

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 8, 2021

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.  
 Scheduled date to file Quarterly Securities Report: February 8, 2021  
 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, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	123,756	(7.0)	8,922	18.0	8,623	15.4	5,698	18.6
Nine months ended December 31, 2019	133,121	14.4	7,564	53.3	7,473	42.5	4,805	43.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	60.64	–
Nine months ended December 31, 2019	51.08	–

#### (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, 2020	138,123	61,946	43.7	642.97
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	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	–	–	15.00	15.00
Year ending March 31, 2021	–	–	–		
Year ending March 31, 2021 (Forecast)				20.00	20.00

### 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
Full year	169,000	(3.3)	10,900	17.6	10,700	16.7	7,000	21.4	74.49

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2020	429,921 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)

Nine months ended December 31, 2020	93,976,457 shares	Nine months ended December 31, 2019	94,066,825 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	26,369	26,157
Notes receivable, accounts receivable from completed construction contracts and other	49,989	57,587
Costs on construction contracts in progress	5,079	6,663
Advances paid	2,485	4,237
other account receivable	7,807	531
Other	2,710	2,893
Allowance for doubtful accounts	(12)	(4)
Total current assets	94,428	98,065
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,221	13,596
Machinery, vehicles, tools, furniture and fixtures	25,470	25,588
Land	22,259	22,260
Construction in progress	32	153
Accumulated depreciation	(27,995)	(28,294)
Total property, plant and equipment	33,988	33,303
Intangible assets	287	437
Investments and other assets		
Investment securities	2,491	2,409
Deferred tax assets	2,935	2,466
Retirement benefit asset	106	107
Other	1,409	1,486
Allowance for doubtful accounts	(131)	(152)
Total investments and other assets	6,811	6,317
Total non-current assets	41,087	40,057
Total assets	135,516	138,123

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable for construction contracts and other	33,535	40,034
Short-term borrowings	8,200	2,805
Income taxes payable	1,878	1,029
Advances received on construction contracts in progress	8,851	7,863
Deposits received	2,343	2,244
Accrued consumption taxes	8,107	7,965
Provision for warranties for completed construction	376	303
Provision for loss on construction contracts	126	139
Provision for bonuses	997	409
Other	1,308	1,884
<b>Total current liabilities</b>	<b>65,723</b>	<b>64,679</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,951	2,278
Deferred tax liabilities	64	80
Deferred tax liabilities for land revaluation	2,211	2,211
Provisions	55	85
Retirement benefit liability	6,637	6,283
Other	542	557
<b>Total non-current liabilities</b>	<b>12,463</b>	<b>11,497</b>
<b>Total liabilities</b>	<b>78,187</b>	<b>76,176</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	14,049	14,049
Capital surplus	6,057	6,057
Retained earnings	34,007	38,291
Treasury shares	(147)	(178)
<b>Total shareholders' equity</b>	<b>53,966</b>	<b>58,219</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	398	414
Deferred gains or losses on hedges	3	–
Revaluation reserve for land	2,722	2,722
Foreign currency translation adjustment	(22)	(14)
Remeasurements of defined benefit plans	(1,116)	(940)
<b>Total accumulated other comprehensive income</b>	<b>1,985</b>	<b>2,181</b>
<b>Non-controlling interests</b>	<b>1,377</b>	<b>1,545</b>
<b>Total net assets</b>	<b>57,329</b>	<b>61,946</b>
<b>Total liabilities and net assets</b>	<b>135,516</b>	<b>138,123</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, 2019	Nine months ended December 31, 2020
Net sales		
Net sales of completed construction contracts	132,630	123,171
Net sales in sideline businesses	491	584
Total net sales	133,121	123,756
Cost of sales		
Cost of sales of completed construction contracts	118,740	108,137
Cost of sales in sideline businesses	169	232
Total cost of sales	118,910	108,369
Gross profit		
Gross profit on completed construction contracts	13,889	15,034
Gross profit on sideline business	322	352
Total gross profit	14,211	15,386
Selling, general and administrative expenses	6,647	6,463
Operating profit	7,564	8,922
Non-operating income		
Interest income	45	76
Dividend income	38	36
Other	37	48
Total non-operating income	121	161
Non-operating expenses		
Interest expenses	111	108
Commitment fee	20	258
Other	80	94
Total non-operating expenses	212	461
Ordinary profit	7,473	8,623
Extraordinary income		
Gain on sales of non-current assets	23	39
Gain on sales of investment securities	13	–
Other	4	–
Total extraordinary income	41	39
Extraordinary losses		
Loss on sales of non-current assets	4	–
Loss on retirement of non-current assets	29	18
Loss on liquidation of subsidiaries and associates	48	–
Loss on sales of investment securities	–	96
Other	8	3
Total extraordinary losses	91	119
Profit before income taxes	7,423	8,543
Income taxes - current	2,267	2,276
Income taxes - deferred	208	414
Total income taxes	2,476	2,691
Profit	4,946	5,851
Profit attributable to non-controlling interests	141	152
Profit attributable to owners of parent	4,805	5,698

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

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	4,946	5,851
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	19
Deferred gains or losses on hedges	13	(3)
Foreign currency translation adjustment	(16)	18
Remeasurements of defined benefit plans, net of tax	146	175
Total other comprehensive income	117	211
Comprehensive income	5,063	6,062
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,934	5,894
Comprehensive income attributable to non-controlling interests	128	168