

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 10, 2022

Company name: YAHAGI CONSTRUCTION CO., LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 1870 URL <https://www.yahagi.co.jp/>  
 Representative: President and Director Mitsuhiro Takayanagi  
 Contact: keiri@yahagi.co.jp  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2022  
 Scheduled date to file Securities Report: June 29, 2022  
 Scheduled date to commence dividend payments: June 8, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2022	93,090	(12.7)	6,169	(16.2)	6,174	(17.1)	4,842	47.1
Year ended March 31, 2021	106,615	18.3	7,362	(5.2)	7,445	(4.9)	3,292	(36.2)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	112.18	–	8.6	5.0	6.6
Year ended March 31, 2021	75.86	–	6.2	6.3	6.9

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	116,423	57,532	49.4	1,338.10
As of March 31, 2021	129,837	54,639	42.1	1,258.90

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	15,841	(1,549)	(14,351)	21,891
Year ended March 31, 2021	(6,757)	(220)	15,356	21,951

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	17.00	–	17.00	34.00	1,475	44.8	2.8
Year ended March 31, 2022	–	17.00	–	21.00	38.00	1,649	33.9	2.9
Year ending March 31, 2023 (Forecast)	–	19.00	–	19.00	38.00		39.4	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	41,500	(11.4)	1,800	(17.6)	1,800	(18.6)	1,200	(23.9)	27.91
Full year	107,000	14.9	6,000	(2.7)	6,000	(2.8)	4,150	(14.3)	96.52

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2022	44,607,457 shares	As of March 31, 2021	44,607,457 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	1,612,091 shares	As of March 31, 2021	1,204,864 shares
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Average number of shares during the period

Year ended March 31, 2022	43,164,454 shares	Year ended March 31, 2021	43,402,641 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	22,091	22,011
Notes receivable, accounts receivable from completed construction contracts and other	49,306	32,351
Electronically recorded monetary claims - operating	345	457
Costs on construction contracts in progress	3,899	2,534
Real estate for sale	15,316	19,884
Merchandise and finished goods	18	25
Raw materials and supplies	678	452
Other	3,699	2,804
Allowance for doubtful accounts	(87)	(86)
Total current assets	95,268	80,435
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,931	14,661
Machinery, vehicles, tools, furniture and fixtures	3,092	3,345
Land	17,874	19,091
Leased assets	66	103
Construction in progress	–	55
Accumulated depreciation	(9,352)	(9,985)
Total property, plant and equipment	25,613	27,272
Intangible assets	392	390
Investments and other assets		
Investment securities	5,661	5,298
Retirement benefit asset	236	244
Deferred tax assets	1,726	1,844
Other	986	987
Allowance for doubtful accounts	(48)	(49)
Total investments and other assets	8,562	8,326
Total non-current assets	34,568	35,988
Total assets	129,837	116,423

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	11,236	6,758
Electronically recorded obligations - operating	5,172	3,635
Short-term borrowings	37,740	25,400
Income taxes payable	1,302	1,072
Advances received on construction contracts in progress	3,716	4,780
Provision for warranties for completed construction	448	441
Provision for loss on construction contracts	11	0
Provision for bonuses for directors (and other officers)	113	70
Other	1,723	2,988
<b>Total current liabilities</b>	<b>61,464</b>	<b>45,148</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,200	5,000
Deferred tax liabilities for land revaluation	221	221
Retirement benefit liability	4,749	4,864
Asset retirement obligations	351	353
Provision for share-based compensation	–	49
Other	3,210	3,252
<b>Total non-current liabilities</b>	<b>13,733</b>	<b>13,743</b>
<b>Total liabilities</b>	<b>75,197</b>	<b>58,891</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,808	6,808
Capital surplus	7,244	7,244
Retained earnings	45,783	49,124
Treasury shares	(576)	(897)
<b>Total shareholders' equity</b>	<b>59,259</b>	<b>62,279</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,327	1,224
Revaluation reserve for land	(5,882)	(5,882)
Remeasurements of defined benefit plans	(64)	(90)
<b>Total accumulated other comprehensive income</b>	<b>(4,619)</b>	<b>(4,747)</b>
<b>Total net assets</b>	<b>54,639</b>	<b>57,532</b>
<b>Total liabilities and net assets</b>	<b>129,837</b>	<b>116,423</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales		
Net sales of completed construction contracts	92,406	78,993
Net sales in real estate business and other	14,208	14,096
Total net sales	106,615	93,090
Cost of sales		
Cost of sales of completed construction contracts	80,716	68,613
Cost of sales in real estate business and other	10,199	9,541
Total cost of sales	90,915	78,155
Gross profit		
Gross profit on completed construction contracts	11,689	10,379
Gross profit on real estate business and other	4,009	4,555
Total gross profit	15,699	14,935
Selling, general and administrative expenses	8,336	8,765
Operating profit	7,362	6,169
Non-operating income		
Interest income	5	0
Dividend income	114	105
Other	89	51
Total non-operating income	209	157
Non-operating expenses		
Interest expenses	111	127
Miscellaneous expenses	15	24
Total non-operating expenses	126	152
Ordinary profit	7,445	6,174
Extraordinary income		
Gain on sale of non-current assets	5	3
Gain on sale of investment securities	–	899
Other	61	–
Total extraordinary income	67	903
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	34	26
Loss on valuation of investment securities	–	30
Loss on sale of investment securities	24	–
Impairment losses	1,817	–
Other	5	1
Total extraordinary losses	1,882	58
Profit before income taxes	5,630	7,019
Income taxes - current	2,385	2,176
Income taxes - deferred	(41)	0
Total income taxes	2,344	2,177
Profit	3,286	4,842
Profit (loss) attributable to non-controlling interests	(6)	–
Profit attributable to owners of parent	3,292	4,842

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	3,286	4,842
Other comprehensive income		
Valuation difference on available-for-sale securities	724	(102)
Remeasurements of defined benefit plans, net of tax	143	(25)
Total other comprehensive income	868	(128)
Comprehensive income	4,154	4,714
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,161	4,714
Comprehensive income attributable to non-controlling interests	(6)	–

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,808	7,244	44,052	(576)	57,528
Cumulative effects of changes in accounting policies					
Restated balance	6,808	7,244	44,052	(576)	57,528
Changes during period					
Dividends of surplus			(1,519)		(1,519)
Profit attributable to owners of parent			3,292		3,292
Purchase of treasury shares				(0)	(0)
Other			(42)		(42)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,730	(0)	1,730
Balance at end of period	6,808	7,244	45,783	(576)	59,259

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	602	(5,882)	(208)	(5,487)	6	52,046
Cumulative effects of changes in accounting policies						
Restated balance	602	(5,882)	(208)	(5,487)	6	52,046
Changes during period						
Dividends of surplus						(1,519)
Profit attributable to owners of parent						3,292
Purchase of treasury shares						(0)
Other						(42)
Net changes in items other than shareholders' equity	724		143	868	(6)	862
Total changes during period	724	–	143	868	(6)	2,592
Balance at end of period	1,327	(5,882)	(64)	(4,619)	–	54,639

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,808	7,244	45,783	(576)	59,259
Cumulative effects of changes in accounting policies			(25)		(25)
Restated balance	6,808	7,244	45,757	(576)	59,233
Changes during period					
Dividends of surplus			(1,475)		(1,475)
Profit attributable to owners of parent			4,842		4,842
Purchase of treasury shares				(320)	(320)
Other					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,366	(320)	3,045
Balance at end of period	6,808	7,244	49,124	(897)	62,279

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,327	(5,882)	(64)	(4,619)	–	54,639
Cumulative effects of changes in accounting policies						(25)
Restated balance	1,327	(5,882)	(64)	(4,619)	–	54,614
Changes during period						
Dividends of surplus						(1,475)
Profit attributable to owners of parent						4,842
Purchase of treasury shares						(320)
Other						
Net changes in items other than shareholders' equity	(102)		(25)	(128)		(128)
Total changes during period	(102)	–	(25)	(128)	–	2,917
Balance at end of period	1,224	(5,882)	(90)	(4,747)	–	57,532



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	5,630	7,019
Depreciation	826	858
Increase (decrease) in allowance for doubtful accounts	(1)	1
Increase (decrease) in provision for bonuses for directors (and other officers)	(11)	(42)
Increase (decrease) in retirement benefit liability	(140)	70
Interest and dividend income	(119)	(106)
Interest expenses	111	127
Impairment losses	1,817	–
Loss (gain) on sale and retirement of property, plant and equipment	29	24
Loss (gain) on sale of investment securities	24	(899)
Decrease (increase) in trade receivables	(16,315)	16,843
Decrease (increase) in inventories	2,477	(2,686)
Increase (decrease) in trade payables	4,736	(6,014)
Increase (decrease) in advances received on construction contracts in progress	(1,187)	1,063
Increase (decrease) in accrued consumption taxes	(1,010)	2,082
Other, net	(1,372)	(76)
Subtotal	(4,506)	18,266
Interest and dividends received	115	110
Interest paid	(113)	(125)
Income taxes paid	(2,252)	(2,411)
Net cash provided by (used in) operating activities	(6,757)	15,841
Cash flows from investing activities		
Decrease (increase) in time deposits	50	20
Proceeds from sale of property, plant and equipment	230	5
Purchase of property, plant and equipment and intangible assets	(744)	(2,600)
Proceeds from sale of investment securities	15	1,041
Other, net	227	(16)
Net cash provided by (used in) investing activities	(220)	(1,549)
Cash flows from financing activities		
Proceeds from short-term borrowings	18,000	600
Repayments of short-term borrowings	(50)	(12,700)
Proceeds from long-term borrowings	1,000	900
Repayments of long-term borrowings	(2,067)	(1,340)
Net decrease (increase) in treasury shares	(0)	(320)
Dividends paid	(1,519)	(1,475)
Other, net	(7)	(14)
Net cash provided by (used in) financing activities	15,356	(14,351)
Net increase (decrease) in cash and cash equivalents	8,378	(59)
Cash and cash equivalents at beginning of period	13,586	21,951
1	(12)	–
Cash and cash equivalents at end of period	21,951	21,891