

Translation

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

November 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
 Inquiries: Director, Managing Executive Officer and General Manager of Finance
 Scheduled date to file Quarterly Securities Report: November 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	46,356	13.4	2,755	(17.9)	3,472	(6.7)	2,261	(4.4)
Six months ended September 30, 2022	40,872	(4.5)	3,354	6.8	3,723	20.0	2,365	14.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	177.33	–
Six months ended September 30, 2022	185.53	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	87,197	43,605	48.4	3,306.34
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	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	0.00	–	100.00	100.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	100.00	100.00

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	95,000	13.1	5,300	(15.0)	5,500	(16.0)	3,600	(33.9)	282.24

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2023	208,603 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)

Six months ended September 30, 2023	12,755,187 shares	Six months ended September 30, 2022	12,751,806 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	27,319	17,536
Notes receivable, accounts receivable from completed construction contracts and other	33,434	38,271
Real estate for sale	2,938	2,997
Costs on construction contracts in progress	1,984	1,740
Advances paid	1,907	3,310
Other	3,987	6,749
Allowance for doubtful accounts	(45)	(51)
Total current assets	71,526	70,553
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,659	4,651
Machinery, vehicles, tools, furniture and fixtures	4,868	5,108
Vessels	3,277	3,372
Land	6,510	6,510
Other	417	433
Accumulated depreciation	(9,346)	(9,584)
Total property, plant and equipment	10,387	10,492
Intangible assets	366	369
Investments and other assets		
Investment securities	3,380	3,261
Deferred tax assets	1,874	1,686
Retirement benefit asset	310	342
Other	885	928
Allowance for doubtful accounts	(404)	(435)
Total investments and other assets	6,046	5,782
Total non-current assets	16,800	16,644
Total assets	88,326	87,197

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	18,866	18,242
Short-term borrowings	1,550	3,937
Income taxes payable	919	1,053
Advances received on uncompleted construction contracts	7,741	5,180
Deposits received	7,277	7,229
Provisions	1,819	1,120
Other	905	678
Total current liabilities	39,081	37,441
Non-current liabilities		
Long-term borrowings	2,794	2,328
Deferred tax liabilities for land revaluation	768	768
Provision for share awards	83	98
Retirement benefit liability	2,767	2,825
Other	136	128
Total non-current liabilities	6,551	6,150
Total liabilities	45,632	43,592
Net assets		
Shareholders' equity		
Share capital	11,374	11,374
Capital surplus	2,948	2,948
Retained earnings	24,235	25,213
Treasury shares	(337)	(329)
Total shareholders' equity	38,220	39,206
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	575	493
Revaluation reserve for land	1,706	1,706
Remeasurements of defined benefit plans	819	770
Total accumulated other comprehensive income	3,102	2,970
Non-controlling interests	1,370	1,428
Total net assets	42,694	43,605
Total liabilities and net assets	88,326	87,197

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales		
Net sales of completed construction contracts	39,280	44,874
Net sales in real estate business and other	1,591	1,482
Total net sales	40,872	46,356
Cost of sales		
Cost of sales of completed construction contracts	33,328	39,152
Cost of sales in real estate business and other	1,072	1,012
Total cost of sales	34,400	40,165
Gross profit		
Gross profit on completed construction contracts	5,952	5,721
Gross profit on real estate business and other	519	470
Total gross profit	6,472	6,191
Selling, general and administrative expenses	3,117	3,436
Operating profit	3,354	2,755
Non-operating income		
Interest income	4	131
Dividend income	63	76
Foreign exchange gains	428	625
Other	24	39
Total non-operating income	521	872
Non-operating expenses		
Interest expenses	70	52
Taxes and dues	0	26
Commission for syndicated loans	73	70
Other	7	7
Total non-operating expenses	152	155
Ordinary profit	3,723	3,472
Extraordinary income		
Gain on sale of non-current assets	13	3
Total extraordinary income	13	3
Extraordinary losses		
Loss on retirement of non-current assets	0	2
Total extraordinary losses	0	2
Profit before income taxes	3,736	3,473
Income taxes - current	1,028	905
Income taxes - deferred	266	246
Total income taxes	1,295	1,151
Profit	2,440	2,321
Profit attributable to non-controlling interests	75	59
Profit attributable to owners of parent	2,365	2,261

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,440	2,321
Other comprehensive income		
Valuation difference on available-for-sale securities	199	(82)
Remeasurements of defined benefit plans, net of tax	(36)	(49)
Total other comprehensive income	162	(132)
Comprehensive income	2,603	2,188
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,528	2,129
Comprehensive income attributable to non-controlling interests	75	59