

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 10, 2016

Company name: TOYO CONSTRUCTION CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 1890 URL <http://www.toyo-const.co.jp/>
 Representative: Representative Director, President Kyoji Takezawa
 General Manager, Administration Dept. Masatoshi Maruyama TEL 03-6361-5450
 Business Administration Div.
 Scheduled date to file Quarterly Securities Report: February 10, 2016
 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 nine months ended December 31, 2015 (from April 1, 2015 to December 31, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2015	112,256	6.4	6,453	31.1	5,794	18.7	3,570	26.9
Nine months ended December 31, 2014	105,522	5.5	4,924	104.0	4,882	141.6	2,814	318.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	37.85		–	
Nine months ended December 31, 2014	35.16		–	

(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, 2015	126,667	38,311	29.6	397.03
As of March 31, 2015	123,247	35,351	28.0	365.39

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, 2015	–	–	–	9.00	9.00
Year ending March 31, 2016	–	–	–		
Year ending March 31, 2016 (Forecast)				9.00	9.00

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	155,000	4.4	8,000	35.1	7,000	51.9	4,300	28.5	45.58

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2015
(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: Yes
- 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, 2015	94,371,183 shares	As of March 31, 2015	94,371,183 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	41,518 shares	As of March 31, 2015	41,195 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, 2015	94,329,792 shares	Nine months ended December 31, 2014	80,030,124 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	17,646	21,179
Notes receivable, accounts receivable from completed construction contracts and other	54,163	46,350
Costs on uncompleted construction contracts	5,862	9,135
Real estate for sale	211	74
Other	7,822	11,611
Allowance for doubtful accounts	(92)	(50)
Total current assets	85,614	88,300
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,604	13,508
Machinery, vehicles, tools, furniture and fixtures	20,760	20,549
Land	22,991	22,820
Construction in progress	648	1,600
Accumulated depreciation	(26,533)	(26,500)
Total property, plant and equipment	31,471	31,978
Intangible assets	155	186
Investments and other assets		
Investment securities	2,939	2,992
Other	4,425	4,597
Allowance for doubtful accounts	(1,359)	(1,387)
Total investments and other assets	6,005	6,201
Total non-current assets	37,632	38,366
Total assets	123,247	126,667

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	40,825	42,393
Short-term loans payable	15,061	10,042
Advances received on uncompleted construction contracts	6,515	9,510
Provision	1,639	835
Other	9,933	9,533
Total current liabilities	73,975	72,315
Non-current liabilities		
Long-term loans payable	5,632	7,530
Provision	33	30
Net defined benefit liability	5,419	5,474
Other	2,836	3,005
Total non-current liabilities	13,921	16,040
Total liabilities	87,896	88,355
Net assets		
Shareholders' equity		
Capital stock	14,049	14,049
Capital surplus	5,856	5,983
Retained earnings	12,421	15,143
Treasury shares	(14)	(14)
Total shareholders' equity	32,313	35,161
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	579	585
Deferred gains or losses on hedges	(2)	(6)
Revaluation reserve for land	2,753	2,760
Foreign currency translation adjustment	32	(8)
Remeasurements of defined benefit plans	(1,209)	(1,040)
Total accumulated other comprehensive income	2,153	2,289
Non-controlling interests	884	860
Total net assets	35,351	38,311
Total liabilities and net assets	123,247	126,667

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, 2014	Nine months ended December 31, 2015
Net sales		
Net sales of completed construction contracts	104,068	111,690
Net sales of side line business	1,453	565
Total net sales	105,522	112,256
Cost of sales		
Cost of sales of completed construction contracts	94,462	100,099
Cost of sales on side line business	1,073	244
Total cost of sales	95,535	100,343
Gross profit		
Gross profit on completed construction contracts	9,606	11,591
Gross profit on side line business	380	321
Total gross profit	9,986	11,912
Selling, general and administrative expenses	5,062	5,459
Operating income	4,924	6,453
Non-operating income		
Interest income	16	22
Dividend income	25	25
Foreign exchange gains	511	–
Other	24	28
Total non-operating income	578	77
Non-operating expenses		
Interest expenses	334	280
Foreign exchange losses	–	172
Commitment fee	121	82
Other	163	202
Total non-operating expenses	619	737
Ordinary income	4,882	5,794
Extraordinary income		
Gain on abolishment of retirement benefit plan	268	–
Gain on sales of non-current assets	11	65
Other	–	5
Total extraordinary income	280	71
Extraordinary losses		
Loss on retirement of non-current assets	5	9
Loss on sales of non-current assets	–	5
Other	4	1
Total extraordinary losses	9	16
Income before income taxes and minority interests	5,154	5,848
Income taxes - current	1,249	1,756
Income taxes - deferred	902	312
Total income taxes	2,152	2,069
Profit	3,001	3,779
Profit attributable to non-controlling interests	187	209
Profit attributable to owners of parent	2,814	3,570

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	3,001	3,779
Other comprehensive income		
Valuation difference on available-for-sale securities	136	8
Deferred gains or losses on hedges	1	(4)
Revaluation reserve for land	–	6
Foreign currency translation adjustment	20	(102)
Remeasurements of defined benefit plans, net of tax	727	168
Total other comprehensive income	884	75
Comprehensive income	3,886	3,855
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,679	3,706
Comprehensive income attributable to non-controlling interests	207	149