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## Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



July 28, 2022

Company name: Yurtec Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 1934  
 URL: <http://www.yurtec.co.jp/>  
 Representative: Yoshiharu Ota, Representative Director & President, Chief Executive Officer  
 Contact: Tomohiro Moriyama, General Manager of Accounting Department  
 Phone: +81-22-296-2111  
 Scheduled date of filing quarterly securities report: August 5, 2022  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary explanatory materials on quarterly financial results: Not available  
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 - June 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	43,936	(0.1)	(500)	–	(160)	–	(450)	–
June 30, 2021	43,968	21.0	(582)	–	(436)	–	(599)	–

(Note) Comprehensive income: Three months ended June 30, 2022: ¥(165) million [–%]

Three months ended June 30, 2021: ¥(794) million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	(6.30)	–
June 30, 2021	(8.38)	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	199,249	128,090	64.3
As of March 31, 2022	216,016	129,546	59.9

(Reference) Equity: As of June 30, 2022: ¥128,040 million

As of March 31, 2022: ¥129,496 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	10.00	–	18.00	28.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		14.00	–	14.00	28.00

(Note) Revision to the dividend forecast announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	231,000	2.5	10,000	5.3	10,400	3.6	6,800	1.5	95.09

(Note) Revision to the financial results forecast announced most recently: None

**\* Notes:**

- (1) Changes in significant subsidiaries during the period under review: None  
(Changes in specified subsidiaries resulting in changes in scope of consolidation):  
Newly included: – (Company name: –)  
Excluded: – (Company name: –)
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes  
(Note) For more details, please see page 7 of the attachment, “(3) Notes to Quarterly Consolidated Financial Statements (Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)” in “2. Quarterly Consolidated Financial Statements and Primary Notes.”
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

As of June 30, 2022:	72,224,462 shares
As of March 31, 2022:	72,224,462 shares
  - 2) Total number of treasury shares at the end of the period:

As of June 30, 2022:	712,199 shares
As of March 31, 2022:	712,100 shares
  - 3) Average number of shares during the period (cumulative total):

Three months ended June 30, 2022:	71,512,312 shares
Three months ended June 30, 2021:	71,512,572 shares

\* These quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

**\* Explanation of the proper use of financial results forecast and other notes**

The forward-looking statements, including earnings forecasts, contained in this document are based on the information currently available to the Company and certain assumptions that it deems to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections due to various factors. For matters regarding financial results forecast, please see page 2 of the attachment, “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” in “1. Qualitative Information on Quarterly Financial Results.”

**(Reference) Non-consolidated Financial Results Forecast**

**Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	208,000	0.5	8,700	5.2	9,900	3.8	6,900	1.2	96.49

(Note) Revision to the financial results forecast announced most recently: None

\* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements, including earnings forecasts, contained in this document are based on the information currently available to the Company and certain assumptions that it deems to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections due to various factors.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

The Japanese economy during the first quarter of the fiscal year ending March 31, 2023 showed signs of recovery thanks to the effects of the various government policies, amid the gradual lifting of restrictions on social and economic activities due to the COVID-19 pandemic. Meanwhile, with rising prices of raw materials and energy against the backdrop of global affairs, including the Russian invasion of Ukraine, fluctuations in forex markets, and other factors, there are concerns about the risks of a downturn. In the construction industry, public-sector investments continued to be firm, and private-sector capital investment showed signs of recovery, on the back of an improvement trend in corporate earnings.

Under these circumstances, based on the FY2022 Medium-Term Management Plan, the Company pursued the basic strategies of increasing earnings in the Kanto region, strengthening renewal sales, and strengthening overseas business, underpinned by clients in the Tohoku and Niigata regions as its foundations and implemented major policies in an effort to achieve the quantitative targets for FY2025 of net sales of ¥240.0 billion, operating profit of ¥12.0 billion (on a consolidated basis), net sales of ¥220.0 billion and operating profit of ¥10.0 billion (on a non-consolidated basis).

Specifically, we have been focusing on our sales activities in the Kanto region, increasing earnings by strengthening our construction systems, and reinforcing renewal sales through technology proposals aimed at the reduction of CO<sub>2</sub> emission. In our overseas business, we have been striving to expand our business by strengthening our alliances with our overseas subsidiaries, YURTEC VIETNAM CO., LTD. and Sigma Engineering JSC.

Additionally, we are working to increase orders received for construction related to large-scale wind-power generation plants planned for various parts of the Tohoku region, and winning orders for 5G-related construction and other projects in the information and telecommunications division.

As for the business results of the Group for the first quarter of the fiscal year ending March 31, 2023, work orders received increased by ¥7,862 million (up 13.5% year-on-year) to ¥65,974 million (on a non-consolidated basis), thanks to the increased number of construction work for general clients including indoor wiring. In addition, consolidated net sales decreased by ¥32 million (down 0.1% year-on-year) to ¥43,936 million.

In terms of profit and loss, consolidated operating loss of ¥500 million (consolidated operating loss was ¥582 million in the same period of the previous fiscal year), consolidated ordinary loss of ¥160 million (consolidated ordinary loss was ¥436 million in the same period of the previous fiscal year), and loss attributable to owners of parent of ¥450 million (loss attributable to owners of parent was ¥599 million in the same period of the previous fiscal year) were reported.

### (2) Explanation of Financial Position

Total assets were ¥199,249 million as of June 30, 2022, a decrease of ¥16,766 million compared with the end of the previous fiscal year. This is mainly attributable to a decrease of ¥19,147 million in notes receivable, accounts receivable from completed construction contracts and others.

Total liabilities were ¥71,159 million, a decrease of ¥15,310 million compared with the end of the previous fiscal year. This is mainly attributable to decreases of ¥11,078 million in notes payable, accounts payable for construction contracts and others, and ¥1,240 million in short-term borrowings.

Total net assets were ¥128,090 million, a decrease of ¥1,456 million compared with the end of the previous fiscal year. This is mainly attributable to a decrease of ¥1,287 million resulting from payment of dividends.

### (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There have been no changes from the full-year consolidated financial results forecast announced on April 27, 2022.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	33,000	44,976
Notes receivable, accounts receivable from completed construction contracts and other	73,608	54,461
Electronically recorded monetary claims - operating	9,509	7,690
Costs on construction contracts in progress	1,304	2,821
Other	23,656	14,176
Allowance for doubtful accounts	(33)	(26)
Total current assets	141,045	124,100
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,567	19,295
Land	17,924	17,924
Other, net	9,084	9,154
Total property, plant and equipment	46,577	46,375
Intangible assets		
Goodwill	3,856	3,915
Other	3,080	3,207
Total intangible assets	6,937	7,123
Investments and other assets		
Other	21,604	21,856
Allowance for doubtful accounts	(148)	(205)
Total investments and other assets	21,455	21,651
Total non-current assets	74,970	75,149
Total assets	216,016	199,249

(Million yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	32,536	21,458
Electronically recorded obligations - operating	11,442	11,648
Short-term borrowings	6,268	5,027
Provision for loss on construction contracts	529	507
Provision for bonuses for directors (and other officers)	89	–
Provision for loss on disaster	68	57
Other	11,506	8,996
Total current liabilities	62,441	47,695
Non-current liabilities		
Long-term borrowings	4,794	4,780
Provision for retirement benefits for directors (and other officers)	170	23
Retirement benefit liability	15,780	15,845
Other	3,282	2,813
Total non-current liabilities	24,028	23,463
Total liabilities	86,469	71,159
Net assets		
Shareholders' equity		
Share capital	7,803	7,803
Capital surplus	7,849	7,849
Retained earnings	114,413	112,675
Treasury shares	(376)	(376)
Total shareholders' equity	129,690	127,952
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	157	176
Revaluation reserve for land	(2,158)	(2,158)
Foreign currency translation adjustment	242	572
Remeasurements of defined benefit plans	1,564	1,497
Total accumulated other comprehensive income	(193)	87
Non-controlling interests	49	50
Total net assets	129,546	128,090
Total liabilities and net assets	216,016	199,249



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Net sales	43,968	43,936
Cost of sales	39,585	39,584
Gross profit	4,382	4,351
Selling, general and administrative expenses	4,964	4,851
Operating loss	(582)	(500)
Non-operating income		
Foreign exchange gains	–	318
Other	164	150
Total non-operating income	164	469
Non-operating expenses		
Interest expenses	4	58
Provision of allowance for doubtful accounts	–	58
Other	13	12
Total non-operating expenses	17	129
Ordinary loss	(436)	(160)
Extraordinary income		
Gain on sale of non-current assets	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on sale of non-current assets	–	7
Loss on valuation of investment securities	11	17
Other	64	3
Total extraordinary losses	76	29
Loss before income taxes	(511)	(189)
Income taxes - current	188	295
Income taxes - deferred	(103)	(38)
Total income taxes	84	257
Loss	(596)	(447)
Profit attributable to non-controlling interests	3	3
Loss attributable to owners of parent	(599)	(450)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Loss	(596)	(447)
Other comprehensive income		
Valuation difference on available-for-sale securities	(52)	19
Foreign currency translation adjustment	(117)	330
Remeasurements of defined benefit plans, net of tax	(28)	(67)
Total other comprehensive income	(198)	281
Comprehensive income	(794)	(165)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(797)	(168)
Comprehensive income attributable to non-controlling interests	3	3

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

(Tax expense calculation)

The Company calculates tax expenses by making a reasonable estimate of the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year including the first quarter of the fiscal year under review and multiplying the profit before income taxes by the estimated effective tax rate. However, the statutory effective tax rate will be applied if such tax expenses are found to be very unreasonable after calculation based on the relevant estimated effective tax rate.

### 3. (Reference) Summary of Non-consolidated Financial Results

#### (1) Non-consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)

##### 1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
June 30, 2022	40,709	(2.1)	(411)	-	530	268.8	307	-
June 30, 2021	41,574	19.3	(513)	-	143	-	2	-

	Basic earnings per share
Three months ended	Yen
June 30, 2022	4.30
June 30, 2021	0.04

##### 2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	171,807	111,740	65.0
As of March 31, 2022	185,761	112,701	60.7

(2) Breakdown of Non-consolidated Results by Business Category and Client

1) Value of work orders received by business category

Business category \ Year	Three months ended June 30, 2021		Three months ended June 30, 2022		Year-on-year Change	
	Amount (Million yen)	Share (%)	Amount (Million yen)	Share (%)	Amount (Million yen)	Percentage change (%)
Indoor wiring	18,380	31.6	24,731	37.5	6,350	34.6
Power distribution lines	17,839	30.7	16,075	24.3	(1,763)	(9.9)
Power transmission/generation plant and substation, civil engineering and architecture, information and communications	15,783	27.2	15,745	23.9	(37)	(0.2)
Airconditioning and plumbing	6,108	10.5	9,421	14.3	3,312	54.2
Total	58,111	100	65,974	100	7,862	13.5

2) Value of work completed by business category

Business category \ Year	Three months ended June 30, 2021		Three months ended June 30, 2022		Year-on-year Change	
	Amount (Million yen)	Share (%)	Amount (Million yen)	Share (%)	Amount (Million yen)	Percentage change (%)
Indoor wiring	12,567	30.2	12,971	31.9	403	3.2
Power distribution lines	13,137	31.6	13,795	33.9	658	5.0
Power transmission/generation plant and substation, civil engineering and architecture, information and communications	11,566	27.8	10,239	25.1	(1,327)	(11.5)
Airconditioning and plumbing	4,302	10.4	3,702	9.1	(599)	(13.9)
Total	41,574	100	40,709	100	(864)	(2.1)

3) Value of work in hand by business category

Business category \ Year	Three months ended June 30, 2021		Three months ended June 30, 2022		Year-on-year Change	
	Amount (Million yen)	Share (%)	Amount (Million yen)	Share (%)	Amount (Million yen)	Percentage change (%)
Indoor wiring	52,119	40.6	68,378	46.3	16,258	31.2
Power distribution lines	21,176	16.5	23,163	15.7	1,986	9.4
Power transmission/generation plant and substation, civil engineering and architecture, information and communications	38,257	29.8	34,771	23.6	(3,485)	(9.1)
Airconditioning and plumbing	16,820	13.1	21,193	14.4	4,372	26.0
Total	128,373	100	147,505	100	19,131	14.9

4) Value of work orders received by client

Year Client	Three months ended June 30, 2021		Three months ended June 30, 2022		Year-on-year Change	
	Amount (Million yen)	Share (%)	Amount (Million yen)	Share (%)	Amount (Million yen)	Percentage change (%)
Tohoku Electric Power Group	26,551	45.7	26,074	39.5	(477)	(1.8)
General clients	31,560	54.3	39,900	60.5	8,339	26.4
Total	58,111	100	65,974	100	7,862	13.5

5) Value of work completed by client

Year Client	Three months ended June 30, 2021		Three months ended June 30, 2022		Year-on-year Change	
	Amount (Million yen)	Share (%)	Amount (Million yen)	Share (%)	Amount (Million yen)	Percentage change (%)
Tohoku Electric Power Group	18,618	44.8	19,001	46.7	382	2.1
General clients	22,955	55.2	21,707	53.3	(1,247)	(5.4)
Total	41,574	100	40,709	100	(864)	(2.1)

(Note) Tohoku Electric Power Group: Tohoku Electric Power Co., Inc., Tohoku Electric Power Network Co., Inc.

6) Projected value of work orders received and work completed in the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

Category Business category	Value of work orders received		Value of work completed	
	Amount (Million yen)	Share (%)	Amount (Million yen)	Share (%)
Indoor wiring	71,000	32.9	70,500	33.9
Power distribution lines	53,000	24.5	53,000	25.5
Power transmission/generation plant and substation, civil engineering and architecture, information and communications	63,500	29.4	57,500	27.6
Airconditioning and plumbing	28,500	13.2	27,000	13.0
Total	216,000	100	208,000	100

\* Notes on proper use of forecasts and other matters

Forward-looking statements contained in this document, including financial results forecasts, are based on information currently available to the Company and certain assumptions that the Company regards as reasonable, and are not intended as a guarantee of their realization. Actual results may differ significantly from these forecasts due to various factors.