

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2019  
(Based on Japanese GAAP)**

May 13, 2019

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.  
 Inquiries: Business Administration Div. Tomoyoshi Shinozaki TEL 03-6361-5450  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2019  
 Scheduled date to file Securities Report: June 27, 2019  
 Scheduled date to commence dividend payments: June 28, 2019  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(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	%
Year ended March 31, 2019	163,860	(5.1)	7,815	(27.8)	8,069	(23.4)	5,445	(22.8)
Year ended March 31, 2018	172,635	13.1	10,828	52.0	10,534	66.5	7,050	63.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	57.92	—	11.0	5.5	4.8
Year ended March 31, 2018	75.01	—	15.9	7.2	6.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	140,419	52,966	36.8	549.48
As of March 31, 2018	154,968	48,640	30.7	505.67

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	9,348	(2,239)	(2,967)	32,040
Year ended March 31, 2018	10,708	(872)	(3,681)	27,830

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2018	—	—	—	15.00	15.00	1,414	20.0	3.2
Year ended March 31, 2019	—	—	—	12.00	12.00	1,131	20.7	2.3
Year ending March 31, 2020 (Forecast)	—	—	—	15.00	15.00		25.6	

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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
Six months ending September 30, 2019	80,000	5.8	3,300	0.6	3,000	(14.1)	1,900	(13.3)	20.21
Full year	183,000	11.7	9,100	16.4	8,900	10.3	5,500	1.0	58.50

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2019	94,371,183 shares	As of March 31, 2018	94,371,183 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	349,393 shares	As of March 31, 2018	369,916 shares
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Average number of shares during the period

Year ended March 31, 2019	94,014,360 shares	Year ended March 31, 2018	93,999,481 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	27,970	32,140
Notes receivable, accounts receivable from completed construction contracts and other	57,858	53,867
Costs on uncompleted construction contracts	9,623	4,541
Advances paid	7,309	2,533
Other accounts receivable	7,862	3,589
Other	4,329	2,836
Allowance for doubtful accounts	(3)	(2)
Total current assets	114,950	99,505
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,726	12,791
Machinery, vehicles, tools, furniture and fixtures	24,355	25,635
Land	22,419	22,417
Construction in progress	324	650
Accumulated depreciation	(27,251)	(27,743)
Total property, plant and equipment	32,572	33,751
Intangible assets	210	180
Investments and other assets		
Investment securities	3,206	3,045
Retirement benefit asset	–	50
Deferred tax assets	3,039	2,654
Other	1,733	1,354
Allowance for doubtful accounts	(744)	(125)
Total investments and other assets	7,235	6,980
Total non-current assets	40,018	40,913
Total assets	154,968	140,419

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	53,095	41,907
Short-term loans payable	9,568	8,879
Advances received on uncompleted construction contracts	13,283	10,485
Income taxes payable	2,126	796
Deposits received	2,636	3,427
Provision for warranties for completed construction	234	566
Provision for loss on construction contracts	494	2
Provision for bonuses	1,022	969
Other	10,109	7,702
<b>Total current liabilities</b>	<b>92,571</b>	<b>74,738</b>
<b>Non-current liabilities</b>		
Long-term loans payable	4,349	3,515
Deferred tax liabilities	60	87
Deferred tax liabilities for land revaluation	2,227	2,227
Provision	85	28
Retirement benefit liability	6,484	6,497
Other	548	357
<b>Total non-current liabilities</b>	<b>13,756</b>	<b>12,714</b>
<b>Total liabilities</b>	<b>106,328</b>	<b>87,452</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	14,049	14,049
Capital surplus	6,052	6,057
Retained earnings	25,332	29,363
Treasury shares	(157)	(148)
<b>Total shareholders' equity</b>	<b>45,276</b>	<b>49,321</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	717	688
Deferred gains or losses on hedges	(9)	(3)
Revaluation reserve for land	2,732	2,732
Foreign currency translation adjustment	(11)	(30)
Remeasurements of defined benefit plans	(1,171)	(1,044)
<b>Total accumulated other comprehensive income</b>	<b>2,257</b>	<b>2,341</b>
<b>Non-controlling interests</b>	<b>1,106</b>	<b>1,304</b>
<b>Total net assets</b>	<b>48,640</b>	<b>52,966</b>
<b>Total liabilities and net assets</b>	<b>154,968</b>	<b>140,419</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales		
Net sales of completed construction contracts	171,396	163,048
Net sales of sideline business	1,238	812
Total net sales	172,635	163,860
Cost of sales		
Cost of sales of completed construction contracts	152,650	146,676
Cost of sales on sideline business	765	396
Total cost of sales	153,415	147,072
Gross profit		
Gross profit on completed construction contracts	18,746	16,372
Gross profit on sideline business	473	416
Total gross profit	19,219	16,788
Selling, general and administrative expenses	8,391	8,972
Operating profit	10,828	7,815
Non-operating income		
Interest income	11	21
Dividend income	32	37
Reversal of allowance for doubtful accounts	319	418
Other	37	74
Total non-operating income	401	552
Non-operating expenses		
Interest expenses	249	152
Foreign exchange losses	169	–
Other	276	145
Total non-operating expenses	694	298
Ordinary profit	10,534	8,069
Extraordinary income		
Gain on sales of non-current assets	83	190
Gain on sales of investment securities	14	64
Other	–	29
Total extraordinary income	97	284
Extraordinary losses		
Loss on sales of non-current assets	7	5
Loss on retirement of non-current assets	44	26
Impairment loss	99	–
Loss on valuation of shares of subsidiaries and associates	–	72
Other	–	9
Total extraordinary losses	151	114
Profit before income taxes	10,481	8,240
Income taxes - current	3,137	2,224
Income taxes - deferred	3	355
Total income taxes	3,141	2,580
Profit	7,339	5,660
Profit attributable to non-controlling interests	289	214
Profit attributable to owners of parent	7,050	5,445

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	7,339	5,660
Other comprehensive income		
Valuation difference on available-for-sale securities	149	(33)
Deferred gains or losses on hedges	(8)	6
Foreign currency translation adjustment	(2)	(48)
Remeasurements of defined benefit plans, net of tax	178	150
Total other comprehensive income	316	74
Comprehensive income	7,656	5,734
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,371	5,529
Comprehensive income attributable to non-controlling interests	284	204

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,049	6,052	19,443	(159)	39,385
Changes of items during period					
Dividends of surplus			(1,131)		(1,131)
Profit attributable to owners of parent			7,050		7,050
Reversal of revaluation reserve for land			(29)		(29)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				2	2
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	5,888	1	5,890
Balance at end of current period	14,049	6,052	25,332	(157)	45,276

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	567	(1)	2,702	(10)	(1,352)	1,906	823	42,116
Changes of items during period								
Dividends of surplus								(1,131)
Profit attributable to owners of parent								7,050
Reversal of revaluation reserve for land								(29)
Purchase of treasury shares								(0)
Disposal of treasury shares								2
Change in ownership interest of parent due to transactions with non-controlling interests								-
Net changes of items other than shareholders' equity	149	(8)	29	(1)	180	350	282	633
Total changes of items during period	149	(8)	29	(1)	180	350	282	6,524
Balance at end of current period	717	(9)	2,732	(11)	(1,171)	2,257	1,106	48,640

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	14,049	6,052	25,332	(157)	45,276
Changes of items during period					
Dividends of surplus			(1,414)		(1,414)
Profit attributable to owners of parent			5,445		5,445
Reversal of revaluation reserve for land					–
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				9	9
Change in ownership interest of parent due to transactions with non-controlling interests		5			5
Net changes of items other than shareholders' equity					
Total changes of items during period	–	5	4,030	8	4,044
Balance at end of current period	14,049	6,057	29,363	(148)	49,321

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	717	(9)	2,732	(11)	(1,171)	2,257	1,106	48,640
Changes of items during period								
Dividends of surplus								(1,414)
Profit attributable to owners of parent								5,445
Reversal of revaluation reserve for land								–
Purchase of treasury shares								(0)
Disposal of treasury shares								9
Change in ownership interest of parent due to transactions with non-controlling interests								5
Net changes of items other than shareholders' equity	(29)	6	–	(19)	126	84	197	281
Total changes of items during period	(29)	6	–	(19)	126	84	197	4,326
Balance at end of current period	688	(3)	2,732	(30)	(1,044)	2,341	1,304	52,966



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	10,481	8,240
Depreciation	1,903	1,794
Impairment loss	99	–
Increase (decrease) in allowance for doubtful accounts	(431)	(614)
Increase (decrease) in provision for loss on construction contracts	(247)	(491)
Increase (decrease) in retirement benefit liability	294	173
Interest and dividend income	(44)	(59)
Interest expenses	249	152
Loss (gain) on sales of investment securities	(14)	(64)
Loss (gain) on sales of property, plant and equipment	(75)	(184)
Loss on retirement of property, plant and equipment	44	26
Decrease (increase) in notes and accounts receivable - trade	(5,485)	3,905
Decrease (increase) in costs on uncompleted construction contracts	1,327	5,084
Decrease (increase) in real estate for sale	539	51
Decrease (increase) in accounts receivable - other	(91)	1,160
Decrease (increase) in other accounts receivable	(5,797)	4,273
Decrease (increase) in advances paid	(2,042)	4,774
Increase (decrease) in notes and accounts payable - trade	11,410	(11,145)
Increase (decrease) in advances received on uncompleted construction contracts	1,382	(2,786)
Increase (decrease) in accrued consumption taxes	1,807	(2,909)
Increase (decrease) in deposits received	(2,775)	800
Other, net	704	749
Subtotal	13,237	12,930
Interest and dividend income received	42	59
Interest expenses paid	(257)	(156)
Income taxes paid	(2,313)	(3,484)
Net cash provided by (used in) operating activities	10,708	9,348
Cash flows from investing activities		
Payments into time deposits	(190)	(100)
Proceeds from withdrawal of time deposits	200	140
Purchase of securities	(71)	(32)
Proceeds from sales and redemption of short-term and long-term investment securities	139	68
Purchase of property, plant and equipment	(1,022)	(2,665)
Proceeds from sales of property, plant and equipment	170	234
Purchase of intangible assets	(54)	(21)
Purchase of investment securities	(11)	(4)
Proceeds from sales of investment securities	–	112
Payments of loans receivable	(84)	(15)
Collection of loans receivable	52	43
Other, net	(0)	–
Net cash provided by (used in) investing activities	(872)	(2,239)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,071)	331
Proceeds from long-term loans payable	2,855	1,712
Repayments of long-term loans payable	(4,145)	(3,521)
Repayments of lease obligations	(186)	(78)
Cash dividends paid	(1,131)	(1,414)
Dividends paid to non-controlling interests	(2)	(2)
Proceeds from sales of treasury shares	1	4
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(3,681)	(2,967)
Effect of exchange rate change on cash and cash equivalents	(120)	68
Net increase (decrease) in cash and cash equivalents	6,034	4,209
Cash and cash equivalents at beginning of period	21,796	27,830
Cash and cash equivalents at end of period	27,830	32,040