

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 9, 2023

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
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 Scheduled date to file Quarterly Securities Report: August 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	22,502	17.7	949	(16.4)	1,687	15.4	1,103	15.4
Three months ended June 30, 2022	19,118	(5.0)	1,134	(21.7)	1,462	1.2	956	(0.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	86.56		–	
Three months ended June 30, 2022	75.04		–	

(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, 2023	84,147	42,451	48.8	3,218.28
As of March 31, 2023	88,326	42,694	46.8	3,240.62

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	0.00	–	100.00	100.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		0.00	–	80.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	98,000	16.7	4,900	(21.4)	4,750	(27.4)	3,100	(43.0)	243.11

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): 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, 2023	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 June 30, 2023	208,593 shares	As of March 31, 2023	213,328 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	12,753,962 shares	Three months ended June 30, 2022	12,751,852 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	27,319	24,136
Notes receivable, accounts receivable from completed construction contracts and other	33,434	30,865
Real estate for sale	2,938	2,997
Costs on construction contracts in progress	1,984	2,354
Advances paid	1,907	3,047
Other	3,987	4,259
Allowance for doubtful accounts	(45)	(43)
Total current assets	71,526	67,616
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,659	4,666
Machinery, vehicles, tools, furniture and fixtures	4,868	5,022
Vessels	3,277	3,370
Land	6,510	6,510
Other	417	379
Accumulated depreciation	(9,346)	(9,453)
Total property, plant and equipment	10,387	10,495
Intangible assets	366	369
Investments and other assets		
Investment securities	3,380	3,275
Deferred tax assets	1,874	1,574
Retirement benefit asset	310	326
Other	885	931
Allowance for doubtful accounts	(404)	(441)
Total investments and other assets	6,046	5,665
Total non-current assets	16,800	16,530
Total assets	88,326	84,147

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	18,866	17,598
Short-term borrowings	1,550	1,824
Income taxes payable	919	279
Advances received on uncompleted construction contracts	7,741	6,444
Deposits received	7,277	7,274
Provisions	1,819	1,001
Other	905	667
Total current liabilities	39,081	35,091
Non-current liabilities		
Long-term borrowings	2,794	2,807
Deferred tax liabilities for land revaluation	768	768
Provision for share awards	83	86
Retirement benefit liability	2,767	2,807
Other	136	134
Total non-current liabilities	6,551	6,605
Total liabilities	45,632	41,696
Net assets		
Shareholders' equity		
Share capital	11,374	11,374
Capital surplus	2,948	2,948
Retained earnings	24,235	24,055
Treasury shares	(337)	(329)
Total shareholders' equity	38,220	38,048
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	575	502
Revaluation reserve for land	1,706	1,706
Remeasurements of defined benefit plans	819	795
Total accumulated other comprehensive income	3,102	3,004
Non-controlling interests	1,370	1,397
Total net assets	42,694	42,451
Total liabilities and net assets	88,326	84,147

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, 2022	Three months ended June 30, 2023
Net sales		
Net sales of completed construction contracts	18,382	21,886
Net sales in real estate business and other	735	615
Total net sales	19,118	22,502
Cost of sales		
Cost of sales of completed construction contracts	16,045	19,448
Cost of sales in real estate business and other	385	349
Total cost of sales	16,430	19,797
Gross profit		
Gross profit on completed construction contracts	2,337	2,438
Gross profit on real estate business and other	349	266
Total gross profit	2,687	2,704
Selling, general and administrative expenses	1,552	1,755
Operating profit	1,134	949
Non-operating income		
Interest income	1	52
Dividend income	43	55
Foreign exchange gains	313	630
Other	12	33
Total non-operating income	371	771
Non-operating expenses		
Interest expenses	37	18
Taxes and dues	0	10
Other	5	3
Total non-operating expenses	44	32
Ordinary profit	1,462	1,687
Extraordinary income		
Gain on sale of non-current assets	13	1
Total extraordinary income	13	1
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	1,475	1,689
Income taxes - current	91	213
Income taxes - deferred	375	343
Total income taxes	466	556
Profit	1,009	1,132
Profit attributable to non-controlling interests	52	28
Profit attributable to owners of parent	956	1,103

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,009	1,132
Other comprehensive income		
Valuation difference on available-for-sale securities	69	(73)
Remeasurements of defined benefit plans, net of tax	(18)	(24)
Total other comprehensive income	51	(97)
Comprehensive income	1,060	1,034
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,008	1,005
Comprehensive income attributable to non-controlling interests	52	28