420,996	<b>475,782</b>	<b>3,562,844</b>
<b>Total gross profit</b>	37,236	<b>26,424</b>	<b>197,873</b>
<b>Selling, general and administrative expenses</b>	21,296	<b>22,305</b>	<b>167,027</b>
<b>Operating profit</b>	15,940	<b>4,119</b>	<b>30,846</b>
<b>Non-operating income:</b>			
Interest and dividends income	391	<b>792</b>	<b>5,932</b>
Foreign exchange gains	177	—	—
Other	377	<b>332</b>	<b>2,486</b>
	945	<b>1,124</b>	<b>8,418</b>
<b>Non-operating expenses:</b>			
Interest expenses	636	<b>953</b>	<b>7,137</b>
Provision of allowance for doubtful accounts	266	<b>376</b>	<b>2,819</b>
Foreign exchange losses	—	<b>2,239</b>	<b>16,770</b>
Other	324	<b>260</b>	<b>1,939</b>
	1,226	<b>3,828</b>	<b>28,665</b>
<b>Ordinary income</b>	15,659	<b>1,415</b>	<b>10,599</b>
<b>Extraordinary income (Note 11)</b>	878	<b>374</b>	<b>2,800</b>
<b>Extraordinary losses (Note 12)</b>	463	<b>118</b>	<b>884</b>
<b>Income before income taxes</b>	16,074	<b>1,671</b>	<b>12,515</b>
<b>Income taxes : (Notes 3(19) and 17)</b>			
Current	5,621	<b>3,477</b>	<b>26,037</b>
Deferred	(267)	<b>(2,411)</b>	<b>(18,055)</b>
	5,354	<b>1,066</b>	<b>7,982</b>
<b>Net income attributable to:</b>	10,720	<b>605</b>	<b>4,533</b>
Non-controlling interests	(34)	<b>(80)</b>	<b>(593)</b>
Owners of parent	¥ 10,754	<b>¥ 685</b>	<b>\$ 5,126</b>
	Yen		U.S. dollars
<b>Net income attributable to owners of parent per share of common stock (Note 22)</b>			
Basic	¥37.72	<b>¥2.40</b>	<b>\$0.02</b>

See accompanying Notes to Consolidated Financial Statements.

# Consolidated Statements of Comprehensive Income

Penta-Ocean Construction Co., Ltd. and Consolidated Subsidiaries  
For the years ended March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Net income</b>	¥10,720	<b>¥ 605</b>	<b>\$ 4,533</b>
Valuation difference on available-for-sale securities	(1,356)	<b>592</b>	<b>4,432</b>
Deferred gains or losses on hedges	13	<b>1,004</b>	<b>7,521</b>
Foreign currency translation adjustments	619	<b>657</b>	<b>4,919</b>
Remeasurements of defined benefit plans	(685)	<b>401</b>	<b>3,000</b>
Share of other comprehensive income of associates accounted for using the equity method	(85)	<b>528</b>	<b>3,953</b>
<b>Total other comprehensive income (Note 14)</b>	(1,494)	<b>3,182</b>	<b>23,825</b>
<b>Comprehensive income</b>	¥ 9,226	<b>¥3,787</b>	<b>\$28,358</b>
<b>(Breakdown)</b>			
Comprehensive income attributable to owners of parent	¥ 9,254	<b>¥3,866</b>	<b>\$28,949</b>
Comprehensive income attributable to non-controlling interests	(27)	<b>(79)</b>	<b>(591)</b>

See accompanying Notes to Consolidated Financial Statements.



# Consolidated Statements of Changes in Net Assets

Penta-Ocean Construction Co., Ltd. and Consolidated Subsidiaries

For the year ended March 31, 2022

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
<b>Balance at the beginning of current period</b>	¥30,450	¥18,387	¥101,199	¥(591)	¥149,445
Cumulative effects of changes in accounting policies			35		35
Restated balance	30,450	18,387	101,234	(591)	149,480
Changes of items during period					
Dividends of surplus			(8,003)		(8,003)
Net income attributable to owners of parent			10,754		10,754
Reversal of revaluation reserve for land					—
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				26	26
Change in the scope of application of the equity method					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	2,751	26	2,777
<b>Balance at the end of current period</b>	¥30,450	¥18,387	¥103,985	¥(565)	¥152,257

	Millions of yen							
	Accumulated other comprehensive income							Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
<b>Balance at the beginning of current period</b>	¥4,584	¥(175)	¥3,913	¥(15)	¥536	¥8,843	¥116	¥158,404
Cumulative effects of changes in accounting policies								35
Restated balance	4,584	(175)	3,913	(15)	536	8,843	116	158,439
Changes of items during period								
Dividends of surplus								(8,003)
Net income attributable to owners of parent								10,754
Reversal of revaluation reserve for land								—
Purchase of treasury shares								(0)
Disposal of treasury shares								26
Change in the scope of application of the equity method								—
Net changes of items other than shareholders' equity	(1,356)	13	—	527	(685)	(1,501)	71	(1,430)
Total changes of items during period	(1,356)	13	—	527	(685)	(1,501)	71	1,347
<b>Balance at the end of current period</b>	¥3,228	¥(162)	¥3,913	¥512	¥(149)	¥7,342	¥187	¥159,786

For the year ended March 31, 2023

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
<b>Balance at the beginning of current period</b>	¥30,450	¥18,387	¥103,985	¥(565)	¥152,257
Cumulative effects of changes in accounting policies			—		—
Restated balance	30,450	18,387	103,985	(565)	152,257
Changes of items during period					
Dividends of surplus			(6,573)		(6,573)
Net income attributable to owners of parent			685		685
Reversal of revaluation reserve for land			(64)		(64)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				53	53
Change in the scope of application of the equity method			(101)		(101)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(6,053)	53	(6,000)
<b>Balance at the end of current period</b>	¥30,450	¥18,387	¥97,932	¥(512)	¥146,257

	Millions of yen							
	Accumulated other comprehensive income							Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
<b>Balance at the beginning of current period</b>	¥3,228	¥(162)	¥3,913	¥ 512	¥(149)	¥ 7,342	¥187	¥159,786
Cumulative effects of changes in accounting policies								—
Restated balance	3,228	(162)	3,913	512	(149)	7,342	187	159,786
Changes of items during period								
Dividends of surplus								(6,573)
Net income attributable to owners of parent								685
Reversal of revaluation reserve for land								(64)
Purchase of treasury shares								(0)
Disposal of treasury shares								53
Change in the scope of application of the equity method								(101)
Net changes of items other than shareholders' equity	589	1,004	64	1,188	401	3,246	(78)	3,168
Total changes of items during period	589	1,004	64	1,188	401	3,246	(78)	(2,832)
<b>Balance at the end of current period</b>	¥3,817	¥842	¥3,977	¥1,700	¥252	¥10,588	¥109	¥156,954

For the year ended March 31, 2023

	Thousands of U.S. dollars				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
<b>Balance at the beginning of current period</b>	\$228,021	\$137,687	\$778,679	\$(4,224)	\$1,140,163
Cumulative effects of changes in accounting policies			—		—
Restated balance	228,021	137,687	778,679	(4,224)	1,140,163
Changes of items during period					
Dividends of surplus			(49,225)		(49,225)
Net income attributable to owners of parent			5,126		5,126
Reversal of revaluation reserve for land			(485)		(485)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				397	397
Change in the scope of application of the equity method			(743)		(743)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	(45,327)	396	(44,931)
<b>Balance at the end of current period</b>	\$228,021	\$137,687	\$733,352	\$(3,828)	\$1,095,232

	Thousands of U.S. dollars							
	Accumulated other comprehensive income							Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
<b>Balance at the beginning of current period</b>	\$24,170	\$(1,214)	\$29,299	\$ 3,842	\$(1,116)	\$54,981	\$1,399	\$1,196,543
Cumulative effects of changes in accounting policies								—
Restated balance	24,170	(1,214)	29,299	3,842	(1,116)	54,981	1,399	1,196,543
Changes of items during period								
Dividends of surplus								(49,225)
Net income attributable to owners of parent								5,126
Reversal of revaluation reserve for land								(485)
Purchase of treasury shares								(1)
Disposal of treasury shares								397
Change in the scope of application of the equity method								(743)
Net changes of items other than shareholders' equity	4,412	7,521	485	8,890	3,001	24,309	(591)	23,718
Total changes of items during period	4,412	7,521	485	8,890	3,001	24,309	(591)	(21,213)
<b>Balance at the end of current period</b>	\$28,582	\$6,307	\$29,784	\$12,732	\$1,885	\$79,290	\$808	\$1,175,330

See accompanying Notes to Consolidated Financial Statements.

# Consolidated Statements of Cash Flows

Penta-Ocean Construction Co., Ltd. and Consolidated Subsidiaries  
For the years ended March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Cash flows from operating activities:</b>			
Income before income taxes	¥16,074	¥1,671	\$12,515
Adjustment to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation and amortization	6,488	7,235	54,180
Amortization of goodwill	261	303	2,269
Increase (decrease) in allowance for doubtful accounts	225	325	2,435
Increase (decrease) in net defined benefit liability	(0)	116	867
Decrease (increase) in net defined benefit asset	(286)	(253)	(1,897)
Interest and dividends income	(391)	(792)	(5,932)
Interest expenses	636	953	7,137
Foreign exchange losses (gains)	(2,475)	(2,565)	(19,205)
Equity in (earnings) losses of affiliates	(45)	(48)	(356)
Loss (gain) on sales of property, plant and equipment	4	(240)	(1,800)
Loss (gain) on sales of investment securities	(758)	(131)	(984)
Change in assets and liabilities:			
Decrease (increase) in notes and accounts receivable-trade	(23,852)	(5,681)	(42,540)
Decrease (increase) in costs on uncompleted construction contracts	(2,190)	415	3,105
Decrease (increase) in real estate for sale and development projects in progress			
—and other inventories	552	(610)	(4,567)
Increase (decrease) in notes and accounts payable-trade	82	6,105	45,720
Increase (decrease) in advances received on uncompleted construction contracts	6,274	19,735	147,783
Decrease (increase) in accounts receivable-other	6,345	(10,501)	(78,638)
Increase (decrease) in other provision	2,460	7,263	54,389
Other, net	(9,188)	1,404	10,510
Subtotal	216	24,704	184,991
Interest and dividends income received	382	759	5,686
Interest expenses paid	(639)	(938)	(7,025)
Income taxes paid	(7,647)	(4,835)	(36,206)
Net cash provided by operating activities	(7,688)	19,690	147,446
<b>Cash flows from investing activities:</b>			
Payments into time deposits	(1,156)	(5,334)	(39,940)
Proceeds from withdrawal of time deposits	469	3,495	26,172
Purchase of investment securities	(424)	(208)	(1,555)
Proceeds from sales and redemption of short-term and long-term investment securities	1,079	244	1,827
Purchase of property, plant and equipment	(8,657)	(10,114)	(75,738)
Proceeds from sales of property, plant and equipment	481	488	3,651
Collection of loans receivable	6	6	48
Acquisition of shares of an affiliated company accounted for using the equity method	(3,251)	—	—
Other, net	(368)	(278)	(2,089)
Net cash used in investing activities	(11,821)	(11,701)	(87,624)

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term loans payable	(2,059)	2,309	17,291
Net increase (decrease) in commercial papers	10,000	—	—
Proceeds from long-term loans payable	9,396	7,176	53,734
Repayment of long-term loans payable	(7,922)	(9,632)	(72,128)
Proceeds from issuance of bonds payable	9,944	—	—
Redemption of bonds	(10,000)	—	—
Cash dividends paid	(7,994)	(6,562)	(49,141)
Other, net	(3)	(252)	(1,880)
Net cash provided by (used in) financing activities	1,362	(6,961)	(52,124)
<b>Effect of exchange rate change on cash and cash equivalents</b>	2,516	2,785	20,855
<b>Net increase (decrease) in cash and cash equivalents</b>	(15,631)	3,813	28,553
<b>Cash and cash equivalents at the beginning of the period (Note 3(18))</b>	59,198	43,567	326,250
<b>Cash and cash equivalents at the end of the period (Note 3(18))</b>	¥43,567	¥47,380	\$354,803
<b>(Notes) Cash and cash equivalents are comprised as follows:</b>			
Cash and deposits	¥44,838	¥50,490	\$378,088
Less-Time deposits with maturity over three months	(1,271)	(3,110)	(23,285)
Cash and cash equivalents (Note 3(18))	¥43,567	¥47,380	\$354,803

See accompanying Notes to Consolidated Financial Statements.

# Notes to the Consolidated Financial Statements

Penta-Ocean Construction Co., Ltd. and Consolidated Subsidiaries

## 1. Basis of preparation of consolidated financial statements

The accompanying consolidated financial statements of Penta-Ocean Construction Co., Ltd. (the “Company”) and consolidated subsidiaries (collectively, the “Group”) are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

## 2. Consolidation

### (1) Scope of consolidation and application of equity method

The Company has 31 subsidiaries and 8 affiliated companies as at March 31, 2023.

The Company consolidated 30 subsidiaries and applied the equity method to 1 affiliated company.

Haneda International Airport Apron PFI Co., Ltd. has not been included in the scope of the equity method because it is insignificant as a whole.

1 subsidiary has not been included in the scope of consolidation because it has a small impact on the consolidated financial statements.

The one unconsolidated subsidiary and the seven affiliated companies have not been included in the scope of equity method,

The accounting principles and practices adopted by the overseas consolidated subsidiaries conform to those adopted by the Company.

The figures in these financial statements are shown in U.S. dollars at the conversion rate of U.S.\$1=¥133.54, the exchange rate prevailing on March 31, 2023. This is solely for the convenience of readers outside Japan and does not mean that assets and liabilities originating in yen can be converted into or settled in dollars at the above rate.

because they have a small impact on the consolidated financial statements and insignificant as a whole.

### (2) Consolidated closing date

Consolidated closing date is March 31.

The closing date for the Company, 12 domestic subsidiaries and 16 overseas subsidiaries including Andromeda Five Pte. Ltd. is March 31.

The closing date for 2 overseas subsidiaries is December 31. The Company compiled the consolidated financial statements using the financial statements of each company’s closing date, and adjustments are made for any material difference incurred between their closing dates and the consolidated closing date.

determined by the moving average method.

Other securities of stocks with no fair value are stated at moving average cost.

### (4) Derivative financial transactions

Derivative financial instruments are stated at fair value.

Hedge accounting is adopted for derivative financial instruments which conform to requirements of hedge accounting.

### (5) Inventories

Inventories are stated at identified cost, except for raw materials and supplies which are stated at costs determined by the first-in first-out method.

In the case that the net realizable value falls below the historical cost at the end of the year, inventories except for cost on uncompleted construction contracts are carried at the net realizable value on the closing date.

### (6) Property, plant, equipment and Depreciation (excluding leased assets)

Property, plant and equipment are stated at cost and for the Company and its domestic subsidiaries. Depreciation is calculated using the declining-balance method, except for buildings (other than building fixtures) acquired on or after April 1, 1998 and building fixtures and structures acquired on or after April 1, 2016, which are calculated by the straight-line method. The straight-line method is applied to property, plant and equipment of overseas subsidiaries.

The Company and its domestic subsidiaries primarily use the useful lives and the residual value in accordance with the Corporation Tax Law.

### (7) Research and development costs and computer software

Research and development costs are charged to income as incurred. Computer software purchased for internal use is amortized by the straight-line method over 5 years, the estimated useful life.

### (8) Leased assets

For leased assets under finance lease transactions that do not

transfer ownership, the depreciation expense is calculated under the straight-line method based on the assumption that the useful life is equal to the lease term and the residual value is equal to zero.

### (9) Allowance for doubtful accounts

Allowance for doubtful accounts is accounted for using the estimated doubtful account ratio determined based on the past actual bad debt losses for general receivable and on the individual estimated uncollectible amount for any specific doubtful receivables.

### (10) Provision for warranties for completed construction

The Group provides provision for the costs of repairs for damages related to completed construction works based on actual damages in the past and estimated amount of compensation for damages in the future.

### (11) Provision for bonuses

To provide provision for the payment of bonuses for employees, the expected payment amount at the end of this fiscal year is calculated.

### (12) Provision for loss on construction contracts

The Group provides provision for future losses from construction contracts outstanding at the fiscal year end.

### (13) Provision for board benefit trust

The provision for board benefit trust is recorded for providing stock for directors and executive officers in the future at the estimated amount calculated based on predetermined stock benefit regulation for directors at the fiscal year end.

### (14) Net defined benefit liability

Net defined benefit liability is provided based on the projected benefit obligation and plan assets at end of the fiscal year.

Regarding determination of retirement benefit obligation, the benefit formula basis is adopted as the method of attributing expected benefit to the periods until this fiscal year end.

Prior service costs are recognized as an expense when incurred.

Actuarial gain and loss are equally amortized by the straight-line method over the average remaining employees’ service years, which should be over 10 years and the amortization starts in the next fiscal year of the respective accrual years.

Regarding lump-sum severance indemnity plan for some of the consolidated subsidiaries, the amount is calculated based on simplified method which assumes that the retirement benefit obligation would be the amount to be paid to employees who voluntarily retired at the year-end.

### (15) Recognition of major income and expense

In regard to Construction business which is the main business, the Group has obligations on completion of projects and delivery to the customers based on the contracts with customers.

These performance obligations are satisfied over time mainly because the control is transferred to the customers with the progress of projects. The revenues are recognized over time in accordance with the progress based on satisfaction of performance obligations.

The method of measuring progress on the performance obligations satisfied is based on proportion of costs incurred by the end of reporting period to the total estimated costs.

When the progress on the performance obligations satisfied is not reasonably estimable but the cost incurred is recoverable, the cost recovery method is applied. An alternative treatment is applied for the construction contracts for which the period from the commencement date to the date when the performance obligations are expected to be fully satisfied is very short. In this case, revenue is recognized at the time of completion, not over time.

### (16) Hedge accounting

1) Hedge accounting method  
Derivative transactions are accounted for primarily using deferral hedge accounting. The special method is applied to interest rate swap agreements that meet the requirements for special treatments.

2) Hedging instruments and hedged items  
Hedging instruments are interest rate swap agreements and forward exchange contracts.  
Hedged items are long-term loans and monetary receivables and payables denominated in foreign currencies.

3) Hedging policy  
The Company enters into interest rate swap agreements and forward exchange contracts to hedge risk from fluctuations in interest rate and forward exchange rates, respectively.

4) Evaluation of the effectiveness of hedge accounting  
Control procedures for hedge transactions are executed according to the Company’s bylaw. The Examination Committee of Derivative Instruments and the Financial Division in the Company periodically evaluates the effectiveness of hedging.

### (17) Amortization of goodwill

Goodwill is principally amortized using the straight-line method over a period benefited therefrom but not exceeding 20 years.

### (18) Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows, consist of cash, deposits which can be drawn out freely and easily converted into cash and short-term investments which have an original maturity of 3 months or less and are not exposed to significant valuation risks.

### (19) Income taxes

The Company and its domestic consolidated subsidiaries declare corporation and other taxes on the basis of taxable income calculated under the provisions of the Corporation Tax Law and other tax regulations. Taxable income thus calculated is different from earnings in the account book.

Japanese corporation and other taxes applicable to the Company and its consolidated domestic subsidiaries comprise (a) corporation tax of 23.2 percent on taxable income, (b) enterprise tax of 3.6 percent on taxable income after certain adjustments, (c) prefectural and municipal taxes averaging 10.4 percent of corporation tax, and (d) local corporation tax of 10.3 percent on taxable income. Enterprise tax paid is deductible for income tax purposes.

Foreign subsidiaries declare income taxes at the rate applicable in each country. Foreign tax credit related to the amount of income taxes paid to foreign tax offices by the Company directly or indirectly, is subject to certain limitations in accordance with Japanese tax regulations.

### (20) Deferred assets

Bond issuance cost is recognized as an expense when incurred.

### (21) Accounting principles and procedures adopted when relevant accounting standards are not clear

Accounting for construction contracts by joint ventures

Assets, liabilities, income and expenses generated in joint ventures are shown in the consolidated financial statements mainly according to the ratio of the Company’s investment ratio.

### (22) Reclassifications

Certain amounts in prior year’s consolidated financial statements and related footnotes have been reclassified to conform to the presentation in the current year.



## 4. Notes on accounting estimates

Recognition of major income and expense

In regard to Construction business which is the main business, the Group has obligations on completion of projects and delivery to the customers based on the contracts with customers.

These performance obligations are satisfied over time mainly because the control is transferred to the customer with the progress of projects. The revenues are recognized over time in accordance with the progress based on satisfaction of performance obligations.

Net sales of completed construction contracts using the method of recognizing revenue by satisfying performance obligations over time is measured by multiplying total construction revenue by progress toward completion of construction. Total construction revenue is determined by adding amounts agreed upon in contracts to estimated amounts substantially agreed upon with customers with whom contracts have not yet been entered. The method of estimating progress on the performance obligations satisfied over time is based on cost proportion method to estimate the progress of such construction project.

If it is likely that total construction cost will exceed total construction revenue and if the amount can be reasonably estimated, then the amount resulting from deducting the profit or loss already recorded from the expected amount of the excess of costs over revenue is accounted for as provision for loss on construction contracts.

Net sales of completed construction contracts of ¥ 427,923 million and provision for loss on construction contracts of ¥ 3,868 million have been recorded by using the method of recognizing revenue by satisfying performance obligations over time in the consolidated fiscal year ended March 31, 2022. Net sales of completed construction contracts of ¥ 472,202 million (U.S. \$ 3,536,034 thousand) and provision for loss on construction contracts of ¥ 11,103 million (U.S. \$ 83,147 thousand) have been recorded by using the method of recognizing revenue by satisfying performance obligations over time in the consolidated fiscal year ended March 31, 2023.

### (1) Total construction revenues

Although construction contracts may potentially be modified due to

new agreements with customers in the middle of construction, there are cases where the amounts of such modifications are not determined at the time of the modifications of construction contracts. Accordingly, with regards to changes in consideration, if modifications to construction contracts that have not yet been entered into are to be included in total construction revenue, then it is necessary to reliably estimate the amount of consideration based on substantial agreements among parties and the details of agreements.

Determinations of whether agreements are substantial and estimates of amounts of consideration involve subjectivity since they are based on discussions with customers and thus involve uncertainty.

### (2) Total construction costs

Considering that construction contracts are highly individual and carried out in accordance with fundamental specifications and work details instructed by customers, it is difficult to apply a uniform rule for making estimates of total construction costs. Accordingly, estimates of total construction costs involve certain assumptions and judgments that are based on specialized knowledge and experience in construction, and thus involve uncertainty.

Further, given that constructions are generally long-term in nature, there may potential modifications in construction contracts, changes in weather and sea conditions and fluctuations in construction material prices and labor prices in the middle of construction, thus making timely and appropriate revisions of total construction costs complex.

Based on the above, the recording of net sales of completed construction contracts and cost of sales of completed construction contracts for which the method of recognizing revenue by satisfying performance obligations over time is based on various assumptions. If it becomes necessary to revise the estimates and the assumptions due to uncertain future fluctuations in economic conditions, etc., it may have a significant impact on the net sales of completed construction contracts and cost of sales of completed construction contracts, etc. in the consolidated financial statements for the next consolidated fiscal year.

Directors to be granted the Company's shares and the amount of cash equivalent to the market price of the Company's shares (the "Shares") through the Trust in accordance with the Directors' Stock Compensation Rules stipulated by the Company.

In principle, the Directors are to receive the shares compensation upon their retirement from the position.

### (2) The Company's own stock in the Trust

The Company's outstanding shares of the Trust are included in the treasury shares of the net assets based on the book value of the Trust (excluding ancillary expenses). The book values of the treasury shares were ¥ 472 million and ¥ 419 million (U.S. \$ 3,140 thousand) and the numbers of the stocks were 726,400 shares and 644,700 shares as of March 31, 2022 and 2023, respectively.

## 6. Securities and investment securities

### (1) Held-to-maturity debt securities

As of March 31, 2022	Millions of yen		
	Book value on consolidated B/S	Fair value	Difference
<b>Securities whose fair value exceeds their book value on consolidated B/S:</b>			
National and local government bonds	¥72	¥72	¥ 0
Corporate bonds	—	—	—
Other	—	—	—
Subtotal	¥72	¥72	¥ 0
<b>Securities whose fair value doesn't exceed their book value on consolidated B/S:</b>			
National and local government bonds	¥—	¥—	¥—
Corporate bonds	—	—	—
Other	—	—	—
Subtotal	¥—	¥—	¥—
Total	¥72	¥72	¥ 0

As of March 31, 2023	Millions of yen		
	Book value on consolidated B/S	Fair value	Difference
<b>Securities whose fair value exceeds their book value on consolidated B/S:</b>			
National and local government bonds	¥53	¥54	¥ 1
Corporate bonds	—	—	—
Other	—	—	—
Subtotal	¥53	¥54	¥ 1
<b>Securities whose fair value doesn't exceed their book value on consolidated B/S:</b>			
National and local government bonds	¥—	¥—	¥—
Corporate bonds	—	—	—
Other	—	—	—
Subtotal	¥—	¥—	¥—
Total	¥53	¥54	¥ 1

## 5. Additional information

(Performance-linked stock compensation plan for directors and executive officers)

### (1) Transaction summary

The Company has introduced the Board Benefit Trust (the "BBT"), a performance-linked stock compensation plan for its directors and executive officers (the "Directors") since the fiscal year 2017. The BBT plan clarifies how the company's performance and its stock value influence the Directors' compensation, which enables the Directors to share not only the benefits of the stock price rise, but also the risks of the stock price decline with its shareholders. Thereby, the BBT plan leads the Directors to aim for more contributions to the improvement of the Company's performance and corporate value over the medium to long-term period.

The Shares are acquired through the trust funded by the Company and established based on the BBT (the "Trust"). The BBT plan enables the

	Thousands of U.S. dollars		
	Book value on consolidated B/S	Fair value	Difference
<b>Securities whose fair value exceeds their book value on consolidated B/S:</b>			
National and local government bonds	\$401	\$403	\$ 2
Corporate bonds	—	—	—
Other	—	—	—
Subtotal	\$401	\$403	\$ 2
<b>Securities whose fair value doesn't exceed their book value on consolidated B/S:</b>			
National and local government bonds	\$ —	\$ —	\$ —
Corporate bonds	—	—	—
Other	—	—	—
Subtotal	\$ —	\$ —	\$ —
Total	\$401	\$403	\$ 2

# Notes to the Consolidated Financial Statements

## (2) Other securities

As of March 31, 2022	Millions of yen		
	Book value on consolidated B/S	Acquisition cost	Difference
<b>Securities whose book value on consolidated B/S exceeds their acquisition cost:</b>			
Stock	¥11,562	¥6,655	¥4,907
Bonds			
National and local government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	¥11,562	¥6,655	¥4,907
<b>Securities whose book value on consolidated B/S doesn't exceed their acquisition cost:</b>			
Stock	¥ 2,763	¥3,085	¥ (322)
Bonds			
National and local government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	¥ 2,763	¥3,085	¥ (322)
Total	¥14,325	¥9,740	¥4,585

As of March 31, 2023	Millions of yen		
	Book value on consolidated B/S	Acquisition cost	Difference
<b>Securities whose book value on consolidated B/S exceeds their acquisition cost:</b>			
Stock	¥12,808	¥6,780	¥6,028
Bonds			
National and local government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	¥12,808	¥6,780	¥6,028
<b>Securities whose book value on consolidated B/S doesn't exceed their acquisition cost:</b>			
Stock	¥ 2,288	¥2,888	¥ (600)
Bonds			
National and local government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	¥ 2,288	¥2,888	¥ (600)
Total	¥15,096	¥9,668	¥5,428

	Thousands of U.S. dollars		
	Book value on consolidated B/S	Acquisition cost	Difference
<b>Securities whose book value on consolidated B/S exceeds their acquisition cost:</b>			
Stock	\$ 95,915	\$50,772	\$45,143
Bonds			
National and local government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	\$ 95,915	\$50,772	\$45,143
<b>Securities whose book value on consolidated B/S doesn't exceed their acquisition cost:</b>			
Stock	\$ 17,134	\$21,628	\$ (4,494)
Bonds			
National and local government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Subtotal	\$ 17,134	\$21,628	\$ (4,494)
Total	\$113,049	\$72,400	\$40,649

## (3) Other securities sold during the fiscal year

As of March 31, 2022	Millions of yen		
	Sales value	Total of gain on sale	Total of loss on sale
Stock	¥1,111	¥758	¥—
Bonds			
National and local government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Total	¥1,111	¥758	¥—

As of March 31, 2023	Millions of yen		
	Sales value	Total of gain on sale	Total of loss on sale
Stock	¥226	¥131	¥—
Bonds			
National and local government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Total	¥226	¥131	¥—

	Thousands of U.S. dollars		
	Sales value	Total of gain on sale	Total of loss on sale
Stock	\$1,691	\$984	\$—
Bonds			
National and local government bonds	—	—	—
Corporate bonds	—	—	—
Other	—	—	—
Other	—	—	—
Total	\$1,691	\$984	\$—

## 7. Pledged Assets

The following assets are pledged for guarantee against defect in house constructions and other at March 31, 2022 and 2023.

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Deposit	¥ 43	¥ 2	\$ 14
Securities	18	12	88
Investment securities	267	156	1,166
Other (Investment and other assets)	311	339	2,535
Total	¥639	¥509	\$3,803

# Notes to the Consolidated Financial Statements

## 8. Short-term and long-term loans, commercial papers and bonds payable

Short-term and long-term loans, commercial papers and bonds payable as of March 31, 2022 and 2023 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Short-term loans from banks and insurance companies (The weighted average interest rate is 2.10%.)	¥19,790	¥23,355	\$174,894
Commercial papers	10,000	10,000	74,883
Long-term loans from banks and insurance companies due through 2036 (The weighted average interest rate is 0.57%.)	32,767	30,339	227,193
0.15% unsecured bonds payable due 2023	10,000	10,000	74,884
0.25% unsecured bonds payable due 2025 (Green bonds)	10,000	10,000	74,884
0.14% unsecured bonds payable due 2026	10,000	10,000	74,884
Total	¥92,557	¥93,694	\$701,622

The aggregate annual maturity of short-term and long-term loans, commercial papers and bonds payable after March 31, 2023 is as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2024	¥52,429	\$392,611
2025	8,154	61,060
2026	14,110	105,661
2027	12,442	93,171
2028 and after	6,559	49,119
Total	¥93,694	\$701,622

## 9. Net assets

### (1) Legal retained earnings and legal capital surplus

The Japanese Corporate Law requires to provide a legal retained earnings equal to 10 percent of cash out flow, that is, payment of dividends approved by the Shareholders' meeting every fiscal years, until the total amounts of legal retained earnings plus legal capital surplus or either of them reach 25 percent of capital stock.

In the consolidated financial statements, those are included in retained earnings and capital surplus, respectively.

### (2) Revaluation reserve for land

Lands used for business purposes has been revaluated on March 31, 2000 based on the "Law Concerning Land Revaluation (Law No.34, promulgated on March 31, 1998)" and the "Partial Revision of the Law Concerning Land Revaluation (Law No.24, promulgated on March 31, 1999)". Relating to revaluation excess, the deferred tax on the revaluation is accounted for as a long-term deferred tax liabilities and the remaining revaluation difference is accounted for as revaluation reserve for land in net assets.

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
The difference between the appraisal value of land as of March 31, 2022 and 2023 and the book value	¥4,525	¥3,027	\$22,671

Fair values were determined on the basis of Article 2 No.4 and 5 of an Enforcement ordinance No.119 of the Law concerning Land Revaluation promulgated on March 31, 1998.

### (3) Valuation difference on available-for-sale securities

Valuation difference on available-for-sale securities is based on the difference between fair market value and book value at March 31.

This amounted to ¥ 3,817 million (U.S. \$ 28,582 thousand) gain as of March 31, 2023.

## 10. Revenue Recognition

### (1) Information of disaggregation on the revenue from contracts with customers

Information of disaggregation on the revenue from contracts with customers is disclosed in Note 21.

### (2) Basic information for understanding the revenue from contracts with customers

In regard to Construction Business which is the main business, the information of contracts and performance obligation and the information at the timing of the performance obligation is satisfied are described in Note 3(15).

Transaction prices are calculated based on contract amount adjusted by contract modification and variable consideration. In accordance with the estimation for contract modification and variable consideration, the Group applies the single most likely amount method. In addition, contract modification and variable consideration are included in the transaction prices only to the extent that it is

highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In the case fluctuation provisions is stated in the contract with customer, transaction prices are adjusted by the estimated consideration.

The group receive transaction considerations mainly more than once during construction period or with the progress of construction project over time and there are no significant financing components.

Transaction prices are allocated to performance obligation by the ratio of stand-alone selling price estimated based on cost which is required to satisfy each performance obligation.

### (3) Information for understanding the amount of revenue for both current consolidated fiscal year and next consolidated fiscal year onwards

• Balances of contract asset and contract liability

Balances of contract asset and contract liability for the fiscal years ended March 31, 2022 is as follows:

	Millions of yen	
	Beginning balance	Ending balance
Receivables from contracts with customers		
Notes receivable	¥ 7,231	¥ 6,105
Accounts receivable from completed construction contracts and other	61,767	91,129
Total	68,998	97,234
Contract assets	¥170,949	¥164,961

Balances of contract asset and contract liability for the fiscal years ended March 31, 2023 is as follows:

	Millions of yen	
	Beginning balance	Ending balance
Receivables from contracts with customers		
Notes receivable	¥ 6,105	¥ 4,020
Accounts receivable from completed construction contracts and other	91,129	66,983
Total	97,234	71,003
Contract assets	¥164,961	¥198,817

	Thousands of U.S. dollars	
	Beginning balance	Ending balance
Receivables from contracts with customers		
Notes receivable	\$ 45,719	\$ 30,105
Accounts receivable from completed construction contracts and other	682,412	501,594
Total	728,131	531,699
Contract assets	\$1,235,294	\$1,488,820

# Notes to the Consolidated Financial Statements

Conditions of payment terms are different among each contract and the relation with the performance obligation is insignificant. The payment is mainly more than once during construction period or with the progress of construction project over time.

Contract asset is the amount of consideration that performance obligation is satisfied at the end of the fiscal year but due date of claim is not arrived. It increases with revenue recognition and is transferred to a receivable from contracts with customers at the timing of the claim is issued to customer. And it increases or decreases with revising the estimation of total construction revenue and total construction costs.

Contract liability is the amount of consideration that is mainly related to the advance received on uncompleted construction works. It increases with claiming the advance received on uncompleted construction works to customer and is transferred to net sales with revenue recognition.

The amounts included at the balances of beginning on contract liabilities and recognized as revenues are ¥ 18,965 million and

¥ 23,743 million (U.S.\$ 177,799 thousand) in the consolidated fiscal year ended March 31, 2022 and 2023, respectively.

Contract asset and receivable from contracts with customers are included in “Notes” and “Accounts” of “Trade receivables” and contract liability is included in “Advance received on uncompleted construction contracts” in the consolidated balance sheet.

• Transaction prices allocated to residual performance obligation  
The balances of total transaction prices allocated to residual performance obligation related to construction are ¥ 837,706 million and ¥ 1,227,871 million (U.S.\$ 9,194,780 thousand) as of March 31, 2022 and 2023, respectively.

Almost of it is expected to recognize as revenue within 1 to 3 years with satisfying performance obligation.

The balance of total transaction prices allocated to residual performance obligation includes the estimated amount of both contract modification and variable consideration.

## 11. Extraordinary income

The composition of Extraordinary income for the fiscal years ended March 31, 2022 and 2023 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Gain on sales of non-current assets	¥ 120	¥ 243	\$1,816
Gain on sales of investment securities	757	131	984
Other	1	—	—
Total	¥ 878	¥ 374	\$2,800

## 12. Extraordinary losses

The composition of Extraordinary losses for the fiscal years ended March 31, 2022 and 2023 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Loss on retirement of non-current assets	¥305	¥113	\$847
Other	158	5	37
Total	¥463	¥118	\$884

## 13. Research and development costs

Research and development costs charged to income are ¥2,405 million for the year ended March 31, 2022 and ¥2,786 million (U.S. \$ 20,865 thousand) for the year ended March 31, 2023, respectively.

## 14. Other comprehensive income

The following table presents reclassification and tax effects allocated to each component of other comprehensive income for the years ended March 31, 2022 and 2023:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Valuation difference on available-for-sale securities			
Amount arising during the year	¥(1,170)	¥ 975	\$7,301
Reclassification adjustment for gains and losses realized in net income	(758)	(131)	(984)
Amount before tax effect	(1,928)	844	6,317
Tax effect	572	(252)	(1,885)
Valuation difference on available-for-sale securities	(1,356)	592	4,432
Deferred gains or losses on hedges			
Amount arising during the year	(3,988)	(5,232)	(39,180)
Reclassification adjustment for gains and losses realized in net income	4,260	6,680	50,020
Acquisition cost adjustment of assets	(253)	—	—
Amount before tax effect	19	1,448	10,840
Tax effect	(6)	(444)	(3,319)
Deferred gains or losses on hedges	13	1,004	7,521
Foreign currency translation adjustments			
Amount arising during the year	619	657	4,919
Reclassification adjustment for gains and losses realized in net income	—	—	—
Amount before tax effect	619	657	4,919
Tax effect	—	—	—
Foreign currency translation adjustments	619	657	4,919
Remeasurements of defined benefit plans			
Amount arising during the year	(728)	878	6,571
Reclassification adjustment for gains and losses realized in net income	(259)	(300)	(2,246)
Amount before tax effect	(987)	578	4,325
Tax effect	302	(177)	(1,325)
Remeasurements of defined benefit plans	(685)	401	3,000
Share of other comprehensive income of associates accounted for using equity method			
Amount arising during the year	—	528	3,953
Share of other comprehensive income of associates accounted for using equity method	(85)	528	3,953
Total of other comprehensive income	¥(1,494)	¥3,182	\$23,825

## 15. Derivative financial transactions

### (1) Matters concerning derivative financial transactions

The Group have entered into interest rate swap agreements and forward exchange contracts only for hedging risks from fluctuation in interest rates and foreign exchange rates, not for speculative purposes.

The derivative financial transactions are mainly performed by the Company, and have been made in accordance with the bylaw, which clearly describes purposes, execution and control for transaction.

### (2) Matters concerning fair value

The current value for derivative transactions is calculated based on the prices provided by relevant financial institutions. And hedge accounting has been adopted for derivative financial instruments which conform to requirements for hedge accounting. However the transactions that apply to special treatment of interest rate swap are accounted for as if they were integral part of the hedged long-term loans payable, its fair value is included in the fair value of long-term loans payable.

## 16. Commitments and contingent liabilities

As of March 31, 2022, the Company has liabilities for guarantee to bank loans made by customers amounting to ¥5 million.

The Company also has the guarantee amounting to ¥11 million to purchasers concerning deposits for purchase of the condominium apartments.

**The Company has agreements on commitment line with 8 banks totaling ¥20,000 million (U.S. \$ 149,768 thousand) for the purpose of flexible financing. Unused commitment line as of March 31, 2022 and 2023 are as follows.**

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Commitment line</b>			
Total of commitment line	¥20,000	¥20,000	\$149,768
Use of commitment	—	—	—
Total of unused commitment line	¥20,000	¥20,000	\$149,768



# Notes to the Consolidated Financial Statements

## 17. Tax effect accounting

1.The significant components of deferred tax assets and liabilities as of March 31, 2022 and 2023 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Deferred tax assets</b>			
Employees' retirement benefits trust	¥ 2,139	¥ 2,412	\$ 18,065
Allowance for doubtful accounts	1,182	1,281	9,592
Provision for bonuses	961	946	7,082
Impairment loss	832	799	5,985
Loss on valuation of real estate for sale	218	217	1,622
Net defined benefit liability	577	474	3,553
Provision for loss on construction contracts	1,110	3,323	24,881
Net operating loss carryforwards	258	276	2,064
Other	1,267	1,215	9,099
Total: deferred tax assets	8,544	10,943	81,943
Less: valuation allowance	(1,642)	(1,665)	(12,470)
Deferred tax assets	¥ 6,902	¥ 9,278	\$69,473
<b>Deferred tax liabilities</b>			
Valuation difference on available-for-sale securities	¥(1,357)	¥(1,609)	\$(12,045)
Prepaid pension cost	(1,065)	(1,273)	(9,529)
Unrealized intercompany income	(105)	(105)	(788)
Other	(126)	(494)	(3,703)
Total: deferred tax liabilities	(2,653)	(3,481)	(26,065)
Net: deferred tax assets	¥ 4,249	¥ 5,797	\$ 43,408

2.The principal details of the material differences between the statutory effective tax rate and the actual burden tax rates after application of tax-effect accounting for the years ended March 31, 2022 and 2023:

	2022	2023
The statutory effective tax rate	30.62%	30.62%
(Adjustments)		
Permanent differences (expense)	1.70	20.24
Permanent differences (income)	(0.18)	(2.18)
Per capita levy on inhabitant tax	1.16	10.19
Consolidated adjustments	0.40	4.93
Increase (Decrease) in valuation allowance	(0.37)	5.99
Other	(0.02)	(5.99)
Actual burden tax rate after the application of tax effect accounting	33.31%	63.78%

## 18. Retirement benefits

The Group have funded or unfunded type defined benefit plan and defined contribution plan.

The Company has introduced cash balance plan as defined benefit corporate pension plan (funded only and that solely adopted by the Company), which establishes nominal individual accounts equivalent to funds of funded and annuity amounts. In the nominal individual accounts interest credit based on market interest and contribution credit based on classification and evaluation are accumulated. Retirement benefit trust has established for the

defined benefit corporate pension plan.

Based on lump-sum payment plans (unfunded but become funded as a result of establishment of retirement benefit trust), lump-sum payment based on classification and evaluation as retirement benefit.

In lump-sum payment plans held by other consolidated subsidiaries, the simplified calculation methods are applied for retirement benefit liability and service costs.

(1) The changes in the retirement benefit obligation during the years ended March 31, 2022 and 2023 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Retirement benefit obligation at the beginning of year	¥25,591	¥25,270	\$189,233
Service cost	1,455	1,484	11,116
Interest cost	50	73	549
Actuarial gain and loss	(191)	(822)	(6,152)
Retirement benefits paid	(1,635)	(1,409)	(10,558)
Retirement benefit obligation at the end of year	¥25,270	¥24,596	\$184,188

(2) The changes in the plan assets during the years ended March 31, 2022 and 2023 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Plan assets at the beginning of year	¥27,663	¥26,900	\$201,438
Expected return on plan assets	516	487	3,650
Actuarial gain	(920)	56	418
Contributions by the Company	877	884	6,620
Retirement benefits paid	(1,236)	(1,086)	(8,134)
Plan assets at the end of year	¥26,900	¥27,241	\$203,992

(3) The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheets as of March 31, 2022 and 2023 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Funded retirement benefit obligation	¥24,586	¥23,853	\$178,618
Plan assets at fair value	(26,900)	(27,241)	(203,992)
	¥ (2,314)	¥(3,388)	\$ (25,374)
Unfunded retirement benefit obligation	685	743	5,570
Net liability for retirement benefits in the balance sheet	¥ (1,630)	¥ (2,645)	\$ (19,804)
Net defined benefit liability	¥ 1,847	¥ 1,511	\$ 11,316
Net defined benefit asset	(3,477)	(4,156)	(31,120)
Net liability for retirement benefits in the balance sheet	¥ (1,630)	¥ (2,645)	\$ (19,804)



# Notes to the Consolidated Financial Statements

## (4) The components of retirement benefit expense for the years ended March 31, 2022 and 2023 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Service cost	¥1,455	¥1,484	\$11,116
Interest cost	50	73	549
Expected return on plan assets	(516)	(487)	(3,650)
Amortization of actuarial gain and loss	(259)	(300)	(2,246)
Retirement benefit expense	¥ 730	¥ 770	\$ 5,769

Note: Retirement benefit expense of consolidated subsidiaries which adopt the simplified method are included in “Service cost.”

## (5) The components of remeasurements of defined benefit plans included in other comprehensive income (before tax effect) for the years ended 31, 2022 and 2023 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Actuarial gain and loss	¥(987)	¥578	\$4,325
Total	¥(987)	¥578	\$4,325

## (6) The components of remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect) as of March 31, 2022 and 2023 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Unrecognized actuarial gain and loss	¥215	¥(363)	\$(2,717)
Total	¥215	¥(363)	\$(2,717)

## (7) The fair value of plan assets, major category, as a percentage of total plan assets as of March 31, 2022 and 2023 are as follows:

	2022	2023
Bonds	44%	43%
Stocks	44	39
General accounts	5	5
Cash and deposits	4	6
Others	3	7
Total	100%	100%

Note: Total plan assets include retirement benefit trusts of 10% and 11% that are set up for a corporate pension plan as of March 31, 2022 and 2023, respectively.

The expected return on assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

## (8) The assumptions used in accounting for the above plans as of March 31, 2022 and 2023 are as follows:

	2022	2023
Discount rates	0.3%	0.6%
Expected rates of long-term return on plan assets	1.6 - 2.0%	1.4 - 2.0%
Expected rates of increase in salary	3.2 - 4.8%	3.2 - 4.8%

## 19. Financial instruments

### (1) Policy for financial instruments

The Group has limited the instruments of fund investment to short term deposits etc, and relied on bonds payable and bank loans, etc for fund procurement.

Regarding credit risk to customers related to notes receivable, accounts receivable from completed construction contracts and other the Group's bylaw has been applied to reduce the risk. Additionally notes receivable, accounts receivable from completed construction contracts and other in foreign currencies are exposed to foreign currency risk, and the Company enters into forward exchange contracts to hedge the risk.

Securities and investment securities include mainly stocks and held-to-maturity bonds are exposed to fluctuation of market value. Those fair values, financial status of the issuers and so on are

checked regularly. Accounts receivable-other is mainly credit other than accounts receivable associated with operating transactions and most of the accounts are collected in short term and detail of the balance is reviewed on monthly basis.

Bonds payable, loans payable and commercial papers are mainly for procurement for operating funds and the Company mainly enters into interest rate swap agreements and manages to fix its interest cost to hedge the risk from interest volatility related to long-term loans payable.

Execution and control of derivative transaction is held in accordance with the Company's bylaw where its purpose, action and control of such transaction are clearly stated and derivative transactions shall not be used for speculative purpose.

### (2) Estimated fair value of financial instruments

Book value on consolidated balance sheet, fair value and the difference as of March 31, 2022 are as follows:  
As of March 31, 2022

	Millions of yen		
	Book value on consolidated B/S	Fair value	Difference
<b>Assets</b>			
(1) Notes receivable, accounts receivable from completed construction contracts and other	¥263,966	¥263,966	¥ —
(2) Securities and investment securities			
Held-to-maturity debt securities	71	72	1
Other securities	14,325	14,325	—
Total Assets	¥278,362	¥278,363	¥ 1
<b>Liabilities</b>			
(1) Bonds payable	¥ 30,000	¥ 29,834	¥(166)
(2) Long-term loans payable (*3)	32,767	32,770	3
Total Liabilities	¥ 62,767	¥ 62,604	¥(163)
Derivative transaction (*4)	¥ (299)	¥ (299)	¥ —

(\*1) “Cash and deposits”, “Accounts receivable-other”, “Accounts payable for construction contracts and other”, “Short-term loans payable”, and “Commercial papers” are not described because they are in cash or their fair values approximate their book values due to their short maturities.

(\*2) Stocks with no market price (balance on consolidated balance sheet ¥2,632 million) are not included in “Securities and investment securities”.

(\*3) Long-term loans payable includes the current portion of long-term loans payable.

(\*4) The debit and credit balances recorded by derivative transaction are offset each other.

(Note 1) Redemption schedule for receivables and marketable securities with maturities at March 31, 2022

	Millions of yen			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Cash and deposits				
Deposits	¥ 44,790	¥ —	¥—	¥—
Notes receivable, accounts receivable from completed construction contracts and other	223,672	40,294	—	—
Securities and investment securities				
Held-to-maturity bonds				
National and local government bonds	19	53	—	—
Corporate bonds	—	—	—	—
Other marketable securities with maturities				
Corporate bonds	—	—	—	—
Other	—	—	—	—
Accounts receivable-other	11,575	—	—	—
Total	¥280,056	¥40,347	¥—	¥—

(Note 2) The redemption schedule for short-term and long-term loans, and bonds payable is disclosed in Note 8.

# Notes to the Consolidated Financial Statements

Book value on consolidated balance sheet, fair value and the difference as of March 31, 2023 are as follows:

	Millions of yen		
	Book value on consolidated B/S	Fair value	Difference
<b>Assets</b>			
(1) Notes receivable, accounts receivable from completed construction contracts and other	¥269,913	¥269,913	¥ —
(2) Securities and investment securities			
Held-to-maturity debt securities	54	54	0
Other securities	15,096	15,096	—
Total Assets	¥285,063	¥285,063	¥ 0
<b>Liabilities</b>			
(1) Bonds payable	¥ 30,000	¥ 29,926	¥ (74)
(2) Long-term loans payable (*3)	30,339	30,269	(70)
Total Liabilities	¥ 60,339	¥ 60,195	¥(144)
Derivative transaction (*4)	¥ 1,110	¥ 1,110	¥ —

	Thousands of U.S. dollars		
	Book value on consolidated B/S	Fair value	Difference
<b>Assets</b>			
(1) Notes receivable, accounts receivable from completed construction contracts and other	\$2,021,215	\$2,021,215	\$ —
(2) Securities and investment securities			
Held-to-maturity debt securities	401	403	2
Other securities	113,048	113,048	—
Total Assets	\$2,134,664	\$2,134,666	\$ 2
<b>Liabilities</b>			
(1) Bonds payable	\$ 224,652	\$ 224,098	\$ (554)
(2) Long-term loans payable (*3)	227,193	226,663	(530)
Total Liabilities	\$ 451,845	\$ 450,761	\$(1,084)
Derivative transaction (*4)	\$ 8,314	\$ 8,314	\$ —

- (\*1) "Cash and deposits", "Accounts receivable-other", "Accounts payable for construction contracts and other", "Short-term loans payable", and "Commercial papers" are not described because they are in cash or their fair values approximate their book values due to their short maturities.
- (\*2) Stocks with no market price (balance on consolidated balance sheet ¥2,739 million (U.S. \$ 20,514 thousand)) are not included in "Securities and investment securities".
- (\*3) Long-term loans payable includes the current portion of long-term loans payable.
- (\*4) The debit and credit balances recorded by derivative transaction are offset each other.

(Note 1) Redemption schedule for receivables and marketable securities with maturities at March 31, 2023

	Millions of yen			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Cash and deposits				
Deposits	¥ 50,443	¥ —	¥—	¥—
Notes receivable, accounts receivable from completed construction contracts and other	227,356	42,557	—	—
Securities and investment securities				
Held-to-maturity bonds				
National and local government bonds	12	42	—	—
Corporate bonds	—	—	—	—
Other marketable securities with maturities				
Corporate bonds	—	—	—	—
Other	—	—	—	—
Accounts receivable-other	22,115	—	—	—
Total	¥299,926	¥42,599	¥—	¥—

	Thousands of U.S. dollars			
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through Ten Years	Due after Ten Years
Cash and deposits				
Deposits	\$ 377,739	\$ —	\$—	\$—
Notes receivable, accounts receivable from completed construction contracts and other	1,702,531	318,684	—	—
Securities and investment securities				
Held-to-maturity bonds				
National and local government bonds	88	313	—	—
Corporate bonds	—	—	—	—
Other marketable securities with maturities				
Corporate bonds	—	—	—	—
Other	—	—	—	—
Accounts receivable-other	165,605	—	—	—
Total	\$2,245,963	\$318,997	\$—	\$—

(Note 2) The redemption schedule for short-term and long-term loans, and bonds payable is disclosed in Note 8.

### (3) Matters concerning the breakdown of the fair value of financial instruments by level, etc.

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

- Level 1 : Quoted prices (unadjusted) for identical assets or liabilities in active markets
- Level 2 : Valuations measured by direct or indirect observable inputs other than Level 1
- Level 3 : Valuations measured by significant unobservable inputs

When several inputs which make an important impact on for fair value measurement are used for fair value measurement, the level is determined based on the input that is the least important level in the fair value measurement as a whole.

- Financial instruments recorded on the consolidated balance sheet at fair value
- As of March 31, 2022

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Other securities				
Listed stocks	¥14,325	¥ —	¥—	¥14,325
Derivative transaction				
Currency related	—	775	—	775
Assets total	¥14,325	¥ 775	¥—	¥15,099
Derivative transaction				
Currency related	¥ —	¥(1,074)	¥—	¥(1,074)
Liabilities total	¥ —	¥(1,074)	¥—	¥(1,074)

# Notes to the Consolidated Financial Statements

As of March 31, 2023

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Other securities	¥15,096	¥ —	¥—	¥15,096
Listed stocks				
Derivative transaction				
Currency related	—	1,216	—	1,216
Assets total	¥15,096	¥1,216	¥—	¥16,312
Derivative transaction				
Currency related	¥ —	¥ (106)	¥—	¥ (106)
Liabilities total	¥ —	¥ (106)	¥—	¥ (106)
	Thousands of U.S. dollars			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Other securities	\$113,048	\$ —	\$—	\$113,048
Listed stocks				
Derivative transaction				
Currency related	—	9,108	—	9,108
Assets total	\$113,048	\$ 9,108	\$—	\$122,156
Derivative transaction				
Currency related	\$ —	\$ (795)	\$—	\$ (795)
Liabilities total	\$ —	\$ (795)	\$—	\$ (795)

• Financial instruments other than those recorded on the consolidated balance sheet at fair value

As of March 31, 2022

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Notes receivable, accounts receivable from completed construction contracts and other	¥—	¥263,966	¥—	¥263,966
Securities and investment securities				
Held-to-maturity debt securities				
National and local government bonds	72	—	—	72
Assets total	¥72	¥263,966	¥—	¥264,038
Bonds payable	¥—	¥ 29,834	¥—	¥ 29,834
Long-term loans payable	—	32,770	—	32,770
Liabilities total	¥—	¥ 62,604	¥—	¥ 62,604

As of March 31, 2023

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Notes receivable, accounts receivable from completed construction contracts and other	¥—	¥269,913	¥—	¥269,913
Securities and investment securities				
Held-to-maturity debt securities				
National and local government bonds	53	—	—	53
Assets total	¥53	¥269,913	¥—	¥269,966
Bonds payable	¥—	¥ 29,926	¥—	¥ 29,926
Long-term loans payable	—	30,269	—	30,269
Liabilities total	¥—	¥ 60,195	¥—	¥ 60,195
	Thousands of U.S. dollars			
	Fair value			
	Level 1	Level 2	Level 3	Total
Notes receivable, accounts receivable from completed construction contracts and other	\$ —	\$2,021,215	\$—	\$2,021,215
Securities and investment securities				
Held-to-maturity debt securities				
National and local government bonds	401	—	—	401
Assets total	\$401	\$2,021,215	\$—	\$2,021,616
Bonds payable	\$ —	\$ 224,098	\$—	\$ 224,098
Long-term loans payable	—	226,664	—	226,664
Liabilities total	\$ —	\$ 450,762	\$—	\$ 450,762

(Note) Description of valuation techniques and inputs used in the calculation of fair value

## Securities and investment securities

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

## Derivative transaction

The fair value of derivative transactions is calculated based on the prices posted by the counterparty financial institutions and classified as Level 2 fair value.

The fair value of interest rate swaps that qualify for special treatment is included in the fair value of the relevant borrowings because they are accounted for as an integral part of Long-term loans payable that are hedged (see "Long-term loans payable" below).

## Notes receivable, accounts receivable from completed construction contracts and other

The fair value of these receivables is calculated based on the present value of each receivable classified by a certain period of time, discounted by the interest rate that takes into account the period until maturity and credit risk, and is classified as Level 2 fair value.

## Bonds payable

The fair value of the bonds payable issued by the Company is based on quoted market prices. The fair value of the bonds payable is classified as Level 2 fair value because the bonds payable have quoted market prices but are not traded in an active market.

## Long-term loans payable

The fair value of these loans is calculated by discounting the total amount of principal and interest by the interest rate that would be applicable to a similar new issue or borrowing, and is classified as Level 2 fair value. Long-term loans payable with floating interest rates mainly qualify for special treatment as interest rate swaps (see "Derivative transaction" above), and are calculated by discounting the total amount of principal and interest accounted for together with the interest rate swaps by the reasonably estimated interest rate that would be applicable if similar borrowings were made.

# Notes to the Consolidated Financial Statements

## 20. Segment information

### (Segment information)

#### 1. General information about reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Committee to make decisions about resource allocation and to assess performance.

The Company is organized into business units based on their products and services and has 3 reported segments as follows:

- (1) Domestic civil engineering segment ..... Construction of domestic civil engineering and other
- (2) Domestic building construction segment ..... Construction of domestic building construction and other
- (3) Overseas segment ..... Construction of overseas and other

#### 2. Information about basis of measurement of reported segment sales, income or loss, assets, and other items

The accounting policies of the segments are substantially the same as those described in the summary of significant accounting policies in Note 3. Segment performance is evaluated based on operating income or loss.

Intersegment sales and transfers are based on prevailing market price.

The Company do not allocate assets to business segments.

#### 3. Information about amount of reportable segment sales, income or loss, assets and other items and disaggregation on the revenue

Year ended March 31, 2022	Millions of yen							
	Reportable segment				Other (Note1)	Total	Adjustments (Note 2)	Recorded amount on consolidated statement of income (Note 3)
	Domestic civil engineering segment	Domestic building construction segment	Overseas segment	Total				
<b>Net sales:</b>								
Japan	¥176,923	¥153,442	¥ —	¥330,365	¥ 7,345	¥337,710	¥—	¥337,710
Southeast Asia	—	—	98,183	98,183	—	98,183	—	98,183
Other	—	—	22,078	22,078	—	22,078	—	22,078
Revenue from contracts with customers	176,923	153,442	120,261	450,626	7,345	457,971	—	457,971
Revenue from other	18	1	—	19	242	261	—	261
Sales to third parties	176,941	153,443	120,261	450,645	7,587	458,232	—	458,232
Intersegment sales and transfers	241	2	—	243	3,116	3,359	(3,359)	—
Total	177,182	153,445	120,261	450,888	10,703	461,591	(3,359)	458,232
Segment income(loss)	17,463	3,648	(5,976)	15,135	801	15,936	4	15,940
<b>Other item:</b>								
Depreciation	3,380	579	2,079	6,038	453	6,491	(3)	6,488

#### Notes

- (1) Division of "Other" includes domestic real estate development, shipbuilding, leasing business, insurance business and environment business.
- (2) The adjustment of segment income (loss) is intersegment elimination.
- (3) Segment income (loss) is adjusted with operating profit in the consolidated statement of income.

Year ended March 31, 2023	Millions of yen							
	Reportable segment				Other (Note1)	Total	Adjustments (Note 2)	Recorded amount on consolidated statement of income (Note 3)
	Domestic civil engineering segment	Domestic building construction segment	Overseas segment	Total				
<b>Net sales:</b>								
Japan	¥198,154	¥162,446	¥ —	¥360,600	¥ 8,074	¥368,674	¥—	¥368,674
Southeast Asia	—	—	107,643	107,643	—	107,643	—	107,643
Other	—	—	25,486	25,486	—	25,486	—	25,486
Revenue from contracts with customers	198,154	162,446	133,129	493,729	8,074	501,803	—	501,803
Revenue from other	171	1	—	172	231	403	—	403
Sales to third parties	198,325	162,447	133,129	493,901	8,305	502,206	—	502,206
Intersegment sales and transfers	234	3	—	237	3,449	3,686	(3,686)	—
Total	198,559	162,450	133,129	494,138	11,754	505,892	(3,686)	502,206
Segment income(loss)	17,422	2,081	(16,101)	3,402	714	4,116	3	4,119
<b>Other item:</b>								
Depreciation	3,616	572	2,557	6,745	493	7,238	(3)	7,235

Year ended March 31, 2023	Thousands of U.S. dollars							
	Reportable segment				Other (Note1)	Total	Adjustments (Note 2)	Recorded amount on consolidated statement of income (Note 3)
	Domestic civil engineering segment	Domestic building construction segment	Overseas segment	Total				
<b>Net sales:</b>								
Japan	\$1,483,857	\$1,216,460	\$ —	\$2,700,317	\$60,460	\$2,760,777	\$ —	\$2,760,777
Southeast Asia	—	—	806,071	806,071	—	806,071	—	806,071
Other	—	—	190,855	190,855	—	190,855	—	190,855
Revenue from contracts with customers	1,483,857	1,216,460	996,926	3,697,243	60,460	3,757,703	—	3,757,703
Revenue from other	1,278	8	—	1,286	1,728	3,014	—	3,014
Sales to third parties	1,485,135	1,216,468	996,926	3,698,529	62,188	3,760,717	—	3,760,717
Intersegment sales and transfers	1,756	20	—	1,776	25,830	27,606	(27,606)	—
Total	1,486,891	1,216,488	996,926	3,700,305	88,018	3,788,323	(27,606)	3,760,717
Segment income(loss)	130,466	15,584	(120,572)	25,478	5,347	30,825	21	30,846
<b>Other item:</b>								
Depreciation	27,080	4,283	19,150	50,513	3,688	54,201	(21)	54,180

#### Notes

- (1) Division of "Other" includes domestic real estate development, shipbuilding, leasing business, insurance business and environment business.
- (2) The adjustment of segment income (loss) is intersegment elimination.
- (3) Segment income (loss) is adjusted with operating profit in the consolidated statement of income.

### (Related information)

For the year ended March 31, 2022

#### 1. Information of each products and service

Please refer to above.

#### 2. Geographical information

##### (1) Net sales

Japan	Southeast Asia	Other	Total
¥337,874 million	¥98,280 million	¥22,079 million	¥458,232 million

Note: Net sales are based on customer location, and are divided by country or region.

##### (2) Property, plant and equipment

Japan	Southeast Asia	Other	Total
¥72,999 million	¥13,262 million	¥1,246 million	¥87,507 million

# Notes to the Consolidated Financial Statements

3. Each main customer

Name of Customer	Net sales	Related segment
Ministry of Land, Infrastructure, Transport and Tourism	¥51,630 million	Domestic civil engineering segment Domestic building construction segment

For the year ended March 31, 2023

1. Information of each products and service  
Please refer to above.

2. Geographical information

(1) Net sales

Japan	Southeast Asia	Other	Total
¥368,981 million \$2,763,071 thousand	¥107,739 million \$806,791 thousand	¥25,487 million \$190,855 thousand	¥502,206 million \$3,760,717 thousand

Note: Net sales are based on customer location, and are divided by country or region.

(2) Property, plant and equipment

Japan	Southeast Asia	Other	Total
¥77,778 million \$582,434 thousand	¥13,098 million \$98,080 thousand	¥888 million \$6,646 thousand	¥91,763 million \$687,160 thousand

3. Each main customer

Name of Customer	Net sales	Related segment
Ministry of Land, Infrastructure, Transport and Tourism	¥69,479 million \$520,287 thousand	Domestic civil engineering segment Domestic building construction segment

(Information related to Impairment loss on fixed assets by reportable segment)

For the year ended March 31, 2022

None

For the year ended March 31, 2023

None

(Information related to the amortization of goodwill and unamortized balances)

For the year ended March 31, 2022

	Millions of yen						
	Reportable segment				Other	Adjustments	Total
	Domestic civil engineering segment	Domestic building construction segment	Overseas segment	Total			
Amortization	¥—	¥—	¥ 261	¥ 261	¥—	¥—	¥ 261
Balance at the end of current period	—	—	2,320	2,320	—	—	2,320

For the year ended March 31, 2023

	Millions of yen						
	Reportable segment				Other	Adjustments	Total
	Domestic civil engineering segment	Domestic building construction segment	Overseas segment	Total			
Amortization	¥—	¥—	¥ 303	¥ 303	¥—	¥—	¥ 303
Balance at the end of current period	—	—	2,373	2,373	—	—	2,373

Thousands of U.S. dollars

	Reportable segment				Other	Adjustments	Total
	Domestic civil engineering segment	Domestic building construction segment	Overseas segment	Total			
Amortization	\$—	\$—	\$ 2,269	\$ 2,269	\$—	\$—	\$ 2,269
Balance at the end of current period	—	—	17,772	17,772	—	—	17,772

(Information related to gains on negative goodwill by reportable segments)

For the year ended March 31, 2022

None

For the year ended March 31, 2023

None

## 21. Amounts per share

1. Per share information for the years ended March 31, 2022 and 2023 is summarized as follows:

	Yen		U.S. dollars
	2022	2023	2023
Net assets excluding non-controlling interests per share	¥559.85	¥550.03	\$4.12
Net income attributable to owners of parent per share	37.72	2.40	0.02

Basic net income attributable to owners of parent per share is calculated by the weighted average number of outstanding common stocks during the year. Incidentally, shares held by BBT are included in treasury shares to be deducted from the average number of shares during of the year in calculating it. The average number of treasury shares issued and outstanding at March 31, 2022 and 2023 were 946 thousand and 869 thousand, including 735 thousand and 657 thousand of shares and held by BBT, respectively.

Basic net assets excluding non-controlling interests per share are calculated by the number of outstanding common stocks at the end of the year. Incidentally, shares held by BBT are included in treasury shares to be deducted from the number of shares at the end of the year in calculating it. The number of treasury shares issued and outstanding at March 31, 2022 and 2023 were 938 thousand and 856 thousand, including 726 thousand and 645 thousand of shares and held by BBT, respectively.

2. For the year ended March 31, 2022 and 2023, diluted net income attributable to owners of parent per share is not disclosed, because the dilutive potential of shares of common stock is none.

## 22. Significant subsequent events

Dividends

For the year ended March 31, 2023

The following distribution of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2023, was approved at the annual general shareholders' meeting held on June 27, 2023 and became effective June 28, 2023:

	Millions of yen	Thousands of U.S. dollars
	2023	2023
Cash dividends (¥24 (U.S. \$ 0.18) per share)	¥6,859	\$51,365

Dividends for shares held by BBT amounted to ¥15 million (U.S. \$ 116 thousand) are included in dividends in accordance with the resolution at the annual general shareholders' meeting on June 27, 2023.





Independent Auditor’s Report

The Board of Directors  
PENTA-OCEAN CONSTRUCTION CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of PENTA-OCEAN CONSTRUCTION CO., LTD. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters.



Estimation of total construction revenue and total construction costs using the method of recognizing revenue over time	
Description of Key Audit Matter	Auditor’s Response
<p>PENTA-OCEAN CONSTRUCTION CO., LTD. (the “Company”) and its consolidated subsidiaries primarily engage in domestic civil engineering, domestic building construction and overseas construction, and enter into long-term contracts with customers to cater to the specifications of customers over certain periods of time.</p> <p>As described in “(15) Recognition of major income and expense” under Note 3 “Summary of significant accounting policies” to the consolidated financial statements, the performance obligations on completion of projects and delivery to the customers based on construction contracts with the customers under the construction business, which is the main business, are determined to be satisfied over time mainly because the control is transferred to the customers with the progress of projects. The revenues are recognized over time in accordance with the progress based on satisfaction of performance obligations (progress toward completion of construction).</p> <p>The Company’s net sales of completed construction contracts using the method of recognizing revenue over time amounts to 450,485 million yen, covering 89.7% of total net sales of 502,206 million yen in the Consolidated Statements of Income, for the fiscal year ended March 31, 2023.</p> <p>Net sales of completed construction contracts using the method of recognizing revenue over time is measured by multiplying total construction revenue by progress toward completion of construction. Total construction revenue is determined by adding the amounts agreed in contracts and estimated amounts substantially agreed with customers with whom contracts have not yet been entered into. Further, the measurement of progress towards completion of construction is determined based on the ratio of construction costs incurred (costs incurred) for construction performed up to the end of the fiscal year compared to the estimated total construction costs.</p>	<p>We mainly performed the following audit procedures to evaluate the adequacy of estimates of total construction revenue and total construction costs used in applying the method of recognizing revenue over time and recognizing provision for loss on construction contracts by the Company.</p> <p>(1) Evaluation of internal control</p> <p>We evaluated the design and operating effectiveness of the following internal controls relating to estimates of total construction revenue and total construction costs.</p> <p>① Total construction revenue</p> <p>The process in which documents indicating the amounts of consideration based on substantial agreements made between parties and details of such agreements, which form the basis of estimates of the amounts for which contracts have not yet been entered into with customers, are prepared by persons in charge of the construction work who have specialized knowledge and are approved by authorized persons who are responsible for the reliability of the profit and loss management of the construction work.</p> <p>② Total construction costs</p> <ul style="list-style-type: none"><li>• The process in which operating budgets, which form the basis of estimates of the total construction costs, are prepared by persons in charge of the construction work who have specialized knowledge and are approved by authorized persons who are responsible for the reliability of the profit and loss management of the construction work.</li><li>• The process for verifying that each element of the total construction costs is calculated by accumulating in detail objective prices, such as standard unit prices approved internally and quotations obtained from external sources.</li></ul>



<p>The calculation method for measuring net sales of completed construction contracts using the method of recognizing revenue over time is as shown below.</p> <p>Net sales of completed construction contracts = Total construction revenue × Progress towards completion of construction <math>\left( \frac{\text{Costs incurred}}{\text{Total construction costs}} \right)</math></p> <p>As described in Note 4 “Notes on accounting estimates”, if it is likely that total construction cost will exceed total construction revenue and if the amount can be reasonably estimated, then the amount resulting from deducting the profit or loss already recorded from the expected amount of the excess of costs over revenue is accounted for as provision for loss on construction contracts. The Company’s provision for loss on construction contracts amounts to 10,850 million yen, covering 97.7% of total provision for loss on construction contracts of 11,103 million yen in the Consolidated Balance Sheets, at the end of the current fiscal year ended March 31, 2023.</p> <p>(1) Total construction revenue</p> <p>Although construction contracts may potentially be modified due to new agreements with customers during construction, there are cases where the amounts of such modifications are not determined each time the modifications of construction contracts are made. Accordingly, with regards to changes in consideration, if modifications to construction contracts that have not yet been entered into are to be included in total construction revenue, it is necessary to reliably estimate the amount of consideration based on substantial agreements made among parties and the details of such agreements.</p> <p>Determinations of whether agreements are substantial and estimates of amounts of consideration involve subjectivity since they are based on discussions with customers and thus involve uncertainty.</p>	<ul style="list-style-type: none"><li>• The process for estimating the total construction costs timely and appropriately in accordance with the status of construction work, the amount of construction costs actually incurred versus the budget, and changes in specifications instructed by customers.</li><li>• The process in which the profit or loss for each construction contract is reported at the closing date by persons in charge of the construction work and is approved by authorized persons who are responsible for the reliability of the profit and loss management of the construction work.</li></ul> <p>(2) Evaluation of the adequacy of estimates</p> <p>We identified those construction contracts that involve a relatively high degree of uncertainty over the estimates of the total construction revenue and total construction costs, in light of factors such as the scale of construction, profit and loss on construction, and status of construction work, and performed the following audit procedures as a response to the uncertainties of each construction contract.</p> <p>① Total construction revenue</p> <ul style="list-style-type: none"><li>• For estimates of amounts for which contracts have not yet been entered into with customers, we inspected documents such as work order from customers, order to commence work in advance, minutes of negotiations with customers, and quotations, and evaluated the status of agreements with customers and amount of consideration thereof.</li><li>• We evaluated the process for estimating the total construction revenue by comparing prior estimates of amounts for which contracts have not yet been entered into with customers with the subsequent status of the contracts or re-estimated amounts.</li></ul>
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<p>(2) Total construction costs</p> <p>Considering that construction contracts are highly individual and carried out in accordance with fundamental specifications and work details instructed by customers, it is difficult to apply a uniform rule for making estimates of total construction costs. Accordingly, estimates of total construction costs involve certain assumptions and judgments that are based on specialized knowledge and experience in construction, and thus involve uncertainty.</p> <p>Further, given that constructions are generally long-term in nature, there may be potential modifications in construction contracts, changes in weather and sea conditions and fluctuations in construction material prices and labor prices during construction, thus making timely and appropriate revisions of total construction costs complex.</p> <p>Based on the above, we have determined the estimation of total construction revenue and total construction costs, which is a component in calculating progress toward completion of construction, to be a key audit matter due to its particular significance for the fiscal year ended March 31, 2023.</p>	<p>② Total construction costs</p> <ul style="list-style-type: none"><li>• We inspected the most recent operating budget prepared in a timely manner that serve as the basis for the estimate of the total construction costs, and examined whether the estimated costs were consistent with the content of the construction contracts, calculated by accumulating the construction costs by category of work, and whether unusual amounts of adjustment items were not included in the operating budget.</li><li>• We compared the prior estimate of the total construction costs with the estimate at the closing date, and for the changes in costs above a certain threshold, we examined whether the details of such changes were consistent with the current status of construction work by making inquiries regarding the reasons for the revisions, and reconciling the changes with the work schedules, quotations from subcontractors, and other documents.</li><li>• We made inquiries regarding the status of the construction, the existence of events resulting in changes to the total construction costs, and the determination of whether revisions to the total construction costs were necessary, and examined whether the responses were consistent with the work schedules and the construction costs incurred.</li><li>• We inspected construction sites of certain contracts (including remote inspections) and examined whether the status of construction was consistent with the estimate of the total construction costs and progress towards completion of construction.</li><li>• We evaluated the process for estimating the total construction costs by comparing the prior estimate of total construction costs with the subsequent outcome of total construction costs or re-estimated amounts.</li></ul> <p>In addition, we used a progress anomaly detection tool (a tool that detects unusual progress in construction that apply the method of satisfying a performance obligation and recognizing revenue over time based on forecasts of progress towards completion of construction using machine</p>
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	learning, as well as forecasts of construction contracts that total construction costs exceed total construction revenue, and detects on the timing of unusual cost incurrence) and we observed the appearance of the construction site near the fiscal year end, made inquiries of those responsible for construction, inspected the work schedule and payment control sheets, and examined whether they were consistent with the progress of the construction work for construction contracts in which anomalies were detected. In addition, we confirmed the balance and reconciled the invoices, construction progress assessment reports, and other documents as to the transactions with major subcontractors in the construction.
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Other Information

The other information comprises the information included in the FINANCIAL STATEMENTS that contains audited consolidated financial statements but does not include the consolidated financial statements and our auditor’s report thereon. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group’s reporting process of the other information.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.



The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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. 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group’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 Group’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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors 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.





We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Corporate Auditor and the Board of Corporate Auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

**Convenience Translation**

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2023 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

August 23, 2023

/s/ 中川 政人  
Masato Nakagawa  
Designated Engagement Partner  
Certified Public Accountant

/s/ 大石 晃一郎  
Koichiro Oishi  
Designated Engagement Partner  
Certified Public Accountant

Ernst & Young ShinNihon LLC

Non-Consolidated  
Financial Statements

# Non-Consolidated Balance Sheets (Unaudited)

Penta-Ocean Construction Co., Ltd.  
As of March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Current assets:</b>			
Cash and deposits	¥ 39,994	¥ 46,471	\$ 347,994
Securities	18	12	88
Trade receivables:			
Notes	5,790	3,638	27,242
Accounts	258,136	276,652	2,071,681
Subsidiaries and affiliates	5,524	5,929	44,401
Inventories:			
Costs on uncompleted construction contracts	10,937	10,343	77,455
Real estate for sale and development projects in progress	575	482	3,611
Raw materials and supplies	1,435	1,462	10,944
Other	7,068	17,767	133,044
Allowance for doubtful accounts	(350)	(311)	(2,329)
Total current assets	329,127	362,445	2,714,131
<b>Non-current assets:</b>			
<b>Property, plant and equipment:</b>			
Land	31,594	31,476	235,704
Buildings and structures	34,492	37,378	279,901
Machinery, equipment and vehicles	15,029	17,099	128,043
Dredgers and vessels	44,008	44,370	332,263
Construction in progress	15,856	15,356	114,995
Other	305	226	1,689
Total property, plant and equipment	141,284	145,905	1,092,595
Less: Accumulated depreciation	(71,092)	(73,893)	(553,342)
Property, plant and equipment — net	70,192	72,012	539,253
<b>Intangible assets:</b>	1,372	1,224	9,160
<b>Investments and other assets:</b>			
Stock of and long-term loans receivable from subsidiaries and affiliates	29,276	30,676	229,710
Investment securities	16,986	17,853	133,690
Deferred tax assets	3,631	5,337	39,963
Other	8,909	9,817	73,524
Allowance for doubtful accounts	(3,489)	(3,857)	(28,883)
Total investments and other assets	55,313	59,826	448,004
Total non-current assets	126,877	133,062	996,417
<b>Total assets</b>	¥456,004	¥495,507	\$3,710,548

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Current liabilities:</b>			
Short-term loans payable			
Bank	¥ 18,140	¥ 21,705	\$ 162,539
Commercial papers	10,000	10,000	74,883
Current portion of long-term loans payable and bonds payable	9,320	19,074	142,834
Trade payable:			
Accounts	115,409	120,265	900,588
Subsidiaries and affiliates	4,631	5,831	43,664
Advance received on uncompleted construction contracts	29,011	48,036	359,712
Deposits received	50,203	63,169	473,040
Income taxes payable	2,636	1,338	10,017
Provision for loss on construction contracts	3,597	10,851	81,255
Provision for warranties for completed construction	780	903	6,759
Provision for bonuses	2,857	2,804	20,997
Other	3,141	2,835	21,235
Total current liabilities	249,725	306,811	2,297,523
<b>Non-current liabilities:</b>			
Bonds payable	30,000	20,000	149,768
Long-term loans payable	18,380	15,554	116,474
Provision for retirement benefits	336	336	2,513
Provision for board benefit trust	348	346	2,590
Deferred tax liabilities for land revaluation	3,680	3,680	27,554
Other	13,699	13,700	102,595
Total non-current liabilities	66,443	53,616	401,494
Total liabilities	316,168	360,427	2,699,017
<b>Net assets:</b>			
Capital stock	30,450	30,450	228,021
Authorized - 599,135,000 shares			
Issued shares - 286,013,910 shares in 2022 and 2023			
Capital surplus			
Legal capital surplus	12,380	12,380	92,703
Other capital surplus	6,007	6,007	44,984
Total capital surplus	18,387	18,387	137,687
Retained earnings			
Reserve for advanced depreciation of non-current assets	74	69	517
General reserve	60,000	60,000	449,304
Retained earnings brought forward	24,511	18,048	135,141
Total retained earnings	84,585	78,117	584,962
Less: Treasury stock	(564)	(512)	(3,828)
Valuation difference on available-for-sale securities	3,227	3,819	28,598
Deferred gains or losses on hedges	(162)	842	6,307
Revaluation reserve for land	3,913	3,977	29,784
Total net assets	139,836	135,080	1,011,531
<b>Total liabilities and net assets</b>	¥456,004	¥495,507	\$3,710,548

# Non-Consolidated Statements of Income (Unaudited)

Penta-Ocean Construction Co., Ltd.  
For the years ended March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Construction business:</b>			
Net sales	¥427,585	¥468,638	\$3,509,347
Cost of sales	395,416	445,949	3,339,441
Gross profit	32,169	22,689	169,906
<b>Other:</b>			
Net sales	1,406	427	3,196
Cost of sales	946	240	1,795
Gross profit	460	187	1,401
<b>Total:</b>			
Total net sales	428,991	469,065	3,512,543
Total cost of sales	396,362	446,189	3,341,236
<b>Total gross profit</b>	32,629	22,876	171,307
<b>Selling, general and administrative expenses</b>	19,305	20,094	150,461
<b>Operating income</b>	13,324	2,782	20,846
<b>Non-operating income:</b>			
Interest and dividends income	386	786	5,888
Interest and dividends income from subsidiaries and affiliates	276	525	3,933
Foreign exchange gain	151	—	—
Other	286	226	1,692
	1,099	1,537	11,513
<b>Non-operating expenses:</b>			
Interest expenses	655	955	7,153
Foreign exchange losses	—	2,237	16,754
Provision of allowance for doubtful accounts	266	—	—
Other	322	604	4,532
	1,243	3,796	28,439
<b>Ordinary income</b>	13,180	523	3,920
<b>Extraordinary income</b>	861	325	2,434
<b>Extraordinary losses</b>	446	116	874
<b>Income before income taxes</b>	13,595	732	5,480
<b>Income taxes:</b>			
Current	4,716	2,964	22,194
Deferred	(251)	(2,401)	(17,977)
—Total income taxes	4,465	563	4,217
<b>Net income</b>	¥ 9,130	¥ 169	\$ 1,263
<b>Net income per share of common stock</b>	Yen		U.S. dollars
Basic	¥32.03	¥ 0.59	\$ —