



Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 08, 2022

Company name: TOKYU CONSTRUCTION CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 1720

URL: <https://www.tokyu-cnst.co.jp/>

Representative: Mitsuhiro Terada, Representative Director, President

Contact: Atsutomo Koike, General Manager, Finance Department

Phone: +81-3-5466-5061

Scheduled date of filing quarterly securities report: November 09, 2022

Scheduled date of commencing dividend payments: December 02, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	128,842	15.4	166	-	294	-	(284)	-
September 30, 2021	111,614	17.0	(7,152)	-	(7,151)	-	(7,668)	-

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 1,223 million [-%]
Six months ended September 30, 2021: ¥ (8,048) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	(2.72)	-
September 30, 2021	(73.27)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	233,047	93,911	40.0
March 31, 2022	237,811	93,064	38.9

(Reference) Equity: As of September 30, 2022: ¥ 93,252 million
As of March 31, 2022: ¥ 92,490 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2022	Yen -	Yen 20.00	Yen -	Yen 5.00	Yen 25.00
Fiscal year ending March 31, 2023	-	18.00			
Fiscal year ending March 31, 2023 (Forecast)			-	18.00	36.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2023 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	305,000	18.2	3,100	-	4,000	-	4,000	-	38.11

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2022: 106,761,205 shares

March 31, 2022: 106,761,205 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022: 1,802,067 shares

March 31, 2022: 2,029,142 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 104,828,156 shares

Six months ended September 30, 2021: 104,660,137 shares

Note: The number of treasury shares at end of each period includes the shares of the company owned by BIP trust and Employee Stock Ownership plan trust. BIP trust and Employee Stock Ownership plan trust are included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period (Six months ended September 30, 2022). BIP trust are included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period (Six months ended September 30, 2021).

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation of the proper use of financial results forecast and other notes

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	38,648	47,229
Notes receivable, accounts receivable from completed construction contracts and other	115,860	105,567
Costs on construction contracts in progress	6,981	6,541
Costs on real estate business	2	31
Real estate for sale	3,801	5,350
Raw materials and supplies	53	61
Other	8,695	5,468
Allowance for doubtful accounts	(78)	(74)
Total current assets	173,963	170,176
Non-current assets		
Property, plant and equipment	29,675	27,565
Intangible assets	1,390	1,403
Investments and other assets		
Investment securities	30,171	31,344
Long-term loans receivable	26	9
Deferred tax assets	130	135
Other	2,453	2,412
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	32,782	33,902
Total non-current assets	63,847	62,871
Total assets	237,811	233,047
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	48,699	39,986
Electronically recorded obligations - operating	14,131	15,890
Short-term borrowings	97	20,091
Income taxes payable	1,651	1,115
Advances received on construction contracts in progress	14,536	13,540
Deposits received - real estate business	37	20
Provision for warranties for completed construction	6,625	8,167
Provision for loss on construction contracts	8,777	9,805
Provision for bonuses	2,047	2,040
Provision for losses on sales of shares of subsidiaries and associates	105	-
Deposits received	16,566	17,873
Other	1,730	1,358
Total current liabilities	115,004	129,889
Non-current liabilities		
Long-term borrowings	22,334	2,129
Deferred tax liabilities	141	222
Provision for share awards for directors (and other officers)	46	27
Provision for loss on real estate business and other	5,139	5,046
Retirement benefit liability	697	565
Other	1,383	1,255
Total non-current liabilities	29,742	9,246
Total liabilities	144,747	139,136

(Million yen)

	As of March 31,2022	As of September 30,2022
Net assets		
Shareholders' equity		
Share capital	16,354	16,354
Capital surplus	4,089	4,093
Retained earnings	67,309	66,494
Treasury shares	(1,282)	(1,132)
Total shareholders' equity	86,471	85,809
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,087	6,942
Foreign currency translation adjustment	11	386
Remeasurements of defined benefit plans	(80)	113
Total accumulated other comprehensive income	6,018	7,442
Non-controlling interests	574	658
Total net assets	93,064	93,911
Total liabilities and net assets	237,811	233,047

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales		
Net sales of completed construction contracts	110,452	127,499
Net sales in real estate business and other	1,162	1,342
Total net sales	111,614	128,842
Cost of sales		
Cost of sales of completed construction contracts	110,507	119,711
Cost of sales in real estate business and other	695	862
Total cost of sales	111,203	120,574
Gross profit		
Gross profit (loss) on completed construction contracts	(55)	7,787
Gross profit on real estate business and other	466	480
Total gross profit	411	8,267
Selling, general and administrative expenses	7,563	8,101
Operating profit (loss)	(7,152)	166
Non-operating income		
Interest income	12	7
Dividend income	115	117
Foreign exchange gains	-	322
Share of profit of entities accounted for using equity method	195	24
Other	103	48
Total non-operating income	426	521
Non-operating expenses		
Interest expenses	78	65
Foreign exchange losses	283	-
Loss on forward contracts	-	139
Other	63	188
Total non-operating expenses	425	393
Ordinary profit (loss)	(7,151)	294
Extraordinary income		
Gain on sale of investment securities	-	256
Total extraordinary income	-	256
Extraordinary losses		
Loss on retirement of non-current assets	31	-
Loss on valuation of investment securities	37	-
Impairment losses	19	47
Total extraordinary losses	88	47
Profit (loss) before income taxes	(7,240)	502
Income taxes - current	432	1,068
Income taxes - deferred	(25)	(362)
Total income taxes	407	706
Loss	(7,647)	(203)
Profit attributable to non-controlling interests	21	81
Loss attributable to owners of parent	(7,668)	(284)

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Loss	(7,647)	(203)
Other comprehensive income		
Valuation difference on available-for-sale securities	(611)	806
Foreign currency translation adjustment	13	146
Remeasurements of defined benefit plans, net of tax	76	181
Share of other comprehensive income of entities accounted for using equity method	122	292
Total other comprehensive income	(400)	1,427
Comprehensive income	(8,048)	1,223
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(8,063)	1,139
Comprehensive income attributable to non-controlling interests	14	84

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit (loss) before income taxes	(7,240)	502
Depreciation	666	619
Impairment losses	19	47
Amortization of goodwill	18	23
Increase (decrease) in allowance for doubtful accounts	1	(6)
Increase (decrease) in provision for warranties for completed construction	1,582	1,541
Increase (decrease) in provision for loss on construction contracts	6,232	1,027
Increase (decrease) in provision for bonuses	(28)	(8)
Increase (decrease) in provision for loss on real estate business and other	(53)	(93)
Increase in defined benefit asset or liability	(30)	(137)
Interest and dividend income	(127)	(125)
Interest expenses	78	65
Share of loss (profit) of entities accounted for using equity method	(195)	(24)
Loss (gain) on sale of investment securities	-	(256)
Loss (gain) on valuation of investment securities	37	-
Decrease (increase) in trade receivables	12,167	10,338
Decrease (increase) in costs on construction contracts in progress	(2,581)	465
Decrease (increase) in inventories	(45)	(13)
Decrease (increase) in accounts receivable - other	3,586	3,585
Decrease (increase) in advances paid	1,444	239
Increase (decrease) in trade payables	(4,196)	(6,973)
Increase (decrease) in accounts payable - other	(406)	(485)
Increase (decrease) in advances received on construction contracts in progress	736	(1,042)
Increase (decrease) in deposits received	(3,329)	1,306
Other, net	1,205	(355)
Subtotal	9,540	10,244
Interest and dividends received	575	419
Interest paid	(89)	(82)
Income taxes paid	(92)	(1,602)
Income taxes refund	1,610	-
Net cash provided by (used in) operating activities	11,543	8,977
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(541)	(297)
Purchase of investment securities	(656)	(367)
Proceeds from sale of investment securities	27	570
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	84
Other, net	(33)	16
Net cash provided by (used in) investing activities	(1,202)	5

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,093)	(11)
Repayments of long-term borrowings	(44)	(198)
Net decrease (increase) in treasury shares	32	154
Dividends paid	(1,047)	(530)
Repayments of lease liabilities	(50)	(62)
Other, net	(5)	(2)
Net cash provided by (used in) financing activities	(6,208)	(651)
Effect of exchange rate change on cash and cash equivalents	(27)	249
Net increase (decrease) in cash and cash equivalents	4,104	8,581
Cash and cash equivalents at beginning of period	34,173	38,648
Cash and cash equivalents at end of period	38,278	47,229