

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 8, 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
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 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 | % |
| Three months ended June 30, 2024 | 16,698 | (25.8) | 20 | (97.8) | 137 | (91.8) | 32 | (97.0) |
| Three months ended June 30, 2023 | 22,502 | 17.7 | 949 | (16.4) | 1,687 | 15.4 | 1,103 | 15.4 |

| | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2024 | 2.57 | – |
| Three months ended June 30, 2023 | 86.56 | – |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2024 | 82,876 | 46,115 | 53.9 | 3,499.23 |
| As of March 31, 2024 | 90,775 | 47,384 | 50.6 | 3,600.65 |

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 | – | 0.00 | – | 120.00 | 120.00 |
| Year ending March 31, 2025 | – | – | – | – | – |
| Year ending March 31, 2025 (Forecast) | – | 0.00 | – | 126.00 | 126.00 |

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

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - Changes in accounting policies due to other reasons: No
 - Changes in accounting estimates: No
 - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

| | | | |
|---------------------|-------------------|----------------------|-------------------|
| As of June 30, 2024 | 12,964,993 shares | As of March 31, 2024 | 12,964,993 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|---------------------|----------------|----------------------|----------------|
| As of June 30, 2024 | 206,014 shares | As of March 31, 2024 | 208,603 shares |
|---------------------|----------------|----------------------|----------------|

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

| | | | |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended June 30, 2024 | 12,757,589 shares | Three months ended June 30, 2023 | 12,753,962 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|---|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 18,891 | 17,085 |
| Notes receivable, accounts receivable from completed construction contracts and other | 38,528 | 32,769 |
| Real estate for sale | 2,988 | 2,987 |
| Costs on construction contracts in progress | 1,453 | 1,931 |
| Advances paid | 1,484 | 746 |
| Other | 7,064 | 6,422 |
| Allowance for doubtful accounts | (48) | (46) |
| Total current assets | <u>70,364</u> | <u>61,896</u> |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 4,785 | 5,153 |
| Machinery, vehicles, tools, furniture and fixtures | 4,788 | 4,859 |
| Vessels | 3,589 | 3,620 |
| Land | 6,582 | 6,581 |
| Other | 832 | 802 |
| Accumulated depreciation | (9,538) | (9,686) |
| Total property, plant and equipment | <u>11,040</u> | <u>11,330</u> |
| Intangible assets | 389 | 403 |
| Investments and other assets | | |
| Investment securities | 5,559 | 5,926 |
| Deferred tax assets | 1,538 | 1,417 |
| Retirement benefit asset | 1,367 | 1,385 |
| Other | 975 | 995 |
| Allowance for doubtful accounts | (459) | (478) |
| Total investments and other assets | <u>8,980</u> | <u>9,246</u> |
| Total non-current assets | <u>20,411</u> | <u>20,980</u> |
| Total assets | <u>90,775</u> | <u>82,876</u> |

(Millions of yen)

| | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable, accounts payable for construction contracts and other | 14,679 | 10,965 |
| Short-term borrowings | 2,937 | 1,900 |
| Income taxes payable | 1,775 | 117 |
| Advances received on uncompleted construction contracts | 6,886 | 9,402 |
| Deposits received | 8,956 | 7,496 |
| Provisions | 1,966 | 1,096 |
| Other | 1,004 | 842 |
| Total current liabilities | 38,207 | 31,820 |
| Non-current liabilities | | |
| Long-term borrowings | 1,410 | 1,156 |
| Deferred tax liabilities for land revaluation | 768 | 768 |
| Provision for share awards | 122 | 132 |
| Retirement benefit liability | 2,749 | 2,744 |
| Other | 132 | 136 |
| Total non-current liabilities | 5,183 | 4,939 |
| Total liabilities | 43,391 | 36,760 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 11,374 | 11,374 |
| Capital surplus | 2,948 | 2,948 |
| Retained earnings | 28,044 | 26,536 |
| Treasury shares | (329) | (325) |
| Total shareholders' equity | 42,037 | 40,534 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 718 | 972 |
| Revaluation reserve for land | 1,706 | 1,706 |
| Remeasurements of defined benefit plans | 1,468 | 1,432 |
| Total accumulated other comprehensive income | 3,893 | 4,111 |
| Non-controlling interests | 1,453 | 1,469 |
| Total net assets | 47,384 | 46,115 |
| Total liabilities and net assets | 90,775 | 82,876 |

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

Consolidated statements of income (cumulative)

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|---|-------------------------------------|-------------------------------------|
| Net sales | | |
| Net sales of completed construction contracts | 21,886 | 16,000 |
| Net sales in real estate business and other | 615 | 698 |
| Total net sales | 22,502 | 16,698 |
| Cost of sales | | |
| Cost of sales of completed construction contracts | 19,448 | 14,343 |
| Cost of sales in real estate business and other | 349 | 434 |
| Total cost of sales | 19,797 | 14,777 |
| Gross profit | | |
| Gross profit on completed construction contracts | 2,438 | 1,656 |
| Gross profit on real estate business and other | 266 | 263 |
| Total gross profit | 2,704 | 1,920 |
| Selling, general and administrative expenses | 1,755 | 1,900 |
| Operating profit | 949 | 20 |
| Non-operating income | | |
| Interest income | 52 | 17 |
| Dividend income | 55 | 56 |
| Dividend income of insurance | 24 | 30 |
| Foreign exchange gains | 630 | 46 |
| Other | 8 | 6 |
| Total non-operating income | 771 | 157 |
| Non-operating expenses | | |
| Interest expenses | 18 | 34 |
| Other | 14 | 6 |
| Total non-operating expenses | 32 | 40 |
| Ordinary profit | 1,687 | 137 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 1 | 0 |
| Total extraordinary income | 1 | 0 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 0 | 0 |
| Impairment losses | – | 1 |
| Total extraordinary losses | 0 | 1 |
| Profit before income taxes | 1,689 | 136 |
| Income taxes - current | 213 | 61 |
| Income taxes - deferred | 343 | 24 |
| Total income taxes | 556 | 86 |
| Profit | 1,132 | 50 |
| Profit attributable to non-controlling interests | 28 | 17 |
| Profit attributable to owners of parent | 1,103 | 32 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Three months ended June 30, 2023 | Three months ended June 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Profit | 1,132 | 50 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (73) | 254 |
| Remeasurements of defined benefit plans, net of tax | (24) | (36) |
| Total other comprehensive income | (97) | 218 |
| Comprehensive income | 1,034 | 268 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,005 | 251 |
| Comprehensive income attributable to non-controlling interests | 28 | 17 |