

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 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
 Scheduled date to file Quarterly Securities Report: February 13, 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	61,578	(4.9)	5,057	(4.6)	5,237	(1.1)	3,348	(4.6)
Nine months ended December 31, 2021	64,773	2.4	5,299	382.4	5,294	377.7	3,511	625.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	262.62	–
Nine months ended December 31, 2021	275.35	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	76,040	40,836	51.9	3,096.16
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	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	80.00	80.00
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (Forecast)				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	84,000	(5.8)	5,200	(23.9)	5,000	(26.3)	3,450	(27.2)	270.55

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2022	213,296 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)

Nine months ended December 31, 2022	12,751,780 shares	Nine months ended December 31, 2021	12,752,011 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	16,399	17,467
Notes receivable, accounts receivable from completed construction contracts and other	39,530	31,153
Real estate for sale	3,093	3,020
Costs on construction contracts in progress	1,126	2,431
Advances paid	2,925	2,492
Other	3,191	4,190
Allowance for doubtful accounts	(43)	(49)
Total current assets	66,222	60,708
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,583	4,642
Machinery, vehicles, tools, furniture and fixtures	4,742	4,944
Vessels	3,326	3,260
Land	6,358	6,402
Other	205	334
Accumulated depreciation	(9,202)	(9,509)
Total property, plant and equipment	10,014	10,074
Intangible assets	306	361
Investments and other assets		
Investment securities	2,774	3,217
Deferred tax assets	1,430	876
Retirement benefit asset	272	325
Other	863	849
Allowance for doubtful accounts	(405)	(373)
Total investments and other assets	4,936	4,896
Total non-current assets	15,256	15,332
Total assets	81,479	76,040

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	14,530	14,448
Short-term borrowings	2,398	1,515
Income taxes payable	1,878	261
Advances received on uncompleted construction contracts	5,780	3,398
Deposits received	5,839	6,373
Provisions	1,338	1,442
Other	2,934	660
Total current liabilities	34,701	28,101
Non-current liabilities		
Long-term borrowings	3,785	3,284
Deferred tax liabilities for land revaluation	768	768
Provision for warranties for completed construction	947	–
Provision for share awards	36	71
Retirement benefit liability	2,735	2,838
Other	149	138
Total non-current liabilities	8,422	7,101
Total liabilities	43,124	35,203
Net assets		
Shareholders' equity		
Share capital	11,374	11,374
Capital surplus	2,948	2,948
Retained earnings	19,819	22,141
Treasury shares	(337)	(337)
Total shareholders' equity	33,805	36,127
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	360	480
Revaluation reserve for land	1,706	1,706
Remeasurements of defined benefit plans	1,221	1,166
Total accumulated other comprehensive income	3,289	3,354
Non-controlling interests	1,260	1,355
Total net assets	38,355	40,836
Total liabilities and net assets	81,479	76,040

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales		
Net sales of completed construction contracts	62,508	59,307
Net sales in real estate business and other	2,264	2,271
Total net sales	64,773	61,578
Cost of sales		
Cost of sales of completed construction contracts	53,448	50,223
Cost of sales in real estate business and other	1,615	1,569
Total cost of sales	55,063	51,792
Gross profit		
Gross profit on completed construction contracts	9,060	9,084
Gross profit on real estate business and other	649	701
Total gross profit	9,710	9,785
Selling, general and administrative expenses	4,410	4,728
Operating profit	5,299	5,057
Non-operating income		
Interest income	12	6
Dividend income	65	65
Foreign exchange gains	100	268
Other	16	28
Total non-operating income	194	368
Non-operating expenses		
Interest expenses	119	104
Commission for syndicated loans	66	73
Other	13	10
Total non-operating expenses	199	188
Ordinary profit	5,294	5,237
Extraordinary income		
Gain on sale of non-current assets	0	14
Total extraordinary income	0	14
Extraordinary losses		
Loss on retirement of non-current assets	3	2
Loss on disaster	8	–
Other	1	–
Total extraordinary losses	13	2
Profit before income taxes	5,281	5,249
Income taxes - current	1,479	1,300
Income taxes - deferred	209	501
Total income taxes	1,688	1,801
Profit	3,592	3,448
Profit attributable to non-controlling interests	80	99
Profit attributable to owners of parent	3,511	3,348

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	3,592	3,448
Other comprehensive income		
Valuation difference on available-for-sale securities	164	119
Remeasurements of defined benefit plans, net of tax	(26)	(55)
Total other comprehensive income	137	64
Comprehensive income	3,730	3,512
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,649	3,413
Comprehensive income attributable to non-controlling interests	80	99