

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 9, 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 Mitsuhiro Takayanagi
 Contact: keiri@yahagi.co.jp
 Scheduled date to file Quarterly Securities Report: February 10, 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	73,061	7.5	3,382	8.6	3,448	9.5	2,316	(15.3)
Nine months ended December 31, 2021	67,946	(4.7)	3,114	(39.4)	3,148	(39.8)	2,736	(22.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	53.87		–	
Nine months ended December 31, 2021	63.31		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	130,454	58,237	44.6
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	–	19.00	–		
Year ending March 31, 2023 (Forecast)				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
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 nine months ended December 31, 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 December 31, 2022	44,607,457 shares	As of March 31, 2022	44,607,457 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,598,691 shares	As of March 31, 2022	1,612,091 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, 2022	43,002,810 shares	Nine months ended December 31, 2021	43,220,817 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	22,011	20,047
Notes receivable, accounts receivable from completed construction contracts and other	32,351	41,590
Electronically recorded monetary claims - operating	457	190
Costs on construction contracts in progress	2,534	7,092
Real estate for sale	19,884	20,265
Merchandise and finished goods	25	24
Raw materials and supplies	452	525
Other	2,804	4,471
Allowance for doubtful accounts	(86)	(87)
Total current assets	80,435	94,119
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,661	14,794
Machinery, vehicles, tools, furniture and fixtures	3,345	3,442
Land	19,091	19,215
Leased assets	103	99
Construction in progress	55	355
Accumulated depreciation	(9,985)	(10,419)
Total property, plant and equipment	27,272	27,487
Intangible assets	390	353
Investments and other assets		
Investment securities	5,298	5,461
Retirement benefit asset	244	246
Deferred tax assets	1,844	1,865
Other	987	970
Allowance for doubtful accounts	(49)	(48)
Total investments and other assets	8,326	8,494
Total non-current assets	35,988	36,335
Total assets	116,423	130,454

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	6,758	11,977
Electronically recorded obligations - operating	3,635	11,273
Short-term borrowings	25,400	28,600
Income taxes payable	1,072	169
Advances received on construction contracts in progress	4,780	4,425
Provision for warranties for completed construction	441	458
Provision for loss on construction contracts	0	23
Provision for bonuses for directors (and other officers)	70	67
Other	2,988	2,273
Total current liabilities	45,148	59,269
Non-current liabilities		
Long-term borrowings	5,000	4,300
Deferred tax liabilities for land revaluation	221	221
Retirement benefit liability	4,864	4,928
Asset retirement obligations	353	370
Provision for share-based compensation	49	73
Other	3,252	3,053
Total non-current liabilities	13,743	12,948
Total liabilities	58,891	72,217
Net assets		
Shareholders' equity		
Share capital	6,808	6,808
Capital surplus	7,244	7,244
Retained earnings	49,124	49,704
Treasury shares	(897)	(886)
Total shareholders' equity	62,279	62,870
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,224	1,334
Revaluation reserve for land	(5,882)	(5,882)
Remeasurements of defined benefit plans	(90)	(86)
Total accumulated other comprehensive income	(4,747)	(4,633)
Total net assets	57,532	58,237
Total liabilities and net assets	116,423	130,454

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, 2021	Nine months ended December 31, 2022
Net sales		
Net sales of completed construction contracts	60,320	65,351
Net sales in real estate business and other	7,625	7,710
Total net sales	67,946	73,061
Cost of sales		
Cost of sales of completed construction contracts	53,566	58,037
Cost of sales in real estate business and other	5,216	5,163
Total cost of sales	58,782	63,200
Gross profit		
Gross profit on completed construction contracts	6,754	7,314
Gross profit on real estate business and other	2,408	2,547
Total gross profit	9,163	9,861
Selling, general and administrative expenses	6,049	6,479
Operating profit	3,114	3,382
Non-operating income		
Interest income	0	0
Dividend income	105	100
Other	38	39
Total non-operating income	145	140
Non-operating expenses		
Interest expenses	100	63
Other	10	10
Total non-operating expenses	111	74
Ordinary profit	3,148	3,448
Extraordinary income		
Gain on sale of investment securities	886	–
Other	–	5
Total extraordinary income	886	5
Extraordinary losses		
Loss on retirement of non-current assets	21	111
Loss on valuation of investment securities	30	–
Other	1	–
Total extraordinary losses	53	111
Profit before income taxes	3,981	3,341
Income taxes - current	1,265	1,107
Income taxes - deferred	(19)	(82)
Total income taxes	1,245	1,025
Profit	2,736	2,316
Profit attributable to non-controlling interests	0	–
Profit attributable to owners of parent	2,736	2,316

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,736	2,316
Other comprehensive income		
Valuation difference on available-for-sale securities	(105)	109
Remeasurements of defined benefit plans, net of tax	21	4
Total other comprehensive income	(83)	113
Comprehensive income	2,653	2,430
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,653	2,430
Comprehensive income attributable to non-controlling interests	0	–