

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2022
(Based on Japanese GAAP)**

August 9, 2022

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. Hisashi Tokimizu

TEL 03-6361-5450

Scheduled date to file Quarterly Securities Report: August 9, 2022

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, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	36,005	5.2	879	(31.1)	828	(34.3)	838	12.8
Three months ended June 30, 2021	34,216	(0.6)	1,277	(17.5)	1,262	(14.2)	743	(17.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	8.92		—	
Three months ended June 30, 2021	7.92		—	

(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, 2022	131,130		68,713		51.2		714.07	
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
Year ended March 31, 2022	Yen —	Yen —	Yen —	Yen 20.00	Yen 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	182,000	19.3	9,700	0.9	9,650	5.6	6,500	10.9	69.17	

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2022	94,371,183 shares	As of March 31, 2022	94,371,183 shares
Number of treasury shares at the end of the period			
As of June 30, 2022	364,051 shares	As of March 31, 2022	389,609 shares
Average number of shares during the period (cumulative from the beginning of the fiscal year)			
Three months ended June 30, 2022	94,002,958 shares	Three months ended June 30, 2021	93,956,538 shares

Quarterly consolidated financial statements
Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	30,585	37,563
Notes receivable, accounts receivable from completed construction contracts and other	51,541	42,188
Costs on construction contracts in progress	2,491	2,463
Advances paid	3,338	2,718
other account receivable	5,503	3,922
Other	3,130	3,216
Allowance for doubtful accounts	(8)	(8)
Total current assets	96,583	92,064
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,428	13,438
Machinery, vehicles, tools, furniture and fixtures	25,576	25,553
Land	21,358	21,359
Construction in progress	300	394
Accumulated depreciation	(29,156)	(29,387)
Total property, plant and equipment	31,508	31,358
Intangible assets	942	912
Investments and other assets		
Investment securities	2,732	2,684
Deferred tax assets	2,243	2,518
Retirement benefit asset	254	267
Other	1,426	1,438
Allowance for doubtful accounts	(110)	(112)
Total investments and other assets	6,547	6,795
Total non-current assets	38,998	39,065
Total assets	135,582	131,130

	(Millions of yen)	
	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	29,749	28,813
Short-term borrowings	2,869	2,537
Income taxes payable	266	690
Advances received on construction contracts in progress	8,629	6,705
Deposits received	2,653	2,358
Accrued consumption taxes	7,788	6,717
Provision for warranties for completed construction	381	1,054
Provision for loss on construction contracts	50	39
Provision for bonuses	979	1,565
Other	1,378	1,429
Total current liabilities	54,747	51,912
Non-current liabilities		
Long-term borrowings	2,722	2,453
Deferred tax liabilities	156	96
Deferred tax liabilities for land revaluation	2,206	2,206
Other provisions	85	131
Retirement benefit liability	5,202	5,050
Other	562	566
Total non-current liabilities	10,935	10,505
Total liabilities	65,682	62,417
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,066	6,066
Retained earnings	44,931	43,883
Treasury shares	(161)	(150)
Total shareholders' equity	64,886	63,848
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	661	643
Deferred gains or losses on hedges	0	–
Revaluation reserve for land	3,070	3,070
Foreign currency translation adjustment	0	31
Remeasurements of defined benefit plans	(500)	(466)
Total accumulated other comprehensive income	3,233	3,279
Non-controlling interests	1,780	1,585
Total net assets	69,899	68,713
Total liabilities and net assets	135,582	131,130

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

Consolidated statements of income (cumulative)

	(Millions of yen)	
	Three months ended	Three months ended
	June 30, 2021	June 30, 2022
Net sales		
Net sales of completed construction contracts	34,054	35,839
Net sales in sideline businesses	162	165
Total net sales	<u>34,216</u>	<u>36,005</u>
Cost of sales		
Cost of sales of completed construction contracts	30,552	32,501
Cost of sales in sideline businesses	56	52
Total cost of sales	<u>30,608</u>	<u>32,554</u>
Gross profit		
Gross profit on completed construction contracts	3,502	3,338
Gross profit on sideline business	105	113
Total gross profit	<u>3,607</u>	<u>3,451</u>
Selling, general and administrative expenses	2,330	2,571
Operating profit	<u>1,277</u>	<u>879</u>
Non-operating income		
Interest income	2	5
Dividend income	21	24
Foreign exchange gains	5	139
Other	21	9
Total non-operating income	<u>49</u>	<u>178</u>
Non-operating expenses		
Interest expenses	27	23
Restructuring Expense	–	177
Commitment fees	15	7
Other	21	20
Total non-operating expenses	<u>64</u>	<u>228</u>
Ordinary profit	<u>1,262</u>	<u>828</u>
Extraordinary income		
Gain on sale of non-current assets	6	1
Gain on sale of investment securities	–	18
Surrender value of insurance policies	11	–
Other	–	4
Total extraordinary income	<u>17</u>	<u>24</u>
Extraordinary losses		
Loss on sale of non-current assets	–	16
Loss on retirement of non-current assets	1	0
Provision of allowance for doubtful accounts	7	–
Total extraordinary losses	<u>9</u>	<u>17</u>
Profit before income taxes	<u>1,271</u>	<u>836</u>
Income taxes - current	226	587
Income taxes - deferred	260	(354)
Total income taxes	<u>486</u>	<u>232</u>
Profit	<u>784</u>	<u>603</u>
Profit attributable to non-controlling interests	41	(235)
Profit attributable to owners of parent	<u>743</u>	<u>838</u>

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	784	603
Other comprehensive income		
Valuation difference on available-for-sale securities	3	(20)
Deferred gains or losses on hedges	–	(0)
Foreign currency translation adjustment	78	77
Remeasurements of defined benefit plans, net of tax	57	38
Total other comprehensive income	139	94
Comprehensive income	923	698
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	831	884
Comprehensive income attributable to non-controlling interests	91	(186)