

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
Inquiries: 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	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
Year ended March 31, 2020	Yen –	Yen –	Yen –	Yen 15.00	Yen 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
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
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

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	<u>94,428</u>	<u>98,065</u>
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	<u>33,988</u>	<u>33,303</u>
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	<u>6,811</u>	<u>6,317</u>
Total non-current assets	<u>41,087</u>	<u>40,057</u>
Total assets	<u>135,516</u>	<u>138,123</u>

	(Millions of yen)	
	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
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
Total current liabilities	65,723	64,679
Non-current liabilities		
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
Total non-current liabilities	12,463	11,497
Total liabilities	78,187	76,176
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,057	6,057
Retained earnings	34,007	38,291
Treasury shares	(147)	(178)
Total shareholders' equity	53,966	58,219
Accumulated other comprehensive income		
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)
Total accumulated other comprehensive income	1,985	2,181
Non-controlling interests	1,377	1,545
Total net assets	57,329	61,946
Total liabilities and net assets	135,516	138,123

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	<u>133,121</u>	<u>123,756</u>
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	<u>118,910</u>	<u>108,369</u>
Gross profit		
Gross profit on completed construction contracts	13,889	15,034
Gross profit on sideline business	322	352
Total gross profit	<u>14,211</u>	<u>15,386</u>
Selling, general and administrative expenses	6,647	6,463
Operating profit	<u>7,564</u>	<u>8,922</u>
Non-operating income		
Interest income	45	76
Dividend income	38	36
Other	37	48
Total non-operating income	<u>121</u>	<u>161</u>
Non-operating expenses		
Interest expenses	111	108
Commitment fee	20	258
Other	80	94
Total non-operating expenses	<u>212</u>	<u>461</u>
Ordinary profit	<u>7,473</u>	<u>8,623</u>
Extraordinary income		
Gain on sales of non-current assets	23	39
Gain on sales of investment securities	13	–
Other	4	–
Total extraordinary income	<u>41</u>	<u>39</u>
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	<u>91</u>	<u>119</u>
Profit before income taxes	<u>7,423</u>	<u>8,543</u>
Income taxes - current	2,267	2,276
Income taxes - deferred	208	414
Total income taxes	<u>2,476</u>	<u>2,691</u>
Profit	<u>4,946</u>	<u>5,851</u>
Profit attributable to non-controlling interests	141	152
Profit attributable to owners of parent	<u>4,805</u>	<u>5,698</u>

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