

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 8, 2024

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: February 8, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	137,224	17.5	7,617	48.9	7,042	42.8	4,416	52.0
Nine months ended December 31, 2022	116,802	3.4	5,115	(7.4)	4,932	(9.8)	2,904	(16.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	46.88		–	
Nine months ended December 31, 2022	30.90		–	

(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, 2023	155,595	76,951	47.8	788.67
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				
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 nine months ended December 31, 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 December 31, 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 December 31, 2023	112,575 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)

Nine months ended December 31, 2023	94,219,745 shares	Nine months ended December 31, 2022	94,012,056 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	39,108	20,697
Notes receivable, accounts receivable from completed construction contracts and other	63,153	77,779
Costs on construction contracts in progress	2,158	2,664
Advances paid	2,384	4,150
other account receivable	4,770	2,255
Other	3,450	4,235
Allowance for doubtful accounts	(11)	(11)
Total current assets	115,014	111,772
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,086	13,069
Machinery, vehicles, tools, furniture and fixtures	26,052	26,968
Land	21,346	21,323
Construction in progress	186	6,383
Accumulated depreciation	(29,658)	(31,697)
Total property, plant and equipment	31,013	36,048
Intangible assets	977	913
Investments and other assets		
Investment securities	2,528	2,915
Deferred tax assets	2,513	2,033
Retirement benefit asset	366	546
Other	1,400	1,478
Allowance for doubtful accounts	(97)	(111)
Total investments and other assets	6,711	6,862
Total non-current assets	38,703	43,823
Total assets	153,717	155,595

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	33,729	32,085
Short-term borrowings	2,951	10,011
Income taxes payable	2,268	339
Advances received on construction contracts in progress	12,537	12,033
Deposits received	5,996	2,569
Accrued consumption taxes	8,525	9,637
Provision for warranties for completed construction	1,053	845
Provision for loss on construction contracts	25	–
Provision for bonuses	1,233	507
Other	1,915	1,696
Total current liabilities	70,235	69,726
Non-current liabilities		
Long-term borrowings	1,754	1,258
Deferred tax liabilities	135	174
Deferred tax liabilities for land revaluation	2,206	2,204
Other provisions	9	50
Retirement benefit liability	4,826	4,563
Other	564	666
Total non-current liabilities	9,497	8,917
Total liabilities	79,733	78,644
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,074	6,074
Retained earnings	48,701	50,767
Treasury shares	(145)	(44)
Total shareholders' equity	68,680	70,846
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	576	835
Deferred gains or losses on hedges	–	(89)
Revaluation reserve for land	3,070	3,066
Foreign currency translation adjustment	35	131
Remeasurements of defined benefit plans	(543)	(450)
Total accumulated other comprehensive income	3,138	3,493
Non-controlling interests	2,165	2,612
Total net assets	73,984	76,951
Total liabilities and net assets	153,717	155,595

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, 2022	Nine months ended December 31, 2023
Net sales		
Net sales of completed construction contracts	116,306	136,612
Net sales in sideline businesses	496	612
Total net sales	116,802	137,224
Cost of sales		
Cost of sales of completed construction contracts	103,822	120,130
Cost of sales in sideline businesses	153	305
Total cost of sales	103,976	120,436
Gross profit		
Gross profit on completed construction contracts	12,483	16,481
Gross profit on sideline businesses	342	306
Total gross profit	12,826	16,788
Selling, general and administrative expenses	7,711	9,171
Operating profit	5,115	7,617
Non-operating income		
Interest income	36	53
Dividend income	117	50
Foreign exchange gains	107	390
Other	22	30
Total non-operating income	284	525
Non-operating expenses		
Interest expenses	89	91
Restructuring Expense	252	848
Commitment fees	21	69
Other	103	90
Total non-operating expenses	467	1,100
Ordinary profit	4,932	7,042
Extraordinary income		
Gain on sale of non-current assets	4	10
Gain on sale of investment securities	222	–
Other	4	–
Total extraordinary income	232	10
Extraordinary losses		
Loss on sale of non-current assets	19	1
Loss on retirement of non-current assets	8	105
Total extraordinary losses	28	107
Profit before income taxes	5,135	6,945
Income taxes - current	1,840	1,817
Income taxes - deferred	107	398
Total income taxes	1,948	2,216
Profit	3,187	4,729
Profit attributable to non-controlling interests	282	312
Profit attributable to owners of parent	2,904	4,416

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	3,187	4,729
Other comprehensive income		
Valuation difference on available-for-sale securities	(63)	267
Deferred gains or losses on hedges	(0)	(89)
Foreign currency translation adjustment	147	239
Remeasurements of defined benefit plans, net of tax	106	109
Total other comprehensive income	190	526
Comprehensive income	3,377	5,256
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,000	4,775
Comprehensive income attributable to non-controlling interests	377	481