

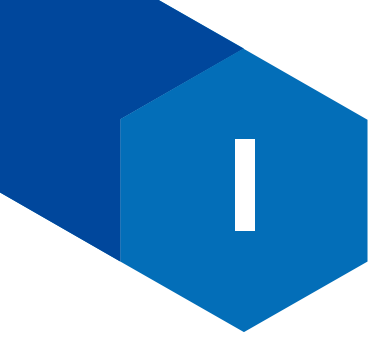
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Supplementary Material on the Consolidated Financial Results for the Nine Months Ended December 31, 2024

YAHAGI CONSTRUCTION CO., LTD.

Code no.: 1870

**(Listed on Prime Market of Tokyo Stock Exchange and
Premier Market of Nagoya Stock Exchange)**



Financial Results for the Nine Months Ended December 31, 2024

Highlights of financial results for the nine months ended December 31, 2024



■ Net sales

Net sales increased by ¥6.2 billion year on year to ¥97.1 billion, the third straight year a record-high quarterly figure has been achieved.

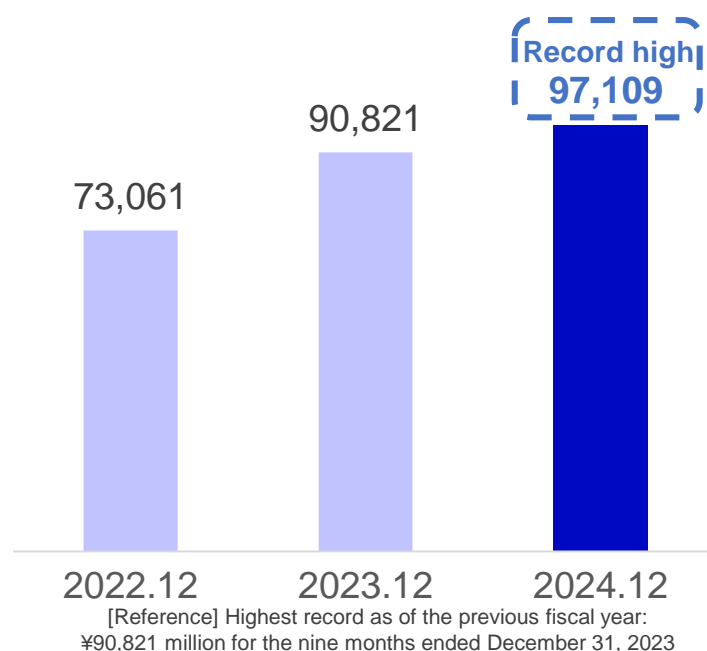
■ Profit

Operating profit decreased ¥5.7 billion year on year to ¥3.3 billion and profit attributable to owners of parent was also down ¥3.9 billion year on year to ¥2.3 billion, reflecting a decline in profit of the real estate business following the sale of large industrial land developed by the Company (lot No. 1 of the Obu Tokai Development Project) posted in the previous fiscal year.

* With respect to the sale of the large industrial land developed by the Company (lot No. 2 of the Obu Tokai Development Project) scheduled in the second half, a transaction agreement was signed on January 31, 2025 and an agreement for construction works was also signed at the same time.

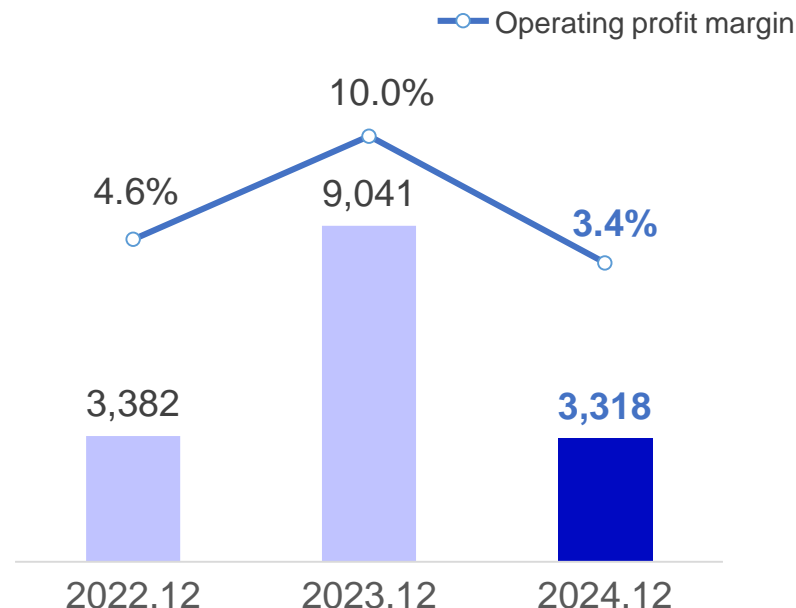
Net sales (JPY mil)

YoY ¥6.2 bn. (6.9%)



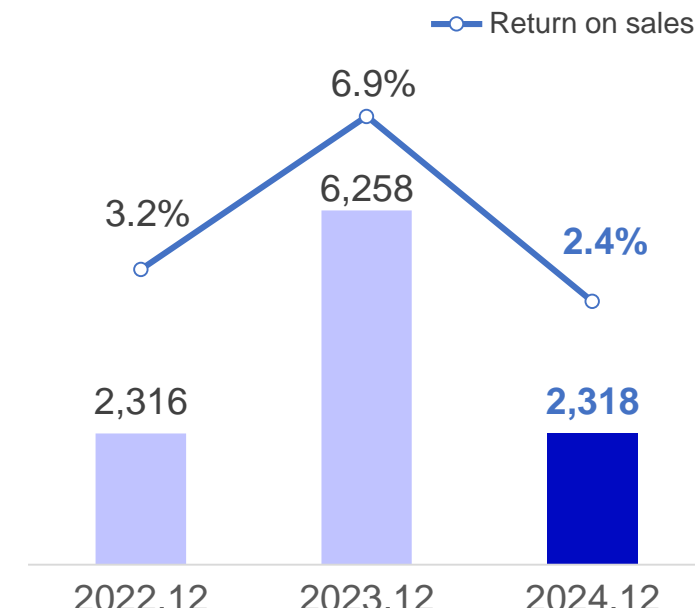
Operating profit (JPY mil)

YoY ¥5.7 bn. (63.3%)



Profit attributable to owners of parent (JPY mil)

YoY ¥3.9 bn. (62.9%)



Financial results for the nine months ended December 31, 2024



	(Millions of Yen)				
	Nine months ended Dec. 31, 2022 Actual	Nine months ended Dec. 31, 2023 Actual	Nine months ended Dec. 31, 2024 Actual	Year on year Increase/ decrease	Change
Net sales	73,061	90,821	97,109	6,287	6.9%
Net sales of completed construction contracts	65,351	68,976	86,088	17,112	24.8%
Net sales in real estate business and other	7,710	21,845	11,020	▲10,824	▲49.6%
Gross profit	9,861	16,956	11,046	▲5,909	▲34.9%
(Gross profit margin)	(13.5%)	(18.7%)	(11.4%)		▲7.3pt
Gross profit on completed construction contracts	7,314	7,085	7,490	404	5.7%
Gross profit on real estate business and other	2,547	9,870	3,556	▲6,314	▲64.0%
Selling, general, and administrative expenses	6,479	7,915	7,727	▲187	▲2.4%
Operating profit	3,382	9,041	3,318	▲5,722	▲63.3%
(Operating profit margin)	(4.6%)	(10.0%)	(3.4%)		▲6.6pt
Ordinary profit	3,448	9,155	3,374	▲5,781	▲63.1%
(Ordinary profit margin)	(4.7%)	(10.1%)	(3.5%)		▲6.6pt
Profit attributable to owners of parent	2,316	6,258	2,318	▲3,939	▲62.9%
(Return on sales)	(3.2%)	(6.9%)	(2.4%)		▲4.5pt

Factors for increase or decrease in net sales/operating profit (vs results for the first nine months ended December 31, 2023)

- **Net sales** • • • Increased by ¥6.2 billion year on year, achieving a new high as in the same period of the previous year.

Construction business: Net sales increased significantly by ¥17.1 billion due mainly to progress in a large logistics facility project and other construction projects.

Real estate business: Net sales decreased ¥10.8 billion year on year, impacted by the sale of large industrial land developed by the Company (lot No. 1 of the Obu Tokai Development Project) posted in the previous fiscal year.

- **Profit** • • • Operating profit dropped by ¥5.7 billion year on year.

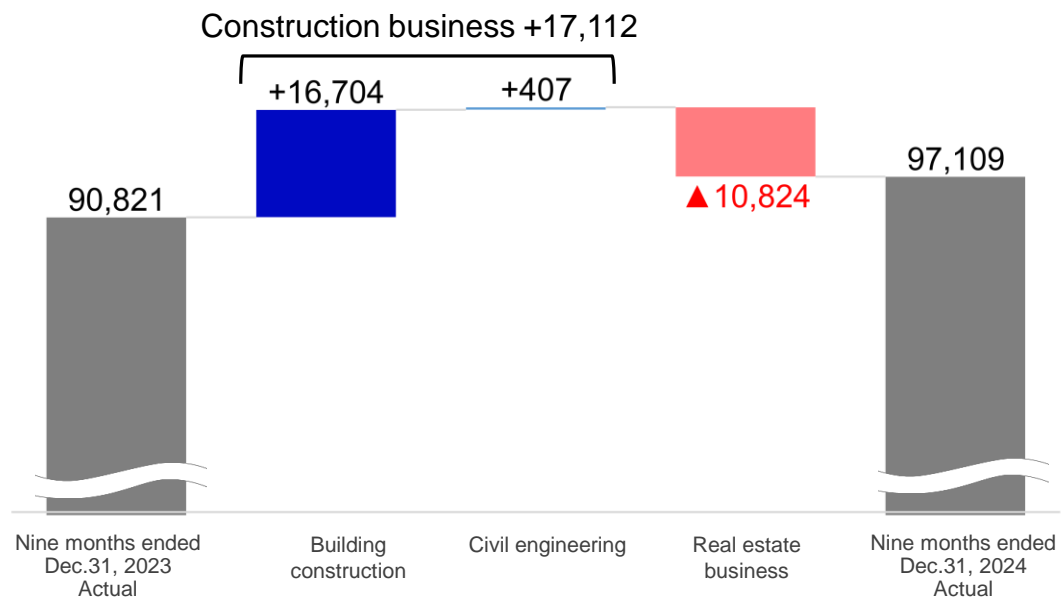
Construction business: Profit increased ¥0.4 billion year on year due to an increase in sales.

Real estate business: Profit decreased ¥6.3 billion, as net sales did, due to the sale of lot No. 1 of the Obu Tokai Development Project posted in the previous fiscal year.

SG&A: Expenses decreased ¥0.1 billion year on year, following the contraction of sales expenses despite a hike in salary levels and other investments in personnel.

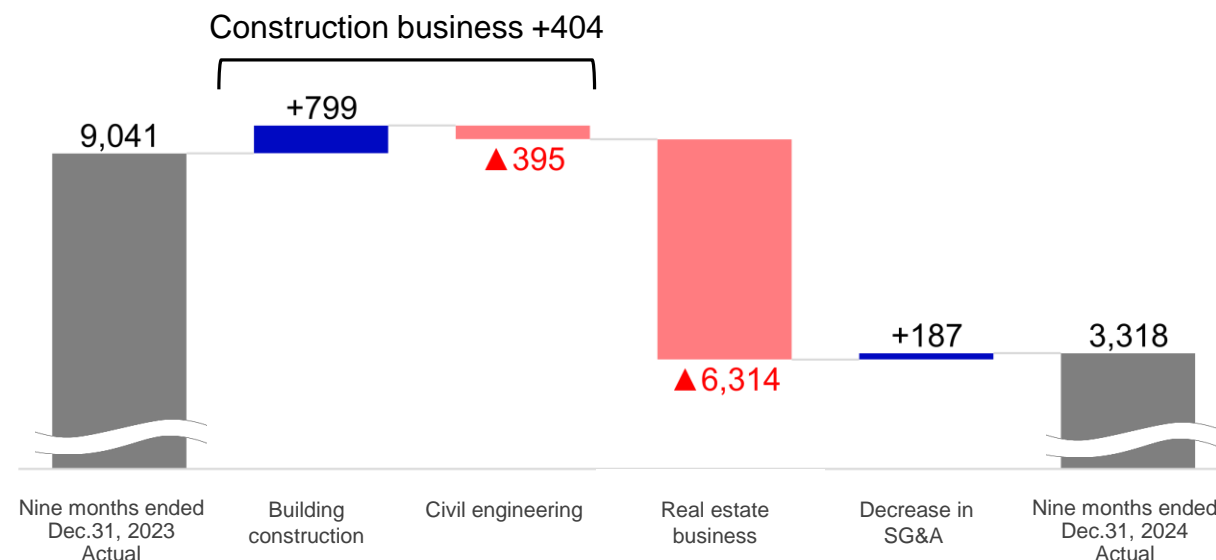
Net sales (JPY mil)

YoY **¥6,287 mil.**



Operating profit (JPY mil)

YoY **¥5,722 mil.**



<Overall status by segment> Architectural business

■ Orders received

Decreased ¥2.5 billion year on year, failing to reach the level of the same period a year earlier, when one of our largest-ever construction projects was one, despite the strong performance in orders, such as the acquisition of large logistics facility projects and several other large construction projects.

■ Net sales

Significantly increased by ¥16.7 billion year on year due to progress in construction, mainly in the large logistics facility project.

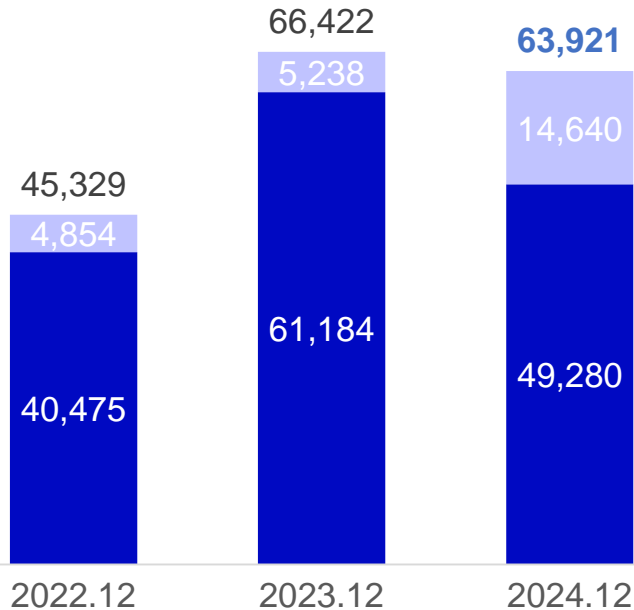
■ Gross profit

Increased ¥0.7 billion, benefiting from the effect of net sales growth.

Orders received by use (JPY mil)

YoY **¥2.5 bn. (3.8%)**

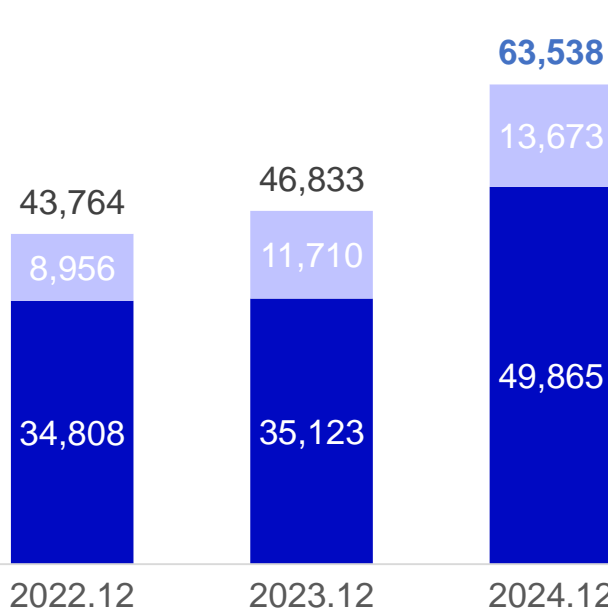
■ Condominium construction works
■ General construction works



Net sales by use (JPY mil)

YoY **¥16.7 bn. (35.7%)**

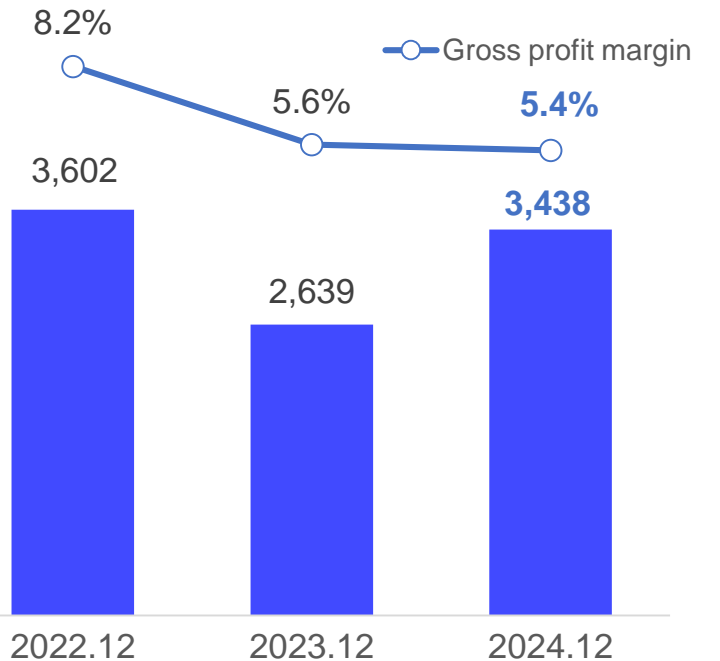
■ Condominium construction works
■ General construction works



Gross profit (JPY mil)

YoY **¥0.7 bn. (30.3%)**

○ Gross profit margin



<Overall status by segment> Civil engineering business



■ Orders received

Increased a significant ¥12.1 billion year on year, reflecting buoyant orders received for governmental projects and private-sector works.

■ Net sales

Increased ¥0.4 billion year on year, amid steady progress in construction for governmental projects and private-sector works.

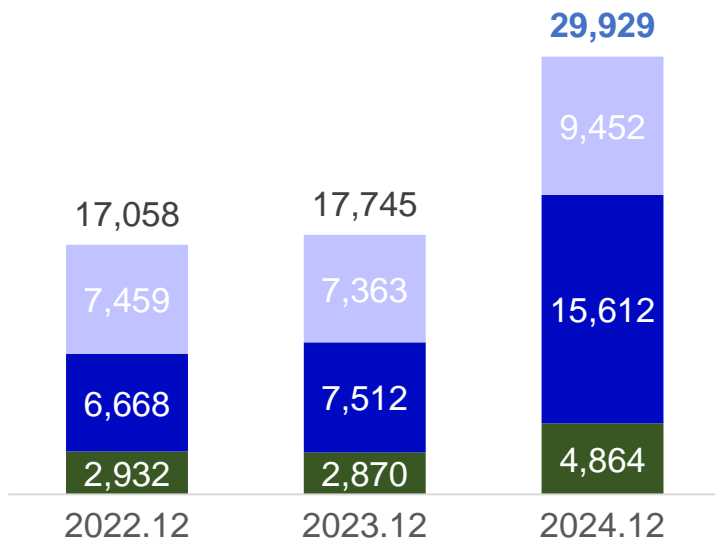
■ Gross profit

Fell by ¥0.3 billion year on year, due partly to the acquisition of profit following an increase in the amount of some large projects due to significant changes at the time of completion in the previous fiscal year.

Orders received by use (JPY mil)

YoY **¥12.1 bn. (68.7%)**

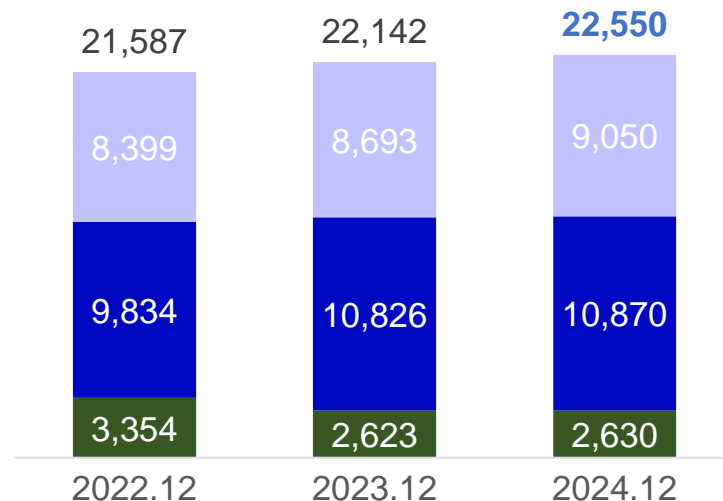
■ Governmental projects
■ Private-sector works ■ PW works



Net sales by use (JPY mil)

YoY **¥0.4 bn. (1.8%)**

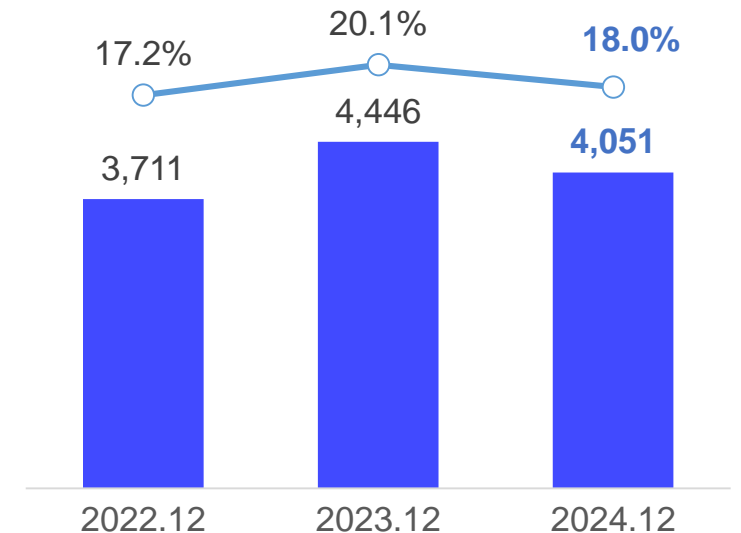
■ Governmental projects
■ Private-sector works ■ PW works



Gross profit (JPY mil)

YoY **¥0.3 bn. (8.9%)**

○ Gross profit margin



* PW works: Works performed by the Company's proprietary PAN WALL method for natural ground reinforcement.

<Overall status by segment> Real estate business

■ Net sales

Decreased ¥10.8 billion year on year, impacted by the sale of large industrial land developed by the Company (lot No. 1 of the Obu Tokai Development Project) posted in the previous fiscal year.

■ Gross profit

Decreased ¥6.3 billion year on year, as net sales did, due to the impacts from the sale of lot No. 1 of the Obu Tokai Development Project posted in the previous fiscal year.

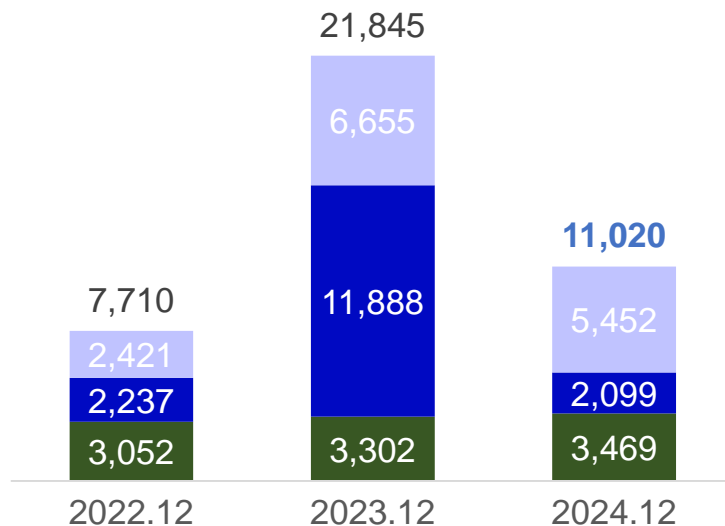
■ Condominiums for sale business

The number of units sold fell 8 year on year, failing to reach the previous fiscal year's level despite the completion of new buildings for delivery.

Breakdown of net sales (JPY mil)

YoY ¥10.8 bn. (49.6%) ↗

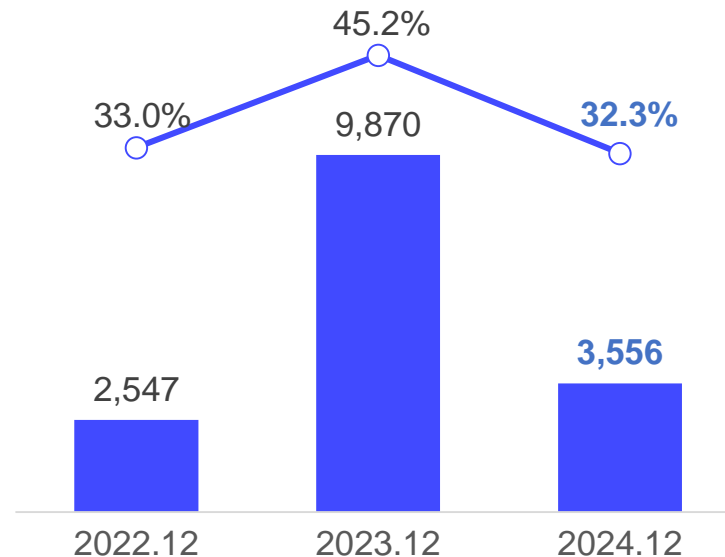
■ Condominiums for sale business
■ Real estate sales ■ Others



Gross profit (JPY mil)

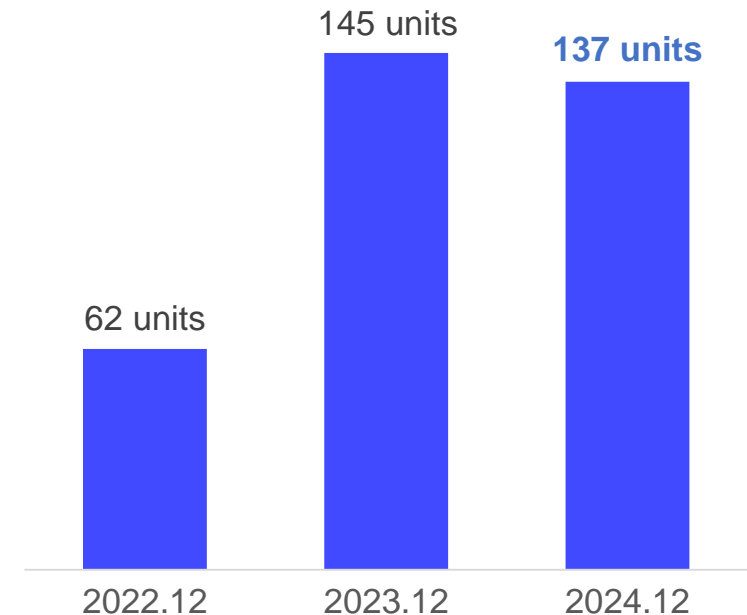
YoY ¥6.3 bn. (64.0%) ↗

○ Gross profit margin



Number of condominium units sold

YoY 8 units (5.5%) ↗



* Others include businesses and other operations of subsidiaries that are not included in the leasing business, the brokerage business and the construction business.

Consolidated financial position



- **Total assets:** Total assets increased ¥12.6 billion, reflecting an increase in trade receivables due to progress in construction for large logistics facility projects despite a decline in cash and deposits due to the revision of the level of funds held on hand.
- **Liabilities:** Total liabilities increased ¥13.4 billion. A rise in interest-bearing debt after payments, which is covered by borrowings, to partners in large logistics facilities and other projects in line with progress in construction in large logistics facility projects and other projects offset a decline in other current liabilities chiefly following the payment of income tax.
- **Net assets:** Net assets decreased by ¥0.7 billion due to the payment of dividends, even though retained earnings were recorded.

Consolidated balance sheet

(Millions of Yen)

Assets		As of March 31, 2024 Actual	As of Dec. 31, 2024 Actual	Increase/ decrease
Current assets	Cash and deposits	19,987	16,708	▲ 3,279
	Trade receivable	39,657	49,620	9,962
	Costs on construction contracts in progress	3,251	3,084	▲ 167
	Real estate for sale	21,016	23,600	2,584
	Others	3,997	8,641	4,644
	Total	87,910	101,654	13,744
Non-current assets	Property, plant and equipment	27,148	26,830	▲ 318
	Intangible assets	728	717	▲ 10
	Investments and other assets	10,213	9,479	▲ 734
	Total	38,090	37,027	▲ 1,062

Liabilities		As of March 31, 2024 Actual	As of Dec. 31, 2024 Actual	Increase/ decrease
Current liabilities	Trade payables	11,112	12,580	1,467
	Short-term borrowings	14,100	28,200	14,100
	Advances received on construction contracts in progress	8,853	8,055	▲ 797
	Others	9,642	4,071	▲ 5,571
	Total	43,708	52,907	9,198
Non-current liabilities	Long-term borrowings	8,300	12,400	4,100
	Others	7,453	7,582	129
	Total	15,753	19,982	4,228
Total liabilities		59,461	72,889	13,427
Net assets		66,538	65,792	▲ 745

Total assets	126,000	138,682	12,681
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Total liabilities and net assets	126,000	138,682	12,681
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□ Key management indicators

	FYE March 2021 Actual	FYE March 2022 Actual	FYE March 2023 Actual	As of March 31, 2024 Actual	Nine months ended Dec. 31, 2023 Actual	(Millions of Yen) Nine months ended Dec. 31, 2024 Actual
Return on assets (ROA)	6.3%	5.0%	5.9%	7.5%	—	—
Return on equity (ROE)	6.2%	8.6%	7.6%	10.2%	—	—
Earnings per share (EPS)	¥75.86	¥112.18	¥104.83	¥150.23	—	—
Equity ratio	42.1%	49.4%	46.5%	52.8%	50.5%	47.4%
Interest-bearing debt	42,940	30,400	31,900	22,400	17,400	40,600
NET interest-bearing debt (*)	20,848	8,388	9,078	2,413	▲ 3,500	23,892

(*) Net interest-bearing debt = interest-bearing debt - cash and deposits

Summary of orders received and orders received carried forward



■ Orders received

Increased a substantial ¥9.6 billion year on year to reach a record 3Q high for the second straight year, thanks to brisk orders received for governmental and private-sector civil engineering works and the winning of several large construction projects.

■ Orders received carried forward

Increased significantly by ¥31.3 billion year on year to ¥145.9 billion to mark a record 3Q high for the second straight year. This result reflected a major increase in orders received in the current fiscal year, the carry-forward from which will help increase future net sales.

□ Orders received

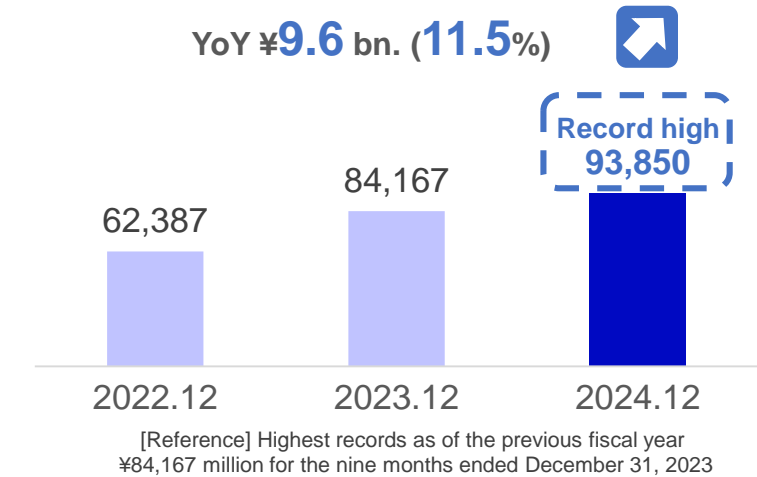
	Nine months ended Dec. 31, 2022 Actual	Nine months ended Dec. 31, 2023 Actual	Nine months ended Dec. 31, 2024 Actual	(Millions of Yen)	
				Year on year Increase/decrease	Change
Building construction	45,329	66,422	63,921	▲2,500	▲3.8%
Civil engineering	17,058	17,745	29,929	12,184	68.7%
Total	62,387	84,167	93,850	9,683	11.5%

□ Orders received carried forward

	Nine months ended Dec. 31, 2022 Actual	Nine months ended Dec. 31, 2023 Actual	Nine months ended Dec. 31, 2024 Actual	(Millions of Yen)	
				Year on year Increase/decrease	Change
Building construction	63,629	86,218	103,554	17,336	20.1%
Civil engineering	23,734	28,415	42,385	13,969	49.2%
Total	87,364	114,634	145,939	31,305	27.3%

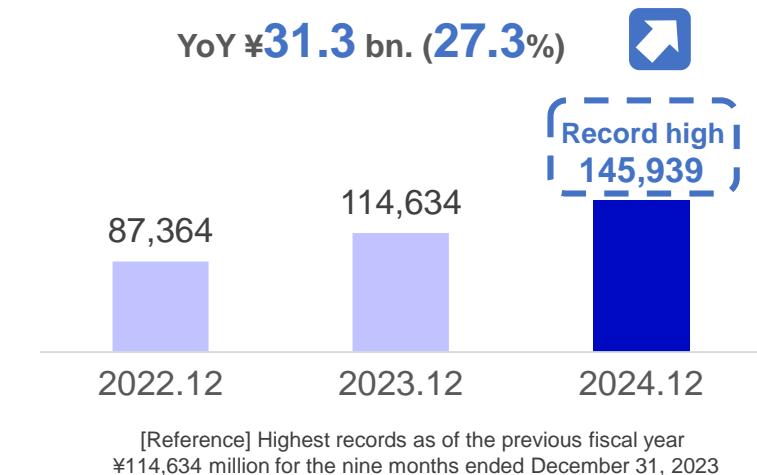
Orders received (JPY mil)

YoY ¥9.6 bn. (11.5%)



Orders received carried forward (JPY mil)

YoY ¥31.3 bn. (27.3%)



Financial Forecasts for the Fiscal Year Ending March 31, 2025

Financial Forecasts for the FYE March 31, 2025



Full-year forecasts for the fiscal year ending March 31, 2025, are net sales of ¥140.0 billion (up ¥20.0 billion year on year) [record high], operating profit of ¥8.2 billion (down ¥1.3 billion year on year), and profit attributable to owners of parent of ¥5.4 billion (down ¥1.0 billion year on year).

* While the six-month results exceeded forecasts, the full-year forecasts have not been changed from the forecasts announced on May 9, 2024. The Company will disclose any revision to the forecasts as soon as it becomes necessary.

■ Net sales

Overall net sales are expected to reach a record high, as in the previous fiscal year, due to an increase in sales in the construction business.

■ Profit

Profit at each level is expected to fall below the corresponding figure for the previous fiscal year. While profit will rise in the construction business, the real estate business will see profit at each level fall below the previous fiscal year, because the sale of large industrial land developed by the Company (lot No.2 of the Obu Tokai Development Project) in the second half will not reach the level of the previous fiscal year.

* With respect to the sale of lot No. 2 of the Obu Tokai Development Project, a transaction agreement was signed on January 31, 2025 and an agreement for construction works was also signed at the same time.

□ Consolidated financial forecasts for the fiscal year ending March 31, 2025

	FYE March 2024 Actual	FYE March 2025 Full-year forecasts	Year on year Increase/decrease	(Millions of Yen) Change
Net sales	119,824	140,000	20,175	16.8%
Net sales of completed construction contracts	96,230	119,000	22,770	23.7%
Net sales in real estate business and other	23,594	21,000	▲2,594	▲11.0%
Gross profit	19,797	18,900	▲897	▲4.5%
(Gross profit margin)	(16.5%)	(13.5%)		▲3.0pt
Gross profit on completed construction contracts	9,584	10,600	1,016	10.6%
Gross profit on real estate business and other	10,212	8,300	▲1,912	▲18.7%
Selling, general, and administrative expenses	10,282	10,700	418	4.1%
Operating profit	9,514	8,200	▲1,314	▲13.8%
(Operating profit margin)	(7.9%)	(5.9%)		▲2.0pt
Ordinary profit	9,588	8,200	▲1,388	▲14.5%
(Ordinary profit margin)	(8.0%)	(5.9%)		▲2.1pt
Profit attributable to owners of parent	6,462	5,400	▲1,062	▲16.4%
(Return on sales)	(5.4%)	(3.9%)		▲1.5pt

Factors for increase or decrease in net sales/operating profit (vs results for the fiscal year ended March 31, 2024)

■ Net sales

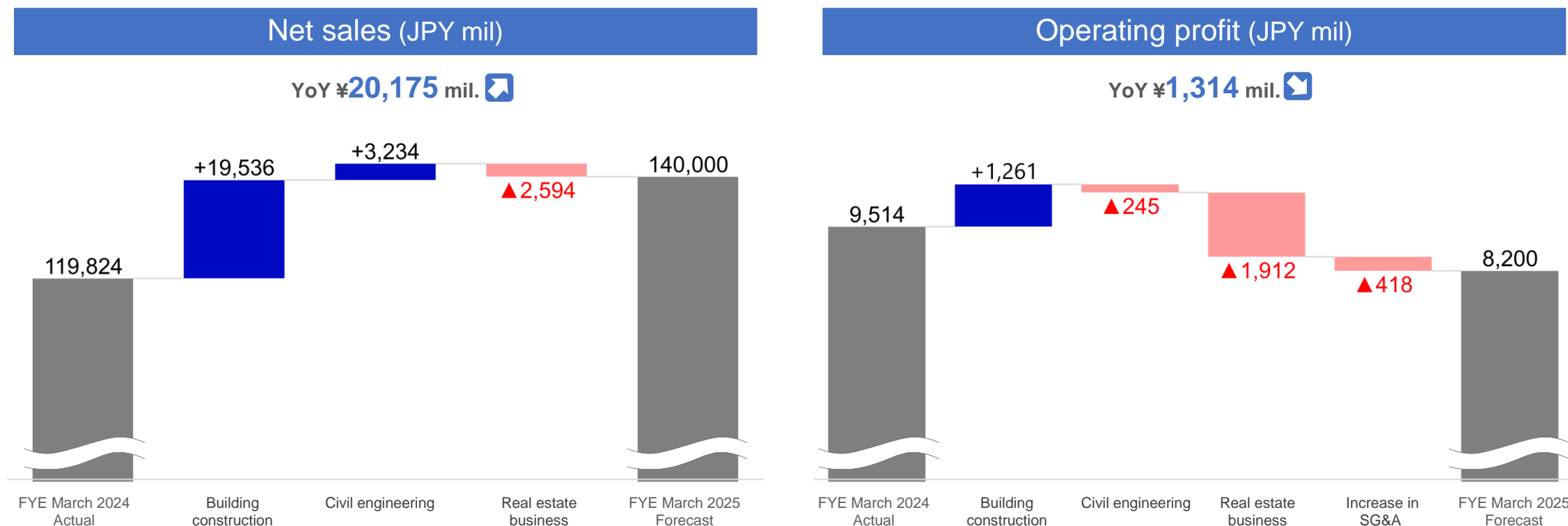
Construction business: Net sales are expected to exceed the result of the previous fiscal year mainly due to progress in the largest-ever building construction project received in the previous fiscal year.

Real estate business: Net sales are expected to fall below the result of the previous fiscal year since the sale of lot No. 2 of the Obu Tokai Development Project in the current fiscal year is not as large as lot No. 1 of the Obu Tokai Development Project sold in the previous fiscal year.

■ Profit

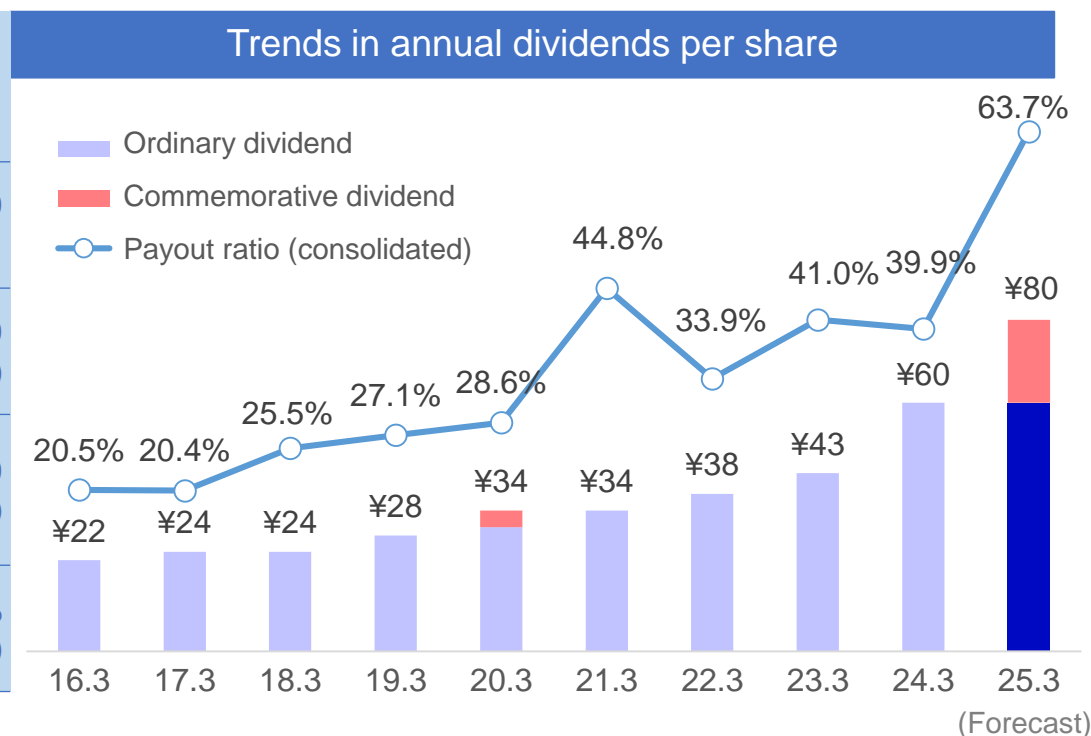
Construction business: Profit is expected to exceed the result of the previous fiscal year due to an increase in sales.

Real estate business: Profit is expected to fall below the result of the previous fiscal year due to a decrease in sales.



- For FYE March 2025, the year-end dividend will be ¥40 as announced, comprising an ordinary dividend of ¥30 and a commemorative dividend of ¥10, in addition to the already-paid interim dividend of ¥40, with the same composition as the year-end one. As a result, the annual dividend will be ¥80.
- The Company plans to increase dividends for a fourth consecutive period (no dividend reduction for 12 consecutive periods).
- The payout ratio will be above the 30% or more level set in the dividend policy in the medium-term management plan.

	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Interim dividend	¥16	¥17	¥17	¥19	¥30	¥40
Year-end dividend	¥18	¥17	¥21	¥24	¥30	¥40 (forecast)
Annual dividend	(*) ¥34	¥34	¥38	¥43	¥60	(*) ¥80 (forecast)
Payout ratio (consolidated)	28.6%	44.8%	33.9%	41.0%	39.9%	63.7% (forecast)



(*) Including commemorative dividend of ¥4 for the 70th anniversary of founding

(*) Including commemorative dividend of ¥20 for the 75th anniversary of founding

Numerical targets in the medium-term management plan (FY2021 to FY2025)

	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025 (Forecast)	FYE March 2026 (Target)
Net sales	93,090	111,110	119,824	140,000	130,000
Operating profit	6,169	7,212	9,514	8,200	10,000

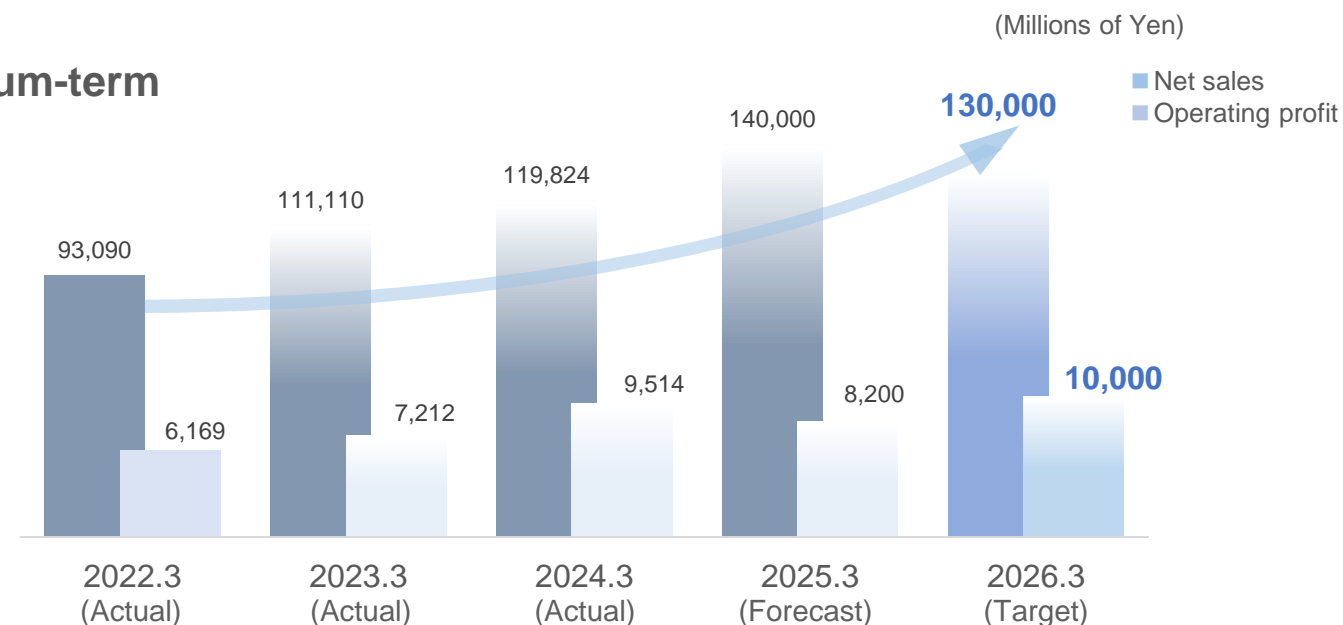
Targets for the final fiscal year of the medium-term management plan (FYE March 2026)

❑ Consolidated net sales:

¥130.0 billion

❑ Consolidated operating profit:

¥10.0 billion





Reference Information

1. Consolidated financial results (for the last 5 years) and forecasts



						(Millions of Yen)
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021	Nine months ended Dec. 31, 2022	Nine months ended Dec. 31, 2023	Nine months ended Dec. 31, 2024	FYE March 2025 forecast
Net sales	71,330	67,946	73,061	90,821	97,109	140,000
(Year-on-year percentage change)	(10.2%)	(▲4.7%)	(7.5%)	(24.3%)	(6.9%)	(16.8%)
Operating profit	5,138	3,114	3,382	9,041	3,318	8,200
(Year-on-year percentage change)	(▲4.0%)	(▲39.4%)	(8.6%)	(167.3%)	(▲63.3%)	(▲13.8%)
Ordinary profit	5,231	3,148	3,448	9,155	3,374	8,200
(Year-on-year percentage change)	(▲3.9%)	(▲39.8%)	(9.5%)	(165.5%)	(▲63.1%)	(▲14.5%)
Profit attributable to owners of parent	3,515	2,736	2,316	6,258	2,318	5,400
(Year-on-year percentage change)	(▲3.5%)	(▲22.2%)	(▲15.3%)	(170.2%)	(▲62.9%)	(▲16.4%)

☐ <Reference>

First year for which consolidated financial statements were prepared

FYE March 1991

Record high

◎ Net sales

Nine months ended Dec. 31, 2024

¥97,109 million

[Reference] Highest record as of the previous fiscal year:

¥90,821 million for the nine months ended December 31, 2023

◎ Operating profit

Nine months ended Dec. 31, 2023

¥9,041 million

◎ Ordinary profit

Nine months ended Dec. 31, 2023

¥9,155 million

◎ Profit attributable to owners of parent

Nine months ended Dec. 31, 2023

¥6,258 million

2. Status of Consolidated Subsidiaries (as of December 31, 2024)

Name	Address	Capital (Millions of yen)	Fiscal year end	Business description	Net sales for the first nine months (Millions of yen)
YAHAGI REAL ESTATE Co., Ltd.	Higashi-ku, Nagoya	800	March	Condominiums for sale business, real estate development business, real estate leasing business, real estate brokerage business	6,948
YAHAGI BUILDING AND LIFE CO., LTD.	Higashi-ku, Nagoya	400	March	Apartment and building management business, architectural business	3,458
YAHAGI GREEN Co., Ltd.	Higashi-ku, Nagoya	100	March	Greenery business, golf course management business	2,365
Techno Support Co., Ltd.	Higashi-ku, Nagoya	50	March	PAN WALL (an earth reinforcement method using panels and “soil nails” for slope protection) business, PITA Column (a seismic retrofitting method using external reinforcing for existing buildings) business, construction work, technological development, test piece production	972
YAHAGI ROAD CO., LTD.	Toyota, Aichi	300	March	Paving business, civil engineering business, manufacture and sales of asphalt mixture, recycling business	5,269
Nanshin Takamori Development Co., Ltd.	Takamori-machi, Shimoina-gun, Nagano	50	March	Operation of golf courses (Takamori Country Club)	293
HOKUWA CONSTRUCTION, INC.	Shimogyo-ku, Kyoto	85	March	Architectural business	5,126
Minamichita Mirai Partners Co., Ltd.	Minamichita, Chita-gun, Aichi	30	March	Development and operation business for the surroundings of Morozaki Port Tourism Center	39

- (Notes) 1. YAHAGI REAL ESTATE Co., Ltd., YAHAGI BUILDING AND LIFE CO., LTD., YAHAGI GREEN Co., Ltd., Techno Support Co., Ltd., YAHAGI ROAD CO., LTD., Nanshin Takamori Development Co., Ltd., and HOKUWA CONSTRUCTION, INC., are all wholly-owned subsidiaries of YAHAGI CONSTRUCTION CO., LTD. (For Nanshin Takamori Development Co., Ltd., there are indirect holdings of 69%)
2. Minamichita Mirai Partners Co., Ltd. is a subsidiary of YAHAGI CONSTRUCTION CO., LTD., which holds 66.7% of the voting rights of Minamichita Mirai Partners Co., Ltd.

3. Orders received, net sales, and orders received carried forward (consolidated)

(Millions of Yen)

Category			Orders received				Net sales				Orders received carried forward			
			2023.12	2024.12	Year on year		2023.12	2024.12	Year on year		2023.12	2024.12	Year on year	
			Actual	Actual	Increase/ decrease	Change	Actual	Actual	Increase/ decrease	Change	Actual	Actual	Increase/ decrease	Change
Construction	Building construction	Government	0	406	405	—	0	1,760	1,760	—	28	277	249	878.4%
		Private	66,421	63,515	▲ 2,906	▲4.4%	46,833	61,777	14,943	31.9%	86,189	103,277	17,087	19.8%
	Total		66,422	63,921	▲ 2,500	▲3.8%	46,833	63,538	16,704	35.7%	86,218	103,554	17,336	20.1%
	Civil engineering	Government	7,363	9,452	2,089	28.4%	8,693	9,050	356	4.1%	11,534	18,549	7,014	60.8%
		Private	10,382	20,476	10,094	97.2%	13,448	13,499	51	0.4%	16,880	23,835	6,954	41.2%
	Total		17,745	29,929	12,184	68.7%	22,142	22,550	407	1.8%	28,415	42,385	13,969	49.2%
		Government	7,363	9,858	2,495	33.9%	8,693	10,811	2,117	24.4%	11,563	18,827	7,263	62.8%
		Private	76,804	83,992	7,187	9.4%	60,282	75,277	14,994	24.9%	103,070	127,112	24,041	23.3%
	Total		84,167	93,850	9,683	11.5%	68,976	86,088	17,112	24.8%	114,634	145,939	31,305	27.3%
	Real estate business and other						21,845	11,020	▲ 10,824	▲49.6%				
Total						90,821	97,109	6,287	6.9%					

* Forward-looking statements such as earnings forecasts contained in this document include projections for the future, assumptions underlying plans, and predictions as of the date of the release of this document. These statements are not guarantees of future performance by the Company. Actual results may differ significantly depending on various factors in the future. This document contains estimates that have not been audited, and the figures are subject to change.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.