

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 5, 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
 Executive Officer General Manager,
 Inquiries: Administration Dept. Mamoru Sato TEL 03-6361-5450
 Business Administration Div.
 Scheduled date to file Quarterly Securities Report: August 5, 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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021	34,216	(0.6)	1,277	(17.5)	1,262	(14.2)	743	(17.0)
Three months ended June 30, 2020	34,430	(11.3)	1,548	(30.8)	1,471	(30.5)	895	(35.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	7.92		–	
Three months ended June 30, 2020	9.53		–	

(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, 2021	128,997	64,457	48.7	667.86
As of March 31, 2021	148,953	65,875	43.1	684.14

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, 2021	–	–	–	25.00	25.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	20.00	20.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	77,000	1.5	3,700	(8.5)	3,600	(4.4)	2,350	(0.4)	25.01
Full year	170,000	(1.7)	9,200	(35.5)	9,100	(35.5)	6,000	(34.6)	63.85

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
 (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 June 30, 2021	94,371,183 shares	As of March 31, 2021	94,371,183 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	399,497 shares	As of March 31, 2021	429,978 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, 2021	93,956,538 shares	Three months ended June 30, 2020	94,019,928 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	16,770	32,343
Notes receivable, accounts receivable from completed construction contracts and other	70,177	45,403
Costs on construction contracts in progress	2,763	2,932
Advances paid	5,757	2,857
other account receivable	10,296	2,373
Other	3,265	3,592
Allowance for doubtful accounts	(12)	(7)
Total current assets	109,018	89,494
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,331	13,343
Machinery, vehicles, tools, furniture and fixtures	25,611	25,660
Land	21,592	21,596
Construction in progress	99	99
Accumulated depreciation	(28,300)	(28,604)
Total property, plant and equipment	32,334	32,095
Intangible assets	515	522
Investments and other assets		
Investment securities	2,561	2,566
Deferred tax assets	2,971	2,692
Retirement benefit asset	190	201
Other	1,474	1,545
Allowance for doubtful accounts	(114)	(121)
Total investments and other assets	7,084	6,884
Total non-current assets	39,934	39,502
Total assets	148,953	128,997

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	32,226	27,946
Short-term borrowings	7,841	3,175
Income taxes payable	3,275	220
Advances received on construction contracts in progress	13,126	10,189
Deposits received	2,754	2,377
Accrued consumption taxes	9,150	6,264
Provision for warranties for completed construction	445	333
Provision for loss on construction contracts	147	103
Provision for bonuses	1,011	1,619
Other	1,554	1,271
Total current liabilities	71,532	53,503
Non-current liabilities		
Long-term borrowings	2,752	2,430
Deferred tax liabilities	127	138
Deferred tax liabilities for land revaluation	2,207	2,207
Other provisions	85	101
Retirement benefit liability	5,807	5,607
Other	564	552
Total non-current liabilities	11,544	11,037
Total liabilities	83,077	64,540
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,057	6,057
Retained earnings	41,419	39,810
Treasury shares	(178)	(165)
Total shareholders' equity	61,348	59,751
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	538	542
Revaluation reserve for land	3,071	3,071
Foreign currency translation adjustment	(19)	11
Remeasurements of defined benefit plans	(670)	(617)
Total accumulated other comprehensive income	2,920	3,008
Non-controlling interests	1,606	1,696
Total net assets	65,875	64,457
Total liabilities and net assets	148,953	128,997

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, 2020	Three months ended June 30, 2021
Net sales		
Net sales of completed construction contracts	34,258	34,054
Net sales in sideline businesses	172	162
Total net sales	34,430	34,216
Cost of sales		
Cost of sales of completed construction contracts	30,614	30,552
Cost of sales in sideline businesses	61	56
Total cost of sales	30,676	30,608
Gross profit		
Gross profit on completed construction contracts	3,643	3,502
Gross profit on sideline business	111	105
Total gross profit	3,754	3,607
Selling, general and administrative expenses	2,206	2,330
Operating profit	1,548	1,277
Non-operating income		
Interest income	8	2
Dividend income	18	21
Insurance claim income	17	–
Foreign exchange gains	14	5
Other	8	21
Total non-operating income	66	49
Non-operating expenses		
Interest expenses	44	27
Commitment fees	80	15
Other	18	21
Total non-operating expenses	143	64
Ordinary profit	1,471	1,262
Extraordinary income		
Gain on sale of non-current assets	30	6
Surrender value of insurance policies	–	11
Total extraordinary income	30	17
Extraordinary losses		
Loss on retirement of non-current assets	5	1
Provision of allowance for doubtful accounts	3	7
Total extraordinary losses	8	9
Profit before income taxes	1,493	1,271
Income taxes - current	543	226
Income taxes - deferred	(28)	260
Total income taxes	515	486
Profit	977	784
Profit attributable to non-controlling interests	81	41
Profit attributable to owners of parent	895	743

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	977	784
Other comprehensive income		
Valuation difference on available-for-sale securities	4	3
Deferred gains or losses on hedges	(3)	–
Foreign currency translation adjustment	(5)	78
Remeasurements of defined benefit plans, net of tax	57	57
Total other comprehensive income	53	139
Comprehensive income	1,031	923
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	949	831
Comprehensive income attributable to non-controlling interests	82	91