

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 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 Mitsuhiro Takayanagi
 Inquiries: General Manager of Accounting Department Yoshiki Saguchi TEL 052-935-2348
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 6, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	119,824	7.8	9,514	31.9	9,588	32.1	6,462	43.4
Year ended March 31, 2023	111,110	19.4	7,212	16.9	7,259	17.6	4,508	(6.9)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	150.23	–	10.2	7.5	7.9
Year ended March 31, 2023	104.83	–	7.6	5.9	6.5

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	126,000	66,538	52.8	1,546.39
As of March 31, 2023	129,987	60,431	46.5	1,405.10

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	10,235	(1,181)	(11,857)	19,917
Year ended March 31, 2023	4,152	(3,069)	(253)	22,721

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	19.00	–	24.00	43.00	1,866	41.0	3.1
Year ended March 31, 2024	–	30.00	–	30.00	60.00	2,604	39.9	4.1
Year ending March 31, 2025 (Forecast)	–	40.00	–	40.00	80.00		63.7	

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
Six months ending September 30, 2024	57,000	9.3	900	(39.5)	900	(42.5)	600	(41.0)	13.95
Full year	140,000	16.8	8,200	(13.8)	8,200	(14.5)	5,400	(16.4)	125.55

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	1,584,173 shares	As of March 31, 2023	1,598,789 shares
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Average number of shares during the period

Year ended March 31, 2024	43,017,532 shares	Year ended March 31, 2023	43,004,282 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	22,821	19,987
Notes receivable, accounts receivable from completed construction contracts and other	42,427	39,564
Electronically recorded monetary claims - operating	326	93
Costs on construction contracts in progress	2,074	3,251
Real estate for sale	20,239	21,016
Merchandise and finished goods	26	6
Raw materials and supplies	626	825
Other	3,770	3,254
Allowance for doubtful accounts	(88)	(88)
Total current assets	92,223	87,910
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,124	15,846
Machinery, vehicles, tools, furniture and fixtures	3,499	3,921
Land	19,847	18,317
Leased assets	90	78
Construction in progress	535	163
Accumulated depreciation	(10,600)	(11,180)
Total property, plant and equipment	28,497	27,148
Intangible assets	805	728
Investments and other assets		
Investment securities	5,174	5,202
Retirement benefit asset	247	248
Deferred tax assets	2,047	3,792
Other	1,039	1,017
Allowance for doubtful accounts	(48)	(48)
Total investments and other assets	8,460	10,213
Total non-current assets	37,763	38,090
Total assets	129,987	126,000

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable for construction contracts	10,551	11,112
Electronically recorded obligations - operating	8,145	–
Short-term borrowings	28,100	14,100
Income taxes payable	1,058	4,663
Advances received on construction contracts in progress	4,604	8,853
Provision for warranties for completed construction	447	441
Provision for loss on construction contracts	53	322
Provision for bonuses for directors (and other officers)	69	85
Other	3,814	4,128
Total current liabilities	56,843	43,708
Non-current liabilities		
Long-term borrowings	3,800	8,300
Deferred tax liabilities for land revaluation	221	221
Retirement benefit liability	5,178	3,680
Asset retirement obligations	371	449
Provision for share-based payments	88	136
Other	3,050	2,966
Total non-current liabilities	12,712	15,753
Total liabilities	69,556	59,461
Net assets		
Shareholders' equity		
Share capital	6,808	6,808
Capital surplus	7,244	7,244
Retained earnings	51,896	56,015
Treasury shares	(886)	(875)
Total shareholders' equity	65,062	69,192
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,484	2,326
Revaluation reserve for land	(5,882)	(5,882)
Remeasurements of defined benefit plans	(232)	894
Total accumulated other comprehensive income	(4,630)	(2,661)
Non-controlling interests	–	8
Total net assets	60,431	66,538
Total liabilities and net assets	129,987	126,000

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	94,265	96,230
Net sales in real estate business and other	16,845	23,594
Total net sales	111,110	119,824
Cost of sales		
Cost of sales of completed construction contracts	83,443	86,645
Cost of sales in real estate business and other	11,076	13,382
Total cost of sales	94,520	100,027
Gross profit		
Gross profit on completed construction contracts	10,822	9,584
Gross profit on real estate business and other	5,768	10,212
Total gross profit	16,590	19,797
Selling, general and administrative expenses	9,377	10,282
Operating profit	7,212	9,514
Non-operating income		
Interest income	0	0
Dividend income	101	112
Other	49	98
Total non-operating income	151	211
Non-operating expenses		
Interest expenses	85	100
Miscellaneous expenses	18	36
Total non-operating expenses	104	137
Ordinary profit	7,259	9,588
Extraordinary income		
Gain on sale of investment securities	–	3
Other	–	1
Total extraordinary income	–	5
Extraordinary losses		
Loss on retirement of non-current assets	137	24
Loss on valuation of investment securities	501	–
Impairment losses	240	239
Other	–	1
Total extraordinary losses	879	265
Profit before income taxes	6,379	9,328
Income taxes - current	2,104	5,480
Income taxes - deferred	(233)	(2,612)
Total income taxes	1,871	2,867
Profit	4,508	6,460
Profit (loss) attributable to non-controlling interests	–	(1)
Profit attributable to owners of parent	4,508	6,462

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	4,508	6,460
Other comprehensive income		
Valuation difference on available-for-sale securities	259	842
Remeasurements of defined benefit plans, net of tax	(142)	1,126
Total other comprehensive income	116	1,969
Comprehensive income	4,624	8,429
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,624	8,431
Comprehensive income attributable to non-controlling interests	–	(1)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,808	7,244	49,124	(897)	62,279
Changes during period					
Dividends of surplus			(1,736)		(1,736)
Profit attributable to owners of parent			4,508		4,508
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				10	10
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,771	10	2,782
Balance at end of period	6,808	7,244	51,896	(886)	65,062

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,224	(5,882)	(90)	(4,747)		57,532
Changes during period						
Dividends of surplus						(1,736)
Profit attributable to owners of parent						4,508
Purchase of treasury shares						(0)
Disposal of treasury shares						10
Net changes in items other than shareholders' equity	259		(142)	116		116
Total changes during period	259	–	(142)	116		2,899
Balance at end of period	1,484	(5,882)	(232)	(4,630)	–	60,431

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,808	7,244	51,896	(886)	65,062
Changes during period					
Dividends of surplus			(2,343)		(2,343)
Profit attributable to owners of parent			6,462		6,462
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				11	11
Net changes in items other than shareholders' equity					
Total changes during period	–	–	4,118	11	4,130
Balance at end of period	6,808	7,244	56,015	(875)	69,192

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,484	(5,882)	(232)	(4,630)	–	60,431
Changes during period						
Dividends of surplus						(2,343)
Profit attributable to owners of parent						6,462
Purchase of treasury shares						(0)
Disposal of treasury shares						11
Net changes in items other than shareholders' equity	842		1,126	1,969	8	1,977
Total changes during period	842	–	1,126	1,969	8	6,107
Balance at end of period	2,326	(5,882)	894	(2,661)	8	66,538

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,379	9,328
Depreciation	950	1,058
Amortization of goodwill	–	81
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for bonuses for directors (and other officers)	(1)	16
Increase (decrease) in retirement benefit liability	106	123
Interest and dividend income	(101)	(112)
Interest expenses	85	100
Impairment losses	240	239
Loss (gain) on sale and retirement of property, plant and equipment	137	24
Loss (gain) on sale of investment securities	–	(3)
Loss (gain) on valuation of investment securities	501	–
Decrease (increase) in trade receivables	(9,408)	3,095
Decrease (increase) in inventories	73	293
Increase (decrease) in trade payables	7,501	(7,584)
Increase (decrease) in advances received on construction contracts in progress	(449)	4,248
Increase (decrease) in accrued consumption taxes	250	987
Other, net	15	342
Subtotal	6,281	12,238
Interest and dividends received	101	112
Interest paid	(86)	(95)
Income taxes paid	(2,144)	(2,019)
Net cash provided by (used in) operating activities	4,152	10,235
Cash flows from investing activities		
Decrease (increase) in time deposits	20	30
Purchase of property, plant and equipment and intangible assets	(2,682)	(2,402)
Proceeds from sale of investment securities	0	11
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(413)	–
Proceeds from redemption of investment securities	–	1,179
Other, net	6	0
Net cash provided by (used in) investing activities	(3,069)	(1,181)
Cash flows from financing activities		
Proceeds from short-term borrowings	13,600	11,850
Repayments of short-term borrowings	(12,000)	(25,050)
Proceeds from long-term borrowings	–	5,900
Repayments of long-term borrowings	(100)	(2,200)
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(1,736)	(2,343)
Other, net	(17)	(13)
Net cash provided by (used in) financing activities	(253)	(11,857)
Net increase (decrease) in cash and cash equivalents	829	(2,803)
Cash and cash equivalents at beginning of period	21,891	22,721
Cash and cash equivalents at end of period	22,721	19,917