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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

May 7, 2025

Company name YAHAGI CONSTRUCTION CO., LTD. Stock exchange listing: Tokyo, Nagoya
 Securities code 1870 URL <https://www.yahagi.co.jp/>
 Representative President and Representative Director Mitsuhiro Takayanagi
 Inquiries General Manager of Finance Department Yoshiki Saguchi Tel 052-935-2348
 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 6, 2025
 Scheduled date to file annual securities report: June 24, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results (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 | % |
| Fiscal year ended March 31, 2025 | 140,699 | 17.4 | 8,654 | (9.0) | 8,616 | (10.1) | 5,643 | (12.7) |
| March 31, 2024 | 119,824 | 7.8 | 9,514 | 31.9 | 9,588 | 32.1 | 6,462 | 43.4 |

Note: Comprehensive income For the fiscal year ended March 31, 2025 5,330 Millions of yen [(36.8)%]
 For the fiscal year ended March 31, 2024 8,429 Millions of yen [82.3%]

| | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|----------------------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
| | Yen | Yen | % | % | % |
| Fiscal year ended March 31, 2025 | 131.17 | — | 8.3 | 6.4 | 6.2 |
| March 31, 2024 | 150.23 | — | 10.2 | 7.5 | 7.9 |

Reference: Investment profit (loss) on equity method For the fiscal year ended March 31, 2025 — Millions of yen
 For the fiscal year ended March 31, 2024 — Millions of yen

(2) Consolidated financial position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------------|-----------------|-----------------|------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2025 | 144,220 | 68,835 | 47.7 | 1,599.56 |
| March 31, 2024 | 126,000 | 66,538 | 52.8 | 1,546.39 |

Reference: Owner's equity As of March 31, 2025 68,827 Millions of yen
 As of March 31, 2024 66,530 Millions of yen

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and equivalents, end of period |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| Fiscal year ended March 31, 2025 | (17,191) | (255) | 13,149 | 15,619 |
| March 31, 2024 | 10,235 | (1,181) | (11,857) | 19,917 |

2. Cash dividends

| | Dividend per share | | | | | Total dividend paid | Payout ratio (consolidated) | Ratio of total amount of dividends to net assets (consolidated) |
|--|--------------------|----------------|---------------|-----------|-----------|-----------------------|-----------------------------|---|
| | First quarter | Second quarter | Third quarter | Year end | Annual | | | |
| Fiscal year ended March 31, 2024 | Yen — | Yen 30.00 | Yen — | Yen 30.00 | Yen 60.00 | Millions of yen 2,604 | % 39.9 | % 4.1 |
| Fiscal year ended March 31, 2025 | — | 40.00 | — | 40.00 | 80.00 | 3,472 | 61.0 | 5.1 |
| Fiscal year ending March 31, 2026 (Forecast) | — | 45.00 | — | 45.00 | 90.00 | | 58.7 | |

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|--------------------------------------|-----------------|------|------------------|-------|-----------------|-------|---|-------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2025 | 88,000 | 49.8 | 6,000 | 366.2 | 6,000 | 352.5 | 4,100 | 323.7 | 95.28 |
| Fiscal year ending March 31, 2026 | 168,000 | 19.4 | 10,000 | 15.5 | 9,900 | 14.9 | 6,600 | 16.9 | 153.38 |

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(3) Number of issued shares (common shares)

① Number of issued and outstanding shares at the end of fiscal year (including treasury stock)

| | |
|----------------------|-------------------|
| As of March 31, 2025 | 44,607,457 shares |
| As of March 31, 2024 | 44,607,457 shares |

② Number of treasury shares at the end of the period

| | |
|----------------------|------------------|
| As of March 31, 2025 | 1,578,452 shares |
| As of March 31, 2024 | 1,584,173 shares |

③ Average number of shares during the period

| | |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2025 | 43,026,336 shares |
| Fiscal year ended March 31, 2024 | 43,017,532 shares |

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

| Fiscal year ended | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-------------------|-----------------|-------|------------------|--------|-----------------|--------|-----------------|--------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 112,121 | 20.2 | 5,417 | (14.8) | 6,401 | (12.2) | 4,603 | (12.6) |
| March 31, 2024 | 93,310 | (0.8) | 6,359 | 29.4 | 7,290 | 20.9 | 5,298 | 16.3 |

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen | Yen |
| March 31, 2025 | 106.98 | — |
| March 31, 2024 | 123.18 | — |

(2) Non-consolidated financial position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------|-----------------|-----------------|------------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 130,691 | 58,352 | 44.7 | 1,356.12 |
| March 31, 2024 | 112,085 | 56,776 | 50.7 | 1,319.66 |

Reference: Owner's equity As of March 31, 2025 58,352 Millions of yen
As of March 31, 2024 56,776 Millions of yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements such as earnings forecasts contained in this document are based on information currently available as of the date of this announcement, and actual results may differ materially due to various factors.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 19,987 | 15,669 |
| Notes receivable, accounts receivable from completed construction contracts and other | 39,564 | 58,145 |
| Electronically recorded monetary claims - operating | 93 | 72 |
| Costs on construction contracts in progress | 3,251 | 3,320 |
| Real estate for sale | 21,016 | 21,978 |
| Merchandise and finished goods | 6 | 17 |
| Raw materials and supplies | 825 | 511 |
| Other | 3,254 | 8,565 |
| Allowance for doubtful accounts | (88) | (88) |
| Total current assets | 87,910 | 108,192 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 15,846 | 15,883 |
| Machinery, vehicles, tools, furniture and fixtures | 3,921 | 4,153 |
| Land | 18,317 | 17,059 |
| Leased assets | 78 | 78 |
| Construction in progress | 163 | 14 |
| Accumulated depreciation | (11,180) | (12,050) |
| Total property, plant and equipment | 27,148 | 25,138 |
| Intangible assets | 728 | 763 |
| Investments and other assets | | |
| Investment securities | 5,202 | 5,662 |
| Retirement benefit asset | 248 | 260 |
| Deferred tax assets | 3,792 | 3,112 |
| Other | 1,017 | 1,138 |
| Allowance for doubtful accounts | (48) | (48) |
| Total investments and other assets | 10,213 | 10,125 |
| Total non-current assets | 38,090 | 36,027 |
| Total assets | 126,000 | 144,220 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable for construction contracts | 11,112 | 14,553 |
| Short-term borrowings | 14,100 | 26,600 |
| Income taxes payable | 4,663 | 365 |
| Advances received on construction contracts in progress | 8,853 | 10,348 |
| Provision for warranties for completed construction | 441 | 500 |
| Provision for loss on construction contracts | 322 | 730 |
| Provision for bonuses for directors (and other officers) | 85 | 83 |
| Provision for bonuses | — | 251 |
| Other | 4,128 | 2,041 |
| Total current liabilities | 43,708 | 55,473 |
| Non-current liabilities | | |
| Long-term borrowings | 8,300 | 12,000 |
| Deferred tax liabilities for land revaluation | 221 | 228 |
| Retirement benefit liability | 3,680 | 4,129 |
| Asset retirement obligations | 449 | 462 |
| Provision for share-based payments | 136 | 189 |
| Other | 2,966 | 2,901 |
| Total non-current liabilities | 15,753 | 19,911 |
| Total liabilities | 59,461 | 75,384 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 6,808 | 6,808 |
| Capital surplus | 7,244 | 7,244 |
| Retained earnings | 56,015 | 58,620 |
| Treasury shares | (875) | (870) |
| Total shareholders' equity | 69,192 | 71,802 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,326 | 2,337 |
| Revaluation reserve for land | (5,882) | (5,888) |
| Remeasurements of defined benefit plans | 894 | 575 |
| Total accumulated other comprehensive income | (2,661) | (2,975) |
| Non-controlling interests | 8 | 8 |
| Total net assets | 66,538 | 68,835 |
| Total liabilities and net assets | 126,000 | 144,220 |

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Net sales | | |
| Net sales of completed construction contracts | 96,230 | 118,701 |
| Net sales in real estate business and other | 23,594 | 21,997 |
| Total net sales | 119,824 | 140,699 |
| Cost of sales | | |
| Cost of sales of completed construction contracts | 86,645 | 107,865 |
| Cost of sales in real estate business and other | 13,382 | 13,416 |
| Total cost of sales | 100,027 | 121,282 |
| Gross profit | | |
| Gross profit on completed construction contracts | 9,584 | 10,836 |
| Gross profit on real estate business and other | 10,212 | 8,580 |
| Total gross profit | 19,797 | 19,416 |
| Selling, general and administrative expenses | 10,282 | 10,762 |
| Operating profit | 9,514 | 8,654 |
| Non-operating income | | |
| Interest income | 0 | 2 |
| Dividend income | 112 | 135 |
| Other | 98 | 60 |
| Total non-operating income | 211 | 197 |
| Non-operating expenses | | |
| Interest expenses | 100 | 201 |
| Miscellaneous expenses | 36 | 33 |
| Total non-operating expenses | 137 | 235 |
| Ordinary profit | 9,588 | 8,616 |
| Extraordinary income | | |
| Gain on sale of investment securities | 3 | 45 |
| Other | 1 | 3 |
| Total extraordinary income | 5 | 49 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | — | 31 |
| Loss on retirement of non-current assets | 24 | 0 |
| Impairment losses | 239 | 471 |
| Other | 1 | — |
| Total extraordinary losses | 265 | 502 |
| Profit before income taxes | 9,328 | 8,163 |
| Income taxes - current | 5,480 | 1,756 |
| Income taxes - deferred | (2,612) | 762 |
| Total income taxes | 2,867 | 2,519 |
| Profit | 6,460 | 5,644 |
| Profit (loss) attributable to non-controlling interests | (1) | 0 |
| Profit attributable to owners of parent | 6,462 | 5,643 |

Consolidated statements of comprehensive income

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Profit | 6,460 | 5,644 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 842 | 11 |
| Remeasurements of defined benefit plans, net of tax | 1,126 | (318) |
| Revaluation reserve for land | — | (6) |
| Total other comprehensive income | 1,969 | (313) |
| Comprehensive income | 8,429 | 5,330 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 8,431 | 5,330 |
| Comprehensive income attributable to non-controlling interests | (1) | 0 |

Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 6,808 | 7,244 | 51,896 | (886) | 65,062 |
| Changes during period | | | | | |
| Dividends of surplus | | | (2,343) | | (2,343) |
| Profit attributable to owners of parent | | | 6,462 | | 6,462 |
| Purchase of treasury shares | | | | (0) | (0) |
| Disposal of treasury shares | | | | 11 | 11 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | — | 4,118 | 11 | 4,130 |
| Balance at end of period | 6,808 | 7,244 | 56,015 | (875) | 69,192 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|---|------------------------------|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Revaluation reserve for land | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 1,484 | (5,882) | (232) | (4,630) | — | 60,431 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (2,343) |
| Profit attributable to owners of parent | | | | | | 6,462 |
| Purchase of treasury shares | | | | | | (0) |
| Disposal of treasury shares | | | | | | 11 |
| Net changes in items other than shareholders' equity | 842 | | 1,126 | 1,969 | 8 | 1,977 |
| Total changes during period | 842 | — | 1,126 | 1,969 | 8 | 6,107 |
| Balance at end of period | 2,326 | (5,882) | 894 | (2,661) | 8 | 66,538 |

Fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 6,808 | 7,244 | 56,015 | (875) | 69,192 |
| Changes during period | | | | | |
| Dividends of surplus | | | (3,038) | | (3,038) |
| Profit attributable to owners of parent | | | 5,643 | | 5,643 |
| Purchase of treasury shares | | | | (0) | (0) |
| Disposal of treasury shares | | | | 4 | 4 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | — | 2,605 | 4 | 2,610 |
| Balance at end of period | 6,808 | 7,244 | 58,620 | (870) | 71,802 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|---|------------------------------|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Revaluation reserve for land | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 2,326 | (5,882) | 894 | (2,661) | 8 | 66,538 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (3,038) |
| Profit attributable to owners of parent | | | | | | 5,643 |
| Purchase of treasury shares | | | | | | (0) |
| Disposal of treasury shares | | | | | | 4 |
| Net changes in items other than shareholders' equity | 11 | (6) | (318) | (313) | 0 | (313) |
| Total changes during period | 11 | (6) | (318) | (313) | 0 | 2,296 |
| Balance at end of period | 2,337 | (5,888) | 575 | (2,975) | 8 | 68,835 |

Consolidated statements of cash flows

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 9,328 | 8,163 |
| Depreciation | 1,058 | 1,050 |
| Amortization of goodwill | 81 | 81 |
| Increase (decrease) in allowance for doubtful accounts | (0) | (0) |
| Increase (decrease) in provision for bonuses for directors (and other officers) | 16 | (1) |
| Increase (decrease) in retirement benefit liability | 123 | (10) |
| Interest and dividend income | (112) | (137) |
| Interest expenses | 100 | 201 |
| Impairment losses | 239 | 471 |
| Loss (gain) on sale and retirement of property, plant and equipment | 24 | 31 |
| Loss (gain) on sale of investment securities | (3) | (45) |
| Decrease (increase) in trade receivables | 3,095 | (18,559) |
| Decrease (increase) in inventories | 293 | (728) |
| Increase (decrease) in trade payables | (7,584) | 3,440 |
| Increase (decrease) in advances received on construction contracts in progress | 4,248 | 1,495 |
| Increase (decrease) in accrued consumption taxes | 987 | (5,475) |
| Other, net | 342 | (1,254) |
| Subtotal | 12,238 | (11,278) |
| Interest and dividends received | 112 | 137 |
| Interest paid | (95) | (197) |
| Income taxes paid | (2,019) | (5,853) |
| Net cash provided by (used in) operating activities | 10,235 | (17,191) |
| Cash flows from investing activities | | |
| Decrease (increase) in time deposits | 30 | 20 |
| Purchase of property, plant and equipment and intangible assets | (2,402) | (845) |
| Proceeds from sale of property, plant and equipment | 0 | 1,052 |
| Purchase of investment securities | (21) | (450) |
| Proceeds from sale of investment securities | 11 | 97 |
| Proceeds from divestments | 1,179 | — |
| Other, net | 21 | (129) |
| Net cash provided by (used in) investing activities | (1,181) | (255) |
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 11,850 | 28,200 |
| Repayments of short-term borrowings | (25,050) | (15,200) |
| Proceeds from long-term borrowings | 5,900 | 4,600 |
| Repayments of long-term borrowings | (2,200) | (1,400) |
| Net decrease (increase) in treasury shares | (0) | (0) |
| Dividends paid | (2,343) | (3,038) |
| Other, net | (13) | (12) |
| Net cash provided by (used in) financing activities | (11,857) | 13,149 |
| Net increase (decrease) in cash and cash equivalents | (2,803) | (4,298) |
| Cash and cash equivalents at beginning of period | 22,721 | 19,917 |
| Cash and cash equivalents at end of period | 19,917 | 15,619 |