

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 7, 2018

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. Tomoyoshi Shinozaki  
 Business Administration Div. TEL 03-6361-5450  
 Scheduled date to file Quarterly Securities Report: February 7, 2018  
 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, 2017 (from April 1, 2017 to December 31, 2017)

#### (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, 2017	122,165	9.7	7,347	34.6	7,259	46.7	4,570	52.3
Nine months ended December 31, 2016	111,352	(0.8)	5,457	(15.4)	4,948	(14.6)	3,001	(15.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	48.62		–	
Nine months ended December 31, 2016	31.86		–	

#### (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, 2017	143,436	46,324	31.5	480.87
As of March 31, 2017	138,021	42,116	29.9	439.29

### 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, 2017	–	–	–	12.00	12.00
Year ending March 31, 2018	–	–	–		
Year ending March 31, 2018 (Forecast)				12.00	12.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	176,000	15.3	8,700	22.1	8,400	32.8	5,600	30.1	59.58

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017  
(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, 2017	94,371,183 shares	As of March 31, 2017	94,371,183 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	369,822 shares	As of March 31, 2017	374,227 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, 2017	93,998,880 shares	Nine months ended December 31, 2016	94,181,834 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	21,946	24,336
Notes receivable, accounts receivable from completed construction contracts and other	52,409	50,691
Costs on uncompleted construction contracts	10,958	15,964
Real estate for sale	156	134
Advances paid	5,267	6,079
Other	7,672	6,966
Allowance for doubtful accounts	(17)	(13)
Total current assets	98,392	104,159
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,176	12,839
Machinery, vehicles, tools, furniture and fixtures	25,238	24,907
Land	22,591	22,457
Construction in progress	1	500
Accumulated depreciation	(27,612)	(27,970)
Total property, plant and equipment	33,395	32,734
Intangible assets	230	216
Investments and other assets		
Investment securities	2,999	3,353
Other	4,166	3,729
Allowance for doubtful accounts	(1,163)	(758)
Total investments and other assets	6,002	6,325
Total non-current assets	39,628	39,276
Total assets	138,021	143,436

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	41,718	53,183
Short-term loans payable	11,003	6,179
Advances received on uncompleted construction contracts	11,909	9,999
Income taxes payable	1,228	1,086
Deposits received	5,421	2,816
Provision for bonuses	905	371
Other provision	931	893
Other	8,191	9,163
<b>Total current liabilities</b>	<b>81,308</b>	<b>83,693</b>
<b>Non-current liabilities</b>		
Long-term loans payable	5,311	4,118
Provision	49	79
Net defined benefit liability	6,452	6,326
Other	2,784	2,893
<b>Total non-current liabilities</b>	<b>14,597</b>	<b>13,417</b>
<b>Total liabilities</b>	<b>95,905</b>	<b>97,111</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	14,049	14,049
Capital surplus	6,052	6,052
Retained earnings	19,443	22,852
Treasury shares	(159)	(157)
<b>Total shareholders' equity</b>	<b>39,385</b>	<b>42,796</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	567	818
Deferred gains or losses on hedges	(1)	–
Revaluation reserve for land	2,702	2,732
Foreign currency translation adjustment	(10)	(20)
Remeasurements of defined benefit plans	(1,352)	(1,123)
<b>Total accumulated other comprehensive income</b>	<b>1,906</b>	<b>2,406</b>
<b>Non-controlling interests</b>	<b>823</b>	<b>1,121</b>
<b>Total net assets</b>	<b>42,116</b>	<b>46,324</b>
<b>Total liabilities and net assets</b>	<b>138,021</b>	<b>143,436</b>

**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, 2016	Nine months ended December 31, 2017
Net sales		
Net sales of completed construction contracts	110,632	121,311
Net sales of sideline business	719	853
Total net sales	111,352	122,165
Cost of sales		
Cost of sales of completed construction contracts	99,470	108,145
Cost of sales on sideline business	310	525
Total cost of sales	99,781	108,670
Gross profit		
Gross profit on completed construction contracts	11,161	13,165
Gross profit on sideline business	409	328
Total gross profit	11,570	13,494
Selling, general and administrative expenses	6,113	6,146
Operating profit	5,457	7,347
Non-operating income		
Interest income	40	9
Dividend income	28	29
Reversal of allowance for doubtful accounts	–	325
Other	26	45
Total non-operating income	95	409
Non-operating expenses		
Interest expenses	216	197
Foreign exchange losses	200	–
Commitment fee	82	195
Other	105	104
Total non-operating expenses	605	497
Ordinary profit	4,948	7,259
Extraordinary income		
Gain on sales of non-current assets	15	70
Gain on sales of investment securities	–	14
Gain on bargain purchase	46	–
Other	7	–
Total extraordinary income	69	84
Extraordinary losses		
Loss on sales of non-current assets	3	3
Loss on retirement of non-current assets	125	21
Loss on valuation of golf club membership	4	–
Impairment loss	–	43
Total extraordinary losses	132	68
Profit before income taxes	4,886	7,275
Income taxes - current	1,714	2,131
Income taxes - deferred	(2)	259
Total income taxes	1,712	2,391
Profit	3,173	4,884
Profit attributable to non-controlling interests	172	313
Profit attributable to owners of parent	3,001	4,570

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	3,173	4,884
Other comprehensive income		
Valuation difference on available-for-sale securities	144	252
Deferred gains or losses on hedges	2	1
Foreign currency translation adjustment	(77)	(25)
Remeasurements of defined benefit plans, net of tax	203	228
Total other comprehensive income	272	456
Comprehensive income	3,446	5,340
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,313	5,040
Comprehensive income attributable to non-controlling interests	132	300