

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 14, 2023

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.
 Inquiries: Business Administration Div Hisashi Tokimizu TEL 03-6361-5450
 Scheduled date to file Quarterly Securities Report: February 14, 2023
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	116,802	3.4	5,115	(7.4)	4,932	(9.8)	2,904	(16.3)
Nine months ended December 31, 2021	113,003	(8.7)	5,522	(38.1)	5,467	(36.6)	3,471	(39.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	30.90	–
Nine months ended December 31, 2021	36.94	–

(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, 2022	137,246	71,397	50.5	736.62
As of March 31, 2022	135,582	69,899	50.2	724.81

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, 2022	–	–	–	20.00	20.00
Year ending March 31, 2023	–	–	–		
Year ending March 31, 2023 (Forecast)				25.00	25.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	171,000	12.1	8,000	(16.8)	7,900	(13.6)	4,900	(16.4)	52.14

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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, 2022	94,371,183 shares	As of March 31, 2022	94,371,183 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	351,426 shares	As of March 31, 2022	389,609 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, 2022	94,012,056 shares	Nine months ended December 31, 2021	93,971,709 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	30,585	26,404
Notes receivable, accounts receivable from completed construction contracts and other	51,541	63,289
Costs on construction contracts in progress	2,491	2,524
Advances paid	3,338	1,860
other account receivable	5,503	2,023
Other	3,130	3,029
Allowance for doubtful accounts	(8)	(12)
Total current assets	96,583	99,119
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,428	13,064
Machinery, vehicles, tools, furniture and fixtures	25,576	25,802
Land	21,358	21,369
Construction in progress	300	231
Accumulated depreciation	(29,156)	(29,495)
Total property, plant and equipment	31,508	30,972
Intangible assets	942	900
Investments and other assets		
Investment securities	2,732	2,569
Deferred tax assets	2,243	2,100
Retirement benefit asset	254	278
Other	1,426	1,432
Allowance for doubtful accounts	(110)	(125)
Total investments and other assets	6,547	6,255
Total non-current assets	38,998	38,127
Total assets	135,582	137,246

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	29,749	30,896
Short-term borrowings	2,869	2,355
Income taxes payable	266	983
Advances received on construction contracts in progress	8,629	8,557
Deposits received	2,653	2,311
Accrued consumption taxes	7,788	7,759
Provision for warranties for completed construction	381	1,195
Provision for loss on construction contracts	50	2
Provision for bonuses	979	479
Other	1,378	1,484
Total current liabilities	54,747	56,024
Non-current liabilities		
Long-term borrowings	2,722	2,080
Deferred tax liabilities	156	144
Deferred tax liabilities for land revaluation	2,206	2,206
Other provisions	85	128
Retirement benefit liability	5,202	4,711
Other	562	554
Total non-current liabilities	10,935	9,825
Total liabilities	65,682	65,849
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,066	6,074
Retained earnings	44,931	45,950
Treasury shares	(161)	(145)
Total shareholders' equity	64,886	65,928
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	661	601
Revaluation reserve for land	3,070	3,070
Foreign currency translation adjustment	0	59
Remeasurements of defined benefit plans	(500)	(403)
Total accumulated other comprehensive income	3,233	3,328
Non-controlling interests	1,780	2,139
Total net assets	69,899	71,397
Total liabilities and net assets	135,582	137,246

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, 2021	Nine months ended December 31, 2022
Net sales		
Net sales of completed construction contracts	112,500	116,306
Net sales in sideline businesses	503	496
Total net sales	113,003	116,802
Cost of sales		
Cost of sales of completed construction contracts	100,267	103,822
Cost of sales in sideline businesses	209	153
Total cost of sales	100,476	103,976
Gross profit		
Gross profit on completed construction contracts	12,233	12,483
Gross profit on sideline business	293	342
Total gross profit	12,526	12,826
Selling, general and administrative expenses	7,004	7,711
Operating profit	5,522	5,115
Non-operating income		
Interest income	11	36
Dividend income	38	117
Foreign exchange gains	62	107
Other	18	22
Total non-operating income	130	284
Non-operating expenses		
Interest expenses	76	89
Restructuring Expense	–	252
Commitment fees	29	21
Other	80	103
Total non-operating expenses	185	467
Ordinary profit	5,467	4,932
Extraordinary income		
Gain on sale of non-current assets	6	4
Gain on sale of investment securities	9	222
Surrender value of insurance policies	14	–
Other	–	4
Total extraordinary income	30	232
Extraordinary losses		
Loss on sale of non-current assets	–	19
Loss on retirement of non-current assets	7	8
Loss on sale of investment securities	0	–
Provision of allowance for doubtful accounts	11	–
Total extraordinary losses	19	28
Profit before income taxes	5,477	5,135
Income taxes - current	1,177	1,840
Income taxes - deferred	691	107
Total income taxes	1,869	1,948
Profit	3,608	3,187
Profit attributable to non-controlling interests	136	282
Profit attributable to owners of parent	3,471	2,904

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	3,608	3,187
Other comprehensive income		
Valuation difference on available-for-sale securities	60	(63)
Deferred gains or losses on hedges	—	(0)
Foreign currency translation adjustment	25	147
Remeasurements of defined benefit plans, net of tax	153	106
Total other comprehensive income	238	190
Comprehensive income	3,846	3,377
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,692	3,000
Comprehensive income attributable to non-controlling interests	154	377