



# Annual Report 2023

Fiscal year ended March 31, 2023



NAKANO  
CORPORATION

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## Cautionary remarks regarding forward looking statements

This Annual Report includes forward-looking statements that represent Nakano Corporation's assumptions and expectations in light of currently available information. These statements reflect industry trends, client's situations and other factors, and involve risks and uncertainties which may cause actual performance results to differ from those discussed in the forward looking statements in accordance with changes in the domestic and international business environment.

### For further information contact:

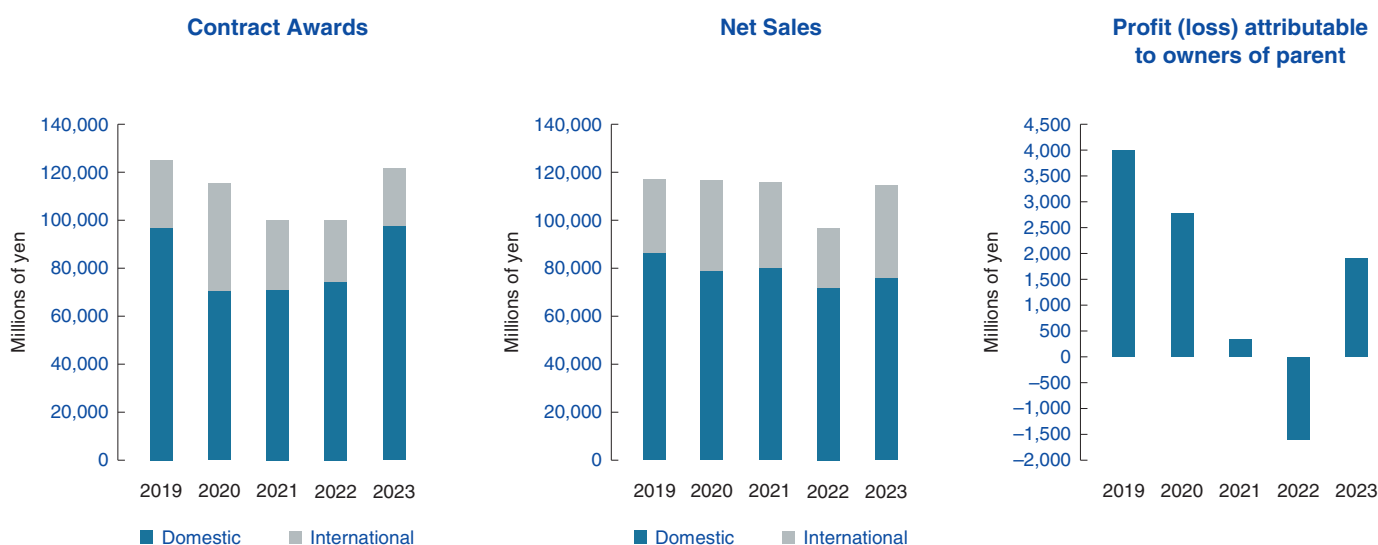
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## FINANCIAL HIGHLIGHTS

NAKANO CORPORATION and its subsidiaries  
Years ended March 31, 2019 through 2023

	2019	2020	2021	2022	2023	2023
	Millions of yen					Thousands of U.S. dollars
Contract awards	¥125,022	¥115,633	¥100,060	¥99,807	<b>¥121,538</b>	<b>\$910,192</b>
Net sales	117,152	116,838	115,994	96,470	<b>114,459</b>	<b>857,178</b>
Operating income (loss)	5,476	3,779	1,555	(840)	<b>2,859</b>	<b>21,410</b>
Ordinary income (loss)	5,954	4,070	1,750	(627)	<b>3,134</b>	<b>23,470</b>
Profit (loss) attributable to owners of parent	3,990	2,781	335	(1,594)	<b>1,914</b>	<b>14,333</b>
Comprehensive income	4,023	1,350	2,170	(920)	<b>2,602</b>	<b>19,486</b>
Total net assets	34,352	35,221	36,909	35,576	<b>37,839</b>	<b>283,374</b>
Total assets	84,450	81,217	84,235	82,190	<b>79,673</b>	<b>596,667</b>
Net cash provided by (used in) operating activities	2,864	(6,797)	(4,549)	11,515	<b>2,170</b>	<b>16,251</b>
Net cash provided by (used in) investing activities	2,544	(555)	94	(2,684)	<b>(256)</b>	<b>(1,917)</b>
Net cash provided by (used in) financing activities	(931)	(1,821)	4,057	(5,739)	<b>(776)</b>	<b>(5,811)</b>
Cash and cash equivalents at end of period	31,600	21,612	21,874	25,632	<b>27,426</b>	<b>205,392</b>
	Yen					U.S. dollars
<b>Per share of common stock</b>						
<b>( in yen and U.S. dollars )</b>						
Net assets	¥961.56	¥992.34	¥1,038.71	¥1,001.72	<b>¥1,063.68</b>	<b>\$7.97</b>
Net income (loss)	116.09	80.93	9.77	(46.39)	<b>55.72</b>	<b>0.42</b>
Cash dividends applicable to the year	14.00	14.00	12.00	10.00	<b>13.00</b>	<b>0.10</b>
Number of employees	1,390	1,361	1,336	1,278	<b>1,315</b>	

Note: The rate of ¥133.53=US\$1.00, the foreign exchange rate on March 31, 2023, has been used for translation.



# REPORT OF INDEPENDENT AUDITORS

The Board of Directors  
NAKANO CORPORATION

## *Opinion*

We have audited the consolidated financial statements of NAKANO CORPORATION and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as at March 31, 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in net assets and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

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 the 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 provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Rationality of estimates in net sales of completed construction contracts that recognized over time	
Description of key audit matter	How our audit addressed the key audit matter
<p>Net sales of completed construction contracts of ¥113,155 million (\$847,412 thousand) was recorded on the consolidated statements of income for the fiscal year ended March 31, 2023. Of this, ¥108,803 million (\$814,820 thousand) was accounted for by transactions in which revenue is recognized as performance obligations are satisfied over a certain period. As stated in "3. Summary of Significant Accounting Policies, m. Revenue and Cost of Construction Contracts" and "o. Significant Accounting Estimates" in the notes to the consolidated financial statements, net sales of completed construction contracts are recognized with estimates of progress in performance obligations up until the end of current consolidated fiscal year.</p> <p>Measurement of progress was based on the percentage of construction cost incurred until the balance sheet date against the expected total construction cost. The net sales of completed construction contracts in the current fiscal year was recognized with reasonable estimates of the total construction cost and the progress as of the current consolidated fiscal year against the total construction revenue.</p> <p>In the total construction revenue, which forms the basis of the calculation for net sales of completed construction contracts, items for consideration exist whose amount is yet to be determined due to the absence of a contract, etc., in construction work in progress, even though changes in the construction method or scope of work have been agreed upon.</p> <p>In addition, the total construction cost was estimated based on working budgets at the initial stage of construction, and as of the end of current consolidated fiscal year, was estimated based on the expected total amount to be paid as stated in the construction reports. However, the estimate of the total construction cost is subject to uncertainty due to factors such as the uncertainty of estimates at the design stage, changes in project details and workloads due to customer requests and company proposals, and</p>	<p>We performed the following audit procedures, among others, to examine the rationality of estimates in net sales of completed construction contracts that recognized over time.</p> <p>(1) Assessment of internal control</p> <p>We assessed the design and operating effectiveness of internal controls as pertains to estimates of total construction revenue, total construction cost, and progress. In so doing, we focused particular attention on the following controls.</p> <ul style="list-style-type: none"> <li>• Controls to ensure the reliability for the formulation of working budgets, which is the basis for estimating total construction cost at the initial stage of construction, by obtaining necessary approvals.</li> <li>• Controls to ensure that estimated total construction cost is reviewed in a timely and appropriate manner in response to changes in the construction status of each project, the actual amount of costs incurred, customer requests, etc.</li> </ul> <p>(2) Assessment of rationality of estimates of total construction revenue, total construction cost, and progress</p> <p>We selected construction projects that exceeded a certain scale in terms of construction contract value and other criteria and performed the following procedures.</p> <p>(i) Assessment of rationality of estimate of total construction revenue</p> <ul style="list-style-type: none"> <li>• We compared and reconciled the construction contract value with the contract or purchase order. For those projects where a contract had not been concluded, we considered whether that was rational.</li> </ul> <p>(ii) Assessment of rationality of estimate of total construction cost</p> <ul style="list-style-type: none"> <li>• For construction projects with a construction profit margin and total construction cost significantly increased or decreased compared to the previous consolidated fiscal year, we examined whether that was rational by questioning the persons in charge and reviewing underlying evidence.</li> <li>• We reviewed working budgets and construction</li> </ul>

<p>fluctuations in the price of raw materials and labor cost markets, among other factors.</p> <p>Furthermore, the progress as of the end of current consolidated fiscal year is estimated based on the total construction cost and construction costs incurred, but if the total construction cost or construction costs incurred are improperly aggregated, it could have a material impact on the estimate of progress.</p> <p>We therefore consider this to be a key audit matter.</p>	<p>reports and examined whether matters had arisen, such as change of construction period, that might cause revise of total construction cost. In projects with changed construction periods or other matters, we examined the necessity to revise total construction cost by questioning the persons in charge.</p> <ul style="list-style-type: none"> <li>• We compared the total construction cost estimated as of the end of consolidated fiscal year with the one determined after March 31, 2023, or the most recent one, and assessed whether there was a necessity to revise the estimate of the one as of the balance sheet date.</li> </ul> <p>(iii) Assessment of rationality of estimate of progress</p> <ul style="list-style-type: none"> <li>• For construction cost incurred which was estimated as of the end of consolidated fiscal year, we assessed whether estimates were appropriate by comparing the invoices and progress reports for the following fiscal year from partners.</li> <li>• For the progress of construction as of end of the consolidated fiscal year, we compared with the elapsed time and the schedule of construction progress, and considered consistence them. We also considered rationality of progress by inspecting a portion of construction sites.</li> </ul>
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*Other information*

We judged that the annual report contains no other information, and did not perform any audit with respect to other information.

*Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the 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, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. 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. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of 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 whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as 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.
- Obtain sufficient and 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 Audit & Supervisory Board members and the Audit & Supervisory Board 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 Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We determine key audit matters as those considered of particular significance in the audit of the consolidated financial statements for the fiscal year ended March 31, 2023, among matters discussed with Audit & Supervisory Board Members and the Audit & Supervisory Board. Key audit matters are presented in the audit report, except where their disclosure is prohibited by laws, regulations or other rules, or, in extremely limited circumstances, where the auditor considers themselves unable to report them because the disadvantages that would arise from reporting them in the audit report can be reasonably expected to outweigh the public benefits of such disclosure.

*Convenience Translation*

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 2.

*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.

松藤 悠

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Yu Matsufuji  
Representative Partner  
Engagement Partner  
Certified Public Accountant

佐藤 義仁

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Yoshihito Sato  
Representative Partner  
Engagement Partner  
Certified Public Accountant

Izumi Audit Corporation  
Tokyo, Japan  
September 8, 2023



# CONSOLIDATED BALANCE SHEETS

NAKANO CORPORATION and its subsidiaries  
As of March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2022	2023	2023
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits (Notes 4, 7 and 9)	¥ 27,047	¥ 27,902	\$ 208,956
Notes receivable, accounts receivable from completed construction contracts and other (Notes 4, 9 and 14)	26,990	22,182	166,119
Costs on uncompleted construction contracts (Note 4)	1,038	1,219	9,129
Costs on real estate business	48	45	337
Real estate for sale and development projects in progress	—	7	52
Raw materials and supplies	4	4	29
Accounts receivable - other	1,058	2,426	18,168
Other	2,045	696	5,212
Allowance for doubtful accounts	(185)	(164)	(1,228)
Total current assets	58,048	54,320	406,799
<b>Non-current assets:</b>			
Property, plant and equipment (Notes 4 and 13)			
Buildings and structures	10,803	11,189	83,793
Machinery, vehicles, tools, furniture and fixtures (Note 8)	1,640	2,277	17,052
Land	11,597	11,722	87,785
Construction in progress	1	9	67
Accumulated depreciation	(5,669)	(6,507)	(48,730)
Total property, plant and equipment	18,372	18,691	139,976
Intangible assets			
Goodwill	—	461	3,452
Leasehold right	1,050	1,170	8,762
Other	93	85	636
Total intangible assets	1,143	1,717	12,858
Investments and other assets			
Investment securities (Notes 4, 9 and 10)	3,323	3,649	27,327
Long-term loans receivable	12	6	44
Net defined benefit asset (Note 11)	806	729	5,459
Deferred tax assets	—	12	89
Other	495	563	4,216
Allowance for doubtful accounts	(12)	(17)	(127)
Total investments and other assets	4,625	4,944	37,025
Total non-current assets	24,141	25,352	189,859
Total assets	¥ 82,190	¥ 79,673	\$ 596,667

The accompanying notes are an integral part of these financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2022	2023	2023
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes payable, accounts payable for construction contracts and other (Note 9)	¥ 31,672	¥ 24,661	\$ 184,685
Short-term loans payable (Notes 4, 9 and 18)	480	618	4,628
Current portion of bonds (Notes 9 and 17)	500	—	—
Income taxes payable	426	508	3,804
Advances received on uncompleted construction contracts (Notes 4 and 14)	6,284	10,928	81,839
Provision for warranties for completed construction	289	317	2,373
Provision for loss on construction contracts (Note 4)	1,992	987	7,391
Provision for bonuses	547	565	4,231
Other (Note 18)	2,610	1,108	8,297
Total current liabilities	44,803	39,694	297,266
<b>Non-current liabilities:</b>			
Long-term loans payable (Notes 4, 9 and 18)	200	353	2,643
Deferred tax liabilities (Note 12)	652	677	5,070
Provision for retirement benefits for directors	—	45	337
Net defined benefit liability (Note 11)	231	257	1,924
Other (Note 18)	725	805	6,028
Total non-current liabilities	1,809	2,139	16,018
Total liabilities	46,613	41,834	313,292
<b>Net assets</b>			
<b>Shareholders' equity:</b>			
Common stock			
Authorized: 154,792,300 shares			
Issued: 34,498,097 shares	¥ 5,061	¥ 5,061	\$ 37,901
Capital surplus	1,400	1,400	10,484
Retained earnings	26,630	28,201	211,195
Less: Treasury stock, at cost			
130,262 shares in 2022 and 131,075 shares in 2023	(35)	(35)	(262)
Total shareholders' equity	33,057	34,627	259,320
<b>Accumulated other comprehensive income:</b>			
Valuation difference on available-for-sale securities	879	901	6,747
Foreign currency translation adjustment	(10)	633	4,740
Remeasurements of defined benefit plans (Note 11)	500	392	2,935
Total accumulated other comprehensive income	1,369	1,927	14,431
<b>Non-controlling interests:</b>			
Total net assets	35,576	37,839	283,374
Total liabilities and net assets	¥ 82,190	¥ 79,673	\$ 596,667

The accompanying notes are an integral part of these financial statements.

# CONSOLIDATED STATEMENTS OF INCOME

NAKANO CORPORATION and its subsidiaries  
For the years ended March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2022	2023	2023
<b>Net sales:</b>			
Net sales of completed construction contracts	¥ 95,233	¥ 113,155	\$ 847,412
Sales on real estate business (Note 13)	1,142	1,200	8,986
Sales on other business	94	103	771
Total net sales (Notes 5 and 14)	96,470	114,459	857,178
<b>Cost of sales:</b>			
Cost of sales of completed construction contracts (Note 5)	90,952	104,759	784,535
Cost of sales on real estate business (Note 13)	476	678	5,077
Cost of sales on other business	51	83	621
Total cost of sales	91,481	105,521	790,241
<b>Gross profit:</b>			
Gross profit on completed construction contracts	4,281	8,395	62,869
Gross profit - real estate business	665	522	3,909
Gross profit - other business	42	20	149
Total gross profit	4,989	8,938	66,936
<b>Selling, general and administrative expenses</b> (Note 5)	5,830	6,079	45,525
Operating income(loss)	(840)	2,859	21,410
<b>Non-operating income:</b>			
Interest income	63	158	1,183
Dividend income	47	55	411
Foreign exchange gains	115	68	509
Other	17	9	67
Total non-operating income	243	291	2,179
<b>Non-operating expenses:</b>			
Interest expenses	28	14	104
Other	2	1	7
Total non-operating expenses	30	16	119
Ordinary income(loss)	(627)	3,134	23,470
<b>Extraordinary income:</b>			
Gain on sales of non-current assets (Note 5)	8	6	44
Gain on sales of memberships (Note 5)	—	15	112
Subsidy income (Note 5)	56	8	59
Other	—	0	0
Total extraordinary income	65	30	224
<b>Extraordinary losses:</b>			
Impairment loss (Note 5)	111	171	1,280
Research expenses (Note 5)	—	53	396
Losses due to COVID-19 (Note 5)	95	—	—
Other (Note 5)	30	16	119
Total extraordinary losses	237	241	1,804
<b>Profit (loss) before income taxes</b>	(799)	2,923	21,890
<b>Income taxes:</b>			
Income taxes - current	872	893	6,687
Income taxes - deferred (Note 12)	23	58	434
Total income taxes	896	951	7,121
<b>Profit (loss)</b>	(1,695)	1,972	14,768
<b>Profit (loss) attributable to non-controlling interests</b>	(101)	57	426
<b>Profit (loss) attributable to owners of parent</b>	¥ (1,594)	¥ 1,914	\$ 14,333

The accompanying notes are an integral part of these financial statements.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

NAKANO CORPORATION and its subsidiaries  
For the years ended March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2022	2023	2023
<b>Profit(loss)</b>	¥ (1,695)	¥ 1,972	\$ 14,768
<b>Other comprehensive income:</b>			
Valuation difference on available-for-sale securities	(82)	21	157
Foreign currency translation adjustment	781	717	5,369
Remeasurements of defined benefit plans	76	(108)	(808)
Total other comprehensive income (Note 6)	775	630	4,718
<b>Comprehensive income</b>	¥ (920)	¥ 2,602	\$ 19,486
Comprehensive income attributable to:			
Comprehensive income attributable to owners of parent	¥ (859)	¥ 2,472	\$ 18,512
Comprehensive income attributable to non-controlling interests	(60)	130	973

The accompanying notes are an integral part of these financial statements.

# CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

NAKANO CORPORATION and its subsidiaries  
For the years ended March 31, 2022 and 2023

Millions of yen

	Shareholders' Equity					Accumulated other comprehensive income						Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests		
<b>Balance as at March 31, 2021</b>	¥ 5,061	¥ 1,400	¥ 28,637	¥ (34)	¥ 35,064	¥ 962	¥ (750)	¥ 424	¥ 635	¥ 1,210	¥ 36,909	
Changes of items during period												
Dividends from surplus			(412)		(412)						(412)	
Profit attributable to owners of parent			(1,594)		(1,594)						(1,594)	
Purchase of treasury stock				(0)	(0)						(0)	
Net changes of items other than shareholders' equity						(82)	740	76	734	(60)	674	
Total changes of items during period	—	—	(2,006)	(0)	(2,007)	(82)	740	76	734	(60)	(1,332)	
<b>Balance as at March 31, 2022</b>	¥ 5,061	¥ 1,400	¥ 26,630	¥ (35)	¥ 33,057	¥ 879	¥ (10)	¥ 500	¥ 1,369	¥ 1,149	¥ 35,576	
Changes of items during period												
Dividends from surplus			(343)		(343)						(343)	
Profit attributable to owners of parent			1,914		1,914						1,914	
Purchase of treasury stock				(0)	(0)						(0)	
Net changes of items other than shareholders' equity						21	644	(108)	557	133	691	
Total changes of items during period	—	—	1,571	(0)	1,570	21	644	(108)	557	133	2,262	
<b>Balance as at March 31, 2023</b>	¥ 5,061	¥ 1,400	¥ 28,201	¥ (35)	¥ 34,627	¥ 901	¥ 633	¥ 392	¥ 1,927	¥ 1,283	¥ 37,839	

Thousands of U.S. dollars (Note 2)

	Shareholders' Equity					Accumulated other comprehensive income						Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests		
<b>Balance as at March 31, 2022</b>	\$ 37,901	\$ 10,484	\$ 199,430	\$ (262)	\$ 247,562	\$ 6,582	\$ (74)	\$ 3,744	\$ 10,252	\$ 8,604	\$ 266,427	
Changes of items during period												
Dividends from surplus			(2,568)		(2,568)						(2,568)	
Profit attributable to owners of parent			14,333		14,333						14,333	
Purchase of treasury stock				(0)	(0)						(0)	
Net changes of items other than shareholders' equity						157	4,822	(808)	4,171	996	5,174	
Total changes of items during period	—	—	11,765	(0)	11,757	157	4,822	(808)	4,171	996	16,940	
<b>Balance as at March 31, 2023</b>	\$ 37,901	\$ 10,484	\$ 211,195	\$ (262)	\$ 259,320	\$ 6,747	\$ 4,740	\$ 2,935	\$ 14,431	\$ 9,608	\$ 283,374	

The accompanying notes are an integral part of these financial statements.

# CONSOLIDATED STATEMENTS OF CASH FLOWS

NAKANO CORPORATION and its subsidiaries  
For the years ended March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2022	2023	2023
<b>Cash flows from operating activities:</b>			
Profit(loss) before income taxes	¥ (799)	¥ 2,923	\$ 21,890
Adjustments for:			
Depreciation and amortization	458	483	3,617
Impairment loss	111	171	1,280
Increase (decrease) in allowance for doubtful accounts	87	(25)	(187)
Increase (decrease) in net defined benefit liability	(8)	13	97
Decrease (increase) in net defined benefit asset	57	(79)	(591)
Increase (decrease) in provision for loss on construction contracts	1,802	(1,184)	(8,866)
Interest and dividend income	(110)	(213)	(1,595)
Interest expenses	28	14	104
Subsidy income	(56)	(8)	(59)
Decrease (increase) in notes and accounts receivable - trade	8,541	5,720	42,836
Decrease (increase) in costs on uncompleted construction contracts	91	(76)	(569)
Increase (decrease) in notes and accounts payable - trade	147	(7,807)	(58,466)
Increase (decrease) in advances received on uncompleted construction contracts	398	4,416	33,071
Decrease/increase in consumption taxes receivable/payable	1,837	(1,913)	(14,326)
Other, net	17	394	2,950
Subtotal	12,604	2,826	21,163
Interest and dividend income received	108	201	1,505
Interest expenses paid	(22)	(16)	(119)
Income taxes paid	(1,272)	(853)	(6,388)
Subsidy income received	97	11	82
Net cash provided by (used in) operating activities	11,515	2,170	16,251
<b>Cash flows from investing activities:</b>			
Payments into time deposits	(2,113)	(823)	(6,163)
Proceeds from withdrawal of time deposits	1,289	1,856	13,899
Purchase of property, plant and equipment	(1,598)	(321)	(2,403)
Purchase of intangible assets	(43)	(32)	(239)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(958)	(7,174)
Other, net	(219)	22	164
Net cash provided by (used in) investing activities	(2,684)	(256)	(1,917)
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term loans payable	(4,900)	200	1,497
Proceeds from long-term loans payable	—	300	2,246
Repayments of long-term loans payable	(310)	(210)	(1,572)
Redemption of bonds	—	(500)	(3,744)
Cash dividends paid	(412)	(344)	(2,576)
Other, net	(117)	(222)	(1,662)
Net cash provided by (used in) financing activities	(5,739)	(776)	(5,811)
<b>Effect of exchange rate change on cash and cash equivalents</b>	666	657	4,920
<b>Net increase (decrease) in cash and cash equivalents</b>	3,757	1,794	13,435
<b>Cash and cash equivalents at beginning of period</b>	21,874	25,632	191,956
<b>Cash and cash equivalents at end of period (Note 7)</b>	¥ 25,632	¥ 27,426	\$ 205,392

The accompanying notes are an integral part of these financial statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NAKANO CORPORATION and its subsidiaries

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<b>1. Basis of Presenting Consolidated Financial Statements</b>	<p>The consolidated financial statements presented herein of NAKANO CORPORATION (the “Company”) and its consolidated subsidiaries (together, the “Group”) are prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.</p> <p>In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made to the 2022 financial statements to conform to the classifications used in 2023.</p>
<b>2. U.S. Dollar Amounts</b>	<p>The accounts of consolidated financial statements presented herein are expressed in Japanese yen by rounding down to the nearest million. The U.S. dollar amounts shown in the accompanying consolidated financial statements and notes thereto have been translated from Japanese yen into U.S. dollars on the basis of ¥133.53 to U.S.\$1, the rate of exchange prevailing at March 31, 2023, and have been then rounded down to the nearest thousand. These U.S. dollar amounts are not intended to imply that the Japanese yen amounts have been or could be converted, realized or settled in U.S. dollars at this or any other rate.</p>
<b>3. Summary of Significant Accounting Policies</b>	<p><b>a. Consolidation</b></p> <p>1) Scope of Consolidation</p> <p>The Company had 15 subsidiaries as of March 31, 2023. The consolidated financial statements for the year ended March 31, 2023 include the accounts of the Company and all subsidiaries. Note that, for the current fiscal year, 6 of the domestic subsidiaries are consolidated only on the balance sheet. The Company had 5 affiliates as of March 31, 2023. As of March 31, 2023, the equity method was not applied to 2 affiliates, as it was not significant in terms of retained earnings and net income of the consolidated financial statements.</p> <p>2) Financial Statements of Subsidiaries</p> <p>The financial year-end of 6 domestic subsidiaries is July 31.</p> <p>Consolidation of these subsidiaries are therefore performed by using the provisional financial statements prepared as of March 31. The other subsidiaries’ financial year-end is March 31.</p> <p><b>b. Securities</b></p> <p>Securities are classified and accounted for as follows:</p> <p>Available-for-sale securities</p> <p>Other than equity securities etc. without market prices are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets, while the cost of securities sold is computed using the moving-average method.</p> <p>Equity securities etc. without market prices are stated at cost determined by the moving-average method. For other than temporary declines in fair value, securities are written down to net realizable value.</p> <p><b>c. Inventories</b></p> <p>Costs on uncompleted construction contracts are stated at cost determined by the specific identification method.</p> <p>Costs on real estate business, Real estate for sale and development projects in progress and Raw materials and supplies are stated at cost determined by the specific identification method for Costs on real estate business and Real estate for sale and development projects in progress and by the last purchase price method for Raw material and supplies, while the net book value of these inventories in the balance sheet is written down if the net realizable value declines.</p> <p><b>d. Property, Plant and Equipment (excluding lease assets)</b></p> <p>Property, plant and equipment are stated at cost. Depreciation of Property, plant and equipment of the Company and its domestic consolidated subsidiaries is computed by the declining-balance method. Buildings (excluding Building fixtures) acquired on or after April 1, 1998 and Building fixtures and Structures acquired on or after April 1, 2016 are depreciated using the straight-line method. Useful lives and residual values of the assets are determined based on the regulations of the Corporation Tax Act.</p> <p>Foreign consolidated subsidiaries use primarily the straight-line method.</p>

**e. Intangible Assets (excluding lease assets) and Goodwill**

Intangible assets are amortized by the straight-line method. Useful lives of the assets are determined based on the regulations of the Corporation Tax Act.

Software for internal use is amortized over a period of the internal available years (5 years) using the straight-line method.

Goodwill is amortized over 5 years using the straight-line method.

**f. Lease Assets**

Depreciation of Lease assets under finance leases that do not transfer ownership of the Lease assets to the lessee is calculated by the straight-line method over the lease term of the Lease assets with no residual value.

Some foreign consolidated subsidiaries prepare financial statements pursuant to the International Financial Reporting Standards. These subsidiaries have applied International Financial Reporting Standard 16 Leases (hereinafter referred to as "IFRS 16"). As a result, lessees recognize all leases as assets and liabilities on the balance sheet, in principle. Depreciation of Right-of-use assets recognized as assets is calculated by the straight-line method. Lease transactions based on IFRS 16 are classified under "1. Finance lease transactions" in "8. Lease Transactions."

**g. Allowance for Doubtful Accounts**

The allowance for doubtful accounts provided by the Company and its domestic consolidated subsidiaries is stated in amounts considered to be appropriate based on each company's past credit loss experience and an evaluation of potential losses in the receivables and others outstanding.

Foreign consolidated subsidiaries provide for such possible losses based on the estimated uncollectible amounts of the specific accounts.

**h. Provision for Warranties for Completed Construction**

The provision for warranties for completed construction is provided by the Company to cover expenses for defects claimed concerning completed work based on the estimated amount of compensation to be paid in the future for the work completed during the fiscal year which is calculated by using the results in the past fiscal years.

**i. Provision for Loss on Construction Contracts**

The provision for loss on construction contracts is provided by the Group with respect to construction projects for which eventual losses are reasonably estimated.

**j. Provision for Bonuses**

The provision for bonuses provided by the Company and its domestic consolidated subsidiaries is accrued at the year end to which such bonuses are attributable.

**k. Provision for Retirement Benefits for Directors**

The provision for retirement benefits for directors is provided by certain domestic subsidiaries at the amount to be paid according to their companies' regulations if they had retired at the current consolidated fiscal year-end, in order to prepare for the payment of retirement benefits for directors.

**l. Accounting for Retirement Benefits**

In computing projected benefit obligations, the estimated amounts of retirement benefit obligations are attributed to periods on a benefit formula basis.

Actuarial differences are amortized commencing in the following year after the differences are incurred by the straight-line method over a period (11 years) which is shorter than the average remaining years of service of the employees when incurred.

In determining Net defined benefit liability and Retirement benefit expenses, certain consolidated subsidiaries adopt a short-cut method where the amount required for voluntary termination of employees at the fiscal year-end is regarded as projected benefit obligations.



#### m. Revenue and Cost of Construction Contracts

The Group is primarily engaged in the general construction business, undertaking the construction and design of buildings and other structures. The principal obligation of the Group is to construct and design buildings and other structures based on the specifications of contracts with customers, and delivery to customers in exchange for contract consideration.

The Group recognizes revenue over time as performance obligations to transfer the goods or services to the customer are satisfied because control of the goods or services is primarily transferred to customers over time.

The measurement of progress toward satisfying performance obligations is based on the percentage of the cost of construction incurred until the end of each reporting period, against the total expected cost of construction. If, at an early stage of the contract, the degree of progress toward satisfying the performance obligation cannot be reasonably estimated, but it is probable that the costs to be incurred will be recovered, revenue is recognized on a cost recovery basis. For construction contracts with a very short period between the transaction commencement date and the point in time when the performance obligation is expected to be fully satisfied, an alternative treatment is applied, whereby revenue is not recognized over time, but is recognized when the performance obligation is fully satisfied.

#### n. Cash and Cash Equivalents in the Consolidated Statements of Cash Flows

In preparing the consolidated statements of cash flows, Cash and cash equivalents include cash on hand, readily-available deposits and short-term highly liquid investments with maturities within 3 months at the time of acquisition that are exposed to insignificant risk of changes in value.

#### o. Significant Accounting Estimates

“Revenue recognized in construction contracts”

i) Amount recorded in the consolidated financial statements

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Net sales of completed construction contracts	¥ 90,594	¥ 108,803	\$ 814,820

ii) Information on significant accounting estimates for identified items

Net sales of completed construction contracts are recorded by recognizing revenue over time, primarily as the performance obligation to transfer goods or services to the customer is satisfied. The measurement of progress toward satisfying performance obligations is based on the percentage of the cost of construction incurred until the end of each reporting period, against the total expected cost of construction. If estimated total cost or cost incurred should significantly exceed original estimations due to a substantial rise in labor and equipment costs, or other reasons, then this may have a significant impact on construction revenue recognized over time under the Revenue Recognition Standard in the consolidated financial statements of the following fiscal year.

#### p. Changes in Accounting Policies

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (revised ASBJ Guidance No. 31, June 17, 2021; hereinafter “the Guidance”) from the beginning of the current fiscal year, and in accordance with the transitional treatment set forth in Paragraph 27-2 of the Guidance, has decided to prospectively apply new accounting policies as defined by the Guidance. There is no impact on the consolidated financial statements.

In accordance with Paragraph 27-3 of the Guidance, the investment trusts for the fiscal year ended March 31, 2022 are not included in “Breakdown, etc., if the fair value of financial instruments for each level” in the notes to “9. Financial Instruments”.

4. Notes to  
Consolidated  
Balance Sheets

1. The amounts of receivables and contract assets in “Notes receivable, accounts receivable from completed construction contracts and other” arising from contracts with customers were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Notes receivable	¥ 56	¥ 219	\$ 1,640
Electronically recorded monetary claims - operating	2,862	2,715	20,332
Accounts receivable from completed construction contracts and other	9,193	8,107	60,712
Contract Assets	14,878	11,140	83,426

2. The assets pledged as collateral and collateralized liabilities were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Cash and deposits	¥ 52	¥ 50	\$ 374
Electronically recorded monetary claims - operating	200	200	1,497
Buildings	540	516	3,864
Land	5,697	5,697	42,664
Investment securities	302	296	2,216
Total	¥ 6,792	¥ 6,760	\$ 50,625

Short-term loans payable	¥ 170	¥ 348	\$ 2,606
Long-term loans payable	—	202	1,512
Total	¥ 170	¥ 550	\$ 4,118

Investment securities of ¥302 million as of March 31, 2022 include ¥4 million of stocks of subsidiaries and affiliates pledged as collateral based on loan agreements concluded between the Company's affiliates and financial institutions.

Investment securities of ¥296 million (\$2,216 thousand) as of March 31, 2023 include ¥4 million (\$29 thousand) of stocks of subsidiaries and affiliates pledged as collateral based on loan agreements concluded between the Company's affiliates and financial institutions.

3. The Group was contingently liable for the following:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Guarantees to financial institutions, etc. to ensure the completion of construction contracts of Nakano Singapore (Pte.) Ltd. and its subsidiaries	¥ 4,061	¥ 3,130	\$ 23,440
Debt guarantee for borrowing of the affiliated company	—	15	112
Total	¥ 4,061	¥ 3,146	\$ 23,560

4. “Costs on uncompleted construction contracts” which are estimated to recognize losses and “Provision for loss on construction contracts” are to be recorded on a gross basis without offsetting, if any.

5. Investment in unconsolidated subsidiaries and affiliates were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Investment securities (Equity securities)	¥ 4	¥ 168	\$ 1,258

6. The amount of Contract liabilities in “Advances received on uncompleted construction contracts” was as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Advances received on uncompleted construction contracts	¥ 6,284	¥ 10,928	\$ 81,839

5. Notes to Consolidated Statements of Income

1. Revenue from Contracts with Customers

Net sales do not separately present revenue arising from contracts with customers and other revenue. The amount of revenue from contracts with customers is presented in “14. Revenue Recognition 1. Information breakdown on revenue arising from contracts with customers”.

2. Provision for loss on construction contracts included in “Cost of sales of completed construction contracts” was as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Provision for loss on construction contracts	¥ 1,847	¥ 41	\$ 307

3. The major components of “Selling, general and administrative expenses” were as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Employees' salaries and allowances	¥ 2,686	¥ 2,792	\$ 20,909
Provision for bonuses	233	235	1,759
Retirement benefit expenses	143	85	636
Provision of allowance for doubtful accounts	87	(20)	(149)
Depreciation	180	202	1,512

4. Research and development costs included in Selling, general and administrative expenses were as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Research and development costs	¥ 103	¥ 115	\$ 861

5. “Gain on sales of non-current assets” consisted of the following:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Vehicles	¥ 8	¥ 6	\$ 44
Other	0	—	—
Total	¥ 8	¥ 6	\$ 44

6. “Gain on sales of memberships”

Gain on sales of memberships is the income generated from the sale of the golf membership.

7. “Subsidy Income”

In the fiscal year ended March 31, 2022 and 2023, the Company has recorded subsidies paid by the governments of Singapore, Malaysia and Thailand to companies suffering the impact of COVID-19 under their respective schemes to support employment.

Company Name	Country	Millions of yen		Thousands of U.S. dollars	
		2022	2023	2022	2023
Nakano Singapore (PTE.) LTD.	Singapore	¥ 47	¥ 8	\$ —	\$ 59
Nakano Construction SDN.BHD.	Malaysia	5	—	—	—
Thai Nakano CO.,LTD.	Thailand	4	—	—	—
<b>Total</b>		¥ 56	¥ 8	\$ —	\$ 59

8. In the fiscal year ended March 31, 2022 and 2023, the Group recognized Impairment losses on the following asset groups:

Company Name	Country	Use	Type	Millions of yen		Thousands of U.S. dollars	
				2022	2023	2022	2023
Nakano Singapore (Pte.) Ltd.	Singapore	Operating assets	Buildings	¥ 23	¥ 98	\$ —	\$ 733
			Machinery	37	69	—	516
			Tools, furniture and fixtures	29	0	—	0
			<b>Total</b>	90	167	—	1,250
Nakano Construction Sdn. Bhd.	Malaysia	Operating assets	Buildings	2	—	—	—
			Tools, furniture and fixtures	15	—	—	—
			Others	1	—	—	—
			<b>Total</b>	19	—	—	—
Thai Nakano Co.,Ltd.	Thailand	Operating assets	Tools, furniture and fixtures	1	2	—	14
			Machinery	0	0	—	0
			Others	—	0	—	0
			<b>Total</b>	1	3	—	22
<b>Total</b>				¥ 111	¥ 171	\$ —	\$ 1,280

The Group categorizes its construction business by each respective revenue unit, and its real estate leasing business and other businesses by individual assets, as the smallest cash flow-generating units.

The book value of business assets held by a consolidated subsidiary, which are grouped into business assets for the construction business, was reduced to the recoverable amount as the said consolidated subsidiary continuously incurred negative earnings from operating activities, and that amount of reduction was recognized as Impairment loss under extraordinary losses.

The recoverable amount of such assets was measured based on the value in use, and the consolidated subsidiary whose operating activities continuously generated negative earnings was evaluated to have a recoverable amount of zero as its future cash flow is not expected.

9. “Research expenses”

Research expenses are the expenses recorded relating to the inappropriate accounting treatment in prior years that was discovered at the Company’s consolidated subsidiaries.

10. “Losses due to COVID-19”

Company Name	Country	Millions of yen		Thousands of U.S. dollars	
		2022	2023	2022	2023
Nakano Construction SDN.BHD.	Malaysia	¥ 95	¥ —	\$ —	\$ —

11. "Head office relocation expenses" consisted of the following:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars	
	2022	2023	2022	2023
Restoration cost	¥ 7	¥ —	\$ —	—
Loss on retirement of leasehold improvements	5	—	—	—
Other	8	—	—	—
<b>Total</b>	<b>¥ 21</b>	<b>¥ —</b>	<b>\$ —</b>	<b>—</b>

6. Notes to Consolidated Statements of Comprehensive Income

Reclassification adjustments and tax effects related to Other comprehensive income were as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars	
	2022	2023	2022	2023
Valuation difference on available-for-sale securities				
Amount arising during the year	¥ (118)	¥ 32	\$ 239	—
Reclassification adjustments	—	—	—	—
Total before tax effect	(118)	32	239	—
Tax effect	36	(10)	(74)	—
Valuation difference on available-for-sale securities	(82)	21	157	—
Foreign currency translation adjustments				
Amount arising during the year	781	717	5,369	—
Reclassification adjustments	—	—	—	—
Total before tax effect	781	717	5,369	—
Tax effect	—	—	—	—
Foreign currency translation adjustments	781	717	5,369	—
Remeasurements of defined benefit plans				
Amount arising during the year	27	(106)	(793)	—
Reclassification adjustments	82	(50)	(374)	—
Total before tax effect	110	(156)	(1,168)	—
Tax effect	(33)	47	351	—
Remeasurements of defined benefit plans	76	(108)	(808)	—
<b>Total other comprehensive income</b>	<b>¥ 775</b>	<b>¥ 630</b>	<b>\$ 4,718</b>	<b>—</b>

7. Notes to Consolidated Statements of Cash Flows

The reconciliation between "Cash and cash equivalents" reported in the consolidated statements of cash flows and "Cash and deposits" reported in the consolidated balance sheets was as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars	
	2022	2023	2022	2023
Cash and deposits per consolidated balance sheets	¥ 27,047	¥ 27,902	\$ 208,956	—
Less: Time deposits maturing over 3 months	(1,415)	(475)	(3,557)	—
Cash and cash equivalents per consolidated statements of cash flows	¥ 25,632	¥ 27,426	\$ 205,392	—

## 8. Lease Transactions

### 1. Finance lease transactions

(As lessee)

Finance lease contracts that do not transfer ownership of the lease assets to the lessee

#### 1) Contents of lease assets

Property, plant and equipment

Fixtures such as computers and vehicles.

In addition, "Right of use assets" of foreign consolidated subsidiaries mainly comprise offices and vehicles.

#### 2) Depreciation of lease assets

As described in "NOTES TO CONSOLIDATED FINANCIAL STATEMENTS 3. Summary of Significant Accounting Policies f. Lease Assets".

### 2. Operating lease transactions

Future minimum lease payments under non-cancelable operating lease contracts as of March 31, 2022 and 2023 were as follows:

As of March 31	Millions of yen		Thousands of
	2022	2023	U.S. dollars
(As lessee)			
Due in 1 year	¥ 21	¥ 21	\$ 157
Due after 1 year	79	57	426
Total	¥ 100	¥ 79	\$ 591
(As lessor)			
Due in 1 year	¥ 62	¥ 62	\$ 464
Due after 1 year	124	62	464
Total	¥ 186	¥ 124	\$ 928

## 9. Financial Instruments

### 1. Overview

#### 1) Policy for financial instruments

The Group raises operating funds primarily through bank loans and bond issues. Temporary fund surpluses are managed principally through short-term deposits with little risk. Under the policy of the Group, the Group uses derivatives only for the purpose of reducing foreign exchange fluctuation risks associated with foreign currency denominated transactions and interest rate fluctuation risks associated with loans payable, and not for speculative purposes.

#### 2) Types of financial instruments, risk and risk management

The Group controls risks by type of financial instruments in accordance with the risk management policy.

Regarding credit risk associated with Notes receivable and Accounts receivable from completed construction contracts, the Group identifies major customers' credit status by monitoring the payment terms and credit balances by each customer.

Regarding Investment securities, principally consisting of equity securities, the Group regularly identifies the quoted market price of the listed securities to manage the risks arising from market value fluctuations.

The Group manages liquidity risk associated with loans payable by appropriately planning for fund raising based on monthly cash flow projections.

Regarding derivative transactions, the Group executes and controls the transactions based on the internal control rules which define the transaction authority and limits and enter into contracts with only the high credit rating financial institutions to reduce credit risk.

#### 3) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments is determined based on the market price or reasonable estimated amount if there is no market price. Certain assumptions are used for calculation of such fair value, and accordingly, the result of such calculation may vary, if different assumptions are used.

## 2. Fair value of financial instruments

The carrying amount, fair value and difference of the financial instruments as of March 31, 2022 and 2023 were as follows:

As of March 31, 2022	Millions of yen		
	Carrying amount	Fair value	Difference
(1) Notes receivable, accounts receivable from completed construction contracts and other	¥ 26,990		
Allowance for doubtful accounts (Note 2)	(173)		
	¥ 26,817	¥ 26,817	¥ —
(2) Investment securities (Note 3)			
Available-for-sale securities	2,117	2,117	—
Assets total	¥ 28,934	¥ 28,934	¥ —
Long-term loans payable (Note 4)	¥ 410	¥ 409	¥ (0)
Liabilities total	¥ 410	¥ 409	¥ (0)

1. Cash and deposits, Notes payable, accounts payable for construction contracts and other, Short-term loans payable, and Current portion of bonds are omitted because they are cash, and their fair value approximates their book value due to their short maturities. Long-term loans receivable are omitted as they are immaterial.
2. Allowance for doubtful accounts individually recorded for Notes receivable, accounts receivable from completed construction contracts and other is deducted.
3. Equity securities etc. without market prices are not included. The carrying amounts of such financial instruments in the consolidated balance sheets are as follows:

As of March 31, 2022	Millions of yen
Unlisted equity securities	¥ 1,206

4. Current portion of long-term loans payable is included.

As of March 31, 2023	Millions of yen		
	Carrying amount	Fair value	Difference
(1) Notes receivable, accounts receivable from completed construction contracts and other	¥ 22,182		
Allowance for doubtful accounts (Note 2)	(144)		
	¥ 22,038	¥ 22,038	¥ —
(2) Investment securities (Note 3)			
Available-for-sale securities			
Equity securities	2,144	2,144	—
Corporate bonds	95	95	—
Others	19	19	—
Assets total	¥ 24,297	¥ 24,297	¥ —
Long-term loans payable (Note 4)	¥ 501	¥ 501	¥ (0)
Liabilities total	¥ 501	¥ 501	¥ (0)

As of March 31, 2023	Thousands of U.S. dollars		
	Carrying amount	Fair value	Difference
(1) Notes receivable, accounts receivable from completed construction contracts and other Allowance for doubtful accounts (Note 2)	<b>\$ 166,119</b> <b>(1,078)</b>		
	<b>\$ 165,041</b>	<b>\$ 165,041</b>	<b>\$ —</b>
(2) Investment securities (Note 3)			
Available-for-sale securities			
Equity securities	<b>16,056</b>	<b>16,056</b>	<b>—</b>
Corporate bonds	<b>711</b>	<b>711</b>	<b>—</b>
Others	<b>142</b>	<b>142</b>	<b>—</b>
Assets total	<b>\$ 181,950</b>	<b>\$ 181,950</b>	<b>\$ —</b>
Long-term loans payable (Note 4)	<b>\$ 3,751</b>	<b>\$ 3,751</b>	<b>\$ (0)</b>
Liabilities total	<b>\$ 3,751</b>	<b>\$ 3,751</b>	<b>\$ (0)</b>

1. Cash and deposits, Notes payable, accounts payable for construction contracts and other, and Short-term loans payable are omitted because they are cash, and their fair value approximates their book value due to their short maturities. Long-term loans receivable are omitted as they are immaterial.
2. Allowance for doubtful accounts individually recorded for Notes receivable, accounts receivable from completed construction contracts and other is deducted.
3. Equity securities etc. without market prices are not included. The carrying amounts of such financial instruments in the consolidated balance sheets are as follows:

As of March 31, 2023	Millions of yen	Thousands of U.S. dollars
Unlisted equity securities	¥ 1,390	\$ 10,409

4. Current portion of long-term loans payable is included.

(Notes): 1. Redemption schedule for monetary assets and securities with contractual maturities after balance sheet date was as follows:

As of March 31, 2022	Millions of yen				
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years	
Cash and deposits	¥ 27,047	¥ —	¥ —	¥ —	¥ —
Notes receivable, accounts receivable from completed construction contracts and other	26,990	—	—	—	—
Investment securities					
Available-for-sale securities with contractual maturities	—	6	—	—	—
Total	¥ 54,038	¥ 6	¥ —	¥ —	¥ —



As of March 31, 2023	Millions of yen			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	¥ 27,902	¥ —	¥ —	¥ —
Notes receivable, accounts receivable from completed construction contracts and other	22,182	—	—	—
Investment securities				
Available-for-sale securities with contractual maturities (Corporate bonds)	—	—	—	95
Available-for-sale securities with contractual maturities (Others)	—	13	9	4
<b>Total</b>	<b>¥ 50,085</b>	<b>¥ 13</b>	<b>¥ 9</b>	<b>¥ 99</b>

As of March 31, 2023	Thousands of U.S. dollars			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	\$ 208,956	\$ —	\$ —	\$ —
Notes receivable, accounts receivable from completed construction contracts and other	166,119	—	—	—
Investment securities:				
Available-for-sale securities with contractual maturities (Corporate bonds)	—	—	—	711
Available-for-sale securities with contractual maturities (Others)	—	97	67	29
<b>Total</b>	<b>\$ 375,084</b>	<b>\$ 97</b>	<b>\$ 67</b>	<b>\$ 741</b>

2. Repayment schedule of Short-term loans payable, Long-term loans payable and Bonds payable after balance sheet date was as follows:

As of March 31, 2022	Millions of yen					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	¥ 480	¥ —	¥ —	¥ —	¥ —	¥ —
Long-term loans payable	—	50	50	50	50	—
Bonds payable	500	—	—	—	—	—
<b>Total</b>	<b>¥ 980</b>	<b>¥ 50</b>	<b>¥ 50</b>	<b>¥ 50</b>	<b>¥ 50</b>	<b>¥ —</b>

As of March 31, 2023	Millions of yen					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	¥ 470	¥ —	¥ —	¥ —	¥ —	¥ —
Long-term loans payable	148	149	154	50	—	—
<b>Total</b>	<b>¥ 618</b>	<b>¥ 149</b>	<b>¥ 154</b>	<b>¥ 50</b>	<b>¥ —</b>	<b>¥ —</b>

As of March 31, 2023	Thousands of U.S. dollars					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	\$ 3,519	\$ —	\$ —	\$ —	\$ —	\$ —
Long-term loans payable	1,108	1,115	1,153	374	—	—
<b>Total</b>	<b>\$ 4,628</b>	<b>\$ 1,115</b>	<b>\$ 1,153</b>	<b>\$ 374</b>	<b>\$ —</b>	<b>\$ —</b>

3. Breakdown, etc., if the fair value of financial instruments for each level

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

Level 1 fair value: Fair value calculated from the market prices for assets or liabilities, whereby such fair value calculation is formed in active markets from among the inputs associated with the calculation of observable fair value.

Level 2 fair value: Fair value calculated using inputs related to the fair value other than with Level 1 inputs from among the inputs associated with the calculation of observable fair value.

Level 3 fair value: Fair value calculated using inputs associated with fair value that cannot be observed.

1) Financial instruments that deem carrying value as fair value

As of March 31, 2022	Millions of yen			
	Fair Value			Total
	Level 1	Level 2	Level 3	
Investment securities				
Available-for-sale securities				
Equity securities	¥ 2,111	¥ —	¥ —	¥ 2,111
<b>Assets Total</b>	<b>¥ 2,111</b>	<b>¥ —</b>	<b>¥ —</b>	<b>¥ 2,111</b>

(Note): The fair value of investment trusts is not included in the above. The carrying amount of the investment trust is ¥6 million.

As of March 31, 2023	Millions of yen			
	Fair Value			Total
	Level 1	Level 2	Level 3	
Investment securities				
Available-for-sale securities				
Equity securities	¥ 2,144	¥ —	¥ —	¥ 2,144
Corporate bonds	—	95	—	95
Others	—	19	—	19
<b>Assets Total</b>	<b>¥ 2,144</b>	<b>¥ 114</b>	<b>¥ —</b>	<b>¥ 2,259</b>

As of March 31, 2023	Thousands of U.S. dollars			
	Fair Value			Total
	Level 1	Level 2	Level 3	
Investment securities				
Available-for-sale securities				
Equity securities	\$ 16,056	\$ —	\$ —	\$ 16,056
Corporate bonds	—	711	—	711
Others	—	142	—	142
<b>Assets Total</b>	<b>\$ 16,056</b>	<b>\$ 853</b>	<b>\$ —</b>	<b>\$ 16,917</b>

2) Financial instruments that do not deem carrying value as fair value

As of March 31, 2022	Fair Value				Millions of yen
	Level 1	Level 2	Level 3	Total	
	Notes receivable, accounts receivable from completed construction contracts and other	¥ —	¥ 26,817	¥ —	¥ 26,817
Assets Total	¥ —	¥ 26,817	¥ —	¥ 26,817	
Long-term loans payable	¥ —	¥ 409	¥ —	¥ 409	
Liabilities Total	¥ —	¥ 409	¥ —	¥ 409	

As of March 31, 2023	Fair Value				Millions of yen
	Level 1	Level 2	Level 3	Total	
	Notes receivable, accounts receivable from completed construction contracts and other	¥ —	¥ 22,038	¥ —	¥ 22,038
Assets Total	¥ —	¥ 22,038	¥ —	¥ 22,038	
Long-term loans payable	¥ —	¥ 501	¥ —	¥ 501	
Liabilities Total	¥ —	¥ 501	¥ —	¥ 501	

As of March 31, 2023	Fair Value				Thousands of U.S. dollars
	Level 1	Level 2	Level 3	Total	
	Notes receivable, accounts receivable from completed construction contracts and other	\$ —	\$ 165,041	\$ —	\$ 165,041
Assets Total	\$ —	\$ 165,041	\$ —	\$ 165,041	
Long-term loans payable	\$ —	\$ 3,751	\$ —	\$ 3,751	
Liabilities Total	\$ —	\$ 3,751	\$ —	\$ 3,751	

(Notes): Explanation of valuation techniques used in the calculation of fair value and inputs related to the calculation of fair value

Investment securities

Listed securities and corporate bonds are valued using quoted prices. listed securities are traded in active markets, and as such their fair value is classified as Level 1 fair value. The fair value of corporate bonds and others are classified as Level 2 fair value because they are not traded frequently in the market and not considered to have quoted prices in active markets.

Notes receivable, accounts receivable from completed construction contracts and other

The fair value of these items is calculated using the discounted cash flow method based on the period until the receivables amount is collected as well as an interest rate adjusted to reflect credit risk, for each receivable classified by a certain period; classified as Level 2 fair value.

Long-term loans payable (including current portion of long-term loans payable)

The fair value of Long-term loans payable is calculated based on the discounted cash flow method using the total amount of principal and interest, and the interest rate that would be applicable to similar new loan; classified as Level 2 fair value.

## 10. Securities

1. Investment securities as of March 31, 2022 and 2023 consisted of the following:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Available-for-sale securities with market value	¥ 2,117	¥ 2,259	\$ 16,917

2. The carrying amount and fair value of held-to-maturity debt securities as of March 31, 2022 and 2023 were as follows:

Not applicable

3. The carrying amount (fair value) and acquisition cost of available-for-sale securities as of March 31, 2022 and 2023 were as follows:

As of March 31, 2022	Millions of yen		
	Carrying amount	Acquisition cost	Difference
1) Securities with carrying amount exceeding acquisition cost			
Equity securities	¥ 1,969	¥ 659	¥ 1,310
Other	6	1	4
Subtotal	¥ 1,975	¥ 661	¥ 1,314
2) Securities with acquisition cost exceeding carrying amount			
Equity securities	¥ 142	¥ 174	¥ (32)
Subtotal	¥ 142	¥ 174	¥ (32)
Total	¥ 2,117	¥ 835	¥ 1,281

As of March 31, 2023	Millions of yen		
	Carrying amount	Acquisition cost	Difference
1) Securities with carrying amount exceeding acquisition cost			
Equity securities	¥ 2,007	¥ 659	¥ 1,347
Other	5	1	3
Subtotal	¥ 2,012	¥ 661	¥ 1,351
2) Securities with acquisition cost exceeding carrying amount			
Equity securities	¥ 137	¥ 174	¥ (37)
Bonds	95	100	(4)
Other	13	14	(0)
Subtotal	¥ 246	¥ 289	¥ (42)
Total	¥ 2,259	¥ 950	¥ 1,308

As of March 31, 2023	Thousands of U.S. dollars		
	Carrying amount	Acquisition cost	Difference
1) Securities with carrying amount exceeding acquisition cost			
Equity securities	\$ 15,030	\$ 4,935	\$ 10,095
Other	37	7	30
Subtotal	\$ 15,067	\$ 4,950	\$ 10,117
2) Securities with acquisition cost exceeding carrying amount			
Equity securities	\$ 1,025	\$ 1,303	\$ (278)
Bonds	711	748	(37)
Other	97	104	(7)
Subtotal	\$ 1,842	\$ 2,164	\$ (322)
<b>Total</b>	<b>\$ 16,917</b>	<b>\$ 7,114</b>	<b>\$ 9,803</b>

(Note) "Unlisted equity securities etc." in an amount of ¥1,206 million as of March 31, 2022 and ¥1,390 million (\$10,409 thousand) as of March 31, 2023 were not included in available-for-sale securities in the above table, since there is no market price.

4. Available-for-sale securities which were sold during the years ended March 31, 2022 and 2023 were as follows:

For the year ended March 31, 2022:

There were no available-for-sale securities which were sold.

For the year ended March 31, 2023:

There were no available-for-sale securities which were sold.

5. Securities on which impairment loss was recognized during the years ended March 31, 2022 and 2023 were as follows:

For the year ended March 31, 2022:

There were no securities on which impairment loss was recognized.

For the year ended March 31, 2023:

There were no securities on which impairment loss was recognized.

If the fair value of available-for-sale securities with fair value declines by 30% to 50% of the acquisition cost, the Company judges the recoverability, considering the current status of the issuing companies and the fair value trends, and recognizes impairment loss, unless the recovery is reasonably expected.

## 11. Retirement Benefits

### 1. Outline of the Company's retirement benefit plans

The Company has defined benefit plans that consist of a defined benefit corporate pension plan and a lump-sum retirement benefit plan and also defined contribution pension plans. Certain consolidated subsidiaries have unfunded defined benefit plans and lump-sum benefit plans.

Furthermore, the Group may pay additional retirement benefits upon the retirement of certain employees.

With respect to lump-sum benefit plans adopted by certain consolidated subsidiaries, net defined benefit liability and retirement benefit expenses are calculated by the short-cut method.

### 2. Defined Benefit Plans

1) The changes in projected benefit obligations for the years ended March 31, 2022 and 2023 were as follows (excluding the plans to which a short-cut method was applied):

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Beginning balance of projected benefit obligations	¥ 3,927	¥ <b>3,816</b>	\$ <b>28,577</b>
Service cost	253	<b>239</b>	<b>1,789</b>
Interest cost	14	<b>18</b>	<b>134</b>
Actuarial differences	(33)	<b>(45)</b>	<b>(337)</b>
Retirement benefits paid	(355)	<b>(264)</b>	<b>(1,977)</b>
Other	9	<b>(5)</b>	<b>(37)</b>
Ending balance of projected benefit obligations	¥ 3,816	¥ <b>3,759</b>	\$ <b>28,150</b>

2) The changes in plan assets for the years ended March 31, 2022 and 2023 were as follows (excluding the plans to which a short-cut method was applied):

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Beginning balance of plan assets	¥ 4,586	¥ <b>4,519</b>	\$ <b>33,842</b>
Expected return of plan assets	91	<b>90</b>	<b>674</b>
Actuarial differences	3	<b>(160)</b>	<b>(1,198)</b>
Contribution from the employer	185	<b>178</b>	<b>1,333</b>
Retirement benefits paid	(347)	<b>(254)</b>	<b>(1,902)</b>
Ending balance of plan assets	¥ 4,519	¥ <b>4,373</b>	\$ <b>32,749</b>

3) The changes in Net defined benefit liability of the plans to which the short-cut method was applied for the years ended March 31, 2022 and 2023 were as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Beginning balance of net defined benefit liability	¥ 132	¥ <b>127</b>	\$ <b>951</b>
Retirement benefit expenses	19	<b>28</b>	<b>209</b>
Retirement benefits paid	(24)	<b>(18)</b>	<b>(134)</b>
Increase in value due to the acquisition of newly consolidated subsidiaries	—	<b>3</b>	<b>22</b>
Ending balance of net defined benefit liability	¥ 127	¥ <b>141</b>	\$ <b>1,055</b>

4) Reconciliation between the ending balances of projected benefit obligations and plan assets and Net defined benefit liability and Net defined benefit asset recorded in the consolidated balance sheet as of March 31, 2022 and 2023 was as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Funded projected benefit obligations	¥ 3,712	¥ <b>3,643</b>	<b>\$ 27,282</b>
Plan assets	(4,519)	<b>(4,373)</b>	<b>(32,749)</b>
Net	¥ (806)	¥ <b>(729)</b>	<b>\$ (5,459)</b>
Unfunded projected benefit obligations	231	<b>257</b>	<b>1,924</b>
Net liability recorded in the consolidated balance sheet	¥ (575)	¥ <b>(472)</b>	<b>\$ (3,534)</b>
Net defined benefit liability	¥ 231	¥ <b>257</b>	<b>\$ 1,924</b>
Net defined benefit asset	(806)	<b>(729)</b>	<b>(5,459)</b>
Net liability recorded in the consolidated balance sheet	¥ (575)	¥ <b>(472)</b>	<b>\$ (3,534)</b>

(Note) Above amounts include plans to which the short-cut method is applied.

5) The components of Retirement benefit expenses for the years ended March 31, 2022 and 2023 were as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Service cost	¥ 253	¥ <b>239</b>	<b>\$ 1,789</b>
Interest cost	14	<b>18</b>	<b>134</b>
Expected return of plan assets	(91)	<b>(90)</b>	<b>(674)</b>
Amortization of actuarial differences	73	<b>(41)</b>	<b>(307)</b>
Retirement benefit expenses computed by short-cut method	19	<b>28</b>	<b>209</b>
Other	9	<b>(5)</b>	<b>(37)</b>
Retirement benefit expenses on defined benefit plans	¥ 279	¥ <b>149</b>	<b>\$ 1,115</b>

6) The component of "Remeasurements of defined benefit plans" under "Other comprehensive income" (before adjusting for tax effects) for the years ended March 31, 2022 and 2023 was as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Actuarial differences	¥ 110	¥ <b>(156)</b>	<b>\$ (1,168)</b>

7) The component of "Remeasurements of defined benefit plans" under "Accumulated other comprehensive income" (before adjusting for tax effects) as of March 31, 2022 and 2023 was as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Unrecognized actuarial differences	¥ 721	¥ <b>565</b>	<b>\$ 4,231</b>

8) Plan assets

a. Components of plan assets

Plan assets as of March 31, 2022 and 2023 consisted of the following:

As of March 31	2022	2023
Bonds	57%	<b>50%</b>
Equity securities	34	<b>41</b>
Insurance assets (general account)	8	<b>8</b>
Other	1	<b>1</b>
<b>Total</b>	<b>100</b>	<b>100</b>

b. Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined considering allocation of plan assets which are expected currently and in the future and the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

9) Actuarial assumptions used for the years ended March 31, 2022 and 2023 were set forth as follows:

For the year ended March 31	2022	2023
Discount rate	0.3%	<b>0.5%</b>
Long-term expected rate of return on plan assets	2.0	<b>2.0</b>

3. Defined Contribution Plans

The amount of the required contribution to the defined contribution plans of the Company for the years ended March 31, 2022 and 2023 was as follows:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Required contribution to the defined contribution plans	¥ 68	¥ <b>66</b>	\$ <b>494</b>



## 12. Deferred Tax Accounting

1. The significant components of Deferred tax assets and liabilities as of March 31, 2022 and 2023 were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Deferred tax assets:			
Tax loss carryforwards	¥ 908	¥ 1,021	\$ 7,646
Provision for bonuses	167	199	1,490
Net defined benefit liability	29	32	239
Allowance for doubtful accounts	45	39	292
Loss on valuation of real estate for sale	287	287	2,149
Provision for loss on construction contracts	365	173	1,295
Accounts payable for construction contracts	149	327	2,448
Impairment loss	1,371	1,371	10,267
Other	358	424	3,175
Subtotal	3,684	3,877	29,034
Less: Valuation allowance (Note)	(3,308)	(3,484)	(26,091)
Deferred tax assets	¥ 375	¥ 392	\$ 2,935
Deferred tax liabilities:			
Valuation difference on available-for-sale securities	¥ (401)	¥ (410)	\$ (3,070)
Undistributed earnings of foreign consolidated subsidiaries	(363)	(396)	(2,965)
Net defined benefit asset	(247)	(223)	(1,670)
Other	(15)	(26)	(194)
Deferred tax liabilities	¥ (1,027)	¥ (1,057)	\$ (7,915)
Net deferred tax liabilities	¥ (652)	¥ (664)	\$ (4,972)

(Note) Valuation allowance increased by ¥176 million (\$1,318 thousand). The major reason for this increase were the additional recognition of Valuation allowance of ¥177 million (\$1,325 thousand) and ¥112 million (\$838 thousand) associated with Accounts payable for construction contracts and Tax loss carryforwards, respectively, and that the Valuation allowance for Provision for loss on construction contracts decreased by ¥199 million (\$1,490 thousand).

2. Reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the consolidated statements of income as of March 31, 2022 and 2023 was as follows:

As of March 31	2022	2023
Normal effective statutory tax rate	—	30.6%
Expenses not deductible income tax purposes	—	0.8
Undistributed earnings of foreign consolidated subsidiaries	—	1.1
Inhabitant per capita taxes	—	1.1
Valuation allowance	—	(0.5)
Other	—	(0.6)
Actual effective tax rate	—	32.5

(Note) Figures as of March 31, 2022 are not presented, as a Loss before income taxes was recorded.

### 13. Investment and Rental Properties

- The Company and certain consolidated subsidiaries own office buildings, commercial facilities and residual units for lease in Tokyo and other areas. Rental income from these real estate properties for lease for the years ended March 31, 2022 and 2023 were ¥650 million and ¥503 million (\$3,766 thousand), respectively. Rental income and related costs were included in "Sales on real estate business" and "Cost of sales on real estate business", respectively, in the accompanying consolidated statements of income for the years ended March 31, 2022 and 2023.
- The carrying amounts, changes in such balances during the year and fair values of such properties were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Carrying amounts			
(Note 1):			
Beginning balance	¥ 11,741	¥ 13,451	\$ 100,733
Increase (decrease) (Note 2)	1,710	(0)	(0)
Ending balance	¥ 13,451	¥ 13,450	\$ 100,726
Fair value (Note 3)	¥ 18,927	¥ 19,557	\$ 146,461

- (Notes): 1. The carrying amount is presented after deducting Accumulated depreciation from the acquisition cost.  
2. Increase during the year ended March 31, 2022 primarily represents the acquisition of real estate of ¥1,869 million and due to the change in holding purpose from internal use to investment of ¥87 million, and decrease is primarily due to the change in holding purpose from investment to internal use of ¥56 million, and Depreciation of ¥196 million.  
Increase during the year ended March 31, 2023 primarily represents the acquisition of real estate of ¥30 million (\$224 thousand) and due to the change in holding purpose from internal use to investment of ¥185 million (\$1,385 thousand), and decrease is primarily due to Depreciation of ¥220 million (\$1,647 thousand).  
3. The fair values of major properties are determined based on the real estate appraisal value by independent real estate appraisers and the fair values of other properties are determined based on the value in accordance with "Japanese Real Estate Appraisal Standard" or based on reasonable internal appraisal.

### 14. Revenue Recognition

#### 1. Information breakdown on revenue arising from contracts with customers

	Millions of yen							Other (Note)	Total
	Reportable segments								
	Construction			Real estate					
For the year ended March 31, 2022	Japan	Southeast Asia	Total	Japan	Southeast Asia	Total			
Goods or services transferred at a point in time	¥ 4,639	¥ —	¥ 4,639	¥ —	¥ —	¥ —	¥ 94	¥ 4,734	
Goods or services transferred over time	65,837	24,756	90,594	—	—	—	—	90,594	
Revenue from Contracts with Customers	70,477	24,756	95,233	—	—	—	94	95,328	
Other Revenue	¥ —	¥ —	¥ —	¥ 1,139	¥ 2	¥ 1,142	¥ —	¥ 1,142	
Sales to External Customers	¥ 70,477	¥ 24,756	¥ 95,233	¥ 1,139	¥ 2	¥ 1,142	¥ 94	¥ 96,470	

(Note): "Other" is a business segment not included in the reportable segments, which consists of solar power generation business and insurance agent business.

	Millions of yen							Other (Note)	Total
	Reportable segments								
	Construction			Real estate					
For the year ended March 31, 2023	Japan	Southeast Asia	Total	Japan	Southeast Asia	Total			
Goods or services transferred at a point in time	¥ 4,352	¥ —	¥ 4,352	¥ 0	¥ —	¥ 0	¥ 103	¥ 4,456	
Goods or services transferred over time	70,345	38,457	108,803	10	—	10	—	108,813	
Revenue from Contracts with Customers	74,698	38,457	113,155	10	—	10	103	113,269	
Other Revenue	¥ —	¥ —	¥ —	¥ 1,187	¥ 2	¥ 1,190	¥ —	¥ 1,190	
Sales to External Customers	¥ 74,698	¥ 38,457	¥ 113,155	¥ 1,198	¥ 2	¥ 1,200	¥ 103	¥ 114,459	

For the year ended March 31, 2023	Thousands of U.S. dollars							Other (Note)	Total
	Reportable segments								
	Construction			Real estate					
	Japan	Southeast Asia	Total	Japan	Southeast Asia	Total			
Goods or services transferred at a point in time	\$ 32,591	\$ —	\$ 32,591	\$ 0	\$ —	\$ 0	\$ 771	\$ 33,370	
Goods or services transferred over time	526,810	288,002	814,820	74	—	74	—	814,895	
Revenue from Contracts with Customers	559,409	288,002	847,412	74	—	74	771	848,266	
Other Revenue	\$ —	\$ —	\$ —	\$ 8,889	\$ 14	\$ 8,911	\$ —	\$ 8,911	
Sales to External Customers	\$ 559,409	\$ 288,002	\$ 847,412	\$ 8,971	\$ 14	\$ 8,986	\$ 771	\$ 857,178	

(Note): "Other" is a business segment not included in the reportable segments, which consists of renewable energy business (solar power generation business and wind power generation business) and insurance agent business.

## 2. Basis for understanding the revenue

It is as described in "NOTES TO CONSOLIDATED FINANCIAL STATEMENTS 3. Summary of Significant Accounting Policies m. Revenue and Cost of Construction Contracts".

## 3. Information pertaining to the relationship between the satisfaction of performance obligations based on contracts with customers and cash flows from such contracts, and on the amount and timing of revenue expected to be recognized, in the following fiscal year or later, from contracts with customers that existed at the end of the fiscal year ended March 31, 2022 and 2023

1) Balance of Contract assets and Contract Liabilities, etc.

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Receivables from a contract with customers (beginning balance)	¥ 12,609	¥ 12,112	\$ 90,706
Receivables from a contract with customers (ending balance)	12,112	11,042	82,693
Contract assets (beginning balance)	23,285	14,878	111,420
Contract assets (ending balance)	14,878	11,140	83,426
Contract liabilities (beginning balance)	5,866	6,284	47,060
Contract liabilities (ending balance)	6,284	10,928	81,839

Contract assets consist primarily of unbilled Accounts receivable from completed construction contracts related to revenue recognized on the basis of progress measurement under construction contracts, etc. Contract assets are reclassified to receivables arising from contracts with customers at the point when the Company and its consolidated subsidiaries' rights to the consideration become unconditional. Contract liabilities consist mainly of Advances received on uncompleted construction contracts from customers on construction contracts, etc. Contract liabilities are reversed upon revenue recognition.

The decrease of ¥8,407 million in Contract assets in the fiscal year ended March 31, 2022 was mainly due to the increase from satisfaction of performance obligations and a decrease from the receipt of consideration in accordance with contract terms. The increase of ¥417 million in Contract liabilities in the fiscal year ended March 31, 2022 was mainly from an increase due to Advances received on uncompleted construction contracts and a decrease due to the fulfillment of performance obligations.

The decrease of ¥3,738 million (\$27,993 thousand) in Contract assets in the fiscal year ended March 31, 2023 was mainly due to the increase from satisfaction of performance obligations and a decrease from the receipt of consideration in accordance with contract terms. The increase of ¥4,643 million (\$34,771 thousand) in Contract liabilities in the fiscal year ended March 31, 2023 was mainly from an increase due to Advances received on uncompleted construction contracts and a decrease due to the fulfillment of performance obligations.

The revenue recognized for performance obligations that have been satisfied (or partially satisfied) in prior periods is immaterial.

2) Transaction price allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations at the end of the fiscal year ended March 31, 2022 and 2023 were ¥104,064 million and ¥112,453 million (\$842,155 thousand), respectively. The remaining performance obligation relates primarily to construction contracts, and as of March 31, 2023, the Company expects to recognize revenue over a period of up to 3 years as construction progresses.

## 15. Segment Information

### 1. Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Board of Directors is being performed in order to decide how resources are allocated among the Group.

The Group is active in the construction business and the real estate business in Japan and foreign countries.

Therefore, the Group consists of regional segments which are based on each business. Reportable segments of the construction business are "Japan" and "Southeast Asia (Singapore, Malaysia, Indonesia, Thailand and Vietnam)", and those of the real estate business are "Japan" and "Southeast Asia (Malaysia)".

### 2. Methods of measurement for the amounts of sales, income (loss), assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in "3. Summary of Significant Accounting Policies".

### 3. Information on sales, income (loss), assets and other items for each reportable segment was as follows:

For the year ended March 31, 2022	Millions of yen									
	Reportable segments						Other (Note 1)	Adjustments (Note 2)	Consolidated (Note 3)	
	Construction			Real estate						
	Japan	Southeast Asia	Total	Japan	Southeast Asia	Total	Total			
Net sales:										
Customers	¥ 70,477	¥ 24,756	¥ 95,233	¥ 1,139	¥ 2	¥ 1,142	¥ 94	¥ 96,470	—	¥ 96,470
Inter-segment	13	—	13	7	—	7	—	21	(21)	—
Total	70,491	24,756	95,247	1,146	2	1,149	94	96,491	(21)	96,470
Segment income (loss)	2,582	(4,004)	(1,422)	550	0	551	31	(839)	(1)	(840)
Segment assets	31,384	21,853	53,237	14,495	77	14,572	296	68,107	14,082	82,190
Other items:										
Depreciation	¥ 108	¥ 122	¥ 231	¥ 198	¥ 1	¥ 199	¥ 28	¥ 458	—	¥ 458
Impairment loss	—	111	111	—	—	—	—	111	—	111
Increase in property, plant and equipment and intangible assets	993	135	1,129	1,822	3	1,825	5	2,960	—	2,960

(Notes): 1. "Other" is a business segment not included in the reportable segments, which consists of solar power generation business and insurance agent business.

2. An adjustment of "Segment assets" in an amount of ¥14,082 million was corporate assets which were not allocated to each reportable segment and consisted of surplus fund (Cash and deposits) and long-term investment fund (Investment securities) of the Company.

3. Segment income (loss) is adjusted with Operating loss in the accompanying consolidated statements of income.

Millions of yen

For the year ended March 31, 2023	Reportable segments						Other (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Construction			Real estate						
	Japan	Southeast Asia	Total	Japan	Southeast Asia	Total				
Net sales:										
Customers	¥ 74,698	¥ 38,457	¥ 113,155	¥ 1,198	¥ 2	¥ 1,200	¥ 103	¥ 114,459	—	¥ 114,459
Inter-segment	0	—	0	8	—	8	—	9	(9)	—
Total	74,698	38,457	113,155	1,206	2	1,209	103	114,468	(9)	114,459
Segment income (loss)										
	2,035	402	2,438	411	(0)	411	10	2,861	(1)	2,859
Segment assets										
	26,051	20,783	46,834	14,321	78	14,400	489	61,723	17,949	79,673
Other items:										
Depreciation	¥ 151	¥ 76	¥ 228	¥ 222	¥ 1	¥ 224	¥ 30	¥ 483	—	¥ 483
Impairment loss	—	171	171	—	—	—	—	171	—	171
Investments in equity method subsidiaries	139	—	139	—	—	—	—	139	—	139
Increase in property, plant and equipment and intangible assets	56	267	323	56	—	56	214	595	—	595

Thousands of U.S. dollars

For the year ended March 31, 2023	Reportable segments						Other (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
	Construction			Real estate						
	Japan	Southeast Asia	Total	Japan	Southeast Asia	Total				
Net sales:										
Customers	\$ 559,409	\$ 288,002	\$ 847,412	\$ 8,971	\$ 14	\$ 8,986	\$ 771	\$ 857,178	—	\$ 857,178
Inter-segment	0	—	0	59	—	59	—	67	(67)	—
Total	559,409	288,002	847,412	9,031	14	9,054	771	857,245	(67)	857,178
Segment income (loss)										
	15,240	3,010	18,258	3,077	(0)	3,077	74	21,425	(7)	21,410
Segment assets										
	195,094	155,642	350,737	107,249	584	107,840	3,662	462,240	134,419	596,667
Other items:										
Depreciation	\$ 1,130	\$ 569	\$ 1,707	\$ 1,662	\$ 7	\$ 1,677	\$ 224	\$ 3,617	—	\$ 3,617
Impairment loss	—	1,280	1,280	—	—	—	—	1,280	—	1,280
Investments in equity method subsidiaries	1,040	—	1,040	—	—	—	—	1,040	—	1,040
Increase in property, plant and equipment and intangible assets	419	1,999	2,418	419	—	419	1,602	4,455	—	4,455

- (Notes): 1. "Other" is a business segment not included in the reportable segments, which consists of renewable energy business (solar power generation business and wind power generation business) and insurance agent business.
2. An adjustment of "Segment assets" in an amount of ¥17,949 million (\$134,419 thousand) was corporate assets which were not allocated to each reportable segment and consisted of surplus fund (Cash and deposits) and long-term investment fund (Investment securities) of the Company.
3. Segment income (loss) is adjusted with Operating income in the accompanying consolidated statements of income.
4. "Increase in property, plant and equipment and intangible assets" does not include the amount of increase due to new consolidation.

## 16. Per Share Information

Basic net income per share is computed based on the weighted average number of shares of common stock outstanding during the year. Diluted net income per share was not presented for the years ended March 31, 2022 and 2023 since the Company had no potentially dilutive shares outstanding as of the balance sheet dates.

Net assets per share is computed based on the number of shares of common stock outstanding as of the balance sheet dates.

Net assets and net income per share for the years ended March 31, 2022 and 2023 were as follows:

For the year ended March 31	Yen		U.S. dollars
	2022	2023	2023
Net assets per share	¥1,001.72	<b>¥1,063.68</b>	<b>\$ 7.97</b>
Basic net income (loss) per share	(46.39)	<b>55.72</b>	<b>0.42</b>

(Notes): 1. Net assets per share was calculated based on the following information:

As of March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Total net assets	¥ 35,576	<b>¥ 37,839</b>	<b>\$283,374</b>
Deductions from total net assets:			
Non-controlling interests	(1,149)	<b>(1,283)</b>	<b>(9,608)</b>
Net assets attributable to common stock	¥ 34,427	<b>¥ 36,555</b>	<b>\$273,758</b>
Number of shares of common stock used in computing net assets per share (in thousand shares)	34,367	<b>34,367</b>	<b>34,367</b>

2. Net income per share was calculated based on the following information:

For the year ended March 31	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
Profit (loss) attributable to owners of parent	¥ (1,594)	<b>¥ 1,914</b>	<b>\$ 14,333</b>
Amount not attributable to common stock shareholders	—	—	—
Profit (loss) attributable to common stock of owners of parent	¥ (1,594)	<b>¥ 1,914</b>	<b>\$ 14,333</b>
Average number of shares of common stock during the year (in thousand shares)	34,368	<b>34,367</b>	<b>34,367</b>

## 17. Bonds Payable

Bonds payable as of March 31, 2022 and 2023 consisted of the following:

Issuer and Issue type	Issue date	Millions of yen		Thousands of U.S. dollars	Interest rate (%)	Collateral	Maturity
		2022	2023	2023			
(Nakano Corporation)							
9 <sup>th</sup> unsecured bond	Mar. 10, 2020	¥ 500	¥ —	\$ —	0.34	None	Mar. 10, 2023

**18. Loans Payable and Other Debts** Short-term loans payable, Long-term loans payable and other debts as of March 31, 2022 and 2023 were as follows:

As of March 31	Millions of yen		Thousands of U.S. dollars	Average interest rate (%)	Maturity
	2022	2023	2023		
Short-term loans payable	¥ 270	¥ 470	\$ 3,519	0.87	—
Current portion of long-term loans payable	210	148	1,108	0.86	—
Current portion of lease obligations	119	129	966	—	—
Long-term loans payable excluding current portion	200	353	2,643	0.88	Aug. 25, 2024- Feb. 25, 2027
Lease obligations excluding current portion	37	50	374	—	Apr. 16, 2024- Jun. 21, 2027
<b>Total</b>	<b>¥ 836</b>	<b>¥ 1,151</b>	<b>\$ 8,619</b>	<b>—</b>	<b>—</b>

(Notes):1. "Average interest rate" represents the weighted average interest rate on loans payable outstanding as of the balance sheet date. "Average interest rate" of Lease obligations is not shown since interest equivalent amounts included in the aggregated lease premiums are allocated to each fiscal year using the straight-line method.

2. The following was a summary of annual maturities of loans payable and lease obligations subsequent to March 31, 2023:

Years ending March 31	Millions of yen		Thousands of U.S. dollars	
	Long-term loans payable	Lease obligations	Long-term loans payable	Lease obligations
2024	¥ 148	¥ 129	\$ 1,108	\$ 966
2025	149	44	1,115	329
2026	154	4	1,153	29
2027	50	0	374	0
2028	—	0	—	0
2029 and thereafter	—	—	—	—
<b>Total</b>	<b>¥ 501</b>	<b>¥ 179</b>	<b>\$ 3,751</b>	<b>\$ 1,340</b>

**19. Dividends**

At the Annual General Meeting of Shareholders held on June 29, 2022, it was resolved to distribute the year-end cash dividends of ¥10 per share of common stock of the Company.

The aggregate amount of such cash dividends was ¥343 million.

At the Annual General Meeting of Shareholders held on June 29, 2023, it was resolved to distribute the year-end cash dividends of ¥13 (\$0.10) per share of common stock of the Company.

The aggregate amount of such cash dividends was ¥446 million (\$3,340 thousand).

**20. Subsequent Events**

Not applicable.

SUPPLEMENTAL INFORMATION

**NONCONSOLIDATED BALANCE SHEETS**

NAKANO CORPORATION

As of March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Assets</b>			
<b>Current assets:</b>			
Cash and deposits	¥ 18,712	¥ 14,898	\$ 111,570
Notes receivable - trade	56	196	1,467
Electronically recorded monetary claims - operating	2,862	2,711	20,302
Accounts receivable from completed construction contracts	13,875	12,414	92,967
Costs on uncompleted construction contracts	758	1,021	7,646
Costs on real estate business	43	43	322
Raw materials and supplies	4	3	22
Short-term loans receivable from subsidiaries and affiliates	20	20	149
Consumption taxes receivable	—	389	2,913
Accounts receivable - other	384	1,328	9,945
Other	646	454	3,399
Allowance for doubtful accounts	(22)	(14)	(104)
Total current assets	37,342	33,466	250,625
<b>Non-current assets:</b>			
Property, plant and equipment			
Buildings	9,900	9,972	74,679
Accumulated depreciation	(3,915)	(4,165)	(31,191)
Buildings, net	5,985	5,807	43,488
Structures	176	182	1,362
Accumulated depreciation	(139)	(145)	(1,085)
Structures, net	37	37	277
Machinery and equipment	582	774	5,796
Accumulated depreciation	(369)	(402)	(3,010)
Machinery and equipment, net	213	371	2,778
Vehicles	11	11	82
Accumulated depreciation	(11)	(11)	(82)
Vehicles, net	0	0	0
Tools, furniture and fixtures	387	398	2,980
Accumulated depreciation	(279)	(318)	(2,381)
Tools, furniture and fixtures, net	108	79	591
Land	11,241	11,241	84,183
Lease assets	147	147	1,100
Accumulated depreciation	(97)	(133)	(996)
Lease assets, net	49	13	97
Construction in progress	1	—	—
Total property, plant and equipment	17,636	17,551	131,438
Intangible assets			
Total intangible assets	197	195	1,460
Investments and other assets			
Investment securities	2,026	2,047	15,329
Stocks of subsidiaries and affiliates	2,429	4,436	33,220
Long-term loans receivable from subsidiaries and affiliates	45	20	149
Insurance funds	31	31	232
Prepaid pension cost	85	164	1,228
Deferred tax assets	19	—	—
Other	420	381	2,853
Allowance for doubtful accounts	(12)	(17)	(127)
Total investments and other assets	5,045	7,062	52,886
Total non-current assets	22,879	24,810	185,800
Total assets	¥ 60,222	¥ 58,277	\$ 436,433



	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Notes payable – trade	¥ 942	¥ 647	\$ 4,845
Electronically recorded obligations - operating	6,703	6,305	47,217
Accounts payable for construction contracts	13,996	9,584	71,774
Short-term loans payable	480	618	4,628
Current portion of bonds	500	—	—
Lease obligations	38	14	104
Income taxes payable	423	345	2,583
Accrued consumption taxes	1,527	—	—
Advances received on uncompleted construction contracts	6,071	9,907	74,193
Provision for warranties for completed construction	289	315	2,359
Provision for loss on construction contracts	14	41	307
Provision for bonuses	543	540	4,044
Other	810	616	4,613
Total current liabilities	32,341	28,935	216,692
<b>Non-current liabilities:</b>			
Long-term loans payable	200	352	2,636
Lease obligations	15	1	7
Deferred tax liabilities	—	11	82
Provision for retirement benefits	38	38	284
Long-term deposits received	540	549	4,111
Other	115	126	943
Total non-current liabilities	909	1,078	8,073
Total liabilities	33,250	30,013	224,765
<b>Net assets</b>			
<b>Shareholders' equity:</b>			
Common stock			
Authorized: 154,792,300 shares			
Issued: 34,498,097 shares	¥ 5,061	¥ 5,061	\$ 37,901
Capital surplus			
Legal capital surplus	1,400	1,400	10,484
Total capital surplus	1,400	1,400	10,484
Retained earnings			
Other retained earnings			
Retained earnings brought forward	19,820	21,098	158,001
Total retained earnings	19,820	21,098	158,001
Less: Treasury stock, at cost			
130,262 shares in 2022 and 131,075 shares in 2023	(35)	(35)	(262)
Total shareholders' equity	26,247	27,524	206,125
<b>Valuation and translation adjustments:</b>			
Valuation difference on available-for-sale securities	724	738	5,526
Total valuation and translation adjustments	724	738	5,526
Total net assets	26,971	28,263	211,660
Total liabilities and net assets	¥ 60,222	¥ 58,277	\$ 436,433

# NONCONSOLIDATED STATEMENTS OF INCOME

NAKANO CORPORATION

For the years ended March 31, 2022 and 2023

	Millions of yen		Thousands of U.S. dollars
	2022	2023	2023
<b>Net sales:</b>			
Net sales of completed construction contracts	¥ 70,491	¥ 74,698	\$ 559,409
Sales on real estate business	1,086	1,136	8,507
Sales on other business	70	74	554
Total net sales	71,648	75,909	568,478
<b>Cost of sales:</b>			
Cost of sales of completed construction contracts	63,695	68,254	511,151
Cost of sales on real estate business	510	720	5,392
Cost of sales on other business	36	62	464
Total cost of sales	64,242	69,036	517,007
<b>Gross profit:</b>			
Gross profit on completed construction contracts	6,796	6,444	48,258
Gross profit - real estate business	576	416	3,115
Gross profit - other business	34	11	82
Total gross profit	7,406	6,872	51,464
<b>Selling, general and administrative expenses</b>	4,458	4,575	34,261
Operating income	2,948	2,297	17,202
<b>Non-operating income:</b>			
Interest income	1	4	29
Dividend income	44	52	389
Foreign exchange gains	114	107	801
Other	16	5	37
Total non-operating income	176	170	1,273
<b>Non-operating expenses:</b>			
Interest expenses	22	5	37
Interest expenses on bonds	1	1	7
Other	0	0	0
Total non-operating expenses	24	7	52
Ordinary income	3,100	2,460	18,422
<b>Extraordinary income:</b>			
Gain on sales of memberships	—	15	112
Total extraordinary income	—	15	112
<b>Extraordinary losses:</b>			
Loss on litigation	8	6	44
Head office relocation expenses	21	—	—
Research expenses	—	53	396
Other	0	5	37
Total extraordinary losses	30	65	486
<b>Profit before income taxes</b>	3,069	2,409	18,040
<b>Income taxes:</b>			
Income taxes - current	944	763	5,714
Income taxes - deferred	51	25	187
Total income taxes	995	788	5,901
<b>Profit</b>	¥ 2,073	¥ 1,621	\$ 12,139

# CORPORATE PROFILE

## Company Outline (As of March 31, 2023)

Company Name	NAKANO CORPORATION
Headquarters	4-2-28 Kudan-kita, Chiyoda-ku, Tokyo 102-0073, Japan
Foundation	February 8, 1933
Established	December 19, 1942
Capitalization	¥5,061,678,686
Employees	1,315(Group)
Stock Listing	Tokyo Stock Exchange, Standard Market
Primary Business	Domestic Construction Business International Construction Business Real Estate Business

## Board of Directors / Audit & Supervisory Board Members (As of September 8, 2023)

President	Takashi Iizuka	
Executive Vice President	Yoshinobu Oshima	
Directors	Yorinobu Kato	Hiroyuki Tanada
	Noboru Ogoyama	
Outside Directors	Moriyasu Kawamura	Makoto Fukuda
	Mitsuharu Kotaka	
Standing Corporate Auditors	Koichiro Nakano	Tetsuo Sato
Corporate Auditors	Kohei Yamaya	Hideaki Sekizawa

## Main Affiliated Financial Institutions

MUFG Bank, Ltd.	The Shoko Chukin Bank, Ltd.
Mizuho Bank, Ltd.	The Yamanashi Chuo Bank, Ltd.
The Bank of Yokohama, Ltd.	The 77 Bank, Ltd.

## Major Shareholders

Oshima Scholarship Foundation	Kanto Kogyo Co., Ltd.
Yoshikazu Oshima	Marine Dream Co., Ltd.
MB Service Co., Ltd.	MUFG Bank, Ltd.

## Domestic Offices

Headquarters	Tokyo Main Office
Tohoku Regional Office	Nagoya Regional Office
Osaka Regional Office	Kyushu Regional Office
Taito Branch Office	Hokkaido Branch Office
Kita Tohoku Branch Office	Kita Kanto Branch Office
Higashi Kanto Branch Office	Yokohama Branch Office
Sales Offices (Mie, Kita Kyushu)	

## International Offices

Nakano Singapore (Pte.) Ltd. (Singapore)	Nakano Construction Sdn. Bhd. (Malaysia)
PT. Indonakano (Indonesia)	Thai Nakano Co., Ltd. (Thailand)
Nakano Vietnam Co., Ltd. (Vietnam)	

## Industry Affiliations

Japan Federation of Construction Contractors	National General Contractors Association of Japan
The Associated General Contractors of Tokyo	Japan Association of Representative General Contractors
General Contractors Association of Osaka	



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