

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 8, 2024

Company name: WAKACHIKU CONSTRUCTION CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 1888 URL <https://www.wakachiku.co.jp/>
 Representative: President and Representative Director Katsuhiko Karasuda
 Director, Managing Executive Officer and General Manager of Finance Yasusuke Hirata TEL 03-3492-0273
 Inquiries: Director, Managing Executive Officer and General Manager of Finance Yasusuke Hirata TEL 03-3492-0273
 Scheduled date to file Quarterly Securities Report: February 9, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	71,703	16.4	4,972	(1.7)	5,542	5.8	3,628	8.3
Nine months ended December 31, 2022	61,578	(4.9)	5,057	(4.6)	5,237	(1.1)	3,348	(4.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	284.43	–
Nine months ended December 31, 2022	262.62	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	97,274	45,030	44.8	3,417.24
As of March 31, 2023	88,326	42,694	46.8	3,240.62

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	0.00	–	100.00	100.00
Year ending March 31, 2024	–	0.00	–		
Year ending March 31, 2024 (Forecast)				100.00	100.00

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
Full year	95,000	13.1	5,300	(15.0)	5,500	(16.0)	3,600	(33.9)	282.24

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2023	12,964,993 shares	As of March 31, 2023	12,964,993 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	208,603 shares	As of March 31, 2023	213,328 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	12,755,589 shares	Nine months ended December 31, 2022	12,751,780 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	27,319	15,948
Notes receivable, accounts receivable from completed construction contracts and other	33,434	47,579
Real estate for sale	2,938	2,997
Costs on construction contracts in progress	1,984	1,758
Advances paid	1,907	2,907
Other	3,987	7,236
Allowance for doubtful accounts	(45)	(57)
Total current assets	71,526	78,371
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,659	4,653
Machinery, vehicles, tools, furniture and fixtures	4,868	5,167
Vessels	3,277	3,588
Land	6,510	6,580
Other	417	668
Accumulated depreciation	(9,346)	(9,765)
Total property, plant and equipment	10,387	10,893
Intangible assets	366	360
Investments and other assets		
Investment securities	3,380	5,320
Deferred tax assets	1,874	1,477
Retirement benefit asset	310	357
Other	885	917
Allowance for doubtful accounts	(404)	(422)
Total investments and other assets	6,046	7,650
Total non-current assets	16,800	18,903
Total assets	88,326	97,274

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	18,866	17,325
Short-term borrowings	1,550	14,936
Income taxes payable	919	579
Advances received on uncompleted construction contracts	7,741	3,639
Deposits received	7,277	8,275
Provisions	1,819	697
Other	905	880
Total current liabilities	39,081	46,333
Non-current liabilities		
Long-term borrowings	2,794	2,051
Deferred tax liabilities for land revaluation	768	768
Provision for share awards	83	110
Retirement benefit liability	2,767	2,844
Other	136	135
Total non-current liabilities	6,551	5,911
Total liabilities	45,632	52,244
Net assets		
Shareholders' equity		
Share capital	11,374	11,374
Capital surplus	2,948	2,948
Retained earnings	24,235	26,579
Treasury shares	(337)	(329)
Total shareholders' equity	38,220	40,573
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	575	566
Revaluation reserve for land	1,706	1,706
Remeasurements of defined benefit plans	819	745
Total accumulated other comprehensive income	3,102	3,018
Non-controlling interests	1,370	1,438
Total net assets	42,694	45,030
Total liabilities and net assets	88,326	97,274

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales		
Net sales of completed construction contracts	59,307	69,470
Net sales in real estate business and other	2,271	2,233
Total net sales	61,578	71,703
Cost of sales		
Cost of sales of completed construction contracts	50,223	59,981
Cost of sales in real estate business and other	1,569	1,580
Total cost of sales	51,792	61,562
Gross profit		
Gross profit on completed construction contracts	9,084	9,489
Gross profit on real estate business and other	701	652
Total gross profit	9,785	10,141
Selling, general and administrative expenses	4,728	5,169
Operating profit	5,057	4,972
Non-operating income		
Interest income	6	142
Dividend income	65	77
Foreign exchange gains	268	506
Other	28	47
Total non-operating income	368	773
Non-operating expenses		
Interest expenses	104	95
Taxes and dues	0	28
Commission for syndicated loans	73	70
Other	9	9
Total non-operating expenses	188	203
Ordinary profit	5,237	5,542
Extraordinary income		
Gain on sale of non-current assets	14	3
Total extraordinary income	14	3
Extraordinary losses		
Loss on retirement of non-current assets	2	3
Total extraordinary losses	2	3
Profit before income taxes	5,249	5,542
Income taxes - current	1,300	1,410
Income taxes - deferred	501	434
Total income taxes	1,801	1,844
Profit	3,448	3,697
Profit attributable to non-controlling interests	99	69
Profit attributable to owners of parent	3,348	3,628

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	3,448	3,697
Other comprehensive income		
Valuation difference on available-for-sale securities	119	(9)
Remeasurements of defined benefit plans, net of tax	(55)	(74)
Total other comprehensive income	64	(84)
Comprehensive income	3,512	3,613
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,413	3,543
Comprehensive income attributable to non-controlling interests	99	69