

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 8, 2022

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: Director, Managing Executive Officer and General Manager of Finance  
 Scheduled date to file Quarterly Securities Report: August 9, 2022  
 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, 2022 (from April 1, 2022 to June 30, 2022)

#### (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, 2022	19,118	(5.0)	1,134	(21.7)	1,462	1.2	956	(0.9)
Three months ended June 30, 2021	20,128	20.9	1,449	–	1,444	941.6	965	988.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	75.04		–	
Three months ended June 30, 2021	75.72		–	

#### (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, 2022	75,875	38,384	48.9	2,907.54
As of March 31, 2022	81,479	38,355	45.5	2,909.00

### 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, 2022	–	0.00	–	80.00	80.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	80.00	80.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	9.9	5,200	(23.9)	5,000	(26.3)	3,450	(27.2)	270.55

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022  
 (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, 2022	12,964,993 shares	As of March 31, 2022	12,964,993 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	213,203 shares	As of March 31, 2022	213,135 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, 2022	12,751,852 shares	Three months ended June 30, 2021	12,752,057 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	16,399	24,318
Notes receivable, accounts receivable from completed construction contracts and other	39,530	26,280
Real estate for sale	3,093	3,069
Costs on construction contracts in progress	1,126	1,508
Advances paid	2,925	2,131
Other	3,191	3,538
Allowance for doubtful accounts	(43)	(37)
Total current assets	66,222	60,809
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,583	4,639
Machinery, vehicles, tools, furniture and fixtures	4,742	4,829
Vessels	3,326	3,253
Land	6,358	6,364
Other	205	228
Accumulated depreciation	(9,202)	(9,226)
Total property, plant and equipment	10,014	10,088
Intangible assets	306	330
Investments and other assets		
Investment securities	2,774	2,877
Deferred tax assets	1,430	1,024
Retirement benefit asset	272	291
Other	863	839
Allowance for doubtful accounts	(405)	(386)
Total investments and other assets	4,936	4,647
Total non-current assets	15,256	15,066
Total assets	81,479	75,875

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	14,530	12,681
Short-term borrowings	2,398	1,431
Income taxes payable	1,878	163
Advances received on uncompleted construction contracts	5,780	6,149
Deposits received	5,839	7,550
Other provisions	1,264	474
Provision for warranties for completed construction	73	889
Other	2,934	663
Total current liabilities	34,701	30,002
Non-current liabilities		
Long-term borrowings	3,785	3,752
Deferred tax liabilities for land revaluation	768	768
Provision for warranties for completed construction	947	–
Provision for share awards	36	48
Retirement benefit liability	2,735	2,773
Other	149	145
Total non-current liabilities	8,422	7,488
Total liabilities	43,124	37,491
Net assets		
Shareholders' equity		
Share capital	11,374	11,374
Capital surplus	2,948	2,948
Retained earnings	19,819	19,749
Treasury shares	(337)	(337)
Total shareholders' equity	33,805	33,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	360	430
Revaluation reserve for land	1,706	1,706
Remeasurements of defined benefit plans	1,221	1,203
Total accumulated other comprehensive income	3,289	3,340
Non-controlling interests	1,260	1,308
Total net assets	38,355	38,384
Total liabilities and net assets	81,479	75,875

## 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, 2021	Three months ended June 30, 2022
Net sales		
Net sales of completed construction contracts	19,443	18,382
Net sales in real estate business and other	685	735
Total net sales	20,128	19,118
Cost of sales		
Cost of sales of completed construction contracts	16,764	16,045
Cost of sales in real estate business and other	486	385
Total cost of sales	17,250	16,430
Gross profit		
Gross profit on completed construction contracts	2,678	2,337
Gross profit on real estate business and other	199	349
Total gross profit	2,878	2,687
Selling, general and administrative expenses	1,428	1,552
Operating profit	1,449	1,134
Non-operating income		
Interest income	1	1
Dividend income	31	43
Foreign exchange gains	5	313
Other	8	12
Total non-operating income	47	371
Non-operating expenses		
Interest expenses	45	37
Other	6	6
Total non-operating expenses	52	44
Ordinary profit	1,444	1,462
Extraordinary income		
Gain on sale of non-current assets	–	13
Total extraordinary income	–	13
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on disaster	8	–
Other	1	–
Total extraordinary losses	10	0
Profit before income taxes	1,434	1,475
Income taxes - current	240	91
Income taxes - deferred	207	375
Total income taxes	448	466
Profit	985	1,009
Profit attributable to non-controlling interests	20	52
Profit attributable to owners of parent	965	956

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	985	1,009
Other comprehensive income		
Valuation difference on available-for-sale securities	116	69
Remeasurements of defined benefit plans, net of tax	(8)	(18)
Total other comprehensive income	107	51
Comprehensive income	1,093	1,060
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,073	1,008
Comprehensive income attributable to non-controlling interests	20	52