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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



January 31, 2023

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
 Contact: Tadakazu Takata, Managing Executive Officer, General Manager, Accounting & Finance Dept.
 Phone: +81-87-840-0230
 Scheduled date of filing quarterly securities report: February 6, 2023
 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 Nine Months Ended December 31, 2022 (April 1, 2022 - December 31, 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	%
Nine months ended December 31, 2022	59,890	(9.6)	2,138	(45.5)	2,606	(40.0)	1,857	(31.1)
December 31, 2021	66,238	9.1	3,922	19.5	4,347	22.6	2,694	14.0

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥1,472 million [(40.0)%]
 Nine months ended December 31, 2021: ¥2,455 million [(16.6)%]

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Nine months ended December 31, 2022	118.07	–	–	–
December 31, 2021	171.52	–	–	–

(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	Million yen	Million yen	%	%
As of December 31, 2022	91,475	54,093	54,093	54,093	59.1	59.1
As of March 31, 2022	96,517	54,175	54,175	54,175	56.1	56.1

(Reference) Equity: As of December 31, 2022: ¥54,042 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)	222.44

(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):

December 31, 2022: 16,255,470 shares

March 31, 2022: 16,255,470 shares

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

December 31, 2022: 510,593 shares

March 31, 2022: 536,121 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2022: 15,734,424 shares

Nine months ended December 31, 2021: 15,709,652 shares

(Note) The Company conducted a 2-for-1 share split of common shares on October 1, 2021. 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 Nine Months Ended December 31, 2022 (April 1, 2022 - December 31, 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	%
Nine months ended December 31, 2022	49,219	(10.8)	777	(68.6)	1,504	(53.3)	1,255	(39.8)
December 31, 2021	55,155	9.6	2,474	54.2	3,219	54.5	2,085	36.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	79.78	—
December 31, 2021	132.78	—

(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 December 31, 2022	73,365	46,803	63.8
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)	177.95

(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 December 31, 2022
Assets		
Current assets		
Cash and deposits	8,323	8,751
Notes receivable, accounts receivable from completed construction contracts and other	22,103	17,334
Investments in leases	3,633	3,438
Costs on construction contracts in progress	2,047	3,425
Other inventories	1,495	1,730
Deposits paid to subsidiaries and associates	11,800	11,000
Other	1,013	1,492
Allowance for doubtful accounts	(72)	(89)
Total current assets	50,343	47,083
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,986	19,680
Machinery, vehicles, tools, furniture and fixtures	21,724	21,797
Land	12,095	11,899
Other	–	1
Accumulated depreciation	(25,807)	(26,467)
Total property, plant and equipment	28,000	26,911
Intangible assets		
Goodwill	1,633	1,334
Other	544	514
Total intangible assets	2,178	1,849
Investments and other assets		
Investment securities	10,088	9,756
Other	6,139	6,067
Allowance for doubtful accounts	(232)	(192)
Total investments and other assets	15,995	15,631
Total non-current assets	46,173	44,392
Total assets	96,517	91,475

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	12,440	11,045
Short-term borrowings	360	410
Accounts payable - other	5,289	4,443
Income taxes payable	1,655	710
Advances received on construction contracts in progress	2,390	3,485
Provision for loss on construction contracts	6	169
Other	7,257	5,060
Total current liabilities	29,400	25,325
Non-current liabilities		
Bonds payable	111	84
Long-term borrowings	9,390	8,589
Provision for retirement benefits for directors (and other officers)	298	310
Retirement benefit liability	2,953	2,896
Other	186	175
Total non-current liabilities	12,941	12,056
Total liabilities	42,341	37,381
Net assets		
Shareholders' equity		
Share capital	3,451	3,451
Capital surplus	4,234	4,249
Retained earnings	46,627	46,912
Treasury shares	(622)	(592)
Total shareholders' equity	53,691	54,020
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	120	(272)
Remeasurements of defined benefit plans	310	293
Total accumulated other comprehensive income	431	21
Non-controlling interests	53	51
Total net assets	54,175	54,093
Total liabilities and net assets	96,517	91,475

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales		
Net sales of completed construction contracts	61,489	55,975
Sales in other businesses	4,748	3,915
Total net sales	66,238	59,890
Cost of sales		
Cost of sales of completed construction contracts	52,143	48,261
Cost of sales in other businesses	3,464	2,679
Total cost of sales	55,608	50,940
Gross profit		
Gross profit on completed construction contracts	9,346	7,713
Gross profit - other business	1,283	1,236
Total gross profit	10,629	8,950
Selling, general and administrative expenses	6,707	6,811
Operating profit	3,922	2,138
Non-operating income		
Interest income	12	13
Dividend income	199	132
Gain on sale of securities	4	114
Gain on sale of goods	122	130
Rental income from real estate	48	48
Other	87	83
Total non-operating income	474	523
Non-operating expenses		
Interest expenses	35	31
Condolence money	7	15
Other	6	9
Total non-operating expenses	49	55
Ordinary profit	4,347	2,606
Extraordinary income		
Gain on sale of non-current assets	0	5
Gain on sale of investment securities	-	268
Total extraordinary income	0	274
Extraordinary losses		
Loss on sale of non-current assets	-	0
Impairment losses	93	-
Loss on retirement of non-current assets	17	1
Loss on valuation of investment securities	207	3
Other	0	-
Total extraordinary losses	319	6
Profit before income taxes	4,028	2,874
Income taxes	1,312	992
Profit	2,716	1,881
Profit attributable to non-controlling interests	21	23
Profit attributable to owners of parent	2,694	1,857

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	2,716	1,881
Other comprehensive income		
Valuation difference on available-for-sale securities	(363)	(392)
Remeasurements of defined benefit plans, net of tax	102	(16)
Total other comprehensive income	(261)	(409)
Comprehensive income	2,455	1,472
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,433	1,448
Comprehensive income attributable to non-controlling interests	21	23