

## 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 Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 7, 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 Mitsuhiro Takayanagi  
 Inquiries: General Manager of Accounting Department Yoshiki Saguchi TEL 052-935-2348  
 Scheduled date to file Semi-annual Securities Report: November 8, 2024  
 Scheduled date to commence dividend payments: November 29, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

### (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, 2024 | 58,760          | 12.7 | 1,286            | (13.5) | 1,325           | (15.3) | 967                                     | (4.9)  |
| Six months ended September 30, 2023 | 52,158          | 25.7 | 1,487            | (14.4) | 1,564           | (11.9) | 1,017                                   | (15.6) |

|                                     | Earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------|----------------------------|
|                                     | Yen                | Yen                        |
| Six months ended September 30, 2024 | 22.49              | —                          |
| Six months ended September 30, 2023 | 23.66              | —                          |

### (2) Consolidated financial position

|                          | Total assets    | Net assets      | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
|                          | Millions of yen | Millions of yen | %            |
| As of September 30, 2024 | 121,829         | 65,948          | 54.1         |
| As of March 31, 2024     | 126,000         | 66,538          | 52.8         |

## 2. Cash dividends

|                                       | Annual dividends per share |                 |                 |                 |       |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
|                                       | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
|                                       | Yen                        | Yen             | Yen             | Yen             | Yen   |
| Year ended March 31, 2024             | —                          | 30.00           | —               | 30.00           | 60.00 |
| Year ending March 31, 2025            | —                          | 40.00           |                 |                 |       |
| Year ending March 31, 2025 (Forecast) |                            |                 | —               | 40.00           | 80.00 |

## 3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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 | 140,000         | 16.8 | 8,200            | (13.8) | 8,200           | (14.5) | 5,400                                   | (16.4) | 125.55             |

#### 4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing interim 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: Yes
- 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, 2024 | 44,607,457 shares | As of March 31, 2024 | 44,607,457 shares |
|--------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                          |                  |                      |                  |
|--------------------------|------------------|----------------------|------------------|
| As of September 30, 2024 | 1,582,273 shares | As of March 31, 2024 | 1,584,173 shares |
|--------------------------|------------------|----------------------|------------------|

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

|                                     |                   |                                     |                   |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Six months ended September 30, 2024 | 43,023,601 shares | Six months ended September 30, 2023 | 43,012,983 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

**Interim consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|   | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| <b>Assets</b>   |                      |                          |
| Current assets  |                      |                          |
| Cash and deposits   | 19,987               | 16,392                   |
| Notes receivable, accounts receivable from completed construction contracts and other | 39,564               | 39,937                   |
| Electronically recorded monetary claims - operating                                   | 93                   | 103                      |
| Costs on construction contracts in progress   | 3,251                | 3,019                    |
| Real estate for sale  | 21,016               | 20,784                   |
| Merchandise and finished goods  | 6                    | 20                       |
| Raw materials and supplies  | 825                  | 884                      |
| Other   | 3,254                | 3,390                    |
| Allowance for doubtful accounts   | (88)                 | (84)                     |
| Total current assets  | 87,910               | 84,447                   |
| Non-current assets  |                      |                          |
| Property, plant and equipment   |                      |                          |
| Buildings and structures  | 15,846               | 16,091                   |
| Machinery, vehicles, tools, furniture and fixtures                                    | 3,921                | 4,075                    |
| Land  | 18,317               | 18,317                   |
| Leased assets   | 78                   | 78                       |
| Construction in progress  | 163                  | —                        |
| Accumulated depreciation  | (11,180)             | (11,607)                 |
| Total property, plant and equipment   | 27,148               | 26,955                   |
| Intangible assets   | 728                  | 704                      |
| Investments and other assets  |                      |                          |
| Investment securities   | 5,202                | 4,815                    |
| Retirement benefit asset  | 248                  | 254                      |
| Deferred tax assets   | 3,792                | 3,562                    |
| Other   | 1,017                | 1,136                    |
| Allowance for doubtful accounts   | (48)                 | (47)                     |
| Total investments and other assets  | 10,213               | 9,721                    |
| Total non-current assets  | 38,090               | 37,382                   |
| Total assets  | 126,000              | 121,829                  |

(Millions of yen)

|  | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| <b>Liabilities</b>                                       |                      |                          |
| Current liabilities                                      |                      |                          |
| Accounts payable for construction contracts              | 11,112               | 11,444                   |
| Short-term borrowings                                    | 14,100               | 19,300                   |
| Income taxes payable                                     | 4,663                | 148                      |
| Advances received on construction contracts in progress  | 8,853                | 4,691                    |
| Provision for warranties for completed construction      | 441                  | 442                      |
| Provision for loss on construction contracts             | 322                  | 1,178                    |
| Provision for bonuses for directors (and other officers) | 85                   | 38                       |
| Other  | 4,128                | 2,493                    |
| Total current liabilities                                | 43,708               | 39,738                   |
| Non-current liabilities                                  |                      |                          |
| Long-term borrowings                                     | 8,300                | 8,600                    |
| Deferred tax liabilities for land revaluation            | 221                  | 221                      |
| Retirement benefit liability                             | 3,680                | 3,712                    |
| Asset retirement obligations                             | 449                  | 461                      |
| Provision for share-based payments                       | 136                  | 160                      |
| Other  | 2,966                | 2,986                    |
| Total non-current liabilities                            | 15,753               | 16,142                   |
| Total liabilities  | 59,461               | 55,880                   |
| <b>Net assets</b>  |                      |                          |
| Shareholders' equity                                     |                      |                          |
| Share capital  | 6,808                | 6,808                    |
| Capital surplus  | 7,244                | 7,244                    |
| Retained earnings  | 56,015               | 55,680                   |
| Treasury shares  | (875)                | (873)                    |
| Total shareholders' equity                               | 69,192               | 68,859                   |
| Accumulated other comprehensive income                   |                      |                          |
| Valuation difference on available-for-sale securities    | 2,326                | 2,093                    |
| Revaluation reserve for land                             | (5,882)              | (5,882)                  |
| Remeasurements of defined benefit plans                  | 894                  | 869                      |
| Total accumulated other comprehensive income             | (2,661)              | (2,919)                  |
| Non-controlling interests                                | 8                    | 8                        |
| Total net assets   | 66,538               | 65,948                   |
| Total liabilities and net assets                         | 126,000              | 121,829                  |

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

## Consolidated statements of income (cumulative)

(Millions of yen)

|   | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|---|--|--|
| Net sales   |  |  |
| Net sales of completed construction contracts     | 45,728                                 | 49,581                                 |
| Net sales in real estate business and other       | 6,429                                  | 9,179                                  |
| Total net sales                                   | 52,158                                 | 58,760                                 |
| Cost of sales                                     |  |  |
| Cost of sales of completed construction contracts | 41,170                                 | 46,171                                 |
| Cost of sales in real estate business and other   | 4,610                                  | 6,167                                  |
| Total cost of sales                               | 45,781                                 | 52,339                                 |
| Gross profit                                      |  |  |
| Gross profit on completed construction contracts  | 4,558                                  | 3,409                                  |
| Gross profit on real estate business and other    | 1,819                                  | 3,011                                  |
| Total gross profit                                | 6,377                                  | 6,421                                  |
| Selling, general and administrative expenses      | 4,889                                  | 5,134                                  |
| Operating profit                                  | 1,487                                  | 1,286                                  |
| Non-operating income                              |  |  |
| Interest income                                   | 0                                      | 0                                      |
| Dividend income                                   | 62                                     | 74                                     |
| Other   | 78                                     | 38                                     |
| Total non-operating income                        | 141                                    | 113                                    |
| Non-operating expenses                            |  |  |
| Interest expenses                                 | 60                                     | 61                                     |
| Other   | 3                                      | 13                                     |
| Total non-operating expenses                      | 64                                     | 74                                     |
| Ordinary profit                                   | 1,564                                  | 1,325                                  |
| Extraordinary income                              |  |  |
| Gain on sale of investment securities             | 3                                      | 45                                     |
| Total extraordinary income                        | 3                                      | 45                                     |
| Extraordinary losses                              |  |  |
| Loss on retirement of non-current assets          | 0                                      | 0                                      |
| Total extraordinary losses                        | 0                                      | 0                                      |
| Profit before income taxes                        | 1,568                                  | 1,371                                  |
| Income taxes - current                            | 455                                    | 57                                     |
| Income taxes - deferred                           | 95                                     | 345                                    |
| Total income taxes                                | 550                                    | 403                                    |
| Profit  | 1,017                                  | 968                                    |
| Profit attributable to non-controlling interests  | —                                      | 0                                      |
| Profit attributable to owners of parent           | 1,017                                  | 967                                    |

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

|  | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|--|--|
| Profit   | 1,017                                  | 968                                    |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | 527                                    | (233)                                  |
| Remeasurements of defined benefit plans, net of tax            | 23                                     | (24)                                   |
| Total other comprehensive income                               | 550                                    | (257)                                  |
| Comprehensive income   | 1,568                                  | 710                                    |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 1,568                                  | 710                                    |
| Comprehensive income attributable to non-controlling interests | —                                      | 0                                      |

## Consolidated statements of cash flows

(Millions of yen)

|  | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|--|--|
| <b>Cash flows from operating activities</b>                                    |  |  |
| Profit before income taxes   | 1,568                                  | 1,371                                  |
| Depreciation   | 502                                    | 511                                    |
| Amortization of goodwill   | 40                                     | 40                                     |
| Increase (decrease) in allowance for doubtful accounts                         | (1)                                    | (4)                                    |
| Interest and dividend income   | (62)                                   | (75)                                   |
| Interest expenses  | 60                                     | 61                                     |
| Loss (gain) on sale and retirement of property, plant and equipment            | 0                                      | 0                                      |
| Decrease (increase) in trade receivables                                       | 83                                     | (382)                                  |
| Decrease (increase) in inventories   | (3,937)                                | 390                                    |
| Increase (decrease) in trade payables  | (953)                                  | 331                                    |
| Increase (decrease) in advances received on construction contracts in progress | 455                                    | (4,161)                                |
| Other, net   | (905)                                  | (1,024)                                |
| Subtotal   | (3,149)                                | (2,940)                                |
| Interest and dividends received  | 62                                     | 75                                     |
| Interest paid  | (61)                                   | (62)                                   |
| Income taxes paid  | (1,026)                                | (4,404)                                |
| Net cash provided by (used in) operating activities                            | (4,174)                                | (7,332)                                |
| <b>Cash flows from investing activities</b>                                    |  |  |
| Purchase of property, plant and equipment and intangible assets                | (865)                                  | (428)                                  |
| Other, net   | 48                                     | (15)                                   |
| Net cash provided by (used in) investing activities                            | (816)                                  | (444)                                  |
| <b>Cash flows from financing activities</b>                                    |  |  |
| Proceeds from short-term borrowings  | 10,000                                 | 8,000                                  |
| Repayments of short-term borrowings  | (6,000)                                | (2,500)                                |
| Proceeds from long-term borrowings   | 600                                    | 300                                    |
| Repayments of long-term borrowings   | (600)                                  | (300)                                  |
| Net decrease (increase) in treasury shares                                     | (0)                                    | —                                      |
| Dividends paid   | (1,041)                                | (1,302)                                |
| Other, net   | (6)                                    | (6)                                    |
| Net cash provided by (used in) financing activities                            | 2,951                                  | 4,191                                  |
| Net increase (decrease) in cash and cash equivalents                           | (2,039)                                | (3,585)                                |
| Cash and cash equivalents at beginning of period                               | 22,721                                 | 19,917                                 |
| Cash and cash equivalents at end of period                                     | 20,681                                 | 16,332                                 |