

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 Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 9, 2024

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
 Inquiries: General Manager of Accounting Department Yoshiki Saguchi TEL 052-935-2348
 Scheduled date to file Quarterly Securities Report: February 13, 2024
 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, 2023 (from April 1, 2023 to December 31, 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 | % |
| Nine months ended December 31, 2023 | 90,821 | 24.3 | 9,041 | 167.3 | 9,155 | 165.5 | 6,258 | 170.2 |
| Nine months ended December 31, 2022 | 73,061 | 7.5 | 3,382 | 8.6 | 3,448 | 9.5 | 2,316 | (15.3) |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended December 31, 2023 | 145.48 | | – | |
| Nine months ended December 31, 2022 | 53.87 | | – | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2023 | 128,319 | 64,855 | 50.5 |
| 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 nine months ended December 31, 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 December 31, 2023 | 44,607,457 shares | As of March 31, 2023 | 44,607,457 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|------------------|----------------------|------------------|
| As of December 31, 2023 | 1,585,844 shares | As of March 31, 2023 | 1,598,789 shares |
|-------------------------|------------------|----------------------|------------------|

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

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2023 | 43,015,860 shares | Nine months ended December 31, 2022 | 43,002,810 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2023 | As of December 31, 2023 |
|---|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 22,821 | 20,900 |
| Notes receivable, accounts receivable from completed construction contracts and other | 42,427 | 40,169 |
| Electronically recorded monetary claims - operating | 326 | 73 |
| Costs on construction contracts in progress | 2,074 | 3,492 |
| Real estate for sale | 20,239 | 18,083 |
| Merchandise and finished goods | 26 | 5 |
| Raw materials and supplies | 626 | 565 |
| Other | 3,770 | 3,891 |
| Allowance for doubtful accounts | (88) | (87) |
| Total current assets | 92,223 | 87,093 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 15,124 | 16,050 |
| Machinery, vehicles, tools, furniture and fixtures | 3,499 | 3,858 |
| Land | 19,847 | 20,110 |
| Leased assets | 90 | 81 |
| Construction in progress | 535 | 178 |
| Accumulated depreciation | (10,600) | (11,258) |
| Total property, plant and equipment | 28,497 | 29,020 |
| Intangible assets | 805 | 692 |
| Investments and other assets | | |
| Investment securities | 5,174 | 5,824 |
| Retirement benefit asset | 247 | 248 |
| Deferred tax assets | 2,047 | 4,462 |
| Other | 1,039 | 1,025 |
| Allowance for doubtful accounts | (48) | (48) |
| Total investments and other assets | 8,460 | 11,512 |
| Total non-current assets | 37,763 | 41,225 |
| Total assets | 129,987 | 128,319 |

(Millions of yen)

| | As of March 31, 2023 | As of December 31, 2023 |
|--|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 10,551 | 8,968 |
| Electronically recorded obligations - operating | 8,145 | 7,399 |
| Short-term borrowings | 28,100 | 13,600 |
| Income taxes payable | 1,058 | 4,761 |
| Advances received on construction contracts in progress | 4,604 | 10,756 |
| Provision for warranties for completed construction | 447 | 438 |
| Provision for loss on construction contracts | 53 | 3 |
| Provision for bonuses for directors (and other officers) | 69 | 51 |
| Other | 3,814 | 4,637 |
| Total current liabilities | 56,843 | 50,617 |
| Non-current liabilities | | |
| Long-term borrowings | 3,800 | 3,800 |
| Deferred tax liabilities for land revaluation | 221 | 221 |
| Retirement benefit liability | 5,178 | 5,228 |
| Asset retirement obligations | 371 | 448 |
| Provision for share-based payments | 88 | 117 |
| Other | 3,050 | 3,030 |
| Total non-current liabilities | 12,712 | 12,846 |
| Total liabilities | 69,556 | 63,463 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 6,808 | 6,808 |
| Capital surplus | 7,244 | 7,244 |
| Retained earnings | 51,896 | 55,810 |
| Treasury shares | (886) | (876) |
| Total shareholders' equity | 65,062 | 68,986 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,484 | 1,939 |
| Revaluation reserve for land | (5,882) | (5,882) |
| Remeasurements of defined benefit plans | (232) | (197) |
| Total accumulated other comprehensive income | (4,630) | (4,141) |
| Non-controlling interests | – | 10 |
| Total net assets | 60,431 | 64,855 |
| Total liabilities and net assets | 129,987 | 128,319 |

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, 2022 | Nine months ended December 31, 2023 |
|---|--|--|
| Net sales | | |
| Net sales of completed construction contracts | 65,351 | 68,976 |
| Net sales in real estate business and other | 7,710 | 21,845 |
| Total net sales | 73,061 | 90,821 |
| Cost of sales | | |
| Cost of sales of completed construction contracts | 58,037 | 61,890 |
| Cost of sales in real estate business and other | 5,163 | 11,974 |
| Total cost of sales | 63,200 | 73,865 |
| Gross profit | | |
| Gross profit on completed construction contracts | 7,314 | 7,085 |
| Gross profit on real estate business and other | 2,547 | 9,870 |
| Total gross profit | 9,861 | 16,956 |
| Selling, general and administrative expenses | 6,479 | 7,915 |
| Operating profit | 3,382 | 9,041 |
| Non-operating income | | |
| Interest income | 0 | 1 |
| Dividend income | 100 | 110 |
| Other | 39 | 92 |
| Total non-operating income | 140 | 204 |
| Non-operating expenses | | |
| Interest expenses | 63 | 83 |
| Other | 10 | 6 |
| Total non-operating expenses | 74 | 89 |
| Ordinary profit | 3,448 | 9,155 |
| Extraordinary income | | |
| Gain on sale of investment securities | – | 3 |
| Other | 5 | – |
| Total extraordinary income | 5 | 3 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 111 | 6 |
| Other | – | 1 |
| Total extraordinary losses | 111 | 7 |
| Profit before income taxes | 3,341 | 9,151 |
| Income taxes - current | 1,107 | 5,522 |
| Income taxes - deferred | (82) | (2,629) |
| Total income taxes | 1,025 | 2,893 |
| Profit | 2,316 | 6,258 |
| Profit attributable to owners of parent | 2,316 | 6,258 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2023 |
|---|--|--|
| Profit | 2,316 | 6,258 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 109 | 455 |
| Remeasurements of defined benefit plans, net of tax | 4 | 34 |
| Total other comprehensive income | 113 | 489 |
| Comprehensive income | 2,430 | 6,747 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,430 | 6,747 |