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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



July 29, 2022

Company name: YONDENKO CORPORATION
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 1939
 URL: <https://www.yondenko.co.jp/en/>
 Representative: Yukio Sekiya, Representative Director & President
 Contact: Tadakazu Takata, Managing Executive Officer, General Manager, Accounting & Finance Dept.
 Phone: +81-87-840-0230
 Scheduled date of filing quarterly securities report: August 5, 2022
 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on quarterly financial results: Not available
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 - June 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	19,061	(26.1)	773	(57.1)	866	(54.9)	535	(52.4)
June 30, 2021	25,802	31.4	1,803	62.2	1,921	63.6	1,123	55.4

(Note) Comprehensive income: Three months ended June 30, 2022: ¥551 million [(49.1)%]

Three months ended June 30, 2021: ¥1,083 million [11.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	34.07	–
June 30, 2021	71.61	–

(Note) The Company conducted a 2-for-1 share split of common shares on October 1, 2021. Basic earnings per share have been calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2022.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	90,480	53,837	59.5
As of March 31, 2022	96,517	54,175	56.1

(Reference) Equity: As of June 30, 2022: ¥53,799 million

As of March 31, 2022: ¥54,122 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	70.00	–	55.00	–
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		45.00	–	45.00	90.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) The Company conducted a 2-for-1 share split of common shares on October 1, 2021. The figure for dividend for the second quarter of the fiscal year ended March 31, 2022 shows the actual dividend amount before conducting the share split. The annual dividend per share converted on a post-share-split basis is 90 yen for the fiscal year ended March 31, 2022.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	93,000	0.4	5,000	(7.7)	5,400	(12.1)	3,500	(7.4)	222.66

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Changes in significant subsidiaries during the period under review: None

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes
(Note) See “2. (3) Notes to Quarterly Consolidated Financial Statements” on page 7 of the attached documents (available only in Japanese) for detailed information.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(Note) See “2. (3) Notes to Quarterly Consolidated Financial Statements” on page 7 of the attached documents (available only in Japanese) for detailed information.

(4) Total number of issued shares (common shares)

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

June 30, 2022: 16,255,470 shares

March 31, 2022: 16,255,470 shares

2) Total number of treasury shares at the end of the period:

June 30, 2022: 536,373 shares

March 31, 2022: 536,121 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2022: 15,719,210 shares

Three months ended June 30, 2021: 15,694,876 shares

(Note) The Company conducted a 2-for-1 share split of common shares on October 1, 2021. The total number of issued shares at the end of the period, the total number of treasury shares at the end of the period, and the average number of shares outstanding during the period have been calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2022.

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The above forecasts are prepared on the basis of the Company's current outlook and plans as of the date of publication of this document and do not represent a promise or commitment by the Company to achieve them. Actual results may be different from the forecast figures due to various factors in the future.

Please refer to page 2 of the attached document (available only in Japanese) for the assumptions and other matters related to the above forecasts.

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 - June 30, 2022)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	15,012	(23.0)	41	(94.3)	449	(63.2)	317	(56.0)
June 30, 2021	19,491	35.0	732	—	1,222	265.9	722	211.1

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	20.20	—
June 30, 2021	46.04	—

(Note) The Company conducted a 2-for-1 share split of common shares on October 1, 2021. Basic earnings per share have been calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2022.

(2) Non-consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen	%	Million yen	%	Million yen	%
As of June 30, 2022	71,720	65.4	46,933	65.4		
As of March 31, 2022	77,642	61.1	47,475	61.1		

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	78,000	0.0	3,300	(10.2)	4,000	(16.7)	2,800	(14.3)	178.13

(Note) Revision to the financial results forecast announced most recently: None

* Explanation of the proper use of financial results forecast and other notes

The above forecasts are prepared on the basis of the Company's current outlook and plans as of the date of publication of this document and do not represent a promise or commitment by the Company to achieve them. Actual results may be different from the forecast figures due to various factors in the future.

Please refer to page 2 of the attached document (available only in Japanese) for the assumptions and other matters related to the above forecasts.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	8,323	8,211
Notes receivable, accounts receivable from completed construction contracts and other	22,103	15,570
Investments in leases	3,633	3,581
Costs on construction contracts in progress	2,047	2,264
Other inventories	1,495	1,510
Deposits paid to subsidiaries and associates	11,800	12,200
Other	1,013	1,430
Allowance for doubtful accounts	(72)	(77)
Total current assets	50,343	44,692
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,986	19,666
Machinery, vehicles, tools, furniture and fixtures	21,724	21,744
Land	12,095	11,919
Accumulated depreciation	(25,807)	(25,802)
Total property, plant and equipment	28,000	27,528
Intangible assets		
Goodwill	1,633	1,533
Other	544	540
Total intangible assets	2,178	2,074
Investments and other assets		
Investment securities	10,088	10,197
Other	6,139	6,219
Allowance for doubtful accounts	(232)	(232)
Total investments and other assets	15,995	16,185
Total non-current assets	46,173	45,787
Total assets	96,517	90,480

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	12,440	9,318
Short-term borrowings	360	450
Accounts payable - other	5,289	5,449
Income taxes payable	1,655	397
Advances received on construction contracts in progress	2,390	2,267
Provision for loss on construction contracts	6	6
Other	7,257	6,052
Total current liabilities	29,400	23,942
Non-current liabilities		
Bonds payable	111	99
Long-term borrowings	9,390	9,217
Provision for retirement benefits for directors (and other officers)	298	299
Retirement benefit liability	2,953	2,894
Other	186	190
Total non-current liabilities	12,941	12,700
Total liabilities	42,341	36,643
Net assets		
Shareholders' equity		
Share capital	3,451	3,451
Capital surplus	4,234	4,234
Retained earnings	46,627	46,298
Treasury shares	(622)	(622)
Total shareholders' equity	53,691	53,361
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	120	132
Remeasurements of defined benefit plans	310	305
Total accumulated other comprehensive income	431	437
Non-controlling interests	53	37
Total net assets	54,175	53,837
Total liabilities and net assets	96,517	90,480

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Net sales		
Net sales of completed construction contracts	23,457	17,658
Sales in other businesses	2,345	1,402
Total net sales	25,802	19,061
Cost of sales		
Cost of sales of completed construction contracts	20,012	15,069
Cost of sales in other businesses	1,781	886
Total cost of sales	21,794	15,956
Gross profit		
Gross profit on completed construction contracts	3,444	2,589
Gross profit - other business	563	515
Total gross profit	4,008	3,105
Selling, general and administrative expenses	2,204	2,331
Operating profit	1,803	773
Non-operating income		
Interest income	4	4
Dividend income	49	27
Gain on sale of goods	37	40
Rental income from real estate	16	17
Other	31	31
Total non-operating income	139	121
Non-operating expenses		
Interest expenses	12	11
Condolence money	7	15
Other	1	2
Total non-operating expenses	21	28
Ordinary profit	1,921	866
Extraordinary income		
Gain on sale of non-current assets	0	2
Total extraordinary income	0	2
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	11	0
Loss on valuation of investment securities	208	4
Total extraordinary losses	220	4
Profit before income taxes	1,701	864
Income taxes	566	319
Profit	1,134	545
Profit attributable to non-controlling interests	10	10
Profit attributable to owners of parent	1,123	535

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2022
Profit	1,134	545
Other comprehensive income		
Valuation difference on available-for-sale securities	(84)	11
Remeasurements of defined benefit plans, net of tax	34	(5)
Total other comprehensive income	(50)	6
Comprehensive income	1,083	551
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,073	541
Comprehensive income attributable to non-controlling interests	10	10