

SEIKITOKYU KOGYO CO., LTD.

*Non Consolidated Financial Statements
for the year ended March 31, 2020*

Independent Auditor's Report

May 22, 2020

The Board of Directors
SEIKITOKYU KOGYO CO., LTD.

Ernst & Young ShinNihon LLC
Tokyo, Japan

松尾 浩明



Hiroaki Matsuo
Designated Engagement Partner
Certified Public Accountant

井上 裕人



Hiroto Inoue
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Section 2, paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to the financial statements and the related supplementary schedules of SEIKITOKYU KOGYO CO., LTD. (the "Company") applicable to the fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2020, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate

Auditors for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Conflicts of Interest

We have no interest in the Company which should be disclosed in accordance with the Certified Public Accountants Act.

SEIKITOKYU KOGYO CO., LTD

Non Consolidated Balance Sheet
for the year ended March 31, 2020

	Yen (millions) 2020	U.S. dollars (thousands) (Note 2) 2020		Yen (millions) 2020	U.S. dollars (thousands) (Note 2) 2020
<u>Assets</u>			<u>Liabilities and Net assets</u>		
Current assets:			Current liabilities:		
Cash and deposits	¥ 12,660	\$ 116,326	Short-term loans payable (Note 4)	¥ 2,607	\$ 23,958
Trade receivables (Note 5)			Trade payables		
Notes receivables	1,463	13,447	Notes payables	9,315	85,597
Accounts receivables	23,227	213,426	Accounts payables	13,397	123,100
Net trade receivables	24,690	226,873	Total trade payables	22,712	208,697
Inventories			Income taxes payable	490	4,503
Cost on uncompleted construction contracts	5,301	48,711	Advances received on uncompleted construction contracts	4,792	44,033
Raw materials and supplies	301	2,767	Provision for warranties for completed construction	16	143
Total inventories	5,602	51,478	Provision for loss on construction contracts	44	404
Short-term loans receivable	254	2,334	Provision for bonuses	1,180	10,839
Other current assets	2,762	25,375	Other current liabilities	2,277	20,923
Total current assets	45,968	422,386	Total current liabilities	34,118	313,500
Non-current assets:			Non-current liabilities :		
Property, plant and equipment (Notes 3 and 4):	20,651	189,752	Long-term loans payable (Note 4)	300	2,757
Intangible assets:	161	1,483	Provision for retirement benefits	2,431	22,332
			Other non-current liabilities	85	782
			Total non-current liabilities	2,816	25,871
Investments and long-term loans:			Total liabilities	36,934	339,371
Investment securities			Net assets:		
Subsidiaries and affiliates	2,956	27,163	Shareholders' equity (Note 6)		
Other securities	232	2,135	Share capital	2,000	18,377
Long-term loans receivable	12	113	Capital surplus	511	4,694
Deferred tax assets (Note 9):	1,345	12,362	Retained earnings	32,849	301,840
Guarantee deposits and other investments	909	8,350	Treasury stock - 119,939 shares	(72)	(660)
Allowance for doubtful accounts	(11)	(109)	Total shareholders' equity	35,288	324,251
Total investments and long-term loans	5,443	50,014	Unrealized gain on investment securities	1	13
Total non-current assets	26,255	241,249	Total net assets	35,289	324,264
Total assets	¥ 72,223	\$ 663,635	Total liabilities and net assets	¥ 72,223	\$ 663,635

See accompanying notes to non consolidated financial statements.

SEIKITOKYU KOGYO CO., LTD

Non Consolidated Statement of Income for the year ended March 31, 2020

	Yen (millions)	U.S. dollars (thousands) (Note 2)
	2020	2020
Completed construction contracts:		
Net sales	¥ 57,744	\$ 530,595
Cost of sales	50,617	465,101
Gross profit	7,127	65,494
Finished goods:		
Net sales	16,432	150,988
Cost of sales	13,569	124,684
Gross profit	2,863	26,304
Total:		
Net sales	74,176	681,583
Cost of sales	64,186	589,785
Gross profit	9,990	91,798
Selling, general and administrative expenses:	4,584	42,129
Operating income	5,406	49,669
Other income (Note 7):		
Interest and dividends	8	70
Other	1,644	15,110
Subtotal	1,652	15,180
Other expenses (Note 8):		
Interest	9	82
Impairment loss (Note 14)	82	755
Other	166	1,520
Subtotal	257	2,357
Profit before income taxes	6,801	62,492
Income taxes:		
Current	706	6,481
Deferred	(50)	(460)
Net profit	¥ 6,145	\$ 56,471

SEIKITOKYU KOGYO CO., LTD.

Non Consolidated Statement of Changes in Net Assets
for the year ended March 31, 2020

	Shareholders' equity (Notes 2 and 6)				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings (Millions of yen)	Treasury stock	
Balance at April 1, 2019	¥ 2,000	¥ 509	¥ 27,794	¥ (6)	¥ 30,297
Changes during the year					
Dividend of surplus			(1,090)		(1,090)
Net income for the period			6,145		6,145
Purchase of treasury stock				(100)	(100)
Disposal of treasury stock		2		34	36
Net changes of items other than shareholders' equity					-
Total changes during period	-	2	5,055	(66)	4,991
Balance as of March 31, 2020	¥ 2,000	¥ 511	¥ 32,849	¥ (72)	¥ 35,288
Accumulated other comprehensive					
Unrealized gain on investment securities					
Total net assets					
(Millions of yen)					
Balance at April 1, 2019	¥ 15	¥ 30,312			
Changes during the year					
Dividend of surplus		(1,090)			
Net income for the period		6,145			
Purchase of treasury stock		(100)			
Disposal of treasury stock		36			
Net changes of items other than shareholders' equity	(14)	(14)			
Total changes during period	(14)	4,977			
Balance as of March 31, 2020	¥ 1	¥ 35,289			

SEIKITOKYU KOGYO CO., LTD.

Non Consolidated Statement of Changes in Net Assets for the year ended March 31, 2020

	Shareholders' equity (Notes 2 and 6)				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury stock	
	(Thousands of U.S. dollars)				
Balance at April 1, 2019	\$ 18,377	\$ 4,676	\$ 255,392	\$ (54)	\$ 278,391
Changes during the year					
Dividend of surplus			(10,023)		(10,023)
Net income for the period			56,471		56,471
Purchase of treasury stock				(922)	(922)
Disposal of treasury stock		18		316	334
Net changes of items other than shareholders' equity					-
Total changes during period	-	18	46,448	(606)	45,860
Balance as of March 31, 2020	\$ 18,377	\$ 4,694	\$ 301,840	\$ (660)	\$ 324,251
	Accumulated other comprehensive				
	Unrealized gain on investment securities	Total net assets			
	(Thousands of U.S. dollars)				
Balance at April 1, 2019	\$ 136	\$ 278,527			
Changes during the year					
Dividend of surplus		(10,023)			
Net income for the period		56,471			
Purchase of treasury stock		(922)			
Disposal of treasury stock		334			
Net changes of items other than shareholders' equity	(123)	(123)			
Total changes during period	(123)	45,737			
Balance as of March 31, 2020	\$ 13	\$ 324,264			

Notes to Non Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(a) Basis of Presenting Non Consolidated Financial Statements

The accompanying non consolidated financial statements have been prepared from the accounts maintained by the SEIKITOKYU KOGYO CO., LTD. (the "Company") in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan and the Companies Act of Japan and in conformity with accounting principles generally accepted in Japan, which may differ in some material respects from accounting principles generally accepted and applied in countries and jurisdictions other than Japan.

Certain items presented in the Japanese non consolidated financial statements have been reclassified for presentation solely for the convenience of readers outside Japan.

In addition, the notes to the non consolidated financial statements include certain information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

(b) Method of Accounting for Construction Contracts

The Company recognizes revenue and cost by applying the percentage of completion method for the construction projects for which the percentage of completion can be reliably estimated at the end of the reporting period. To estimate the progress of such construction project, method to calculate the percentage of the cost incurred to the estimated total project cost (i.e. cost to cost method) is applied. For other construction projects, the completed-contract method is applied.

Revenue recognized by applying the percentage of completion method was ¥21,274 million (U.S.\$195,481 thousand) for the year ended March 31, 2020.

(c) Inventories

Inventories are stated at cost, cost being determined by the identified cost method for real estate for sale and cost on uncompleted construction contracts or by the moving average method for raw materials and supplies, and adjusted for any substantial permanent decline in value.

Each item of inventory is initially recorded at acquisition cost, and when net realizable value is less than the cost (i.e., profitability of inventory has declined), the amount of cost is reduced to net realizable value.

(d) Investments

Investments in subsidiaries and affiliates are carried at cost. The cost of subsidiaries and affiliates sold is computed based on the moving average method.

Other securities (securities which are neither trading, held-to-maturity securities nor investments in subsidiaries and affiliates) with market value are carried at the market value on the balance sheet date. The difference between the acquisition cost and the market value of other securities is recognized as unrealized gain on investment securities in the balance sheet, net of tax effect. Non-marketable securities classified as other securities are carried at cost. The cost of other securities sold is computed based on the moving average method.

(e) Property, Plant and Equipment (Excluding leased assets)

The Company computes depreciation of Property, plant and equipment by the declining balance method, however, buildings (excluding structures attached to the buildings) and building facilities and structures acquired on or after April 1, 1998 are depreciated by the straight-line method. Rates for depreciation are based on the estimated useful lives of the assets according to their general class, type of construction, and use.

The estimated useful lives are principally as follows:

Buildings and structures	7 to 50 years
Machinery, equipment and vehicles	5 to 7 years

(f) Intangible Assets (Excluding leased assets)

Computer software for internal use is amortized by the straight-line method over the estimated useful lives (5 years).

(g) Leases

Depreciation of leased assets under finance leases that do not transfer ownership of the leased assets to the lessee is calculated by the straight-line method over the lease period with a residual value of zero.

(h) Income Taxes

Deferred tax assets have been recognized in the non consolidated financial statements for the year ended March 31, 2020 with respect to the differences between the financial reporting and tax bases of assets and liabilities, and were measured using the enacted tax rates and laws which will be in effect when the differences are expected to be reversed. Valuation allowances are recognized for the deferred tax assets that are not considered to be recoverable.

(i) Allowance for Doubtful Accounts

General provision for doubtful accounts is recorded by applying a certain reserve percentage of the receivables based on the experience from past transactions. When considered necessary, specific reserves are recognized based on the assessment of individual receivables.

(j) Provision for Warranties for Completed Construction

Provision for warranties for completed construction is recorded at an estimated amount, based on the actual level of defects and related warranty costs stipulated in completed construction contracts.

(k) Provision for Loss on Construction Contracts

Provision for loss on construction contracts is recorded for estimated future losses related to the construction contracts in progress.

(l) Provision for Bonuses

Provision for bonuses is stated at an estimated amount of bonuses which the Company is obliged to pay to its employees.

(m) Provision for Retirement Benefits

Provision for retirement benefits for employees has been recorded mainly at an amount calculated based on the retirement benefit obligations and the fair values of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss. The retirement benefit obligations are allocated to each period by the straight-line method over the estimated years of service of the eligible employees.

Prior service cost is amortized by the straight-line method over a period of 13 years, which is shorter than the average remaining years of service of the employees.

Actuarial gains and losses are amortized from the following year in which the gains or losses are recognized. Amortization is primarily calculated by the straight-line method over 10 years, which is shorter than the average remaining years of service of the employees.

(n) Consumption Taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(o) Consolidated Taxes

The Company apply Consolidated tax return filing system.

(p) Application of the Tax Effect Accounting for the Transition from the Consolidated tax return filing system to the Group Tax Sharing System

With regard to the transition to the Group Tax Sharing System established based on "Act for Partial Amendment of the Income Tax Act, etc." (Act No.8, 2020) and to the items reconsidered on the Non-Consolidated tax return filing system in accordance with this transition to the Group Tax Sharing System, the Company calculates the amounts of deferred tax assets and deferred tax liabilities based on the provisions of the Income Tax Act before the amendment, without applying the provisions of Paragraph 44 of the "Implementation Guidance on Tax Effect Accounting" (Accounting Standards Board of Japan Guidance No. 28, February 16, 2018) pursuant to Paragraph 3 of the "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated tax return filing system to the Group Tax Sharing System" (Practical Issues Task Force No. 39, March 31, 2020).

2. Basis of Translation

The non consolidated financial statements as of and for the year ended March 31, 2020 presented herein are denominated in Japanese yen, and solely for the convenience of the readers, have been translated into U.S. dollars at the rate of ¥108.83 = U.S.\$1, the approximate rate of exchange in effect on March 31, 2020. This translation should not be construed as a representation that any of the yen amounts could be converted into U.S. dollar amounts at the above or any other rate.

3. Property, Plant and Equipment

Property, plant and equipment at March 31, 2020 were as follows:

	Yen (millions)	U.S. dollars (thousands)
	2020	2020
Buildings and structures	¥ 3,467	\$ 31,852
Machinery, equipment, vehicles, tools, furniture and fixtures	3,579	32,885
Land	13,604	125,005
Construction in progress	1	10
Total	¥20,651	\$189,752

4. Collateral Assets and Corresponding Liabilities

The following assets are provided as collateral for the borrowings at March 31, 2020:

	Yen (millions)	U.S. dollars (thousands)
	2020	2020
Buildings	¥ 373	\$ 3,425
Land	9,921	91,161
Total	¥10,294	\$94,586

Corresponding Liabilities at March 31, 2020

	Yen (millions)	U.S. dollars (thousands)
	2020	2020
Short-term loans payable	¥365	\$3,353
Long-term loans payable	300	2,757
Total	¥665	\$6,110

5. Receivables Fully Offset Against Allowance for Doubtful Accounts

	Yen (millions)	U.S. dollars (thousands)
	2020	2020
Long-term trade receivables	¥476	\$4,378

6. Shareholders' Equity

In accordance with the Companies Act of Japan (the "Act"), the Company provides legal retained earnings, which is included in retained earnings. The Act requires that an amount equal to at least 10% of the amounts to be disbursed as distribution of earnings be appropriated to the legal retained earnings until the total of the legal retained earnings plus the legal capital surplus or either of them equals 25% of the share capital account.

The Act further provides that neither legal capital surplus nor the legal retained earnings is available for the payment of dividends, but either may be used to reduce or eliminate accumulated deficits by a resolution of the shareholders, or may be transferred to the share capital account by a resolution of the shareholders. The Act also provides that, if the total amount of legal capital surplus and the legal retained earnings exceeds 25% of the amount of share capital, the excess may be distributed to the shareholders, either as a return of capital or as dividends, subject to the approval of the shareholders.

7. Other Income

The composition of "Other income" for the year ended March 31, 2020 is as follows:

	Yen (millions)	U.S. dollars (thousands)
	2020	2020
Interest income	¥ 1	\$ 5
Dividend income	7	65
Rent income	30	273
Outsourcing service income	118	1,086
Insurance claim income	26	242
Gain on sales of non-current assets	1	7
Compensation income	9	83
Reversal of allowance for loss related to the Anti-Monopoly Act	1,449	13,314
Other	11	105
Total	¥ 1,652	\$ 15,180

8. Other Expenses

The composition of "Other expenses" for the year ended March 31, 2020 is as follows:

	Yen (millions)	U.S. dollars (thousands)
	2020	2020
Interest expenses	¥ 9	\$ 82
Guarantee commission	23	210
Bill fluidizing commission	6	50
Loss on sales of non-current assets	52	475
Loss on retirement of non-current assets	70	642
Impairment loss	82	755
Other	15	143
Total	¥257	\$2,357

9. Income Taxes

The tax effects of temporary differences which gave rise to significant portions of deferred tax assets and deferred tax liabilities as at March 31, 2020 are summarized as follows:

	Yen (millions)	U.S. dollars (thousands)
	2020	2020
Deferred tax assets:		
Allowance for doubtful accounts	¥ 150	\$ 1,374
Provision for retirement benefits	897	8,245
Loss on valuation of golf club membership	130	1,192
Impairment loss	696	6,397
Provision for bonuses	361	3,319
Loss carried forward	1,458	13,398
Other	384	3,527
Gross deferred tax assets	4,076	37,452
Less: Valuation allowances	(2,726)	(25,048)
Total deferred tax assets	1,350	12,404
Deferred tax liabilities:		
Asset retirement obligations	5	42
Total deferred tax liabilities	5	42
Net deferred tax assets	¥1,345	\$12,362

10. Related Party Transactions

Transactions with related party, for the year ended March 31, 2020 are as follows:

(a) Name	Yen (millions)		U.S. dollars (thousands)
(b) Type			
(c) Relationship			
(d) Percentage of equity ownership held by the Company	Description of transaction or balance	Amount	Amount
(a) TOKYU CONSTRUCTION CO., LTD.	Transactions: (Note 1)		
(b) Principal shareholder	Completed construction contracts-Net sales	¥2,556	\$23,490
(c) Interlocking directors and undertaking construction (Note 2)	Balances: (Note 1)		
(d) (22.2%) (directly)	Accounts receivable from: electronically recorded monetary claims-operating	191	1,755
	Completed construction contracts	661	6,076
	Advances received on uncompleted construction contracts	90	827
(a) SHINSEIKI KOGYO CO., LTD.	Transactions: (Note 1)		
(b) Subsidiaries	Finished goods-Net sales	1,525	14,014
(c) Interlocking directors and distributing paving materials (Note 3)	Balances: (Note 1)		
(d) 100% (directly)	Accounts receivable	1,025	9,414

Note 1: Consumption taxes are not included in the transaction amounts, however, balances are accounted for with consumption taxes

Note 2: Construction services with related parties are carried out on an arm's-length basis consistent with third party transactions, presenting a quotation for each of constructions.

Note 3: Unit prices are determined taking market prices and total costs into account.

11. Monetary Receivables and Monetary Payables to Affiliated Companies

	Yen (millions)	U.S. dollars (thousands)
	2020	2020
Short-term monetary receivables	¥2,881	\$26,471
Long-term monetary receivables	396	3,640
Short-term monetary liabilities	2,652	24,368

12. Transactions with Affiliated Companies

	Yen (millions)	U.S. dollars (thousands)
	2020	2020
Operating transactions		
Net sales	¥4,873	\$44,779
Cost of sales	1,273	11,697
Non-operating transactions	107	979

13. Amounts per Share

Amounts per share as of and for the year ended March 31, 2020 are as follows:

As of March 31

	Yen	U.S. dollars
	2020	2020
Net assets	¥875.79	\$8.05

For the year ended March 31

	Yen	U.S. dollars
	2020	2020
Net Income	¥152.49	\$1.40

14. Impairment Loss

The Company recognized impairment loss for the following assets or groups of assets.

Use	Classification	Location	Yen (millions)	U.S. Dollars (thousands)
Business asset	Building	Fukushima	¥82	\$755

The Company groups the assets by the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Company recognized impairment loss in other expenses for the business asset due to the decision for dismantlement of the asset for the year ended March 31, 2020.

15. Other Notes

In December 2016, the Company executed a syndicate loan contract with The Bank of Mitsubishi UFJ, Ltd. serving as the arranger (of which, the balance of the term loan as of the end of fiscal year is ¥665 million (U.S.\$6,110 thousand)) .

The following financial covenants are attached to the syndicate loan mentioned above;

- (a) The amount of net assets recorded on the balance sheet and consolidated balance sheet on the last day of each accounting period in and after the fiscal year ended March 31, 2017 must be maintained to at least 75% of the amount of net assets recorded on the balance sheet and consolidated balance sheet for the fiscal year immediately preceding said fiscal year or for the fiscal year ended March 31, 2016, whichever is the higher amount.
- (b) Ordinary losses must not be recorded in two consecutive periods on the statements of income or consolidated statements of income in and after the fiscal year ended March 31, 2017.
- (c) Net losses must not be recorded in two consecutive periods on the statements of income or consolidated statements of income in and after the fiscal year ended March 31, 2017.
- (d) The total coverage ratio for the consolidated balance sheets, consolidated statements of income, and consolidated cash flow statements in and after the fiscal year ended March 31, 2017 must be maintained at 15.0 or lower.

It is stipulated under the loan that, in the event of changes in accounting standards, all concerned parties shall consult on the abovementioned financial covenants to determine the impact of the said changes.

SEIKITOKYU KOGYO CO., LTD.

Related Supplementary Schedules
for the year ended March 31, 2020

1. Details of Changes in Property, Plant and Equipment and Intangible assets

Changes in Property, plant and equipment at March 31, 2020 were as follows:

Type of Assets	Yen (millions)			Ending balance	U.S. dollars (thousands)
	Opening balance	Increase	Decrease		
Buildings and structures	¥ 2,730	¥ 1,119	¥ 125 (82)	¥ 8,627	\$ 79,266
Machinery, equipment and vehicles	2,550	1,821	82	16,537	151,957
Tools, furniture and fixtures	133	89	4	980	8,999
Land	13,043	561	—	13,604	125,005
Construction in Progress	303	1	303	1	9
Total	¥18,759	¥ 3,591	¥ 514 (82)	¥39,749	\$365,236

Type of Assets	Yen (millions)			Net book value	U.S. dollars (thousands)
	Acquisition cost	Accumulated depreciation	Depreciation		
Buildings and structures	¥ 8,627	¥ 5,160	¥ 257	¥ 3,467	\$ 31,852
Machinery, equipment and vehicles	16,537	13,125	877	3,412	31,355
Tools, furniture and fixtures	980	813	51	167	1,530
Land	13,604	—	—	13,604	125,005
Construction in progress	1	—	—	1	10
Total	¥39,749	¥19,098	¥1,185	¥20,651	\$189,752

Changes in Intangible assets at March 31, 2020 were as follows:

Type of Assets	Yen (millions)			Ending balance	U.S. dollars (thousands)
	Opening balance	Increase	Decrease		
Intangible assets	¥ 175	¥ 28	¥ —	¥ 264	\$ 2,434
Total	¥ 175	¥ 28	¥ —	¥ 264	\$ 2,434

Type of Assets	Yen (millions)			Net book value	U.S. dollars (thousands)
	Acquisition cost	Accumulated depreciation	Amortization		
Intangible assets	¥ 264	¥ 103	¥ 42	¥ 161	\$ 1,483
Total	¥ 264	¥ 103	¥ 42	¥ 161	\$ 1,483

(Note) 1. Figures in parentheses in the "Decrease" column represent the amount of impairment loss.

2. The amount for Machinery, equipment and vehicles in the current period increased mainly due to the equipment for asphalt plant at Nara material plant: ¥676 million (U.S.\$6,214 thousand).
3. The amount for Land in the current period increased mainly due to acquisition the land at Ken-O Sales office: ¥538 million (U.S.\$4,947 thousand).

2. Details of Allowances and Provisions

Allowances and Provisions at March 31, 2020 were as follows:

	Yen (millions)					U.S. dollars (thousands)
	Opening		Decrease		Ending	
	Balance	Increase	Amount used as intended	Other	balance	
Allowance for doubtful accounts	¥ 11	¥ 22	¥ 8	¥ 14	¥ 11	\$ 109
Provision for warranties for completed construction	25	1	10	—	16	143
Provision for loss on construction contracts	13	44	13	—	44	404
Provision for bonuses	1,023	1,180	1,023	—	1,180	10,839
Provision for retirement benefit	2,686	462	717	—	2,431	22,332
Allowance for loss related to the Anti- Monopoly Act	4,347	—	2,898	1,449	—	—

- (Note) 1. “Decrease (Other): ¥14 million (U.S.\$131 thousand)” in Allowance for doubtful accounts is due to reversal based on collections.
2. “Decrease (Other): ¥1,449 million (U.S.\$13,314 thousand)” in Allowance for loss related to the Anti-Monopoly Act is the amount of reversal for the difference between the anticipated surcharge amount originally estimated based on the draft notice of payment order and the amount of actual expenditure by confirmation notice.

3. Details of Selling, General and Administrative Expenses

Selling, general and administrative expenses for the year ended March 31, 2020 were as follows:

	Yen (millions)	U.S. dollars (thousands)
	2020	2020
Selling, general and administrative expenses:		
Directors' compensation	¥ 201	\$ 1,845
Employees' salaries and allowances	2,164	19,886
Retirement benefit expenses	147	1,356
Legal welfare expenses	371	3,405
Welfare expenses	164	1,503
Repair and maintenance	24	222
Stationery expenses	117	1,071
Transportation expenses	357	3,283
Power utilities expenses	15	142
Research study expenses	238	2,187
Advertising expenses	64	587
Provision of allowance for doubtful accounts	(14)	(132)
Entertainment expenses	65	599
Contributions	1	13
Rents	112	1,028
Depreciation	59	546
Taxes and dues	312	2,869
Insurance expenses	21	193
Miscellaneous expenses	166	1,526
Total	¥4,584	\$42,129