

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 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 Mitsuhiko Takayanagi  
 Contact: keiri@yahagi.co.jp  
 Scheduled date to file Quarterly Securities Report: August 8, 2022  
 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, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	18,195	(22.7)	644	(23.2)	680	(22.9)	497	(20.2)
Three months ended June 30, 2021	23,525	2.1	840	(58.6)	881	(57.9)	623	(57.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	11.58		–	
Three months ended June 30, 2021	14.37		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	109,231	57,147	52.3
As of March 31, 2022	116,423	57,532	49.4

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, 2022	–	17.00	–	21.00	38.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	19.00	–	19.00	38.00

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 three months ended June 30, 2022  
 (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, 2022	44,607,457 shares	As of March 31, 2022	44,607,457 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2022	1,612,091 shares	As of March 31, 2022	1,612,091 shares
---------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	42,995,366 shares	Three months ended June 30, 2021	43,402,593 shares
----------------------------------	-------------------	----------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	22,011	23,411
Notes receivable, accounts receivable from completed construction contracts and other	32,351	21,081
Electronically recorded monetary claims - operating	457	413
Costs on construction contracts in progress	2,534	5,101
Real estate for sale	19,884	20,100
Merchandise and finished goods	25	23
Raw materials and supplies	452	494
Other	2,804	2,771
Allowance for doubtful accounts	(86)	(83)
Total current assets	80,435	73,313
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,661	14,765
Machinery, vehicles, tools, furniture and fixtures	3,345	3,344
Land	19,091	19,091
Leased assets	103	109
Construction in progress	55	49
Accumulated depreciation	(9,985)	(10,136)
Total property, plant and equipment	27,272	27,224
Intangible assets	390	393
Investments and other assets		
Investment securities	5,298	5,342
Retirement benefit asset	244	245
Deferred tax assets	1,844	1,779
Other	987	982
Allowance for doubtful accounts	(49)	(49)
Total investments and other assets	8,326	8,300
Total non-current assets	35,988	35,918
Total assets	116,423	109,231

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	6,758	6,770
Electronically recorded obligations - operating	3,635	3,736
Short-term borrowings	25,400	18,100
Income taxes payable	1,072	117
Advances received on construction contracts in progress	4,780	4,850
Provision for warranties for completed construction	441	445
Provision for loss on construction contracts	0	0
Provision for bonuses for directors (and other officers)	70	22
Other	2,988	4,149
<b>Total current liabilities</b>	<b>45,148</b>	<b>38,193</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,000	5,300
Deferred tax liabilities for land revaluation	221	221
Retirement benefit liability	4,864	4,865
Asset retirement obligations	353	354
Provision for share-based compensation	49	61
Other	3,252	3,086
<b>Total non-current liabilities</b>	<b>13,743</b>	<b>13,890</b>
<b>Total liabilities</b>	<b>58,891</b>	<b>52,083</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	6,808	6,808
Capital surplus	7,244	7,244
Retained earnings	49,124	48,710
Treasury shares	(897)	(897)
<b>Total shareholders' equity</b>	<b>62,279</b>	<b>61,866</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,224	1,252
Revaluation reserve for land	(5,882)	(5,882)
Remeasurements of defined benefit plans	(90)	(88)
<b>Total accumulated other comprehensive income</b>	<b>(4,747)</b>	<b>(4,718)</b>
<b>Total net assets</b>	<b>57,532</b>	<b>57,147</b>
<b>Total liabilities and net assets</b>	<b>116,423</b>	<b>109,231</b>

**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, 2021	Three months ended June 30, 2022
Net sales		
Net sales of completed construction contracts	21,566	14,375
Net sales in real estate business and other	1,959	3,819
Total net sales	23,525	18,195
Cost of sales		
Cost of sales of completed construction contracts	19,493	12,829
Cost of sales in real estate business and other	1,310	2,540
Total cost of sales	20,803	15,370
Gross profit		
Gross profit on completed construction contracts	2,072	1,546
Gross profit on real estate business and other	648	1,278
Total gross profit	2,721	2,824
Selling, general and administrative expenses	1,881	2,180
Operating profit	840	644
Non-operating income		
Interest income	2	0
Dividend income	71	56
Other	12	9
Total non-operating income	87	66
Non-operating expenses		
Interest expenses	38	21
Other	6	9
Total non-operating expenses	45	30
Ordinary profit	881	680
Extraordinary losses		
Loss on retirement of non-current assets	–	16
Loss on valuation of investment securities	30	–
Total extraordinary losses	30	16
Profit before income taxes	851	664
Income taxes - current	174	124
Income taxes - deferred	53	41
Total income taxes	227	166
Profit	623	497
Profit attributable to non-controlling interests	0	–
Profit attributable to owners of parent	623	497

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	623	497
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	27
Remeasurements of defined benefit plans, net of tax	7	1
Total other comprehensive income	6	29
Comprehensive income	630	527
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	630	527
Comprehensive income attributable to non-controlling interests	0	–