Independent Auditor's Report

June 19, 2026

The Board of Directors
SEIKITOKYU KOGYO CO., LTD.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Masato Nakagawa
Designated Engagement Partner
Certified Public Accountant

Takashi Nakamura
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 non consolidated balance sheet, the non consolidated statement of income, the non consolidated statement of changes in net assets, the notes to the non consolidated financial statements and the related supplementary schedules of SEIKITOKYU KOGYO CO., LTD. (the "Company") applicable to the fiscal year from April 1, 2025 to March 31, 2026.

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, 2026, 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, including those applicable to audits of financial statements of public interest entities, 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.

Other Information

Other information comprises the information included in disclosure documents that contain audited financial statements, but does not include the financial statements and our auditor's report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to other information.

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, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

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

SEIKITOKYU KOGYO CO., LTD.

Non Consolidated Balance Sheet
for the year ended March 31, 2026

Assets	Yen (millions) 2026	U.S. dollars (thousands) (Note 2) 2026
Current assets:		
Cash and deposits	¥ 12,983	$ 81,199
Trade receivables		
Notes receivables	1,535	9,603
Accounts receivables	33,105	207,063
Total trade receivables	34,640	216,666
Inventories		
Cost on uncompleted construction contracts	87	544
Raw materials and supplies	516	3,229
Total inventories	603	3,773
Short-term loans receivable	15	94
Other current assets	1,755	10,977
Total current assets	49,996	312,709
Non-current assets:		
Property, plant and equipment (Notes 3 and 4)	24,075	150,584
Intangible assets	204	1,274
Investment and other assets		
Subsidiaries and affiliates	1,898	11,869
Other securities	208	1,302
Distressed receivables	22	140
Deferred tax assets (Note 9)	1,161	7,262
Prepaid pension costs	2,366	14,801
Guarantee deposits and other investments (Note 5)	465	2,907
Allowance for doubtful accounts	(161)	(1,010)
Total investments and other assets	5,959	37,271
Total non-current assets	30,238	189,129
Total assets	¥ 80,234	$ 501,838

Liabilities and Net assets	Yen (millions) 2026	U.S. dollars (thousands) (Note 2) 2026
Current liabilities:		
Short-term loans payable (Note 4)	¥ 3,358	$ 21,003
Trade payables		
Notes payables	5,287	33,071
Accounts payables	16,223	101,468
Total trade payables	21,510	134,539
Income taxes payable	722	4,514
Advances received on uncompleted construction contracts	1,493	9,341
Provision for warranties for completed construction	202	1,266
Provision for loss on construction contracts	20	125
Provision for bonuses	1,644	10,282
Other current liabilities	4,712	29,468
Total current liabilities	33,661	210,538
Non-current liabilities :		
Long-term loans payable (Note 4)	6,500	40,655
Provision for retirement benefits	2,694	16,850
Other non-current liabilities	79	496
Total non-current liabilities	9,273	58,001
Total liabilities	42,934	268,539
Net assets:		
Shareholders' equity (Note 6)		
Share capital	2,000	12,509
Capital surplus	639	3,997
Retained earnings	35,306	220,826
Treasury stock - 792,318 shares	(653)	(4,083)
Total shareholders' equity	37,292	233,249
Unrealized gain on investment securities	8	50
Total net assets	37,300	233,299
Total liabilities and net assets	¥ 80,234	$ 501,838

See accompanying notes to non consolidated financial statements.

SEIKITOKYU KOGYO CO., LTD.

Non Consolidated Statement of Income
for the year ended March 31, 2026

	Yen (millions)	U.S. dollars (thousands) (Note 2)
	2026	2026
Completed construction contracts:		
Net sales	¥ 69,230	$ 433,010
Cost of sales	60,983	381,430
Gross profit	8,247	51,580
Finished goods:		
Net sales	20,812	130,174
Cost of sales	17,527	109,628
Gross profit	3,285	20,546
Total:		
Net sales	90,042	563,184
Cost of sales	78,510	491,058
Gross profit	11,532	72,126
Selling, general and administrative expenses:	5,795	36,244
Operating income	5,737	35,882
Other income (Note 7):		
Interest and dividends	34	210
Other	237	1,486
Subtotal	271	1,696
Other expenses (Note 8):		
Interest	96	602
Impairment loss (Note 14)	19	121
Other	213	1,332
Subtotal	328	2,055
Profit before income taxes	5,680	35,523
Income taxes:		
Current	1,439	9,002
Deferred	27	165
Net profit	¥ 4,214	$ 26,356

SEIKITOKYU KOGYO CO., LTD.

Non Consolidated Statement of Changes in Net Assets
for the year ended March 31, 2026

	Shareholders' equity (Notes 2 and 6)									
	Share capital		Capital surplus		Retained earnings		Treasury stock		Total shareholders' equity	
					(Millions of yen)					
Balance at April 1, 2025	¥	2,000	¥	624	¥	34,021	¥	(672)	¥	35,973
Changes during the year										
Dividend of surplus						(2,929)				(2,929)
Net income for the period						4,214				4,214
Purchase of treasury stock								(0)		(0)
Disposal of treasury stock				15				19		34
Net changes of items other than shareholders' equity										—
Total changes during period		—		15		1,285		19		1,319
Balance as of March 31, 2026	¥	2,000	¥	639	¥	35,306	¥	(653)	¥	37,292

	Accumulated other comprehensive			
	Unrealized gain on investment securities		Total net assets	
	(Millions of yen)			
Balance at April 1, 2025	¥	109	¥	36,082
Changes during the year				
Dividend of surplus				(2,929)
Net income for the period				4,214
Purchase of treasury stock				(0)
Disposal of treasury stock				34
Net changes of items other than shareholders' equity		(101)		(101)
Total changes during period		(101)		1,218
Balance as of March 31, 2026	¥	8	¥	37,300

SEIKITOKYU KOGYO CO., LTD.

Non Consolidated Statement of Changes in Net Assets
for the year ended March 31, 2026

	Shareholders' equity (Notes 2 and 6)				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
	(Thousands of U.S. dollars)				
Balance at April 1, 2025	$ 12,509	$ 3,903	$ 212,793	$ (4,201)	$ 225,004
Changes during the year					
Dividend of surplus			(18,323)		(18,323)
Net income for the period			26,356		26,356
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		94		121	215
Net changes of items other than shareholders' equity					—
Total changes during period	—	94	8,033	118	8,245
Balance as of March 31, 2026	$ 12,509	$ 3,997	$ 220,826	$ (4,083)	$ 233,249

	Accumulated other comprehensive	
	Unrealized gain on investment securities	Total net assets
	(Thousands of U.S. dollars)	
Balance at April 1, 2025	$ 679	$ 225,683
Changes during the year		
Dividend of surplus		(18,323)
Net income for the period		26,356
Purchase of treasury stock		(3)
Disposal of treasury stock		215
Net changes of items other than shareholders' equity	(629)	(629)
Total changes during period	(629)	7,616
Balance as of March 31, 2026	$ 50	$ 233,299

Notes to the 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 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 Significant revenues and expenses

The Company has applied the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan No. 29, March 31, 2020) and the Implementation Guidance on Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan Guidance No. 30, March 31, 2020).

The Company's main businesses are construction business and manufacturing and sales business of pavement materials. The details of performance obligations in each business are as follows.

Construction business:
The Company is engaged in paving, civil engineering, and other businesses related to construction work in general, and is obligated to perform construction work under construction contracts with its customers. Under such construction contracts, since the value of the property increases and the customer obtains control of the asset as the Company proceeds with the construction work, the performance obligation is satisfied over a certain period of time and is satisfied as the construction progresses over the contract period. Therefore, the measurement of the degree of completion of the satisfaction of performance obligations for construction work, etc. is based on the percentage of incurred costs up to the end of each reporting period to the estimate of total construction cost. For construction contracts for which the percentage-of-completion for satisfaction of performance obligations cannot be estimated reasonably, revenue is recognized on a cost recovery method only to the extent of contract costs incurred will be recoverable. The transaction price is determined by the construction contract, and the payments from customers are received in stages at the time stipulated in the contract. The amount of payments from customers does not include any significant financing component. There is no significant variable consideration that could change the amount of the payments from customers.

Manufacturing and sales business of pavement materials:
The Company manufactures and sells asphalt mixture and other construction materials and is obligated to deliver the goods under sales contracts with customers. The performance obligation is satisfied at the time the goods are delivered, and revenue is recognized at the time of delivery. The transaction price is determined by the contract with the customer and is received in accordance with the contract. The amount of payments from customers does not include any significant financing component. There is no significant variable consideration that could change the amount of the payments from customers.

(c) Inventories

Inventories are stated at cost, cost being determined by the identified cost method for cost on uncompleted construction contracts or by the moving average method for raw materials and supplies. Cost of inventories for raw materials and supplies is written-down when their carrying amounts become unrecoverable.

(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
Tools, furniture and fixtures	5 to 20 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 and liabilities have been recognized in the non consolidated financial statements for the year ended March 31, 2026 with respect to the differences between the financial reporting and tax bases of assets and liabilities, and were measured using the enacted tax rates 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 number 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 the estimated amount of bonuses which the Company is anticipated to pay to its employees.

(m) Provision for Retirement Benefits and Prepaid Pension Costs

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) Accounting Principles and Procedures Adopted When Provisions of Relevant Accounting Standards are Unclear

With respect to construction projects and asphalt plants conducted by the Company as a joint venture with other companies, the Company accounts for them in proportion to its own share ratio.

(o) Significant Accounting Estimates

Estimate of the total construction cost in revenue recognized when performance obligations are satisfied over a specified over time:

Revenue recognized when performance obligations are satisfied over a specified over time was ¥69,152 million (U.S.$432,525 thousand) for the fiscal year ended March 31, 2026.

Calculation method:

Revenue recognized when performance obligations are satisfied over a specified over time is measured based on the progress of completion at the end of the fiscal year. The progress of completion is calculated based on the proportion of the cost incurred as of the end of the fiscal year to the estimated total cost of the project.

The total construction cost is accumulatively estimated based on objective prices such as standard unit price approved internally and quotation obtained from suppliers. Such estimations of total construction cost are reviewed as of the closing date, according to construction status, actual costs incurred or requests of specification changes received from customers.

Key assumptions:

Since each of the construction is highly individualized and basic specifications and work content are based on customer's instructions, it is necessary to sufficiently incorporate the characteristics of the construction in estimating total construction cost. In doing so, certain assumptions and judgments are required based on specialized knowledge of construction and construction experience such as unit price and quantity of materials and labor.

Impact on non consolidated financial statements for the next fiscal year:

Since construction work generally takes a long period of time, key assumptions may change due to fluctuation of unit price of materials and labor, changes of construction contract during construction and delay of construction due to bad weather, etc., which may affect non consolidated financial statements for the next fiscal year.

Estimate of the impairment of fixed assets of Manufacturing and sales business of pavement materials:

Fixed assets of Manufacturing and sales business of pavement materials was ¥15,874 million (U.S.$99,286 thousand) and impairment loss was ¥19 million (U.S.$121 thousand) for fiscal year ended March 31, 2026.

Calculation method:

The Company determines the cash-generating units 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 is assessing the recognition of impairment losses for asphalt plants that have indications of impairment. An impairment loss is recognized when the undiscounted future cash flows from the relevant asset group are less than the carrying amounts. The carrying amounts of such assets are reduced to their recoverable amounts. The recoverable amount of such asset groups is measured based on fair value or value in use.

Key assumptions:

The key assumptions used in the calculation of undiscounted future cash flows are sales volumes, sales prices and raw material prices for each asphalt plant. Sales volumes, sales prices, and raw material prices are determined based on historical experience, trends in raw material prices and the extent to which raw material prices are passed through to product prices.

Impact on financial statements for the next fiscal year:

Key assumptions are subject to change based on trends in sales volumes, sales prices, raw material prices and other factors. If the recoverable amount decreases, an impairment loss may be recognized financial statements for the next fiscal year.

2. Basis of Translation

The non consolidated financial statements as of and for the year ended March 31, 2026 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 ¥159.88 = U.S.$1, the approximate rate of exchange in effect on March 31, 2026. 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, 2026 are as follows:

	Yen (millions)	U.S. dollars (thousands)
	2026	2026
Buildings and structures	¥ 6,929	$ 43,340
Machinery, equipment, vehicles, tools, furniture and fixtures	2,871	17,960
Land	14,227	88,982
Construction in progress	48	302
Total	¥24,075	$150,584

4. Collateral Assets and Corresponding Liabilities

The following assets are provided as collateral for the borrowings at March 31, 2026:

	Yen (millions)	U.S. dollars (thousands)
	2026	2026
Buildings and structures	¥1,276	$7,981
Land	492	3,075
Total	¥1,768	$11,056

Corresponding Liabilities at March 31, 2026

	Yen (millions)	U.S. dollars (thousands)
	2026	2026
Short-term loans payable	¥ 100	$ 626
Long-term loans payable	1,500	9,382
Total	¥1,600	$10,008

5. Receivables Fully Offset Against Allowance for Doubtful Accounts

	Yen (millions)	U.S. dollars (thousands)
	2026	2026
Long-term trade receivables	¥472	$2,953

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, 2026 is as follows:

	Yen (millions)	U.S. dollars (thousands)
	2026	2026
Interest income	¥ 24	$ 149
Dividend income	10	61
Rent income	24	147
Outsourcing service income	6	38
Gain on sales of non-current assets	4	27
Gain on sales of investment securities	174	1,090
Other	29	184
Total	¥271	$1,696

8. Other Expenses

The composition of "Other expenses" for the year ended March 31, 2026 is as follows:

	Yen (millions)	U.S. dollars (thousands)
	2026	2026
Interest expenses	¥ 96	$ 602
Guarantee commission	19	121
Syndicated loan arrangement fees	118	739
Loss on sales of non-current assets	5	32
Loss on retirement of non-current assets	28	174
Provision of allowance for doubtful accounts for subsidiaries and associates	24	149
Impairment loss	19	121
Other	19	117
Total	¥328	$2,055

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, 2026 are summarized as follows:

	Yen (millions)	U.S. dollars (thousands)
	2026	2026
Deferred tax assets:		
Allowance for doubtful accounts	¥200	$1,249
Provision for retirement benefits	849	5,311
Loss on valuation of golf club membership	134	836
Impairment loss	740	4,629
Provision for bonuses	518	3,241
Excess of depreciation for tax purposes	494	3,093
Loss on valuation of shares of subsidiaries and associates	369	2,307
Book value adjustment of investment of shares of subsidiaries and associates	784	4,904
Other	310	1,940
Gross deferred tax assets	4,398	27,510
Less: Valuation allowances	(2,482)	(15,526)
Total deferred tax assets	1,916	11,984
Deferred tax liabilities:		
Prepaid pension costs	755	4,722
Total deferred tax liabilities	755	4,722
Net deferred tax assets	¥1,161	$7,262

10. Related Party Transactions

Transactions with related party, for the year ended March 31, 2026 are as follows:

(a) Name (b) Type (c) Relationship (d) Percentage of equity ownership held by the Company	Description of transaction or balance	Yen (millions) Amount	U.S. dollars (thousands) Amount
(a) TOKYU CONSTRUCTION CO., LTD. (b) Principal shareholder (c) Interlocking directors and undertaking construction (Note 2) (d) (24.4%) (directly)	Transactions: (Note 1)		
	Completed construction contracts-Net sales	¥1,472	$9,208
	Balances: (Note 1)		
	Accounts receivable from: electronically recorded monetary claims-operating	114	715
	Completed construction contracts	374	2,341
(a) SHINSEIKI KOGYO CO., LTD. (b) Subsidiaries (c) Interlocking directors and distributing paving materials (Note 3) (d) 100% (directly)	Transactions: (Note 1)		
	Finished goods-Net sales	1,068	6,677
	Balances: (Note 1)		
	Accounts receivable	1,119	7,000

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)
	2026	2026
Short-term monetary receivables	¥1,903	$11,902
Long-term monetary receivables	89	554
Short-term monetary liabilities	3,545	22,173

12. Transactions with Affiliated Companies

	Yen (millions)	U.S. dollars (thousands)
	2026	2026
Operating transactions		
Net sales	¥3,758	$23,507
Cost of sales	1,697	10,614
Non–operating transactions	43	270

13. Amounts per Share

Amounts per share as of and for the year ended March 31, 2026 are as follows:

As of March 31

	Yen	U.S. dollars
	2026	2026
Net assets	¥1,018.23	$6.37

For the year ended March 31

	Yen	U.S. dollars
	2026	2026
Net Income	¥115.05	$0.72

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 assets	Buildings, structures, machinery, equipment, vehicles, tools, furniture and fixtures	Aichi Prefecture	¥16	$98
Business assets	Buildings, structures, machinery, equipment, vehicles, tools, furniture, fixtures and land	Kumamoto Prefecture	3	23
Total	—	—	¥19	$121

The Company determines the cash-generating units 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 of ¥ 19 million (U.S.$121 thousand) in other expenses due to a significant decline in profitability for assets or groups of assets for the current fiscal year. The carrying amounts of such assets were reduced to their recoverable amounts.

The breakdown is as follows: Buildings and structures: ¥5 million (U.S.$29 thousand), Machinery, equipment and vehicles: ¥14 million (U.S.$89 thousand), Tools, furniture and fixtures: ¥0 million (U.S.$1 thousand), Land: ¥0 million (U.S.$2 thousand).
The recoverable amount of such assets or asset groups is measured based on sales value or value in use.

15. Other Notes

In November 2025, 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 ¥5,000 million (U.S.$31,273 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, 2026 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, 2025, 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, 2025.

*Ordinary income or loss is calculated by subtracting extraordinary income or loss pursuant to Japanese GAAP from income before income taxes.

(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, 2025.

(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, 2026 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, 2026

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

Changes in Property, plant and equipment at March 31, 2026 are as follows:

	Yen (millions)				U.S. dollars (thousands)
Type of Assets	Opening balance	Increase	Decrease	Ending balance	
Buildings and structures	¥ 7,114	¥ 399	¥ 31 (5)	¥ 13,352	$ 83,511
Machinery, equipment and vehicles	2,808	681	28 (14)	19,850	124,154
Tools, furniture and fixtures	197	115	4 (0)	1,225	7,666
Land	14,230	—	3 (0)	14,227	88,982
Construction in progress	1	48	1	48	302
Total	¥ 24,350	¥ 1,243	¥ 67 (19)	¥ 48,702	$ 304,615

	Yen (millions)				U.S. dollars (thousands)
Type of Assets	Acquisition cost	Accumulated depreciation	Depreciation	Net book value	
Buildings and structures	¥ 13,352	¥ 6,423	¥ 553	¥ 6,929	$ 43,340
Machinery, equipment and vehicles	19,850	17,217	828	2,633	16,470
Tools, furniture and fixtures	1,225	987	70	238	1,490
Land	14,227	—	—	14,227	88,982
Construction in progress	48	—	—	48	302
Total	¥ 48,702	¥ 24,627	¥ 1,451	¥ 24,075	$ 150,584

Changes in Intangible assets at March 31, 2026 are as follows:

	Yen (millions)				U.S. dollars (thousands)
Type of Assets	Opening balance	Increase	Decrease	Ending balance	
Intangible assets	¥ 149	¥ 94	¥ —	¥ 545	$ 3,408
Total	¥ 149	¥ 94	¥ —	¥ 545	$ 3,408

	Yen (millions)				U.S. dollars (thousands)
Type of Assets	Acquisition cost	Accumulated depreciation	Amortization	Net book value	
Intangible assets	¥ 545	¥ 341	¥ 39	¥ 204	$ 1,274
Total	¥ 545	¥ 341	¥ 39	¥ 204	$ 1,274

(Note) 1. The figures in parentheses are the amount of impairment loss for the current period.

2. The amount for Buildings and structures in the current period increased mainly due to the construction of offices, etc. at Miyagi Sales Office : ¥248 million (U.S.$1,554 thousand).

2. Details of Allowances and Provisions

Allowances and Provisions at March 31, 2026 are as follows:

	Yen (millions)					U.S. dollars (thousands)
	Opening		Decrease		Ending	
	Balance	Increase	Amount used as intended	Other	balance	
Allowance for doubtful accounts	¥ 138	¥ 23	¥ ―	¥ ―	¥ 161	$ 1,010
Provision for warranties for completed construction	128	202	128	―	202	1,266
Provision for loss on construction contracts	28	20	28	―	20	125
Provision for bonuses	1,529	1,644	1,529	―	1,644	10,282
Provision for retirement benefits	2,778	176	260	―	2,694	16,850

3. Details of Selling, General and Administrative Expenses

Selling, general and administrative expenses for the year ended March 31, 2026 are as follows:

	Yen (millions)	U.S. dollars (thousands)
	2026	2026
Selling, general and administrative expenses:		
Directors' compensation	¥ 217	$ 1,356
Employees' salaries and allowances	2,582	16,147
Retirement benefit expenses	32	200
Legal welfare expenses	433	2,708
Welfare expenses	252	1,575
Repair and maintenance	40	250
Stationery expenses	289	1,809
Transportation expenses	431	2,697
Power utilities expenses	21	132
Research study expenses	280	1,752
Advertising expenses	75	468
Provision of allowance for doubtful accounts	18	111
Entertainment expenses	53	333
Contributions	2	12
Rents	171	1,068
Depreciation	165	1,031
Taxes and dues	377	2,361
Insurance expenses	32	199
Miscellaneous expenses	325	2,035
Total	¥ 5,795	$ 36,244