

# The Consolidated Financial Results Briefing for the Fiscal Year Ended March 31, 2025

**YAHAGI CONSTRUCTION CO., LTD. Code no.: 1870**  
**(Listed on Prime Market of Tokyo Stock Exchange and**  
**Premier Market of Nagoya Stock Exchange)**

**May 27, 2025**

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# Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

# Highlights of consolidated financial results for the fiscal year ended March 31, 2025



## ■ Net sales

Net sales significantly increased by ¥20.8 billion year on year to ¥140.6 billion, the third straight year a record-high figure has been achieved.

## ■ Profit

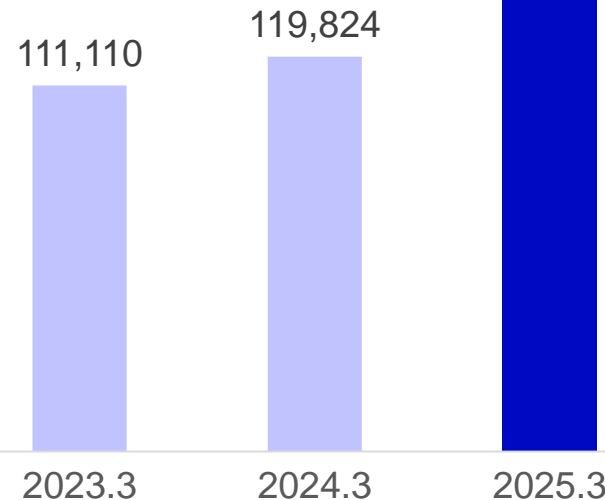
Operating profit decreased ¥0.8 billion year on year to ¥8.6 billion and profit decreased ¥0.8 billion to ¥5.6 billion. There was a significant reactionary decrease after the gain on sale of the large industrial site which was recorded in the previous fiscal year.

At the same time, when comparing them to the financial forecasts, profits were above forecasts at all levels.

Net sales  
(JPY mil)

YoY ¥20.8 bn. (17.4%)

Record high  
140,699

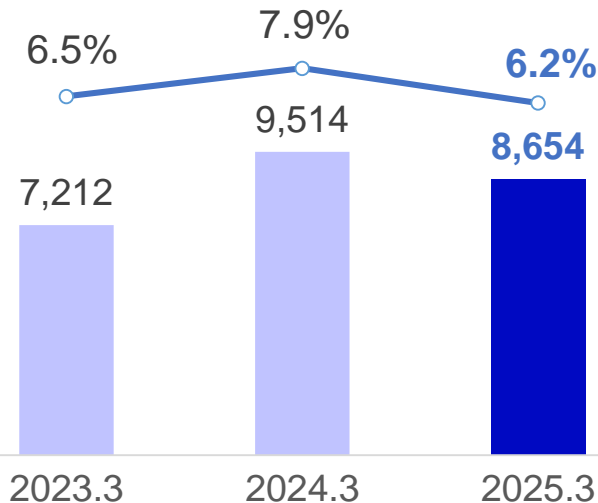


[Reference] Highest records as of the previous fiscal year: ¥119,824 million for the fiscal year ended March 31, 2024

Operating profit  
(JPY mil)

YoY ¥0.8 bn. (9.0%)

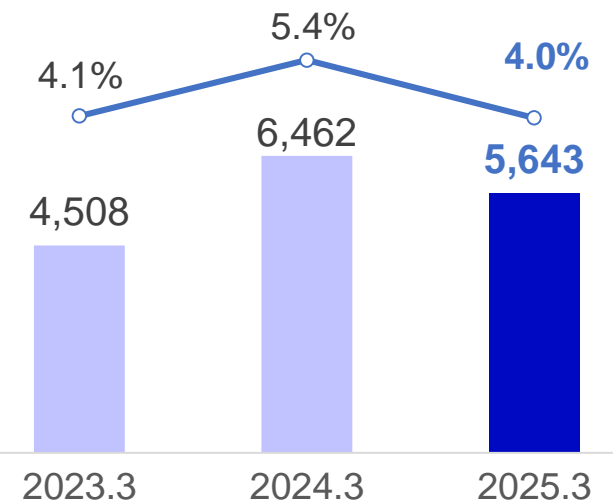
Operating profit margin



Profit attributable to owners of parent  
(JPY mil)

YoY ¥0.8 bn. (12.7%)

Return on sales



# Consolidated financial results for the fiscal year ended March 31, 2025



	2023.3 Actual	2024.3 Actual	2025.3 Actual	(Millions of Yen) Year on year Increase/decrease Change	
<b>Net sales</b>	111,110	119,824	<b>140,699</b>	20,874	17.4%
<b>Net sales of completed construction contracts</b>	94,265	96,230	<b>118,701</b>	22,471	23.4%
<b>Net sales in real estate business and other</b>	16,845	23,594	<b>21,997</b>	▲1,597	▲6.8%
<b>Gross profit</b>	16,590	19,797	<b>19,416</b>	▲380	▲1.9%
<i>(Gross profit margin)</i>	(14.9%)	(16.5%)	<b>(13.8%)</b>		▲2.7pt
<b>Gross profit on completed construction contracts</b>	10,822	9,584	<b>10,836</b>	1,251	13.1%
<b>Gross profit on real estate business and other</b>	5,768	10,212	<b>8,580</b>	▲1,631	▲16.0%
<b>Selling, general, and administrative expenses</b>	9,377	10,282	<b>10,762</b>	479	4.7%
<b>Operating profit</b>	7,212	9,514	<b>8,654</b>	▲859	▲9.0%
<i>(Operating profit margin)</i>	(6.5%)	(7.9%)	<b>(6.2%)</b>		▲1.7pt
<b>Ordinary profit</b>	7,259	9,588	<b>8,616</b>	▲971	▲10.1%
<i>(Ordinary profit margin)</i>	(6.5%)	(8.0%)	<b>(6.1%)</b>		▲1.9pt
<b>Profit attributable to owners of parent</b>	4,508	6,462	<b>5,643</b>	▲818	▲12.7%
<i>(Return on sales)</i>	(4.1%)	(5.4%)	<b>(4.0%)</b>		▲1.4pt

# Factors for increase or decrease in net sales/operating profit (vs results for the fiscal year ended March 31, 2024)

- **Net sales** - - - There was a significant ¥20.8 billion increase year on year due to the significant growth of the construction business, resulting in a new high continued from the previous fiscal year.

Construction business: Net sales increased significantly by ¥22.4 billion due mainly to progress in a large logistics facility project and other construction projects.

Real estate business: Net sales decreased ¥1.5 billion year on year. This was impacted by the absence of net sales related to the sale of a large industrial site (lot no. 1 of the Obu Tokai Development Project) posted in the previous fiscal year.

- **Profit** - - - Operating profit dropped by ¥0.8 billion year on year.

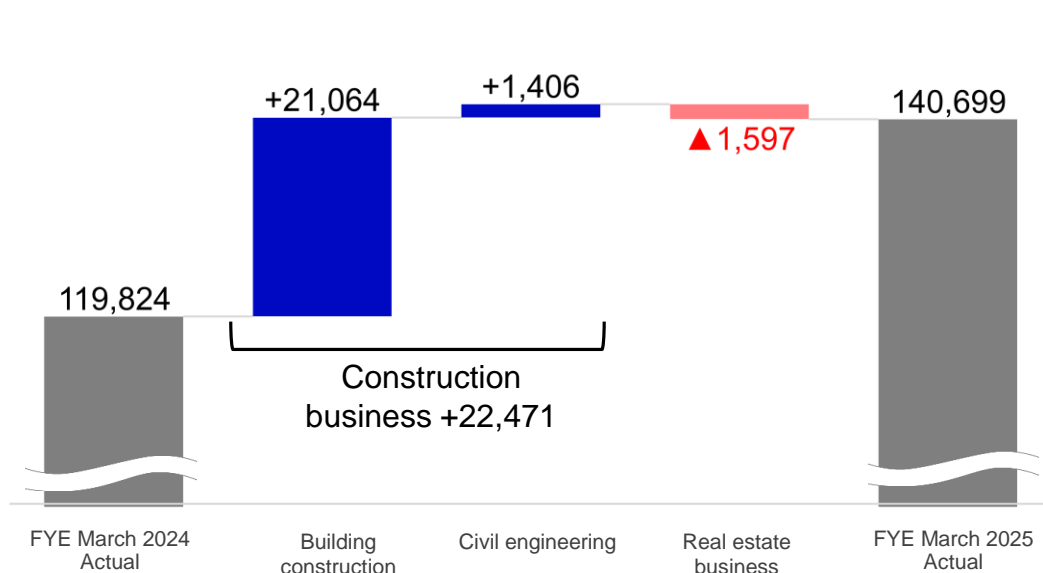
Construction business: Profit increased ¥1.2 billion year on year due to an increase in sales.

Real estate business: As with net sales, operating profit also decreased ¥1.6 billion year on year as it was impacted by the decrease of profit attributed to the absence of profit related to the sale of lot no. 1 of the Obu Tokai Development Project.

SG&A: Expenses rose ¥0.4 billion year on year due to increases in human capital investment including an increase in pay levels and in advertising and other expenses.

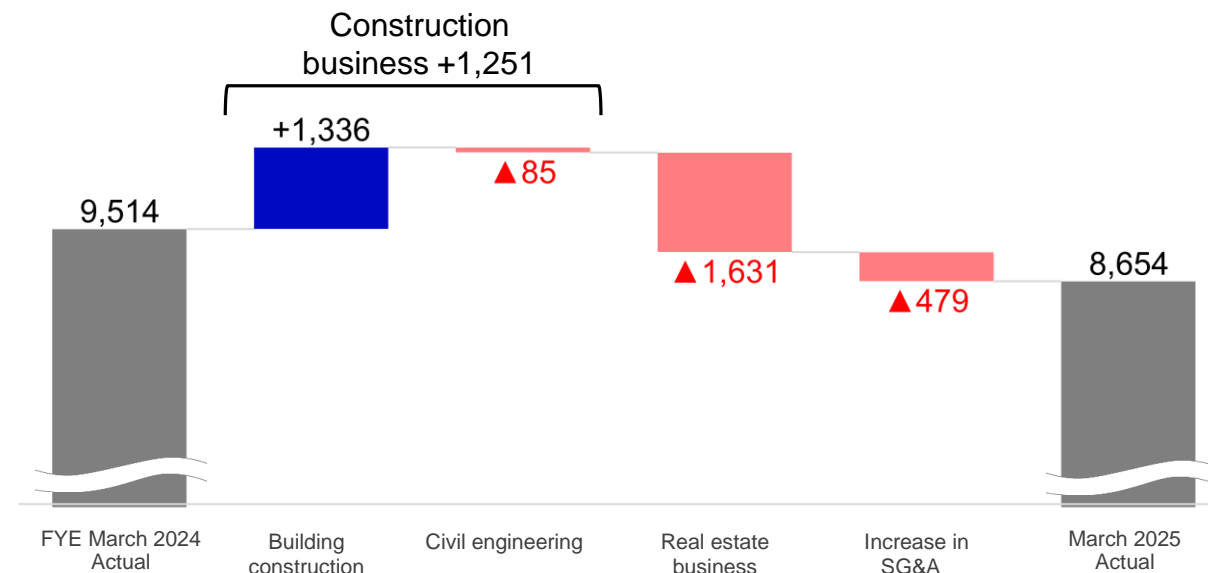
Net sales (JPY mil)

YoY ¥20,874 mil. 



Operating profit (JPY mil)

YoY ¥859 mil. 



	2025.3 Forecast	2025.3 Actual	(Millions of Yen) vs forecasts	
			Increase/decrease	Difference
<b>Net sales</b>	140,000	<b>140,699</b>	699	100.5%
<b>Net sales of completed construction contracts</b>	119,000	118,701	▲298	99.7%
<b>Net sales in real estate business and other</b>	21,000	21,997	997	104.7%
<b>Gross profit</b>	18,900	<b>19,416</b>	516	102.7%
<i>(Gross profit margin)</i>	(13.5%)	(13.8%)		0.3pt
<b>Gross profit on completed construction contracts</b>	10,600	10,836	236	102.2%
<b>Gross profit on real estate business and other</b>	8,300	8,580	280	103.4%
<b>Selling, general, and administrative expenses</b>	10,700	<b>10,762</b>	62	100.6%
<b>Operating profit</b>	8,200	<b>8,654</b>	454	105.5%
<i>(Operating profit margin)</i>	(5.9%)	(6.2%)		0.3pt
<b>Ordinary profit</b>	8,200	<b>8,616</b>	416	105.1%
<i>(Ordinary profit margin)</i>	(5.9%)	(6.1%)		0.2pt
<b>Profit attributable to owners of parent</b>	5,400	<b>5,643</b>	243	104.5%
<i>(Return on sales)</i>	(3.9%)	(4.0%)		0.1pt

# Factors for increase or decrease in net sales/operating profit (vs financial forecasts)

## ■ Net sales - - - Up around ¥0.6 billion from the forecast

**Construction business:** Net sales were ¥0.3 billion below the forecast due to a delay in order acceptance and in the progress of construction in certain civil engineering projects which was a result of the revision of the work processes.

**Real estate business:** Net sales exceeded the forecast by ¥0.9 billion because the performance of both the condominiums for sale business and real estate sales was stronger than forecast.

## ■ Profit - - - Operating profit was ¥0.4 billion higher than forecast.

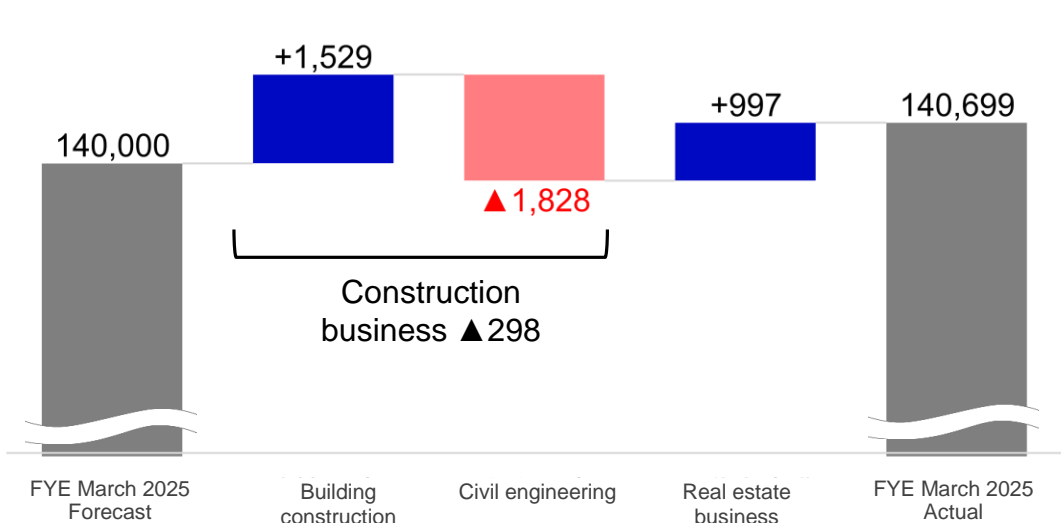
**Construction business:** Profit exceeded the forecast, partly reflecting cost reductions and the acquisition of profit from changes involving an partly reflecting cost reductions , in addition to an increase in sales from building construction.

**Real estate business:** Profit exceeded the forecast due to an increase in sales.

**SG&A:** Nearly as forecast.

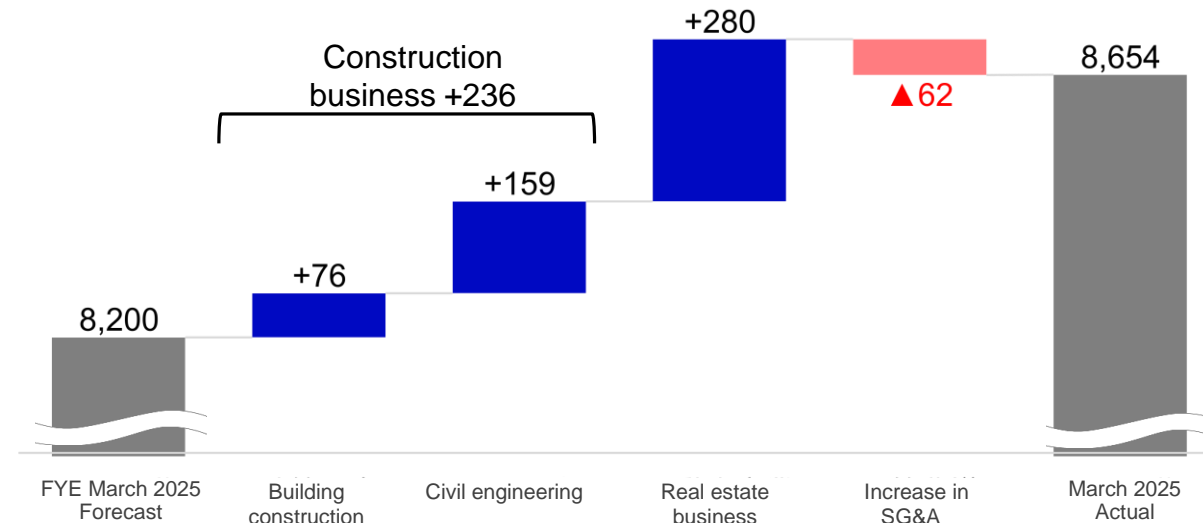
### Net sales (JPY mil)

YoY **¥699** mil. 



### Operating profit (JPY mil)

YoY **¥454** mil. 





# <Overall status by segment> Architectural business

## ■ Orders received

Orders received remained high as in the previous fiscal year due to orders received for large construction projects in the Tokyo Metropolitan Area, in addition to the Chubu Area.

## ■ Net sales

Significantly increased by ¥21.0 billion year on year due to progress in construction, mainly in the large logistics facility project.

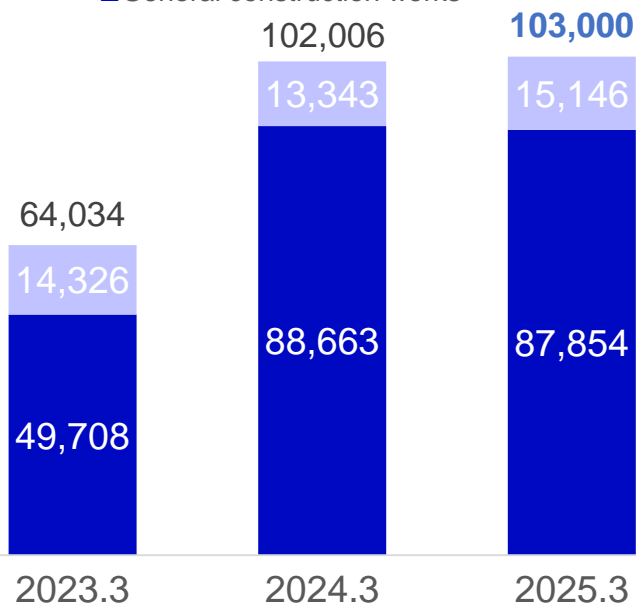
## ■ Gross profit

Increased ¥1.3 billion, benefiting from the effect of net sales growth.

Orders received by use (JPY mil)

YoY ¥0.9 bn. (1.0%)

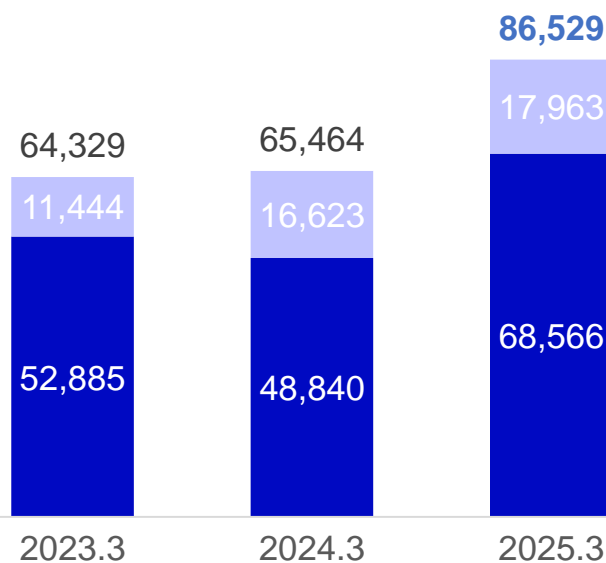
Condominium construction works  
General construction works



Net sales by use (JPY mil)

YoY ¥21.0 bn. (32.2%)

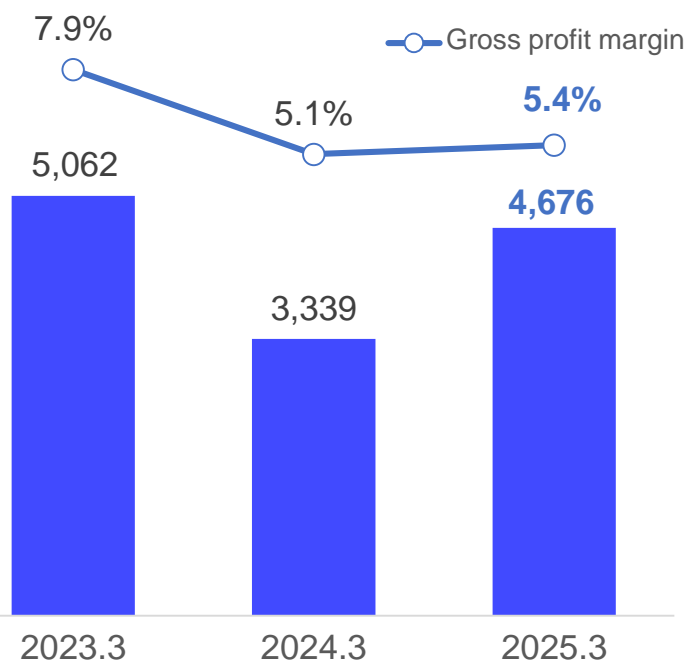
Condominium construction works  
General construction works



Gross profit (JPY mil)

YoY ¥1.3 bn. (40.0%)

Gross profit margin



# <Overall status by segment> Civil engineering business



## ■ Orders received

Increased significantly by ¥10.2 billion year on year following the receipt of orders for multiple large-scale construction projects mainly in the private sector.

## ■ Net sales

Increased ¥1.4 billion year on year due to growth of private-sector work, such as railway track elevation work.

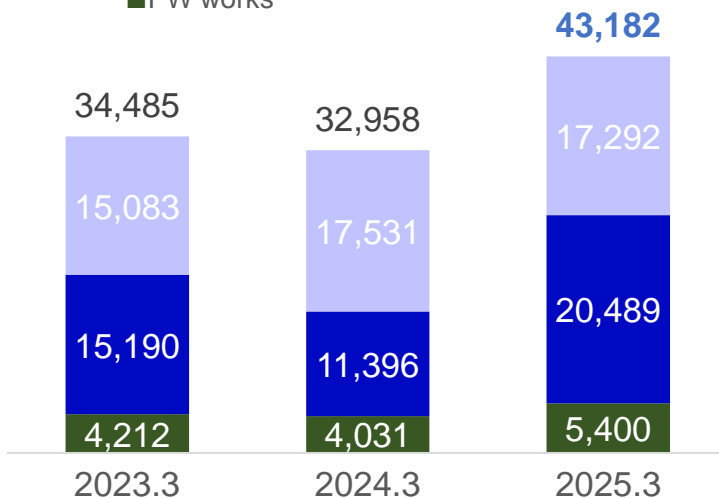
## ■ Gross profit

This was almost on par with the previous fiscal year, despite the increase in sales, due to the absence of the profit acquired from changes involving a final increase in the monetary amount of Long-term large-scale civil engineering project which was recorded at end of the previous fiscal year.

Orders received by use (JPY mil)

YoY **¥10.2 bn. (31.0%)** ↗

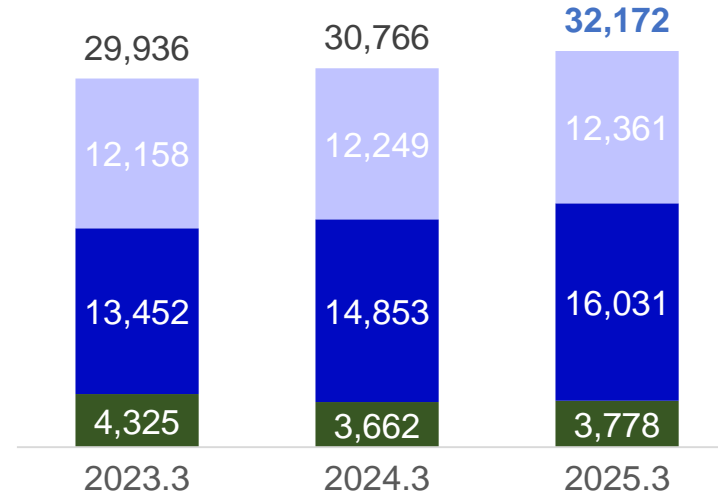
■ Governmental projects  
■ Private-sector works  
■ PW works



Net sales by use (JPY mil)

YoY **¥1.4 bn. (4.6%)** ↗

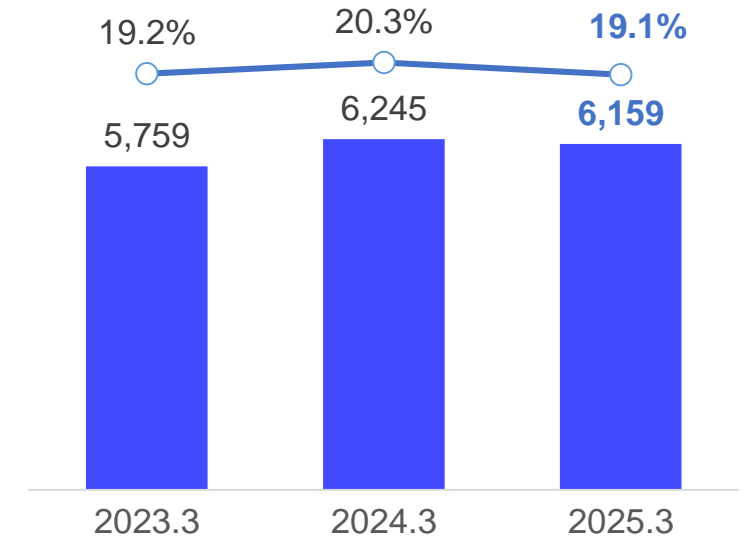
■ Governmental projects  
■ Private-sector works  
■ PW works



Gross profit (JPY mil)

YoY **¥0.08 bn. (1.4%)** ↗

○ Gross profit margin



\* PW works: Works performed by the Company's proprietary PAN WALL method for natural ground reinforcement.

# <Overall status by segment> Real estate business

## ■ Net sales

Net sales fell ¥1.5 billion year on year, despite the sale of lot no. 2 of the Obu Tokai Development Project in the fiscal year under review, because it was smaller than lot no. 1 which was sold in the previous fiscal year.

## ■ Gross profit

As with net sales, gross profit also decreased ¥1.6 billion year on year as it was impacted by the decrease of profit attributed to the absence of profit related to the sale of lot no. 1 of the Obu Tokai Development Project.

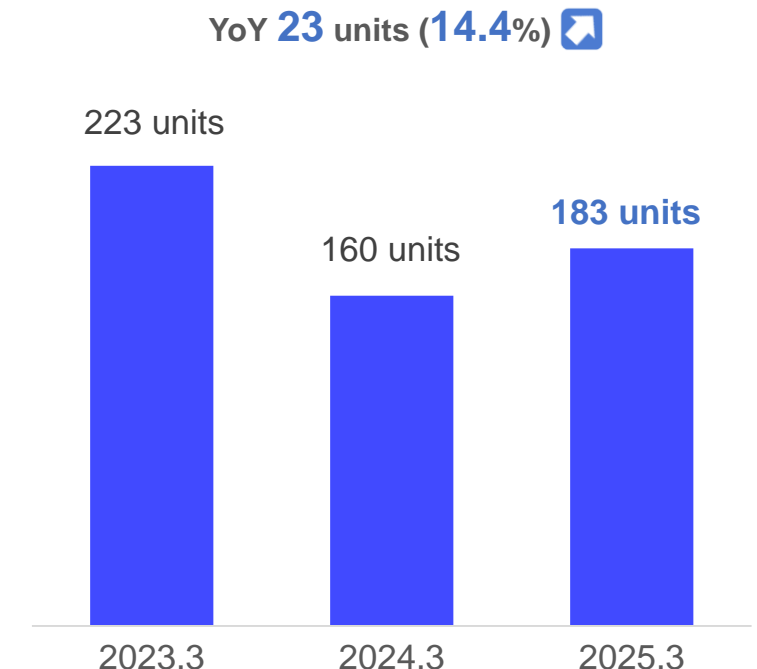
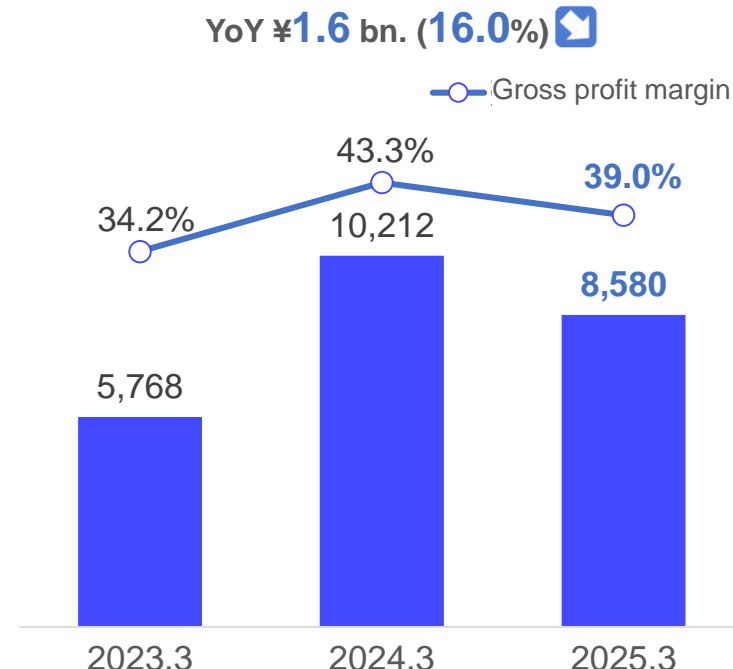
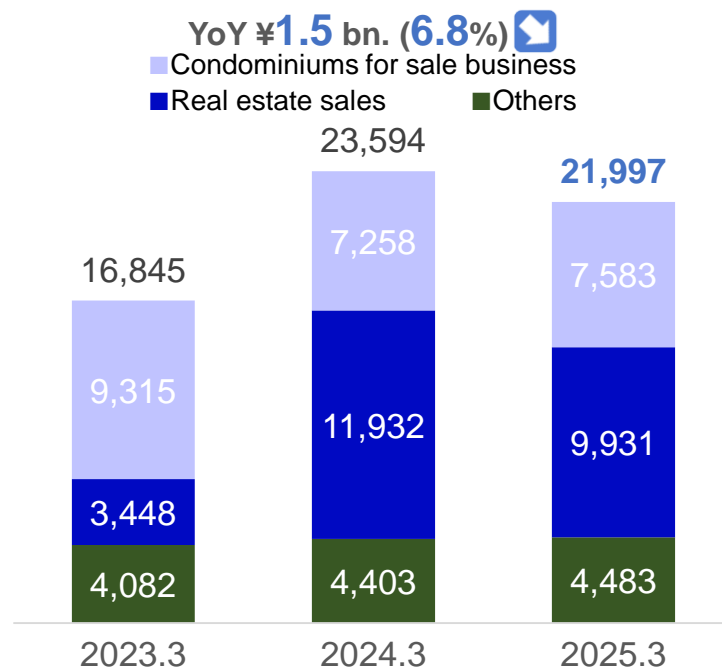
## ■ Condominiums for sale business

Increased 23 units year on year due to strong sales of properties that were completed and delivered in the fiscal year under review.

Breakdown of net sales (JPY mil)

Gross profit (JPY mil)

Number of condominium units sold



\* Others include businesses and other operations of subsidiaries that are not included in the leasing business, the brokerage business and the construction business.

# Summary of orders received and orders received carried forward



## ■ Orders received

Increased ¥11.2 billion, reaching a record high for the fourth consecutive year and exceeding the level in the previous fiscal year when orders received were brisk, thanks to the reception of orders for several large construction projects in both the building construction and civil engineering segments.

## ■ Orders received carried forward

Increased significantly by ¥25.8 billion year on year to ¥163.9 billion to mark a record high for the fourth straight year. This result reflected a major increase in orders received, the carry-forward from which will help increase future net sales.

### □ Orders received

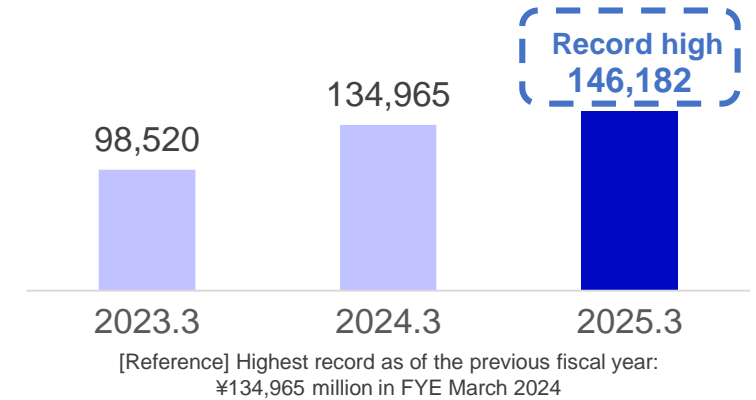
	2023.3	2024.3	2025.3	(Millions of Yen)	
	Actual	Actual	Actual	Year on year Increase/ decrease	Change
Building construction	64,034	102,006	103,000	994	1.0%
Civil engineering	34,485	32,958	43,182	10,223	31.0%
Total	98,520	134,965	146,182	11,217	8.3%

### □ Orders received carried forward

	2023.3	2024.3	2025.3	(Millions of Yen)	
	Actual	Actual	Actual	Year on year Increase/ decrease	Change
Building construction	66,629	103,171	119,643	16,471	16.0%
Civil engineering	32,812	35,005	44,342	9,336	26.7%
Total	99,442	138,177	163,985	25,807	18.7%

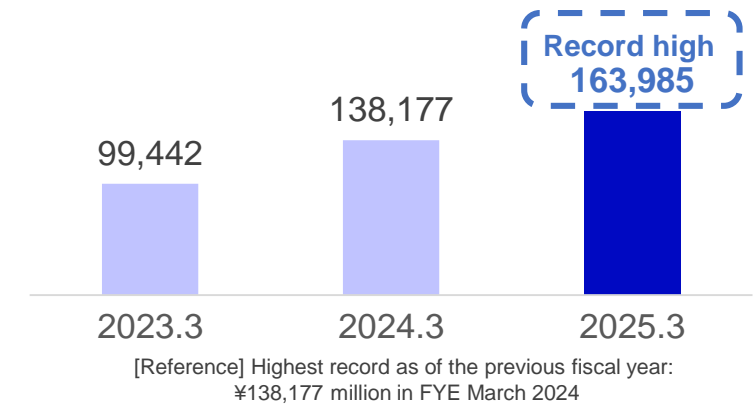
## Orders received (JPY mil)

YoY ¥11.2 bn. (8.3%)



## Orders received carried forward (JPY mil)

YoY ¥25.8 bn. (18.7%)



# Consolidated financial position



- **Total assets:** Total assets increased ¥18.2 billion, reflecting an increase in trade receivables attributed to an increase in work completed, despite a decline in cash and deposits that was a result of the revision of the level of funds held on hand.
- **Liabilities:** Total liabilities increased ¥15.9 billion. An increase in interest-bearing debt after payments, which is covered by borrowings, to partners in line with the progress of construction business offset a decline in other current liabilities chiefly due to the payment of income tax.
- **Net assets:** Increased ¥2.2 billion year on year due mainly to the recording of retained earnings.

## Consolidated balance sheet

Assets		2024.3 Actual	2025.3 Actual	Increase/ decrease
Current assets	Cash and deposits	19,987	15,669	▲4,318
	Trade receivable	39,657	58,217	18,559
	Costs on construction contracts in progress	3,251	3,320	69
	Real estate for sale	21,016	21,978	961
	Others	3,997	9,006	5,009
	<b>Total</b>	87,910	108,192	20,282
Non-current assets	Property, plant and equipment	27,148	25,138	▲2,009
	Intangible assets	728	763	35
	Investments and other assets	10,213	10,125	▲88
	<b>Total</b>	38,090	36,027	▲2,062
<b>Total assets</b>		126,000	144,220	18,220

(Millions of Yen)

Liabilities		2024.3 Actual	2025.3 Actual	Increase/ decrease
Current liabilities	Trade payables	11,112	14,553	3,440
	Short-term borrowings	14,100	26,600	12,500
	Advances received on construction contracts in progress	8,853	10,348	1,495
	Others	9,642	3,971	▲5,670
	<b>Total</b>	43,708	56,473	11,765
Non-current liabilities	Long-term borrowings	8,300	12,000	3,700
	Others	7,453	7,911	458
	<b>Total</b>	15,753	19,911	4,158
<b>Total liabilities</b>		59,461	75,384	15,923
<b>Net assets</b>		66,538	68,835	2,296
<b>Total liabilities and net assets</b>		126,000	144,220	18,220

## □ Key management indicators

	FYE March 2021 Actual	FYE March 2022 Actual	FYE March 2023 Actual	FYE March 2024 Actual	(Millions of yen) FYE March 2025 Actual
Return on assets (ROA)	6.3%	5.0%	5.9%	7.5%	6.4%
Return on equity (ROE)	6.2%	8.6%	7.6%	10.2%	8.3%
Earnings per share (EPS)	¥75.86	¥112.18	¥104.83	¥150.23	¥131.17
Equity ratio	42.1%	49.4%	46.5%	52.8%	47.7%
Interest-bearing debt	42,940	30,400	31,900	22,400	38,600
NET interest-bearing debt(*)	20,848	8,388	9,078	2,413	22,931

(\*) Net interest-bearing debt = interest-bearing debt - cash and deposits

## □ Consolidated statements of cash flows

	FYE March 2021 Actual	FYE March 2022 Actual	FYE March 2023 Actual	FYE March 2024 Actual	(Millions of yen) FYE March 2025 Actual
Cash flow from operating activities	▲ 6,757	15,841	4,152	10,235	▲ 17,191
Cash flows from investing activities	▲ 220	▲ 1,549	▲ 3,069	▲ 1,181	▲ 255
Cash flow from financing activities	15,356	▲ 14,351	▲ 253	▲ 11,857	13,149



## 4. Major completed construction projects and major completed self-developed property

### ■ Major completed construction project



**[Building construction]**  
**SWING MALL New Construction Project**  
Completed in April 2024  
Okazaki-shi, Aichi  
Client: Nagoya Railroad Co., Ltd.

### ■ Major completed construction project



**[Civil engineering]**  
**Taketoyo Kita Interchange New Construction Project (Phase 2)**  
Completed in January 2025  
Taketoyo-cho, Chita-gun, Aichi  
Client: MAEDA CORPORATION

### ■ Major completed construction project



**[Building construction]**  
**Shinkomaki-kita PD Center No. 2 New Construction Project**  
Completed in August 2024  
Komaki-shi, Aichi  
Client: SENKO Co., Ltd.

### ■ Major completed self-developed property



**[Real estate business]**  
**VENT VERT Arimatsu**  
Completed in July 2024  
Delivered in August 2024  
Midori-ku, Nagoya-shi  
Constructor: YAHAGI CONSTRUCTION CO., LTD.  
Project operator: YAHAGI REAL ESTATE Co., Ltd.



# Financial Forecasts for the Fiscal Year Ending March 31, 2026



# Highlights of the financial forecasts for the fiscal year ending March 31, 2026



## ■ Net sales

Net sales are forecast to reach ¥168.0 billion, a new record high for the fourth consecutive year, due to the progress of work in several large building construction projects.

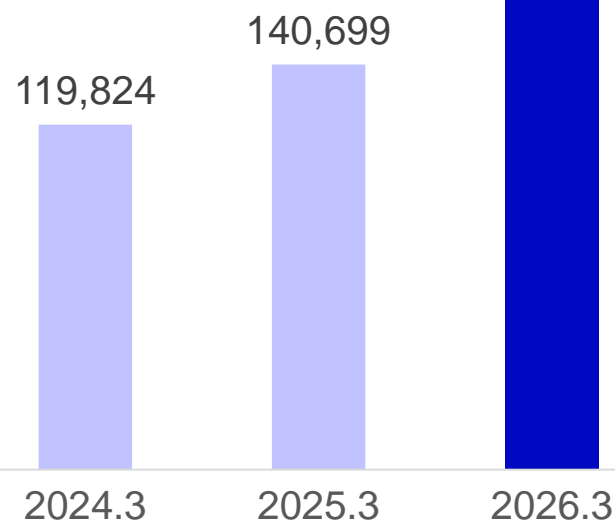
## ■ Profit

Operating profit is forecast to be ¥10.0 billion and profit to be ¥6.6 billion. Profits at all levels are expected to reach record highs due to an increase in sales in the construction business. The ¥10.0 billion operating profit target in the medium-term management plan is expected to be achieved.

Net sales  
(JPY mil)

YoY ¥27.3 bn. (19.4%)

Record high  
168,000

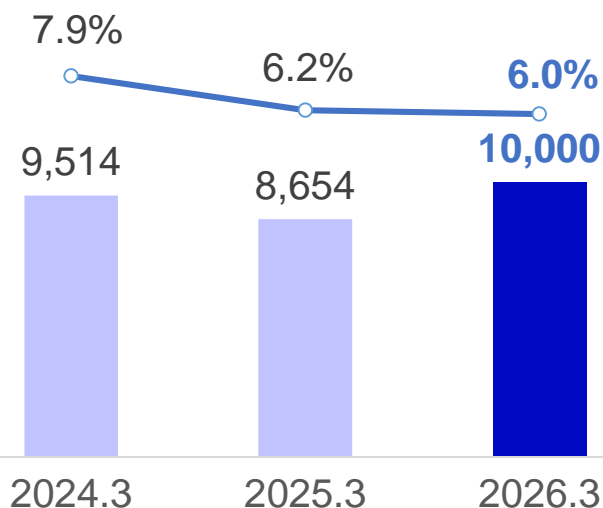


[Reference] Highest records as of the previous fiscal year:  
¥119,824 million for the fiscal year ended March 31, 2024

Operating profit  
(JPY mil)

YoY ¥1.3 bn. (15.5%)

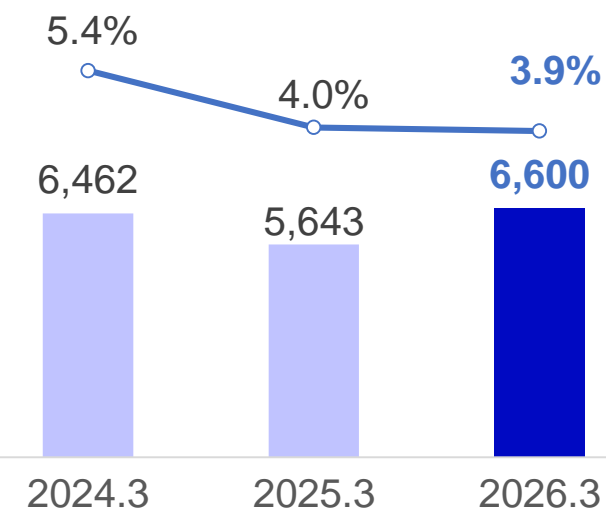
Operating profit margin



Profit attributable to owners of parent  
(JPY mil)

YoY ¥0.9 bn. (16.9%)

Return on sales



# Financial forecasts for the fiscal year ending March 31, 2026



Full-year forecasts for the fiscal year ending March 31, 2026 are as follows. Both net sales and profits at all levels are forecast to reach record highs, with net sales expected to be ¥168.0 billion (up¥ 27.3 billion year on year), operating profit to be ¥10.0 billion (up ¥1.3 billion) and profit to be ¥6.6 billion (up ¥0.9 billion).

## □ Consolidated financial forecasts for the fiscal year ending March 31, 2026

	2025.3 Actual	2026.3 Full-year forecasts	Year on year (full year)		2024.9 Actual	2025.9 Forecast	(Millions of Yen) Year on year (interim)	
			Increase/decrease	Change			Increase/decrease	Change
Net sales	140,699	<b>168,000</b>	27,300	19.4%	58,760	<b>88,000</b>	29,239	49.8%
Net sales of completed construction contracts	118,701	150,000	31,298	26.4%	49,581	78,000	28,418	57.3%
Net sales in real estate business and other	21,997	18,000	▲3,997	▲18.2%	9,179	10,000	820	8.9%
Gross profit	19,416	<b>21,500</b>	2,083	10.7%	6,421	<b>11,300</b>	4,878	76.0%
(Gross profit margin)	(13.8%)	(12.8%)		▲1.0pt	(10.9%)	(12.8%)		1.9pt
Gross profit on completed construction contracts	10,836	15,000	4,163	38.4%	3,409	8,000	4,590	134.6%
Gross profit on real estate business and other	8,580	6,500	▲2,080	▲24.2%	3,011	3,300	288	9.6%
Selling, general, and administrative expenses	10,762	<b>11,500</b>	737	6.9%	5,134	<b>5,300</b>	165	3.2%
Operating profit	8,654	<b>10,000</b>	1,345	15.5%	1,286	<b>6,000</b>	4,713	366.2%
(Operating profit margin)	(6.2%)	(6.0%)		▲0.2pt	(2.2%)	(6.8%)		4.6pt
Ordinary profit	8,616	<b>9,900</b>	1,283	14.9%	1,325	<b>6,000</b>	4,674	352.5%
(Ordinary profit margin)	(6.1%)	(5.9%)		▲0.2pt	(2.3%)	(6.8%)		4.5pt
Profit attributable to owners of parent	5,643	<b>6,600</b>	956	16.9%	967	<b>4,100</b>	3,132	323.7%
(Return on sales)	(4.0%)	(3.9%)		▲0.1pt	(1.6%)	(4.7%)		3.1pt

# Consolidated financial forecasts for the fiscal year ending March 31, 2026 (by segment)



	(Millions of Yen)							
	2025.3	2026.3	Year on year (full year)		2024.9	2025.9	Year on year (interim)	
	Actual	Full-year forecasts	Increase/decrease	Change	Actual	Forecast	Increase/decrease	Change
<b>Net sales</b>	140,699	<b>168,000</b>	27,300	19.4%	58,760	<b>88,000</b>	29,239	49.8%
<b>Net sales of completed construction contracts</b>	118,701	<b>150,000</b>	31,298	26.4%	49,581	<b>78,000</b>	28,418	57.3%
Building construction	86,529	111,600	25,070	29.0%	35,795	63,000	27,204	76.0%
Civil engineering	32,172	38,400	6,227	19.4%	13,785	15,000	1,214	8.8%
<b>Net sales in real estate business and other</b>	21,997	<b>18,000</b>	▲3,997	▲18.2%	9,179	<b>10,000</b>	820	8.9%
<b>Gross profit</b>	19,416	<b>21,500</b>	2,083	10.7%	6,421	<b>11,300</b>	4,878	76.0%
<b>Gross profit on completed construction contracts</b>	10,836	<b>15,000</b>	4,163	38.4%	3,409	<b>8,000</b>	4,590	134.6%
<i>(Gross profit margin on completed construction contracts)</i>	(9.1%)	(10.0%)		0.9pt	(6.9%)	(10.3%)		3.4pt
Building construction	4,676	8,600	3,923	83.9%	1,218	6,000	4,781	392.4%
<i>(Profit margin on building construction)</i>	(5.4%)	(7.7%)		2.3pt	(3.4%)	(9.5%)		6.1pt
Civil engineering	6,159	6,400	240	3.9%	2,191	2,000	▲191	▲8.7%
<i>(Profit margin on civil engineering)</i>	(19.1%)	(16.7%)		▲2.4pt	(15.9%)	(13.3%)		▲2.6pt
<b>Gross profit on real estate business and other</b>	8,580	<b>6,500</b>	▲2,080	▲24.2%	3,011	<b>3,300</b>	288	9.6%
<i>(Gross profit margin on real estate business and others)</i>	(39.0%)	(36.1%)		▲2.9pt	(32.8%)	(33.0%)		0.2pt

# Factors for increase or decrease in net sales/operating profit (vs results for the fiscal year ended March 31, 2025)

## ■ Net sales

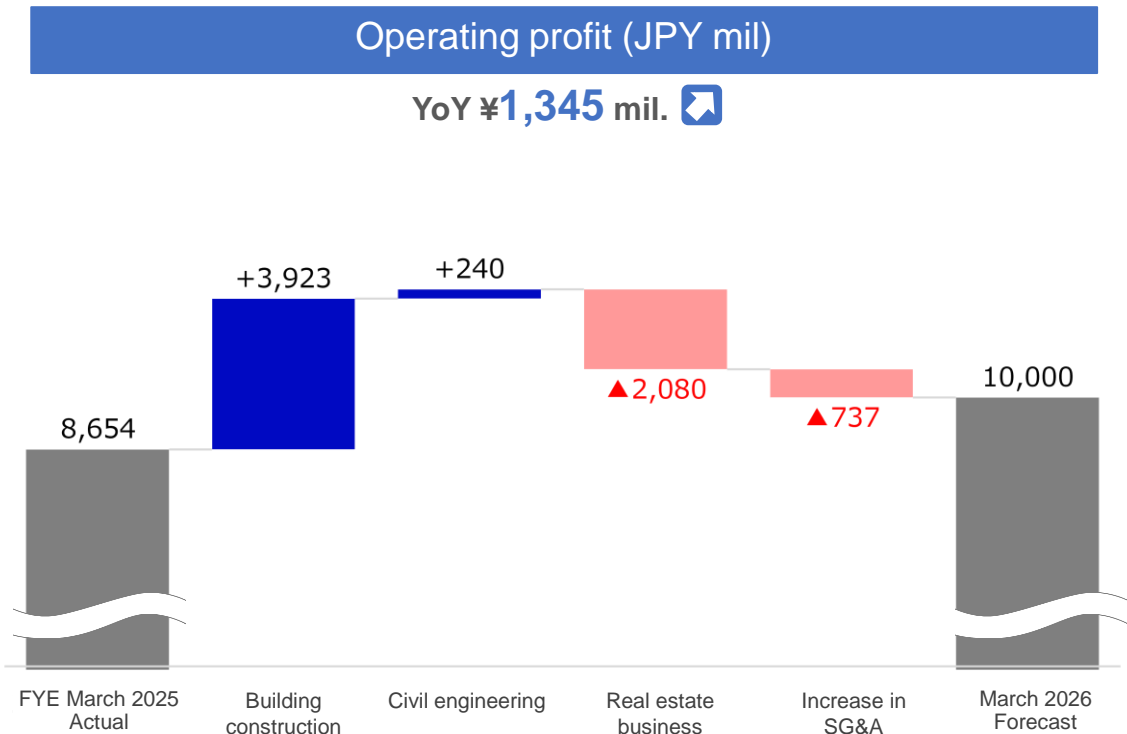
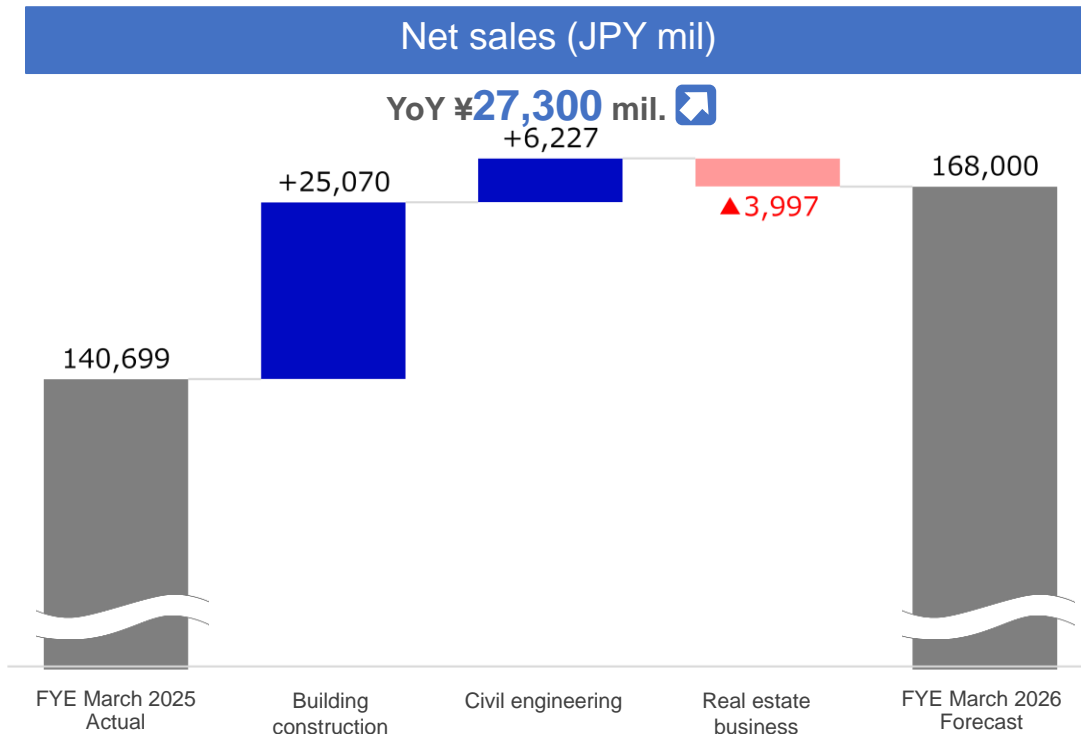
**Construction business:** Net sales are expected to far exceed the previous fiscal year due to the progress of work in several large building construction projects.

**Real estate business:** Net sales are expected to fall below the previous fiscal year as the number of units sold in the condominiums for sale business will decrease due to a decrease in the number of newly offered units.

## ■ Profit

**Construction business:** Profit is expected to far exceed the previous fiscal year due to an increase in sales in both the building construction and civil engineering segments.

**Real estate business:** Profit is expected to fall below the result of the previous fiscal year due to a decrease in sales.



# Shareholder Returns

# Changes in dividend policy (introduction of DOE and progressive dividends)

- To clarify its shareholder return policy of continuously providing stable shareholder return, the Company will introduce dividend on equity ratio (DOE), which is less affected by short-term profit fluctuations, and switch to a policy of providing progressive dividends, in principle.
- The Company will set a dividend on equity ratio (DOE) target of 5% or more.

## Shareholder return policy (unchanged)

The Company's basic dividend policy is to provide consistent shareholder returns while striving to enhance shareholders' equity over the long term, thereby strengthening the management base and increasing corporate value.

## Changes in dividend policy (target)

Before change	Payout ratio of 30% or more
<b>After change</b>	<b>Dividend on equity ratio (DOE) of 5% or more and progressive dividends</b>

\* Dividend on equity ratio (DOE) = amount of annual dividend/average equity

## Timing of change

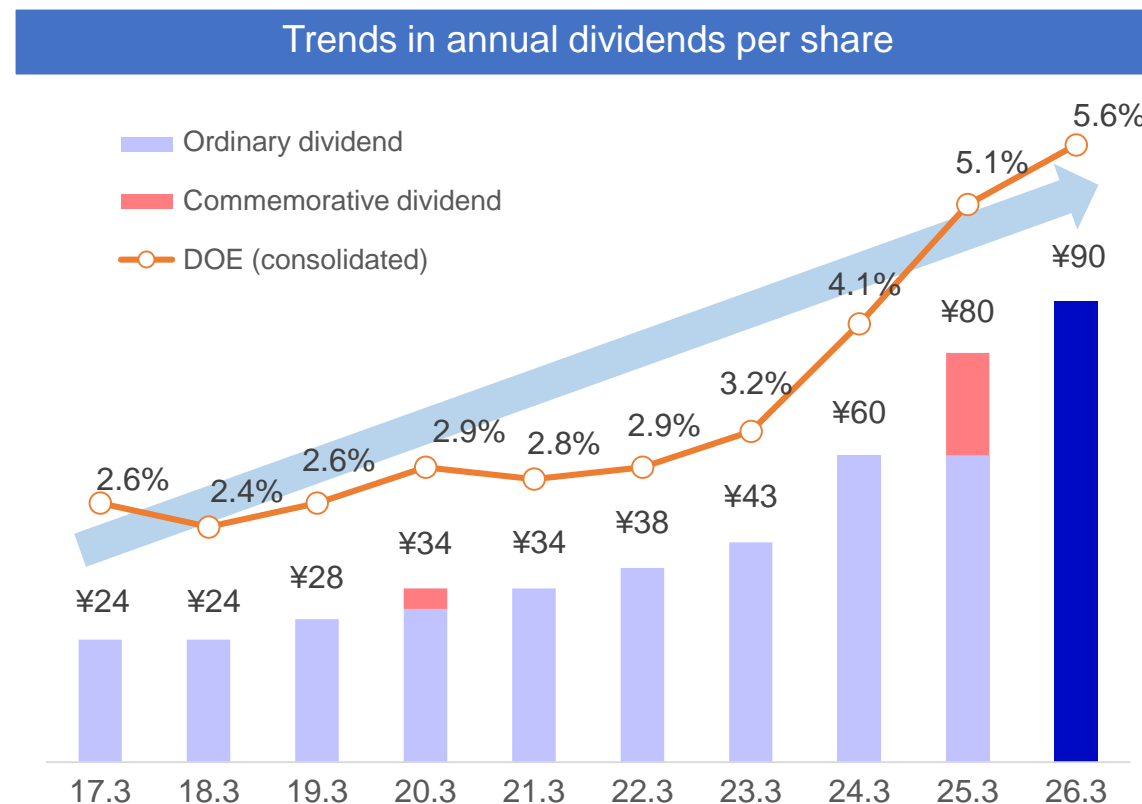
The changes will apply from the fiscal year ending March 31, 2026.

- For the fiscal year ended March 31, 2025, the year-end dividend will be ¥40 (comprising an ordinary dividend of ¥30 and a commemorative dividend of ¥10 to celebrate the Company's 75th anniversary) as announced. With the already-paid interim dividend of ¥40 (the same composition as the year-end dividend), the annual dividend will be ¥80.
- The annual dividend for the fiscal year ending March 31, 2026 is forecast to be ¥90 as ordinary dividends (up ¥10 from the previous fiscal year\*), increasing for the fifth consecutive fiscal year with no reduction of dividends for 13 consecutive fiscal years.

\* In terms of ordinary dividends, the increase will be ¥30 because the dividends of ¥80 per share for the fiscal year ended March 31, 2025 (the previous fiscal year) includes a commemorative dividend of ¥20.

	2022.3	2023.3	2024.3	2025.3	2026.3 (Forecast)
Interim dividend	¥17	¥19	¥30	¥40	¥45
Year-end dividend	¥21	¥24	¥30	¥40	¥45
Annual dividend	¥38	¥43	¥60	(*) ¥80	¥90
Dividend payout ratio	33.9%	41.0%	39.9%	61.0%	58.7%
Dividends on equity (DOE)	2.9%	3.2%	4.1%	5.1%	5.6%

(\*) Including commemorative dividend of ¥20 for the 75th anniversary of founding



# IV

## Medium-Term Management Plan



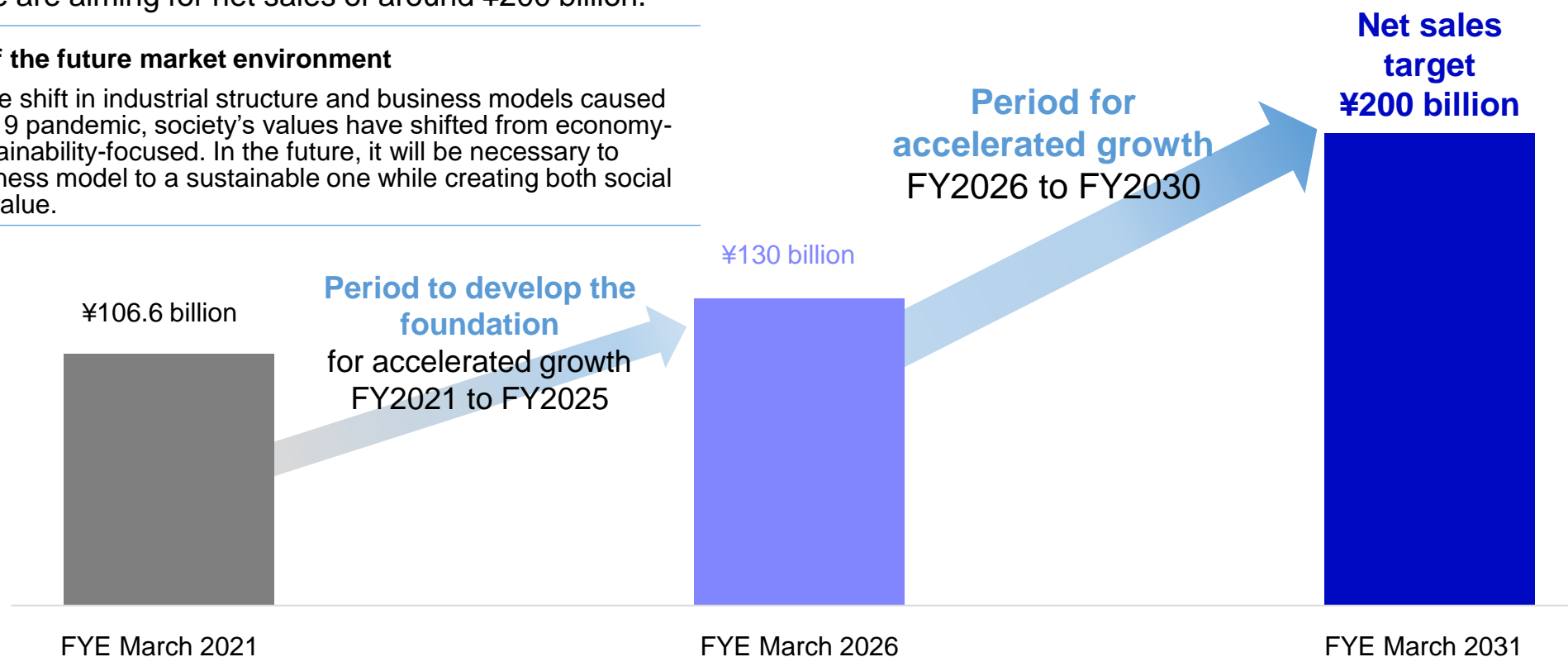
# Vision for FY2030 and the positioning of the medium-term management plan

## Vision for FY2030: “Problem-solving and value-creating company”

- A company that contributes to the sustainable development of customers, communities, and society by creating and providing new value through construction engineering in order to realize a better society, not just by solving problems faced by customers and communities.
- A company that expands business beyond the Tokai area to the maglev economic zone, and has strong competitiveness in specific customers and fields within the areas.
- We are aiming for net sales of around ¥200 billion.

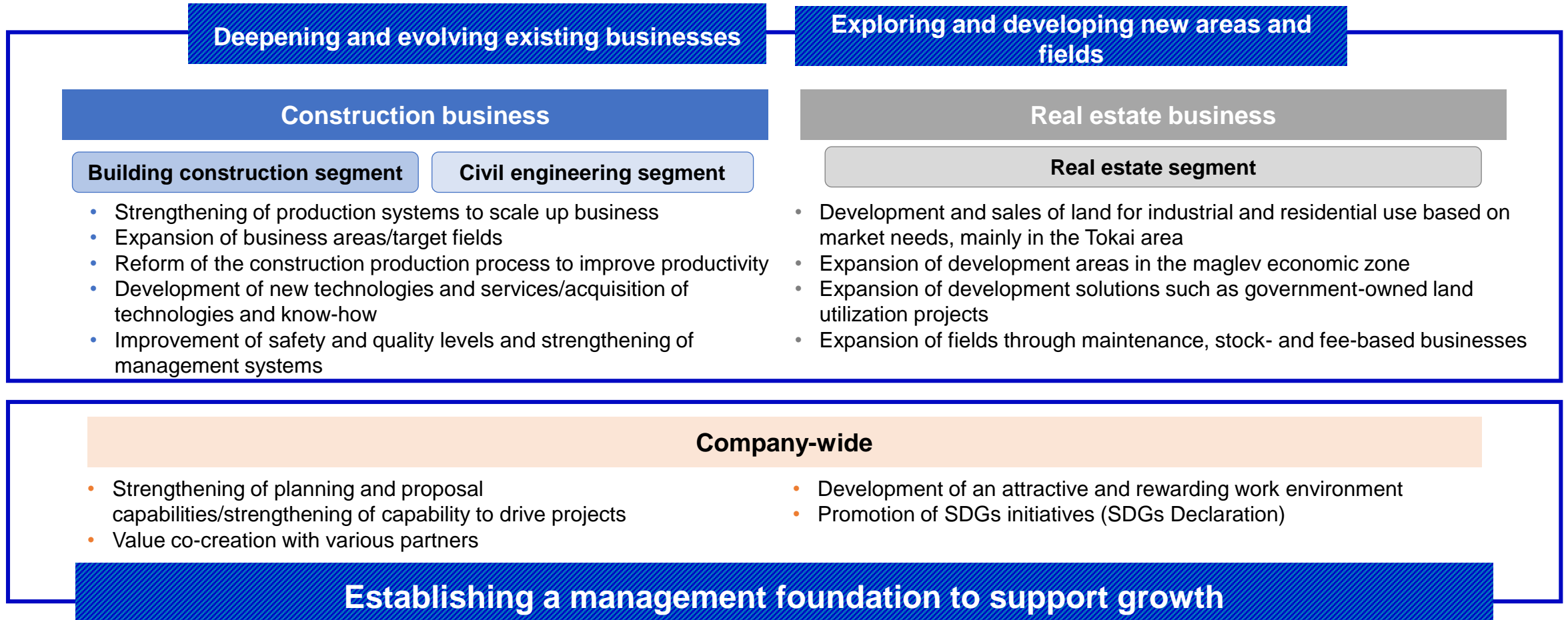
### Recognition of the future market environment

In addition to the shift in industrial structure and business models caused by the COVID-19 pandemic, society's values have shifted from economy-focused to sustainability-focused. In the future, it will be necessary to evolve the business model to a sustainable one while creating both social and corporate value.



## Transformation into a problem-solving and value-creating company

“**Enhancement of capabilities to build and create**” and the “**development of the foundation for sustainable growth**” toward accelerated growth



# Progress of the the medium-term management plan (FY2021 to FY2025)

## ■ Net sales

Net sales are expected to far exceed the numerical target in the medium-term management plan (¥130.0 billion) due to an increase in orders received for building construction associated with real estate development, and also aggressive initiatives in large construction projects.

## ■ Profit

The numerical operating profit target in the medium-term management plan (¥10.0 billion) is expected to be achieved due to a significant increase in sales which more than offset the steep increase of material and labor costs which was not anticipated when the plan was formulated.

### ◆ Targets for the final fiscal year of the medium-term management plan (FYE March 2026)

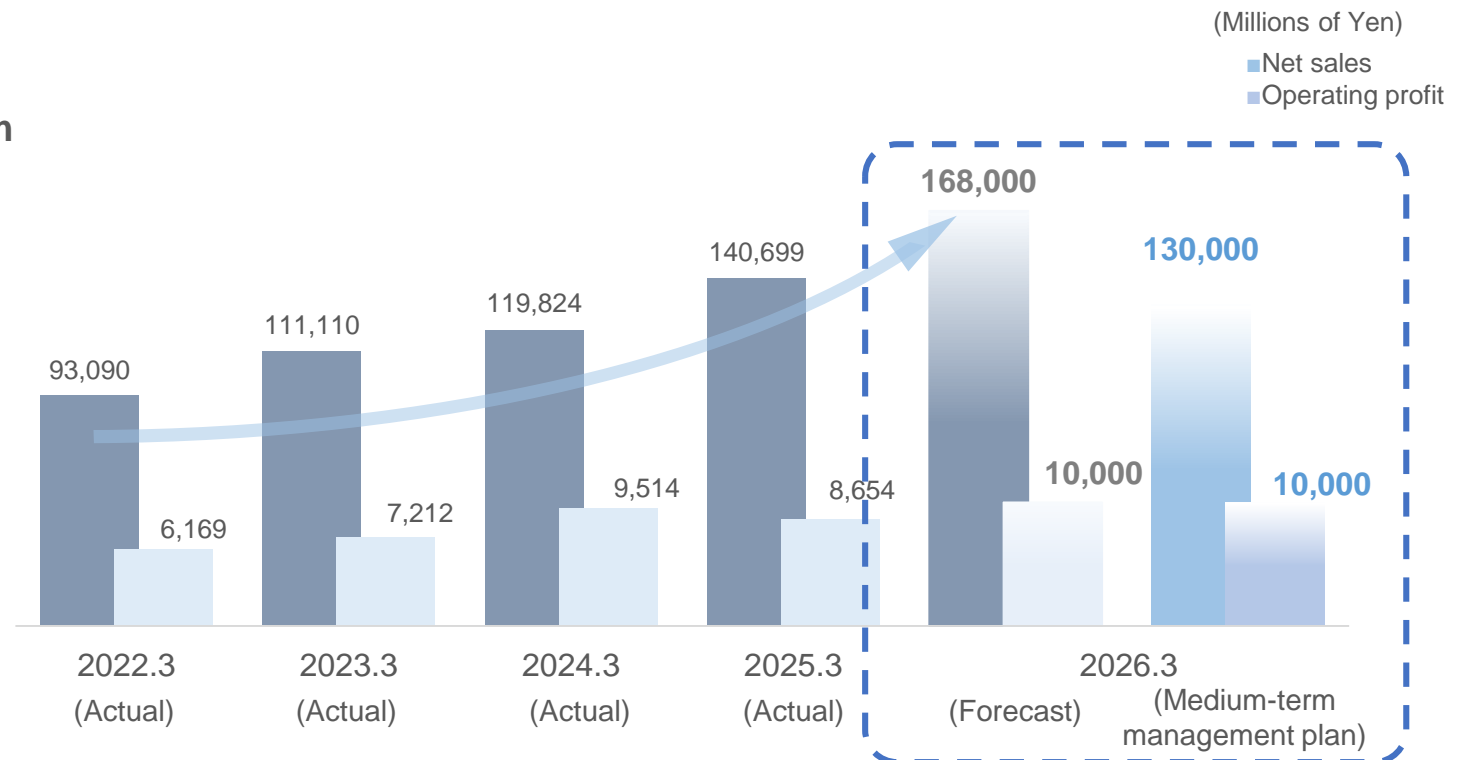
❑ Consolidated net sales: 130.0 billion yen

❑ Consolidated operating profit: 10.0 billion yen

### ◆ FYE March 2026 Forecast

❑ Consolidated net sales: 168.0 billion yen

❑ Consolidated operating profit: 10.0 billion yen



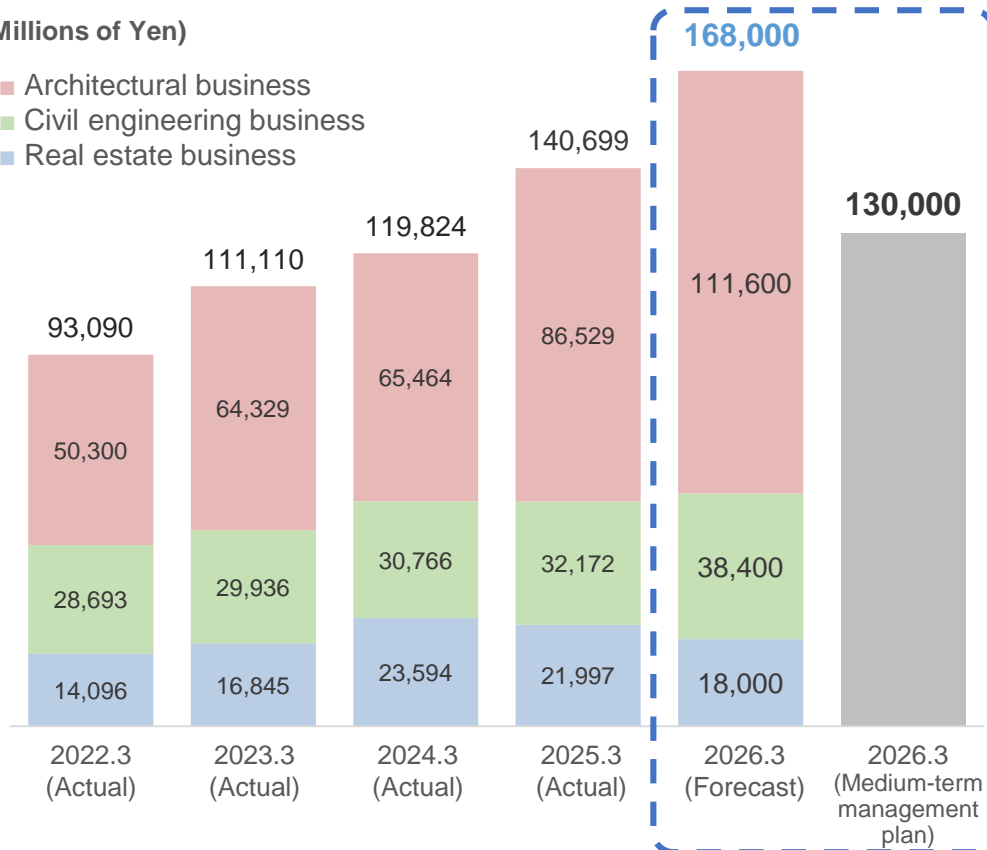
# Numerical targets and progress in the medium-term management plan (FY2021 to FY2025)

**Good progress was made in the architectural, civil engineering and real estate businesses. In terms of profit, a well-balanced business portfolio has been established.**

## □ Trend in segment net sales

(Millions of Yen)

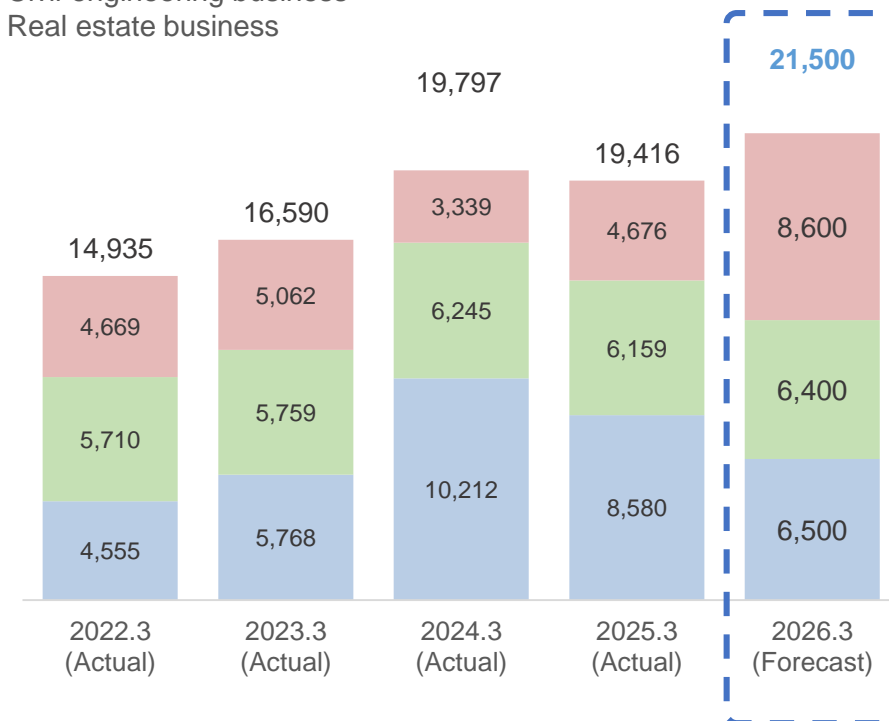
- Architectural business
- Civil engineering business
- Real estate business



## □ Trend in segment gross profit

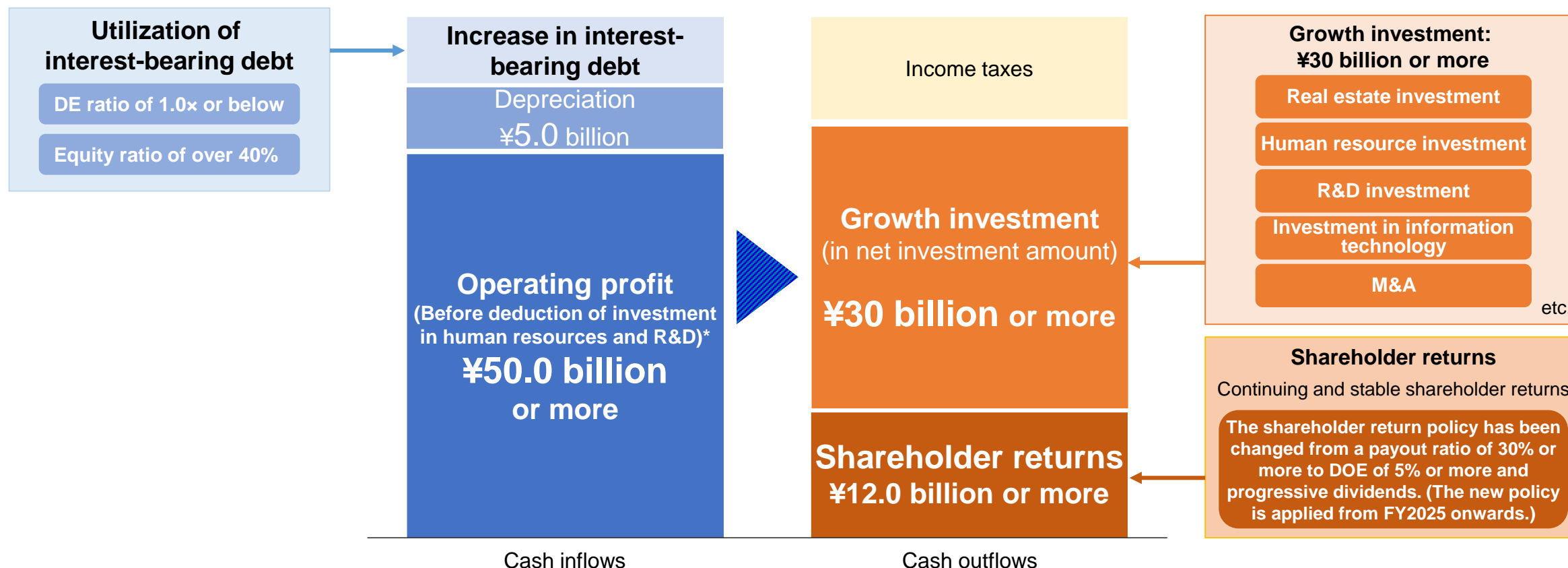
(Millions of Yen)

- Architectural business
- Civil engineering business
- Real estate business



Allocate cash appropriately to future growth investments and shareholder returns, by utilizing interest-bearing debt to the extent that financial soundness can be maintained, in addition to earned profit.

## Cash allocation policy FYE March 2022 to FYE March 2026



\* Operating profit refers to the figure before the deduction of investments in human assets, research and development and others for growth, which are treated as expenses for the period.

We plan to make growth investment to build the foundation for realizing the vision for FY2030, in the amount of approx. ¥30 billion over 5 years (¥6 billion per year on average).

We have invested approx. ¥35.0 billion over the past four years, an average of ¥8.7 billion per year, far exceeding our plan.

## Growth investment areas

Real estate investment

R&D investment

Human resource investment

Investment in information technology

M&A

### Previous medium-term management plan period (Actual)

#### 3 years

- Total amount:  
¥16.0 billion
- Annual average:  
¥5.3 billion

### Current medium-term management plan period (Plan)

#### 5 years

- Total amount: Approx. **¥30** billion
- Annual average: **¥6** billion  
(13% up)

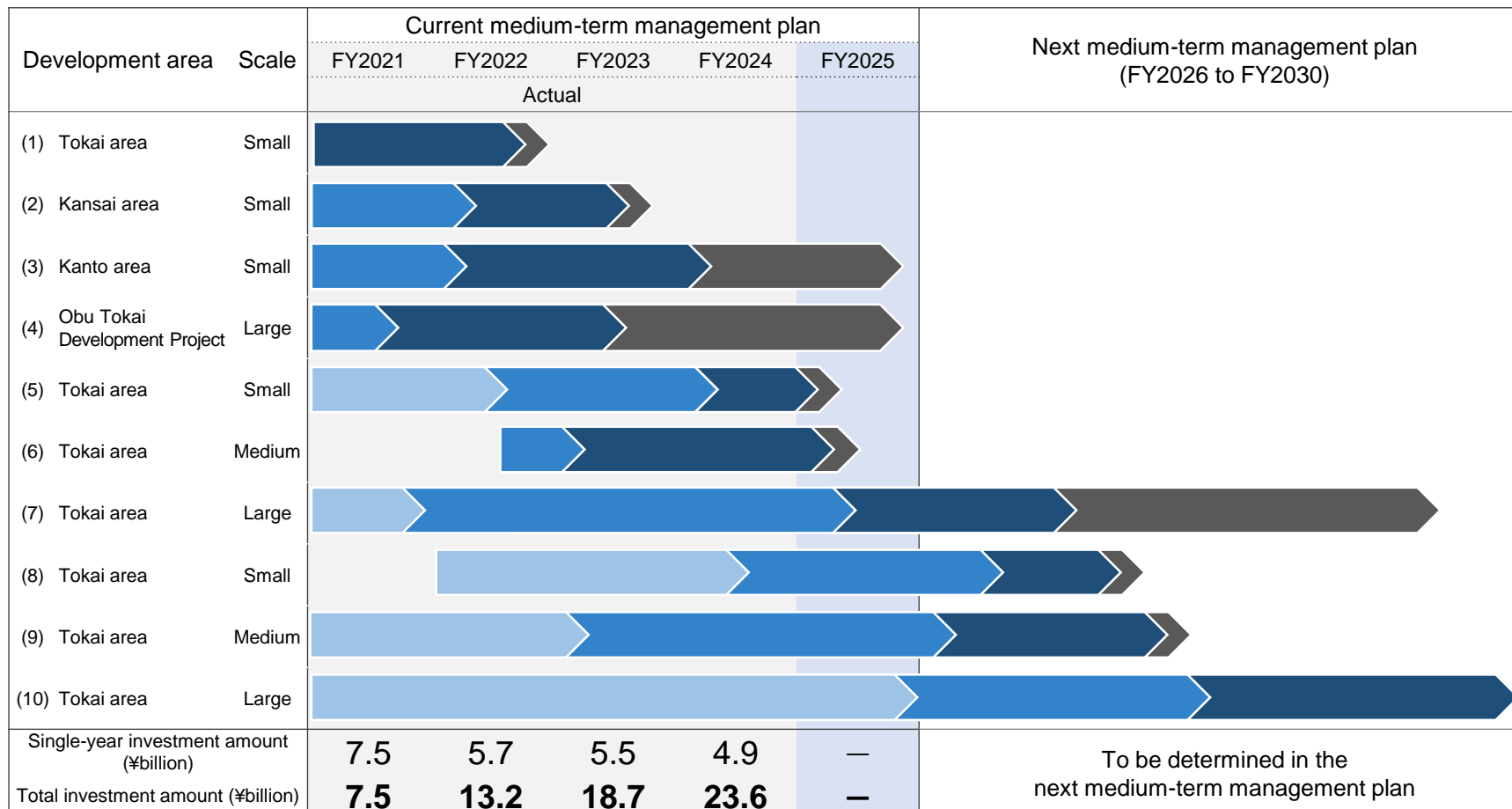
### Progress up to FYE March 2025 (Actual)

#### 4 years

- The investments that have been made were far greater than planned, mainly in real estate
- Total amount: Approx. **¥35** billion
  - Annual average: **¥8.7** billion

**We will increase real estate investments in industrial sites aiming to continuously expand the real estate business.**  
**— Multiple projects will be implemented simultaneously to establish a stable revenue base.**

• **Progress of projects for the development of industrial sites (excerpt)**



• **Industrial site development process flow**



- **The scale** stated is according to the amount of the investment.  
 Small: less than ¥2.0 billion  
 Medium: From ¥2.0 billion to less than ¥10.0 billion  
 Large: ¥10.0 billion or more

**Development track record during the current medium-term management plan period (FY2021 to FY2024)**

**Total investment amount: ¥23.6 billion**

☐ Real estate investments were implemented chiefly in industrial site development.

**Total real estate sales: Approx. ¥30 billion**

☐ Real estate investment does not only help increase future revenue, it also generates stable cash flows through the posting of sales and the recovery of invested funds during the current medium-term management plan and it leads to the creation of funds for future investments.

**Area under development:**

**At least 300,000 tsubo**

☐ Has a positive impacts on real estate sales in and after FY2026

\* The schedules above are correct as of the time of the presentation and may change depending on the progress of development, external conditions and other factors.



## R&D investment

### Accelerate demonstration research and development to deliver value to customers based on market needs

- [Results] - Improvement of the RCS structure (e.g., widening the standards for applicable steel frames)  
- Enhanced reliability of the PAN WALL method (e.g., the acquisition of certification from a third-party organization and the verification of quake and cold resistance)
- [Future] - Increase cost competitiveness in target markets, i.e., the markets for large properties and ultra high-rise properties and the public sector market, improve productivity and conduct research and development that will be helpful in labor reduction.

\* RCS structure: A hybrid structure composed of reinforced concrete columns and steel framed beams suitable for logistics facilities, factories and other buildings with heavy items on the floor and for buildings with limited columns due to a requirement for large spaces

\* PAN WALL method: The Company's original natural ground reinforcement method

## Investment in information technology

### Increase the productivity of the construction process and carry out workstyle reforms

- [Results] - Redevelopment of IT infrastructure· Hardening of information security  
- Implementation of workstyle reforms (Encouraging the use of information and communication technologies (ICT), such as BIM and CIM, to increase operational efficiency)
- [Future] - Continue to improve the construction process by encouraging the use of ICT such as BIM and CIM and carry out the workstyle reforms  
- Increase operational efficiency and proposal capabilities using AI and other digital technologies

\* BIM: Building Information Modeling, a method of information management in the domain of architecture for integrating information about structures, equipment, materials, construction periods, costs and other matters, in addition to building 3d models, to streamline a range of processes from architectural planning and design to construction, maintenance and management

\* CIM: Construction Information Modeling, a method of information management in the domain of civil engineering that, like the BIM, makes use of 3d models and related information to streamline and advance construction projects

## Human resource investment

### Seek to be a company that is chosen and where employees want to keep working for the company

- [Results] - Introduction of a new personnel system and improvement of treatment including the increase of base pay  
- Implementation of management reforms (e.g., management training)  
- Enhancement of internal training  
- Strengthening of recruitment activities (e.g., hiring of female engineers and foreign-national personnel)
- [Future] - Hire architectural engineers mid-career with a view toward the expansion of business  
- Develop and produce leaders that are women and/or foreign nationals  
- Provide an environment where employees can work in good mental and physical health

## M&A

### Positively consider and implement M&A activities to continuously grow and expand the scale of the business

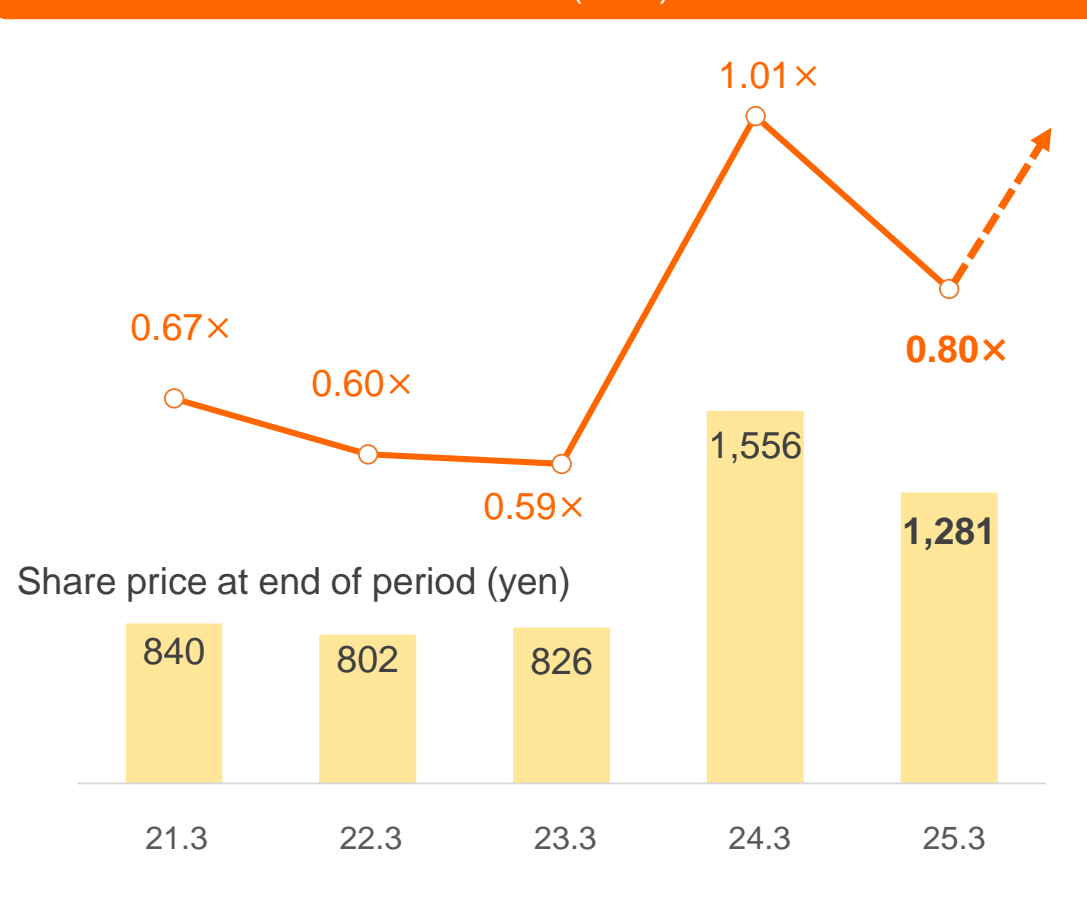
- [Results] - M&A activity involving HOKUWA CONSTRUCTION, INC. conducted in March 2023 (Converting this company which has a solid sales base in Kyoto and the rest of the Kansai region into a subsidiary to produce numerous synergies including the expansion of the trading area)
- [Future] - Positively consider M&A to expand business area the maglev economic zone and to increase supply capacity (construction capacity) etc.



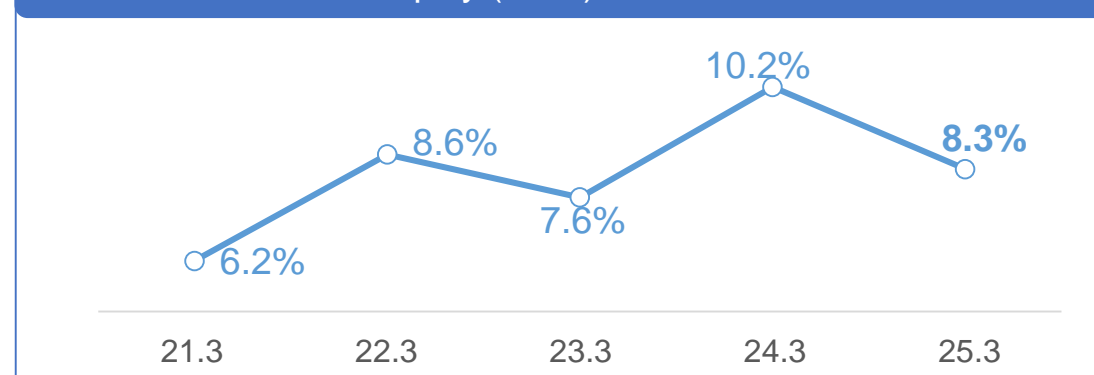
# Analysis of current status of capital cost and return on equity

PBR fell below 1 at the end of March 2025 due partly to the secondary offering in February 2025. Carry out management with attention to capital costs and the share price with the goal of the PBR quickly recovering to 1.

Trends in Price Book-value Ratio (PBR)



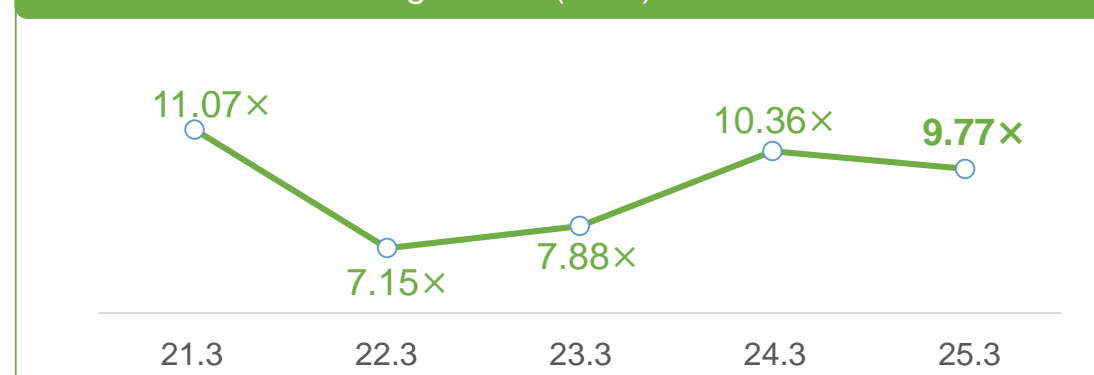
Trends in Return on Equity (ROE)



=

×

Trends in Price Earnings Ratio (PER)

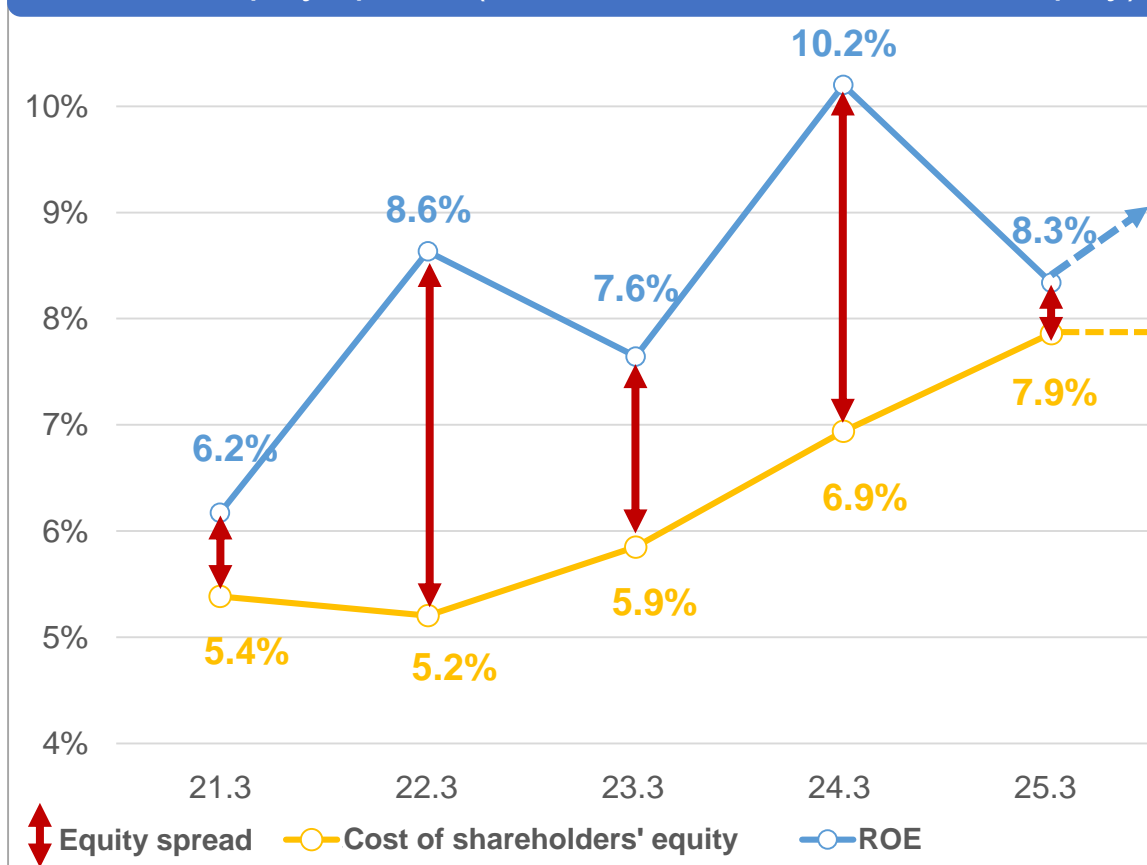


# Analysis of current status of capital cost and return on equity

The Company's return on equity (ROE) is higher than its cost of shareholders' equity. However, the spread between them is narrowing.

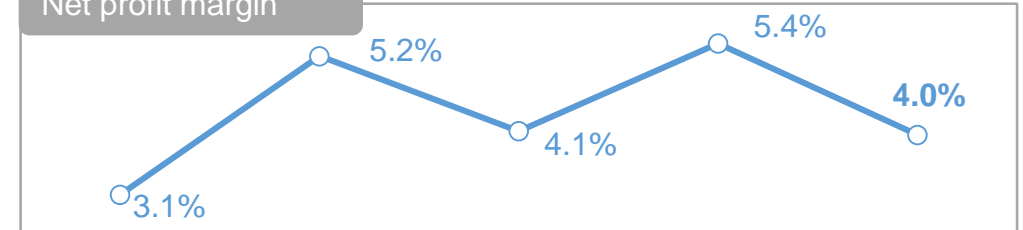
The Company aims to widen the spread, or the gap between ROE and the cost of shareholders' equity by increasing ROE.

Trends in equity spread (ROE – cost of shareholders' equity)

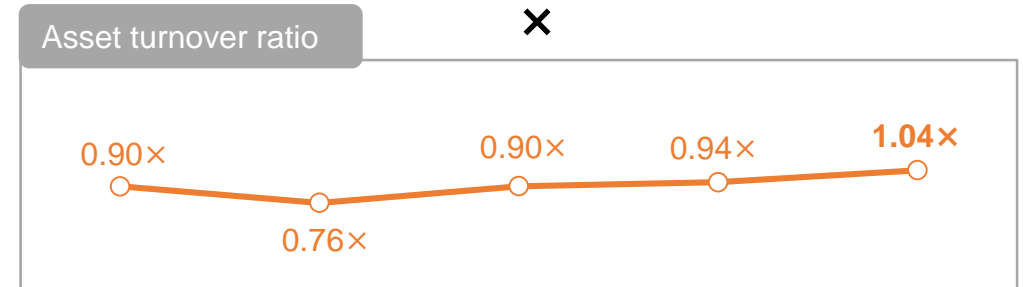


ROE

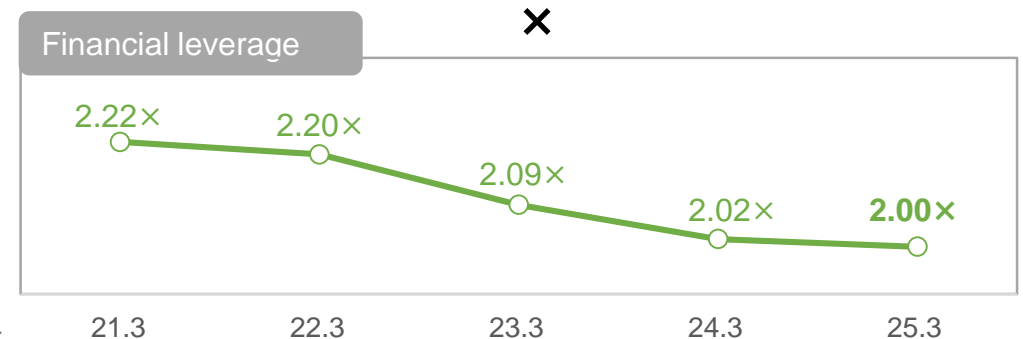
Net profit margin



Asset turnover ratio



Financial leverage



The Company will step up initiatives for widening the spread (= constantly creating excess returns) and increasing PER (= gaining market appreciation through engagement) in a bid to maximize the corporate value (= PBR exceeding 1).

## Maximizing corporate value

### Drivers to improve corporate value

#### Widening the spread

Profit growth

Improvement of capital efficiency

Shareholder returns  
Optimization of financial leverage

#### Improving PER

### = Constantly creating excess returns

Growth strategy

- Steady achievement of the medium-term management plan

**FY2025 planned value**  
Net sales: ¥130 billion  
Operating profit: ¥10 billion

**FY2025 financial results targets**  
Net sales: ¥168 billion  
Operating profit: ¥10 billion

Financial and capital strategy

- Utilization of cash and deposits
  - optimal allocation to growth investment and shareholder returns
- Review of assets held
- Utilization of borrowing
- Strengthening of shareholder returns
  - DOE and progressive dividends introduced in FY2025

IR strategy

- Strengthening of IR and SR activities
  - Expansion and increased sophistication of information disclosure
- = Gaining market appreciation through engagement**

**A secondary offering was conducted as a measure to improve liquidity for the continuous increase of corporate value.**

Before the offering, the turnover ratio was around 15%. This means that the liquidity of the Company's stock was so poor that it was unlikely to be a target for investments.

## Outline of the offering

Number of shares:

8,809,700 (19.7% of the outstanding shares) \*Including overallotment

Selling shareholders:

A total of 13 companies, namely Resona Bank, Limited, MUFG Bank, Ltd., Yamada Shoji Co., Ltd., The Bank of Yokohama, Ltd., Sumitomo Mitsui Banking Corporation, Aichi Bank, Ltd., TOYOTA SHINKIN Bank, Sompo Japan Insurance Inc., The KAGOSHIMA BANK,LTD., The Juroku Bank, Ltd., Ogaki Kyoritsu Bank, Sumitomo Mitsui Trust Bank, Limited., The Bank of Nagoya, Ltd.

Offering price:

¥10,164 million (¥1,154 per share) \* Including overallotment

Date of resolution: February 14, 2025

Conditions determination date: February 25, 2025

Delivery date: March 4, 2025

## Effect of the offering

- Turnover ratio (from around 15%\*<sup>2</sup> to approx. 327%\*<sup>3</sup>)  
Institutional investors are now targets of investors.
- Increase in floating shares (from around 40% to approx. 60%)  
Continued selection as a constituent of the next TOPIX is now in sight.
- Considerable increase in the daily trading value (approx. 16 fold)  
From ¥50 million\*<sup>2</sup> to ¥784 million\*<sup>3</sup>
- Expanding the investor base  
Number of shareholders: From 7,263 (March 2024) to 20,482 (March 2025)

\*1 The turnover ratio, the floating share ratio and the daily trading value have been calculated by the Company.

\*2 Calculated using the average in the period from October 2, 2024 to February 14, 2025 (average before the resolution regarding the offering)

\*3 Calculated using the average in the period from March 5, 2025 to May 23, 2025 (average after the resolution regarding the offering)



V

# FACT SHEET

# Consolidated financial results (for the last 5 years) and forecasts



(Millions of Yen)

	2021.3	2022.3	2023.3	2024.3	2025.3	FYE March 2026 forecast
<b>Net sales</b>	106,615	93,090	111,110	119,824	<b>140,699</b>	<b>168,000</b>
<i>(Year-on-year percentage change)</i>	(18.3%)	(▲12.7%)	(19.4%)	(7.8%)	(17.4%)	(19.4%)
<b>Operating profit</b>	7,362	6,169	7,212	9,514	<b>8,654</b>	<b>10,000</b>
<i>(Year-on-year percentage change)</i>	(▲5.2%)	(▲16.2%)	(16.9%)	(31.9%)	(▲9.0%)	(15.5%)
<b>Ordinary profit</b>	7,445	6,174	7,259	9,588	<b>8,616</b>	<b>9,900</b>
<i>(Year-on-year percentage change)</i>	(▲4.9%)	(▲17.1%)	(17.6%)	(32.1%)	(▲10.1%)	(14.9%)
<b>Profit attributable to owners of parent</b>	3,292	4,842	4,508	6,462	<b>5,643</b>	<b>6,600</b>
<i>(Year-on-year percentage change)</i>	(▲36.2%)	(47.1%)	(▲6.9%)	(43.4%)	(▲12.7%)	(16.9%)

## □<Reference>

### Record high

#### ◎ Net sales

**FYE March 2025**

**140,699 million yen**

[Reference] The highest figure up to the previous fiscal year: ¥119,824 million for FYE March 2024

#### ◎ Operating profit

**FYE March 2024**

**9,514 million yen**

#### ◎ Ordinary profit

**FYE March 2024**

**9,588 million yen**

#### ◎ Profit attributable to owners of parent

**FYE March 2024**

**6,462 million yen**

# Status of consolidated subsidiaries (as of March 31, 2025)



Name	Address	Capital (Millions of yen)	Fiscal year end	Business description	Net sales for the current fiscal year (Millions of yen)
<b>YAHAGI REAL ESTATE Co., Ltd.</b>	Higashi-ku, Nagoya	800	March	Condominiums for sale business, real estate development business, real estate leasing business, real estate brokerage business	<b>9,899</b>
<b>YAHAGI BUILDING AND LIFE CO., LTD.</b>	Higashi-ku, Nagoya	400	March	Apartment and building management business, architectural business	<b>5,214</b>
<b>YAHAGI GREEN Co., Ltd.</b>	Higashi-ku, Nagoya	100	March	Greenery business, golf course management business	<b>3,243</b>
<b>Techno Support Co., Ltd.</b>	Higashi-ku, Nagoya	50	March	PAN WALL (an earth reinforcement method using panels and “soil nails” for slope protection) business, PITA Column (a seismic retrofitting method using external reinforcing for existing buildings) business, construction work, technological development, test piece production	<b>1,295</b>
<b>YAHAGI ROAD CO., LTD.</b>	Toyota, Aichi	300	March	Paving business, civil engineering business, manufacture and sales of asphalt mixture, recycling business	<b>7,958</b>
<b>Nanshin Takamori Development Co., Ltd.</b>	Takamori-machi, Shimoina-gun, Nagano	50	March	Operation of golf courses (Takamori Country Club)	<b>309</b>
<b>HOKUWA CONSTRUCTION, INC.</b>	Shimogyo-ku, Kyoto	85	March	Architectural business	<b>6,926</b>
<b>Minamichita Mirai Partners Co., Ltd.</b>	Minamichita, Chita-gun, Aichi	30	March	Development and operation business for the surroundings of Morozaki Port Tourism Center	<b>695</b>

(Notes) 1. YAHAGI REAL ESTATE Co., Ltd., YAHAGI BUILDING AND LIFE CO., LTD., YAHAGI GREEN Co., Ltd., Techno Support Co., Ltd., YAHAGI ROAD CO., LTD., Nanshin Takamori Development Co., Ltd., and HOKUWA CONSTRUCTION, INC., are all wholly owned subsidiaries of YAHAGI CONSTRUCTION CO., LTD. (For Nanshin Takamori Development Co., Ltd., there are indirect holdings of 69%.)

2. Minamichita Mirai Partners Co., Ltd. is a subsidiary of YAHAGI CONSTRUCTION CO., LTD., which holds 66.7% of the voting rights of Minamichita Mirai Partners Co., Ltd.

# Orders received, net sales, and orders received carried forward (consolidated)

(Millions of Yen)

Category			Orders received				Net sales				Orders received carried forward			
			2024.3	2025.3	Year on year		2024.3	2025.3	Year on year		2024.3	2025.3	Year on year	
			Actual	Actual	Increase/ decrease	Change	Actual	Actual	Increase/ decrease	Change	Actual	Actual	Increase/ decrease	Change
Construction	Building construction	government	1,717	20	▲ 1,697	—	113	1,613	1,499	—	1,632	39	▲ 1,592	▲ 97.6%
		Private	100,288	102,979	2,691	2.7%	65,350	84,916	19,565	29.9%	101,539	119,603	18,063	17.8%
	Total		102,006	103,000	994	1.0%	65,464	86,529	21,064	32.2%	103,171	119,643	16,471	16.0%
	Civil engineering	government	17,531	17,292	▲ 238	▲ 1.4%	12,249	12,361	112	0.9%	18,147	23,077	4,930	27.2%
		Private	15,427	25,889	10,462	67.8%	18,516	19,810	1,293	7.0%	16,858	(22,937) 21,264	4,406	26.1%
	Total		32,958	43,182	10,223	31.0%	30,766	32,172	1,406	4.6%	35,005	(46,015) 44,342	9,336	26.7%
		government	19,249	17,312	▲ 1,936	▲ 10.1%	12,363	13,975	1,611	13.0%	19,779	23,117	3,337	16.9%
		Private	115,716	128,869	13,153	11.4%	83,867	104,726	20,859	24.9%	118,397	(142,541) 140,868	22,470	19.0%
	Total		134,965	146,182	11,217	8.3%	96,230	118,701	22,471	23.4%	138,177	(165,658) 163,985	25,807	18.7%
	Real estate business and other						23,594	21,997	▲ 1,597	▲ 6.8%				
Total							119,824	140,699	20,874	17.4%				

(Note) Orders received for construction projects that were changed or cancelled due to changes in economic conditions or similar factors (amount: ¥1,673 million) were subtracted from orders received carried forward. Figures in parentheses are amounts before the subtraction.



# Share price and trading volume trends ( April 1, 2019 to May 23, 2025 )



\* Forward-looking statements such as earnings forecasts contained in this document include projections for the future, assumptions underlying plans, and predictions as of the date of the release of this document. These statements are not guarantees of future performance by the Company. Actual results may differ significantly depending on various factors in the future. This document contains estimates that have not been audited, and the figures are subject to change.

\* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.