

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 9, 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 Haruhisa Obayashi
 General Manager, Administration Dept. Hisashi Tokimizu TEL 03-6361-5450
 Administration Div.
 Scheduled date to file Quarterly Securities Report: August 9, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	42,697	18.6	468	(46.7)	13	(98.3)	(111)	–
Three months ended June 30, 2022	36,005	5.2	879	(31.1)	828	(34.3)	838	12.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	(1.18)	–
Three months ended June 30, 2022	8.92	–

(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, 2023	146,926	71,945	47.4	739.30
As of March 31, 2023	153,717	73,984	46.7	763.87

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, 2023	–	–	–	25.00	25.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	63.00	63.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	192,500	14.3	10,100	12.3	9,600	12.3	6,000	6.1	63.82

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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: Yes
- 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, 2023	94,371,183 shares	As of March 31, 2023	94,371,183 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	112,443 shares	As of March 31, 2023	351,466 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, 2023	94,141,799 shares	Three months ended June 30, 2022	94,002,958 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	39,108	43,941
Notes receivable, accounts receivable from completed construction contracts and other	63,153	50,950
Costs on construction contracts in progress	2,158	2,549
Advances paid	2,384	4,148
other account receivable	4,770	3,837
Other	3,450	3,269
Allowance for doubtful accounts	(11)	(8)
Total current assets	115,014	108,688
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,086	13,068
Machinery, vehicles, tools, furniture and fixtures	26,052	26,423
Land	21,346	21,346
Construction in progress	186	222
Accumulated depreciation	(29,658)	(30,956)
Total property, plant and equipment	31,013	30,104
Intangible assets	977	960
Investments and other assets		
Investment securities	2,528	2,790
Deferred tax assets	2,513	2,594
Retirement benefit asset	366	376
Other	1,400	1,508
Allowance for doubtful accounts	(97)	(97)
Total investments and other assets	6,711	7,173
Total non-current assets	38,703	38,238
Total assets	153,717	146,926

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	33,729	34,719
Short-term borrowings	2,951	3,391
Income taxes payable	2,268	237
Advances received on construction contracts in progress	12,537	11,721
Deposits received	5,996	2,938
Accrued consumption taxes	8,525	8,287
Provision for warranties for completed construction	1,053	961
Provision for loss on construction contracts	25	–
Provision for bonuses	1,233	1,972
Other	1,915	1,550
Total current liabilities	70,235	65,779
Non-current liabilities		
Long-term borrowings	1,754	1,542
Deferred tax liabilities	135	147
Deferred tax liabilities for land revaluation	2,206	2,206
Other provisions	9	21
Retirement benefit liability	4,826	4,716
Other	564	567
Total non-current liabilities	9,497	9,201
Total liabilities	79,733	74,980
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,074	6,074
Retained earnings	48,701	46,235
Treasury shares	(145)	(44)
Total shareholders' equity	68,680	66,314
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	576	753
Revaluation reserve for land	3,070	3,070
Foreign currency translation adjustment	35	60
Remeasurements of defined benefit plans	(543)	(513)
Total accumulated other comprehensive income	3,138	3,370
Non-controlling interests	2,165	2,260
Total net assets	73,984	71,945
Total liabilities and net assets	153,717	146,926

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, 2022	Three months ended June 30, 2023
Net sales		
Net sales of completed construction contracts	35,839	42,501
Net sales in sideline businesses	165	196
Total net sales	36,005	42,697
Cost of sales		
Cost of sales of completed construction contracts	32,501	39,201
Cost of sales in sideline businesses	52	132
Total cost of sales	32,554	39,334
Gross profit		
Gross profit on completed construction contracts	3,338	3,299
Gross profit on sideline businesses	113	63
Total gross profit	3,451	3,363
Selling, general and administrative expenses	2,571	2,894
Operating profit	879	468
Non-operating income		
Interest income	5	13
Dividend income	24	26
Foreign exchange gains	139	255
Other	9	6
Total non-operating income	178	301
Non-operating expenses		
Interest expenses	23	35
Restructuring Expense	177	690
Commitment fees	7	7
Other	20	23
Total non-operating expenses	228	756
Ordinary profit	828	13
Extraordinary income		
Gain on sale of non-current assets	1	3
Gain on sale of investment securities	18	–
Other	4	–
Total extraordinary income	24	3
Extraordinary losses		
Loss on sale of non-current assets	16	–
Loss on retirement of non-current assets	0	6
Total extraordinary losses	17	6
Profit before income taxes	836	11
Income taxes - current	587	204
Income taxes - deferred	(354)	(165)
Total income taxes	232	38
Profit (loss)	603	(27)
Profit (loss) attributable to non-controlling interests	(235)	84
Profit (loss) attributable to owners of parent	838	(111)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	603	(27)
Other comprehensive income		
Valuation difference on available-for-sale securities	(20)	179
Deferred gains or losses on hedges	(0)	–
Foreign currency translation adjustment	77	62
Remeasurements of defined benefit plans, net of tax	38	35
Total other comprehensive income	94	276
Comprehensive income	698	249
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	884	121
Comprehensive income attributable to non-controlling interests	(186)	128