

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 6, 2020

Company name: TOYO CONSTRUCTION CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 1890 URL <https://www.toyo-const.co.jp/>
 Representative: Representative Director, President Kyoji Takezawa
 General Manager, Administration Dept. Mamoru Sato TEL 03-6361-5450
 Business Administration Div.
 Inquiries: Mamoru Sato
 Scheduled date to file Quarterly Securities Report: August 6, 2020
 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 three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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	%
Three months ended June 30, 2020	34,430	(11.3)	1,548	(30.8)	1,471	(30.5)	895	(35.1)
Three months ended June 30, 2019	38,821	27.0	2,237	130.2	2,117	77.0	1,380	91.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	9.53		–	
Three months ended June 30, 2019	14.67		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	124,096	56,950	44.7	590.19
As of March 31, 2020	135,516	57,329	41.3	595.12

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, 2020	–	–	–	15.00	15.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	12.00	12.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	85,000	(1.6)	3,500	(27.9)	3,300	(30.6)	2,000	(34.3)	21.26
Full year	175,000	0.1	8,100	(12.6)	7,700	(16.0)	5,000	(13.3)	53.16

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
 (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 June 30, 2020	94,371,183 shares	As of March 31, 2020	94,371,183 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	349,190 shares	As of March 31, 2020	353,331 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	94,019,928 shares	Three months ended June 30, 2019	94,106,752 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	26,369	22,392
Notes receivable, accounts receivable from completed construction contracts and other	49,989	43,464
Costs on construction contracts in progress	5,079	8,673
Advances paid	2,485	2,852
other account receivable	7,807	3,107
Other	2,710	2,810
Allowance for doubtful accounts	(12)	(5)
Total current assets	94,428	83,295
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,221	14,253
Machinery, vehicles, tools, furniture and fixtures	25,470	25,547
Land	22,259	22,259
Construction in progress	32	25
Accumulated depreciation	(27,995)	(28,333)
Total property, plant and equipment	33,988	33,753
Intangible assets	287	293
Investments and other assets		
Investment securities	2,491	2,482
Deferred tax assets	2,935	2,954
Retirement benefit asset	106	106
Other	1,409	1,363
Allowance for doubtful accounts	(131)	(151)
Total investments and other assets	6,811	6,754
Total non-current assets	41,087	40,800
Total assets	135,516	124,096

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	33,535	30,856
Short-term borrowings	8,200	3,024
Income taxes payable	1,878	545
Advances received on construction contracts in progress	8,851	9,050
Deposits received	2,343	1,613
Accrued consumption taxes	8,107	6,571
Provision for warranties for completed construction	376	330
Provision for loss on construction contracts	126	155
Provision for bonuses	997	1,591
Other	1,308	1,437
Total current liabilities	65,723	55,176
Non-current liabilities		
Long-term borrowings	2,951	2,567
Deferred tax liabilities	64	65
Deferred tax liabilities for land revaluation	2,211	2,211
Provisions	55	82
Retirement benefit liability	6,637	6,509
Other	542	531
Total non-current liabilities	12,463	11,968
Total liabilities	78,187	67,145
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,057	6,057
Retained earnings	34,007	33,490
Treasury shares	(147)	(146)
Total shareholders' equity	53,966	53,451
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	398	398
Deferred gains or losses on hedges	3	–
Revaluation reserve for land	2,722	2,722
Foreign currency translation adjustment	(22)	(24)
Remeasurements of defined benefit plans	(1,116)	(1,058)
Total accumulated other comprehensive income	1,985	2,039
Non-controlling interests	1,377	1,459
Total net assets	57,329	56,950
Total liabilities and net assets	135,516	124,096

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales		
Net sales of completed construction contracts	38,668	34,258
Net sales in sideline businesses	153	172
Total net sales	38,821	34,430
Cost of sales		
Cost of sales of completed construction contracts	34,285	30,614
Cost of sales in sideline businesses	36	61
Total cost of sales	34,321	30,676
Gross profit		
Gross profit on completed construction contracts	4,382	3,643
Gross profit on sideline business	117	111
Total gross profit	4,500	3,754
Selling, general and administrative expenses	2,262	2,206
Operating profit	2,237	1,548
Non-operating income		
Interest income	12	8
Dividend income	20	18
Insurance claim income	–	17
Foreign exchange gains	–	14
Other	24	8
Total non-operating income	58	66
Non-operating expenses		
Interest expenses	51	44
Foreign exchange losses	95	–
Commitment fee	7	80
Other	24	18
Total non-operating expenses	178	143
Ordinary profit	2,117	1,471
Extraordinary income		
Gain on sales of non-current assets	14	30
Total extraordinary income	14	30
Extraordinary losses		
Loss on retirement of non-current assets	5	5
Provision of allowance for doubtful accounts	–	3
Total extraordinary losses	5	8
Profit before income taxes	2,126	1,493
Income taxes - current	855	543
Income taxes - deferred	(162)	(28)
Total income taxes	692	515
Profit	1,434	977
Profit attributable to non-controlling interests	53	81
Profit attributable to owners of parent	1,380	895

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	1,434	977
Other comprehensive income		
Valuation difference on available-for-sale securities	(101)	4
Deferred gains or losses on hedges	(10)	(3)
Foreign currency translation adjustment	(5)	(5)
Remeasurements of defined benefit plans, net of tax	48	57
Total other comprehensive income	(68)	53
Comprehensive income	1,366	1,031
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,318	949
Comprehensive income attributable to non-controlling interests	47	82