

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 8, 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
 Inquiries: General Manager of Accounting Department Yoshiki Saguchi TEL 052-935-2348
 Scheduled date to file Quarterly Securities Report: November 9, 2023
 Scheduled date to commence dividend payments: November 29, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	52,158	25.7	1,487	(14.4)	1,564	(11.9)	1,017	(15.6)
Six months ended September 30, 2022	41,495	(11.4)	1,738	(20.4)	1,775	(19.7)	1,206	(23.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	23.66		-	
Six months ended September 30, 2022	28.06		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	132,451	60,978	46.0
As of March 31, 2023	129,987	60,431	46.5

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, 2023	-	19.00	-	24.00	43.00
Year ending March 31, 2024	-	30.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	30.00	60.00

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	122,000	9.8	9,500	31.7	9,500	30.9	6,300	39.7	146.48

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 2023	44,607,457 shares	As of March 31, 2023	44,607,457 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,585,844 shares	As of March 31, 2023	1,598,789 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	43,012,983 shares	Six months ended September 30, 2022	42,999,833 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	22,821	20,771
Notes receivable, accounts receivable from completed construction contracts and other	42,427	42,550
Electronically recorded monetary claims - operating	326	119
Costs on construction contracts in progress	2,074	3,921
Real estate for sale	20,239	22,314
Merchandise and finished goods	26	31
Raw materials and supplies	626	637
Other	3,770	3,604
Allowance for doubtful accounts	(88)	(87)
Total current assets	92,223	93,863
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,124	16,010
Machinery, vehicles, tools, furniture and fixtures	3,499	3,796
Land	19,847	20,108
Leased assets	90	81
Construction in progress	535	63
Accumulated depreciation	(10,600)	(11,045)
Total property, plant and equipment	28,497	29,014
Intangible assets	805	717
Investments and other assets		
Investment securities	5,174	5,926
Retirement benefit asset	247	249
Deferred tax assets	2,047	1,709
Other	1,039	1,018
Allowance for doubtful accounts	(48)	(48)
Total investments and other assets	8,460	8,855
Total non-current assets	37,763	38,588
Total assets	129,987	132,451

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	10,551	8,669
Electronically recorded obligations - operating	8,145	9,073
Short-term borrowings	28,100	31,800
Income taxes payable	1,058	479
Advances received on construction contracts in progress	4,604	5,059
Provision for warranties for completed construction	447	445
Provision for loss on construction contracts	53	1
Provision for bonuses for directors (and other officers)	69	34
Other	3,814	2,826
Total current liabilities	56,843	58,390
Non-current liabilities		
Long-term borrowings	3,800	4,100
Deferred tax liabilities for land revaluation	221	221
Retirement benefit liability	5,178	5,186
Asset retirement obligations	371	447
Provision for share-based payments	88	104
Other	3,050	3,022
Total non-current liabilities	12,712	13,082
Total liabilities	69,556	71,472
Net assets		
Shareholders' equity		
Share capital	6,808	6,808
Capital surplus	7,244	7,244
Retained earnings	51,896	51,872
Treasury shares	(886)	(876)
Total shareholders' equity	65,062	65,048
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,484	2,011
Revaluation reserve for land	(5,882)	(5,882)
Remeasurements of defined benefit plans	(232)	(209)
Total accumulated other comprehensive income	(4,630)	(4,080)
Non-controlling interests	–	10
Total net assets	60,431	60,978
Total liabilities and net assets	129,987	132,451

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales		
Net sales of completed construction contracts	35,715	45,728
Net sales in real estate business and other	5,779	6,429
Total net sales	41,495	52,158
Cost of sales		
Cost of sales of completed construction contracts	31,712	41,170
Cost of sales in real estate business and other	3,787	4,610
Total cost of sales	35,500	45,781
Gross profit		
Gross profit on completed construction contracts	4,003	4,558
Gross profit on real estate business and other	1,992	1,819
Total gross profit	5,995	6,377
Selling, general and administrative expenses	4,257	4,889
Operating profit	1,738	1,487
Non-operating income		
Interest income	0	0
Dividend income	56	62
Other	32	78
Total non-operating income	89	141
Non-operating expenses		
Interest expenses	42	60
Other	10	3
Total non-operating expenses	52	64
Ordinary profit	1,775	1,564
Extraordinary income		
Gain on sale of investment securities	–	3
Total extraordinary income	–	3
Extraordinary losses		
Loss on retirement of non-current assets	67	0
Total extraordinary losses	67	0
Profit before income taxes	1,707	1,568
Income taxes - current	545	455
Income taxes - deferred	(44)	95
Total income taxes	501	550
Profit	1,206	1,017
Profit attributable to owners of parent	1,206	1,017

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,206	1,017
Other comprehensive income		
Valuation difference on available-for-sale securities	0	527
Remeasurements of defined benefit plans, net of tax	2	23
Total other comprehensive income	3	550
Comprehensive income	1,209	1,568
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,209	1,568

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,707	1,568
Depreciation	459	502
Amortization of goodwill	–	40
Increase (decrease) in allowance for doubtful accounts	(2)	(1)
Interest and dividend income	(56)	(62)
Interest expenses	42	60
Loss (gain) on sale and retirement of property, plant and equipment	67	0
Decrease (increase) in trade receivables	4,118	83
Decrease (increase) in inventories	(2,393)	(3,937)
Increase (decrease) in trade payables	2,501	(953)
Increase (decrease) in advances received on construction contracts in progress	(724)	455
Other, net	(20)	(905)
Subtotal	5,699	(3,149)
Interest and dividends received	56	62
Interest paid	(42)	(61)
Income taxes paid	(1,133)	(1,026)
Net cash provided by (used in) operating activities	4,580	(4,174)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(592)	(865)
Other, net	6	48
Net cash provided by (used in) investing activities	(586)	(816)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,600	10,000
Repayments of short-term borrowings	(7,000)	(6,000)
Proceeds from long-term borrowings	–	600
Repayments of long-term borrowings	(100)	(600)
Net decrease (increase) in treasury shares	–	(0)
Dividends paid	(911)	(1,041)
Other, net	(9)	(6)
Net cash provided by (used in) financing activities	(5,420)	2,951
Net increase (decrease) in cash and cash equivalents	(1,426)	(2,039)
Cash and cash equivalents at beginning of period	21,891	22,721
Cash and cash equivalents at end of period	20,464	20,681