

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 8, 2023

Company name: YAHAGI CONSTRUCTION CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 1870 URL <https://www.yahagi.co.jp/>
 Representative: President and Director Mitsuhiko Takayanagi
 Contact: keiri@yahagi.co.jp
 Scheduled date to file Quarterly Securities Report: August 9, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	24,732	35.9	138	(78.5)	195	(71.3)	189	(62.0)
Three months ended June 30, 2022	18,195	(22.7)	644	(23.2)	680	(22.9)	497	(20.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	4.40		–	
Three months ended June 30, 2022	11.58		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	132,016	59,914	45.4
As of March 31, 2023	129,987	60,431	46.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	19.00	–	24.00	43.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	30.00	–	30.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	53,000	27.7	500	(71.2)	500	(71.8)	300	(75.1)	6.98
Full year	122,000	9.8	9,500	31.7	9,500	30.9	6,300	39.7	146.48

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2023	44,607,457 shares	As of March 31, 2023	44,607,457 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	1,598,789 shares	As of March 31, 2023	1,598,789 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	43,008,668 shares	Three months ended June 30, 2022	42,995,366 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	22,821	19,847
Notes receivable, accounts receivable from completed construction contracts and other	42,427	45,977
Electronically recorded monetary claims - operating	326	83
Costs on construction contracts in progress	2,074	3,217
Real estate for sale	20,239	19,568
Merchandise and finished goods	26	23
Raw materials and supplies	626	508
Other	3,770	4,555
Allowance for doubtful accounts	(88)	(86)
Total current assets	92,223	93,695
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,124	15,158
Machinery, vehicles, tools, furniture and fixtures	3,499	3,526
Land	19,847	19,847
Leased assets	90	81
Construction in progress	535	1,034
Accumulated depreciation	(10,600)	(10,825)
Total property, plant and equipment	28,497	28,823
Intangible assets	805	755
Investments and other assets		
Investment securities	5,174	5,636
Retirement benefit asset	247	250
Deferred tax assets	2,047	1,856
Other	1,039	1,047
Allowance for doubtful accounts	(48)	(48)
Total investments and other assets	8,460	8,742
Total non-current assets	37,763	38,321
Total assets	129,987	132,016

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	10,551	8,014
Electronically recorded obligations - operating	8,145	5,946
Short-term borrowings	28,100	38,400
Income taxes payable	1,058	70
Advances received on construction contracts in progress	4,604	3,572
Provision for warranties for completed construction	447	452
Provision for loss on construction contracts	53	57
Provision for bonuses for directors (and other officers)	69	20
Other	3,814	3,177
Total current liabilities	56,843	59,711
Non-current liabilities		
Long-term borrowings	3,800	3,500
Deferred tax liabilities for land revaluation	221	221
Retirement benefit liability	5,178	5,164
Asset retirement obligations	371	396
Provision for share-based payments	88	91
Other	3,050	3,016
Total non-current liabilities	12,712	12,391
Total liabilities	69,556	72,102
Net assets		
Shareholders' equity		
Share capital	6,808	6,808
Capital surplus	7,244	7,244
Retained earnings	51,896	51,043
Treasury shares	(886)	(886)
Total shareholders' equity	65,062	64,209
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,484	1,807
Revaluation reserve for land	(5,882)	(5,882)
Remeasurements of defined benefit plans	(232)	(221)
Total accumulated other comprehensive income	(4,630)	(4,295)
Total net assets	60,431	59,914
Total liabilities and net assets	129,987	132,016

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales		
Net sales of completed construction contracts	14,375	21,962
Net sales in real estate business and other	3,819	2,769
Total net sales	18,195	24,732
Cost of sales		
Cost of sales of completed construction contracts	12,829	20,360
Cost of sales in real estate business and other	2,540	1,852
Total cost of sales	15,370	22,212
Gross profit		
Gross profit on completed construction contracts	1,546	1,602
Gross profit on real estate business and other	1,278	917
Total gross profit	2,824	2,519
Selling, general and administrative expenses	2,180	2,381
Operating profit	644	138
Non-operating income		
Interest income	0	0
Dividend income	56	60
Other	9	30
Total non-operating income	66	91
Non-operating expenses		
Interest expenses	21	32
Other	9	2
Total non-operating expenses	30	34
Ordinary profit	680	195
Extraordinary income		
Gain on sale of investment securities	–	2
Total extraordinary income	–	2
Extraordinary losses		
Loss on retirement of non-current assets	16	0
Total extraordinary losses	16	0
Profit before income taxes	664	197
Income taxes - current	124	(33)
Income taxes - deferred	41	42
Total income taxes	166	8
Profit	497	189
Profit attributable to owners of parent	497	189

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	497	189
Other comprehensive income		
Valuation difference on available-for-sale securities	27	323
Remeasurements of defined benefit plans, net of tax	1	11
Total other comprehensive income	29	335
Comprehensive income	527	524
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	527	524