

Consolidated Balance Sheets

March 31, 2023 and 2022

| ASSETS | Millions of yen | | Thousands of U.S. dollars (Note 3) |
|---|-----------------|-----------------|---------------------------------------|
| | 2023 | 2022 | 2023 |
| Current Assets: | | | |
| Cash and deposits (Note 9) | ¥38,159 | ¥30,159 | \$285,751 |
| Notes receivable, accounts receivable from completed construction contracts and other (Note 5 (1)) | 57,573 | 64,389 | 431,132 |
| Electronically recorded monetary claims | 4,752 | 3,509 | 35,583 |
| Lease receivables and investment assets (Note 10) | 8,333 | 8,726 | 62,400 |
| Merchandise | 158 | 159 | 1,186 |
| Costs of uncompleted construction contracts (Note 5 (6)).. | 76 | 93 | 573 |
| Raw materials | 1,130 | 1,033 | 8,459 |
| Other (Note 5 (3))..... | 2,845 | 2,115 | 21,303 |
| Less: allowance for doubtful accounts | (37) | (40) | (278) |
| Total current assets | 112,989 | 110,143 | 846,109 |
| Non-current Assets: | | | |
| Tangible Fixed Assets: | | | |
| Buildings and structures | 21,391 | 21,497 | 160,183 |
| Machinery, equipment, vehicle, tools, furniture and fixtures | 39,778 | 39,121 | 297,872 |
| Leased assets | 4,129 | 4,038 | 30,925 |
| Land | 17,702 | 17,697 | 132,558 |
| Construction in progress | 1,511 | 48 | 11,317 |
| Less: accumulated depreciation | (50,564) | (48,596) | (378,643) |
| | 33,947 | 33,805 | 254,212 |
| Intangible Assets: | | | |
| Intangible assets | 1,951 | 1,320 | 14,609 |
| Investments and Other Assets: | | | |
| Investment securities (Notes 5 (2), 5 (3), 12) | 1,326 | 6,086 | 9,932 |
| Other (Note 5 (3)) | 904 | 848 | 6,769 |
| Less: allowance for doubtful accounts | (91) | (118) | (685) |
| Deferred tax assets (Note 14) | 824 | 110 | 6,168 |
| | 2,963 | 6,926 | 22,184 |
| Total non-current assets | 38,861 | 42,051 | 291,005 |
| Total assets | ¥151,850 | ¥152,194 | \$1,137,114 |

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets

March 31, 2023 and 2022

| | Millions of yen | | Thousands of U.S. dollars (Note 3) |
|--|-----------------|-----------------|---------------------------------------|
| | 2023 | 2022 | 2023 |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities: | | | |
| Notes payable, accounts payable for construction contracts and other | ¥30,779 | ¥30,767 | \$230,487 |
| Electrically recorded obligations | 7,561 | 7,368 | 56,618 |
| Short-term loans payable (Note 20) | 100 | 3,000 | 749 |
| Accounts payable – other | 1,295 | 2,168 | 9,701 |
| Accrued expenses | 2,264 | 2,433 | 16,953 |
| Income taxes payable | 2,061 | 2,255 | 15,430 |
| Advances received on uncompleted construction contracts | 1,499 | 1,874 | 11,226 |
| Warranty provision for completed construction contracts | 63 | 63 | 471 |
| Provision for loss on construction contracts (Note 5(5)) .. | 172 | 141 | 1,291 |
| Accrued bonus to directors and statutory auditors | 64 | 78 | 478 |
| Other (Note 14) | 1,288 | 955 | 9,645 |
| Total current liabilities | 47,146 | 51,102 | 353,049 |
| Non-current Liabilities: | | | |
| Long-term loans payable (Note 20) | 6,600 | 5,200 | 49,423 |
| Net defined benefit liability (Note 13)..... | 941 | 523 | 7,046 |
| Other (Note 14)..... | 254 | 362 | 1,901 |
| Total non-current liabilities | 7,795 | 6,085 | 58,370 |
| Commitments and contingencies (Note 5) | | | |
| Net Assets: | | | |
| Shareholders' equity | | | |
| Capital stock, | | | |
| Authorized: 38,000,000 shares at March 31, 2023 and 2022 | | | |
| Issued: 8,789,268 shares at March 31, 2023 and 2022 ... | 12,290 | 12,290 | 92,034 |
| Capital surplus | 14,525 | 14,525 | 108,766 |
| Retained earnings | 70,291 | 66,425 | 526,370 |
| Less: treasury stock | | | |
| 409 shares as at March 31, 2023 and 0 shares as at March 31, 2022 | (3) | - | (21) |
| Accumulated other comprehensive income | | | |
| Valuation difference on available-for-sale securities | 245 | 2,007 | 1,835 |
| Foreign currency translation adjustments | (433) | (549) | (3,242) |
| Retirement benefits liability adjustments (Note 13) | (152) | 170 | (1,142) |
| Total accumulated other comprehensive income | (340) | 1,628 | (2,549) |
| Non-controlling interests | 146 | 139 | 1,095 |
| Total net assets | 96,909 | 95,007 | 725,695 |
| Total liabilities and net assets | ¥151,850 | ¥152,194 | \$1,137,114 |

See accompanying notes to consolidated financial statements.