

Translation

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

May 14, 2024

Company name: WAKACHIKU CONSTRUCTION CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 1888 URL <https://www.wakachiku.co.jp/>
 Representative: President and Representative Director Katsuhiko Karasuda
 Director, Managing Executive Officer and General Manager of Finance Yasusuke Hirata TEL 03-3492-0273
 Inquiries: Yasusuke Hirata
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 28, 2024
 Scheduled date to commence dividend payments: June 6, 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 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	94,917	13.0	6,976	11.9	7,699	17.6	5,092	(6.4)
Year ended March 31, 2023	84,004	(5.8)	6,236	(8.8)	6,546	(3.5)	5,442	14.9

	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	399.25	–	11.7	8.6	7.3
Year ended March 31, 2023	426.78	–	13.9	7.7	7.4

(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	90,775	47,384	50.6	3,600.65
As of March 31, 2023	88,326	42,694	46.8	3,240.62

(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	(3,964)	(3,606)	(1,380)	18,891
Year ended March 31, 2023	15,140	(1,328)	(2,970)	27,319

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	–	0.00	–	100.00	100.00	1,283	23.4	3.3
Year ended March 31, 2024	–	0.00	–	120.00	120.00	1,540	30.1	3.5
Year ending March 31, 2025 (Forecast)	–	0.00	–	126.00	126.00		39.2	

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	98,800	4.1	6,100	(12.6)	6,100	(20.8)	4,100	(19.5)	321.41

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	12,964,993 shares	As of March 31, 2023	12,964,993 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	208,603 shares	As of March 31, 2023	213,328 shares
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Average number of shares during the period

Year ended March 31, 2024	12,755,788 shares	Year ended March 31, 2023	12,751,759 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	27,319	18,891
Notes receivable, accounts receivable from completed construction contracts and other	33,434	38,528
Real estate for sale	2,938	2,988
Costs on construction contracts in progress	801	291
Costs on real estate business	1,183	1,161
Advances paid	1,907	1,484
Accounts receivable - other	3,063	6,576
Other	924	488
Allowance for doubtful accounts	(45)	(48)
Total current assets	71,526	70,364
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,659	4,785
Machinery, vehicles, tools, furniture and fixtures	4,868	4,788
Vessels	3,277	3,589
Land	6,510	6,582
Leased assets	162	178
Construction in progress	254	654
Accumulated depreciation	(9,346)	(9,538)
Total property, plant and equipment	10,387	11,040
Intangible assets	366	389
Investments and other assets		
Investment securities	3,380	5,559
Deferred tax assets	1,874	1,538
Retirement benefit asset	310	1,367
Other	885	975
Allowance for doubtful accounts	(404)	(459)
Total investments and other assets	6,046	8,980
Total non-current assets	16,800	20,411
Total assets	88,326	90,775

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	18,866	14,679
Short-term borrowings	1,550	2,937
Lease liabilities	33	35
Income taxes payable	919	1,775
Advances received on uncompleted construction contracts	7,741	6,886
Deposits received	7,277	8,956
Provision for bonuses	1,073	1,254
Provision for warranties for completed construction	324	140
Provision for loss on construction contracts	421	571
Other	871	969
Total current liabilities	39,081	38,207
Non-current liabilities		
Long-term borrowings	2,794	1,410
Lease liabilities	53	52
Deferred tax liabilities for land revaluation	768	768
Provision for share awards	83	122
Retirement benefit liability	2,767	2,749
Other	83	80
Total non-current liabilities	6,551	5,183
Total liabilities	45,632	43,391
Net assets		
Shareholders' equity		
Share capital	11,374	11,374
Capital surplus	2,948	2,948
Retained earnings	24,235	28,044
Treasury shares	(337)	(329)
Total shareholders' equity	38,220	42,037
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	575	718
Revaluation reserve for land	1,706	1,706
Remeasurements of defined benefit plans	819	1,468
Total accumulated other comprehensive income	3,102	3,893
Non-controlling interests	1,370	1,453
Total net assets	42,694	47,384
Total liabilities and net assets	88,326	90,775

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	80,890	91,876
Net sales in real estate business and other	3,114	3,040
Total net sales	84,004	94,917
Cost of sales		
Cost of sales of completed construction contracts	69,131	78,670
Cost of sales in real estate business and other	2,123	2,137
Lose on valuation of realestate for sale	24	7
Total cost of sales	71,279	80,814
Gross profit		
Gross profit on completed construction contracts	11,758	13,206
Gross profit on real estate business and other	966	896
Total gross profit	12,725	14,103
Selling, general and administrative expenses	6,489	7,126
Operating profit	6,236	6,976
Non-operating income		
Interest income	21	161
Dividend income	65	77
Foreign exchange gains	434	680
Other	36	54
Total non-operating income	558	973
Non-operating expenses		
Interest expenses	159	137
Commission for syndicated loans	73	70
Taxes and dues	4	30
Other	10	11
Total non-operating expenses	248	250
Ordinary profit	6,546	7,699
Extraordinary income		
Gain on sale of non-current assets	14	6
Total extraordinary income	14	6
Extraordinary losses		
Loss on retirement of non-current assets	15	16
Impairment losses	2	7
Total extraordinary losses	18	23
Profit before income taxes	6,541	7,682
Income taxes - current	1,884	2,517
Income taxes - deferred	(899)	(12)
Total income taxes	984	2,505
Profit	5,557	5,177
Profit attributable to non-controlling interests	114	84
Profit attributable to owners of parent	5,442	5,092

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	5,557	5,177
Other comprehensive income		
Valuation difference on available-for-sale securities	214	142
Remeasurements of defined benefit plans, net of tax	(401)	648
Total other comprehensive income	(186)	790
Comprehensive income	5,370	5,967
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,255	5,883
Comprehensive income attributable to non-controlling interests	114	84

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	11,374	2,948	19,819	(337)	33,805
Changes during period					
Dividends of surplus			(1,026)		(1,026)
Profit attributable to owners of parent			5,442		5,442
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				–	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	4,415	(0)	4,414
Balance at end of period	11,374	2,948	24,235	(337)	38,220

	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	360	1,706	1,221	3,289	1,260	38,355
Changes during period						
Dividends of surplus						(1,026)
Profit attributable to owners of parent						5,442
Purchase of treasury shares						(0)
Disposal of treasury shares						–
Net changes in items other than shareholders' equity	214	–	(401)	(186)	110	(75)
Total changes during period	214	–	(401)	(186)	110	4,338
Balance at end of period	575	1,706	819	3,102	1,370	42,694

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	11,374	2,948	24,235	(337)	38,220
Changes during period					
Dividends of surplus			(1,283)		(1,283)
Profit attributable to owners of parent			5,092		5,092
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				8	8
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,809	8	3,817
Balance at end of period	11,374	2,948	28,044	(329)	42,037

	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	575	1,706	819	3,102	1,370	42,694
Changes during period						
Dividends of surplus						(1,283)
Profit attributable to owners of parent						5,092
Purchase of treasury shares						(0)
Disposal of treasury shares						8
Net changes in items other than shareholders' equity	142	–	648	790	82	873
Total changes during period	142	–	648	790	82	4,690
Balance at end of period	718	1,706	1,468	3,893	1,453	47,384

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	6,541	7,682
Depreciation	721	847
Impairment losses	2	7
Increase (decrease) in allowance for doubtful accounts	0	58
Increase (decrease) in retirement benefit liability	(45)	(141)
Increase (decrease) in other provisions	(466)	147
Interest and dividend income	(86)	(239)
Interest expenses	159	137
Syndicate loan charges	73	70
Loss (gain) on sale and retirement of non-current assets	1	9
Decrease (increase) in trade receivables	6,095	(5,094)
Decrease (increase) in costs on construction contracts in progress	(858)	531
Decrease (increase) in real estate for sale	154	(50)
Increase (decrease) in trade payables	4,336	(4,187)
Increase (decrease) in advances received on uncompleted construction contracts and other	1,961	(854)
Decrease (increase) in other assets	254	(2,663)
Increase (decrease) in other liabilities	(714)	1,880
Other, net	(176)	(359)
Subtotal	17,956	(2,216)
Interest and dividends received	86	238
Interest paid	(153)	(146)
Income taxes paid	(2,749)	(1,839)
Net cash provided by (used in) operating activities	15,140	(3,964)
Cash flows from investing activities		
Purchase of property, plant and equipment	(901)	(1,463)
Proceeds from sale of property, plant and equipment	35	16
Purchase of investment securities	(295)	(1,974)
Other, net	(166)	(185)
Net cash provided by (used in) investing activities	(1,328)	(3,606)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,000)	1,050
Proceeds from long-term borrowings	510	585
Repayments of long-term borrowings	(1,348)	(1,631)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,021)	(1,277)
Dividends paid to non-controlling interests	(4)	(2)
Repayments of finance lease liabilities	(31)	(34)
Syndicate loan charges paid	(73)	(70)
Net cash provided by (used in) financing activities	(2,970)	(1,380)
Effect of exchange rate change on cash and cash equivalents	78	523
Net increase (decrease) in cash and cash equivalents	10,920	(8,427)
Cash and cash equivalents at beginning of period	16,399	27,319
Cash and cash equivalents at end of period	27,319	18,891