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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]



October 31, 2022

Company name: YONDENKO CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Code number: 1939

URL: <https://www.yondenko.co.jp/en/>

Representative: Yukio Sekiya, Representative Director & President

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Scheduled date of filing quarterly securities report: November 14, 2022

Scheduled date of commencing dividend payments: November 30, 2022

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (Video streaming is scheduled.)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 1, 2022 - September 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	%
Six months ended September 30, 2022	38,809	(14.7)	1,430	(51.0)	1,689	(47.9)	1,061	(46.3)
September 30, 2021	45,491	14.7	2,920	37.3	3,240	39.8	1,976	38.5

(Note) Comprehensive income: Six months ended September 30, 2022: ¥799 million [(60.1)%]

Six months ended September 30, 2021: ¥2,004 million [0.1%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	67.49		-	
September 30, 2021	125.85		-	

(Note) The Company conducted a 2-for-1 share split of common shares on October 1, 2021. Basic earnings per share have been calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2022.

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of September 30, 2022	88,274		54,129		61.3	
As of March 31, 2022	96,517		54,175		56.1	

(Reference) Equity: As of September 30, 2022: ¥54,081 million

As of March 31, 2022: ¥54,122 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	–	70.00	–	55.00	–
Fiscal year ending March 31, 2023	–	45.00			
Fiscal year ending March 31, 2023 (Forecast)			–	45.00	90.00

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

(Note) The Company conducted a 2-for-1 share split of common shares on October 1, 2021. The figure for dividend for the second quarter of the fiscal year ended March 31, 2022 shows the actual dividend amount before conducting the share split. The annual dividend per share converted on a post-share-split basis is 90 yen for the fiscal year ended March 31, 2022.

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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	93,000	0.4	5,000	(7.7)	5,400	(12.1)	3,500	(7.4)	222.52

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

* Notes:

(1) Changes in significant subsidiaries during the period under review: None

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes
(Note) See “2. (3) Notes to Quarterly Consolidated Financial Statements” on page 7 of the attached documents (available only in Japanese) for detailed information.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(Note) See “2. (3) Notes to Quarterly Consolidated Financial Statements” on page 7 of the attached documents (available only in Japanese) for detailed information.

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2022: 16,255,470 shares

March 31, 2022: 16,255,470 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 510,573 shares

March 31, 2022: 536,121 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2022: 15,729,165 shares

Six months ended September 30, 2021: 15,704,693 shares

(Note) The Company conducted a 2-for-1 share split of common shares on October 1, 2021. The total number of issued shares at the end of the period, the total number of treasury shares at the end of the period, and the average number of shares outstanding during the period have been calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2022.

* These quarterly consolidated 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 above forecasts are prepared on the basis of the Company's current outlook and plans as of the date of publication of this document and do not represent a promise or commitment by the Company to achieve them. Actual results may be different from the forecast figures due to various factors in the future.

Please refer to page 2 of the attached document (available only in Japanese) for the assumptions and other matters related to the above forecasts.

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Six Months Ended September 30, 2022 (April 1, 2022 - September 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	%
Six months ended September 30, 2022	31,567	(13.8)	369	(77.3)	907	(60.3)	635	(55.9)
September 30, 2021	36,624	14.8	1,626	134.3	2,285	103.2	1,442	95.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	40.43	—
September 30, 2021	91.84	—

(Note) The Company conducted a 2-for-1 share split of common shares on October 1, 2021. Basic earnings per share have been calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2022.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2022	70,039	47,014	67.1
As of March 31, 2022	77,642	47,475	61.1

2. 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	78,000	0.0	3,300	(10.2)	4,000	(16.7)	2,800	(14.3)	178.01

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

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

The above forecasts are prepared on the basis of the Company's current outlook and plans as of the date of publication of this document and do not represent a promise or commitment by the Company to achieve them. Actual results may be different from the forecast figures due to various factors in the future.

Please refer to page 2 of the attached document (available only in Japanese) for the assumptions and other matters related to the above forecasts.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	8,323	7,115
Notes receivable, accounts receivable from completed construction contracts and other	22,103	15,953
Investments in leases	3,633	3,491
Costs on construction contracts in progress	2,047	2,860
Other inventories	1,495	1,713
Deposits paid to subsidiaries and associates	11,800	10,800
Other	1,013	1,464
Allowance for doubtful accounts	(72)	(72)
Total current assets	50,343	43,325
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,986	19,667
Machinery, vehicles, tools, furniture and fixtures	21,724	21,796
Land	12,095	11,904
Accumulated depreciation	(25,807)	(26,133)
Total property, plant and equipment	28,000	27,235
Intangible assets		
Goodwill	1,633	1,434
Other	544	526
Total intangible assets	2,178	1,961
Investments and other assets		
Investment securities	10,088	9,917
Other	6,139	6,067
Allowance for doubtful accounts	(232)	(232)
Total investments and other assets	15,995	15,752
Total non-current assets	46,173	44,948
Total assets	96,517	88,274

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	12,440	8,482
Short-term borrowings	360	410
Accounts payable - other	5,289	4,098
Income taxes payable	1,655	739
Advances received on construction contracts in progress	2,390	2,917
Provision for loss on construction contracts	6	171
Other	7,257	4,849
Total current liabilities	29,400	21,667
Non-current liabilities		
Bonds payable	111	96
Long-term borrowings	9,390	8,987
Provision for retirement benefits for directors (and other officers)	298	304
Retirement benefit liability	2,953	2,894
Other	186	195
Total non-current liabilities	12,941	12,478
Total liabilities	42,341	34,145
Net assets		
Shareholders' equity		
Share capital	3,451	3,451
Capital surplus	4,234	4,249
Retained earnings	46,627	46,824
Treasury shares	(622)	(592)
Total shareholders' equity	53,691	53,932
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	120	(150)
Remeasurements of defined benefit plans	310	299
Total accumulated other comprehensive income	431	148
Non-controlling interests	53	48
Total net assets	54,175	54,129
Total liabilities and net assets	96,517	88,274

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Net sales		
Net sales of completed construction contracts	41,888	36,075
Sales in other businesses	3,603	2,734
Total net sales	45,491	38,809
Cost of sales		
Cost of sales of completed construction contracts	35,543	31,111
Cost of sales in other businesses	2,648	1,771
Total cost of sales	38,191	32,883
Gross profit		
Gross profit on completed construction contracts	6,345	4,963
Gross profit - other business	954	962
Total gross profit	7,300	5,926
Selling, general and administrative expenses	4,379	4,496
Operating profit	2,920	1,430
Non-operating income		
Interest income	8	8
Dividend income	159	108
Gain on sale of securities	17	4
Gain on sale of goods	83	86
Rental income from real estate	29	30
Other	58	62
Total non-operating income	357	302
Non-operating expenses		
Interest expenses	24	21
Condolence money	7	15
Other	5	6
Total non-operating expenses	37	43
Ordinary profit	3,240	1,689
Extraordinary income		
Gain on sale of non-current assets	0	2
Total extraordinary income	0	2
Extraordinary losses		
Loss on sale of non-current assets	—	0
Impairment losses	55	—
Loss on retirement of non-current assets	15	0
Loss on valuation of investment securities	210	3
Other	0	—
Total extraordinary losses	281	4
Profit before income taxes	2,958	1,687
Income taxes	964	605
Profit	1,994	1,082
Profit attributable to non-controlling interests	17	20
Profit attributable to owners of parent	1,976	1,061

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Profit	1,994	1,082
Other comprehensive income		
Valuation difference on available-for-sale securities	(57)	(271)
Remeasurements of defined benefit plans, net of tax	68	(11)
Total other comprehensive income	10	(282)
Comprehensive income	2,004	799
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,987	779
Comprehensive income attributable to non-controlling interests	17	20