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Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

July 27, 2022

Company name: TOENEC CORPORATION

Stock exchange listing: Tokyo, Nagoya

Code number: 1946

URL: <https://www.toenec.co.jp/>

Representative: Yuzo Fujita

President And Director Chief Executive Officer

Contact: Akihito Hirano

Executive Officer General Manager Finance & Accounting Division

Phone: 052-219-1916

Scheduled date of filing quarterly securities report: August 05, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 01, 2022 to June 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	%
Three months ended June 30, 2022	52,301	5.6	2,510	(4.6)	2,257	(3.6)	1,376	(7.3)
June 30, 2021	49,534	0.3	2,630	3.6	2,342	0.1	1,485	(0.8)

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ 1,542 million [(21.2)%]
Three months ended June 30, 2021: ¥ 1,958 million [(2.6)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	73.67	-
June 30, 2021	79.46	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2022	301,029	126,456	42.0	6,764.80
March 31, 2022	301,599	126,596	42.0	6,772.38

(Reference) Equity: As of June 30, 2022: ¥ 126,428 million
As of March 31, 2022: ¥ 126,570 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	45.00	-	90.00	135.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		45.00	-	95.00	140.00

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

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
Six months ended September 30, 2022	109,000	8.4	4,800	(5.7)	4,200	(8.5)	2,800	(7.5)	149.82
Full year	247,000	12.5	14,100	0.2	13,000	(2.9)	8,700	5.0	465.51

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2022

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

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(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):

June 30, 2022: 19,329,990 shares

March 31, 2022: 19,329,990 shares

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

June 30, 2022: 640,796 shares

March 31, 2022: 640,758 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 18,689,201 shares

Three months ended June 30, 2021: 18,689,737 shares

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

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of June 30,2022
Assets		
Current assets		
Cash and deposits	29,015	38,100
Deposits paid	1,500	1,500
Notes receivable, accounts receivable from completed construction contracts and other	69,521	59,427
Costs on construction contracts in progress	6,577	7,166
Raw materials and supplies	3,177	3,130
Merchandise	111	99
Other	3,458	7,164
Allowance for doubtful accounts	(90)	(1,665)
Total current assets	113,270	114,923
Non-current assets		
Property, plant and equipment		
Buildings and structures	58,341	58,446
Machinery, vehicles, tools, furniture and fixtures	113,655	114,400
Land	31,633	31,599
Construction in progress	9,634	9,627
Accumulated depreciation	(67,373)	(69,235)
Total property, plant and equipment	145,891	144,837
Intangible assets		
Goodwill	1,253	1,175
Other	2,793	3,073
Total intangible assets	4,047	4,248
Investments and other assets		
Investment securities	28,877	28,496
Deferred tax assets	4,868	4,842
Other	6,511	3,974
Allowance for doubtful accounts	(1,869)	(293)
Total investments and other assets	38,389	37,019
Total non-current assets	188,328	186,106
Total assets	301,599	301,029

(Million yen)

	As of March 31,2022	As of June 30,2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	39,531	33,841
Short-term borrowings	4,182	9,082
Accrued expenses	7,351	5,045
Income taxes payable	1,852	920
Advances received on construction contracts in progress	2,533	4,167
Provision for loss on construction contracts	247	673
Other	9,006	11,918
Total current liabilities	64,704	65,649
Non-current liabilities		
Bonds payable	8,400	8,400
Long-term borrowings	23,463	23,192
Lease liabilities	55,463	53,772
Retirement benefit liability	18,662	18,376
Asset retirement obligations	3,801	4,675
Other	506	506
Total non-current liabilities	110,298	108,924
Total liabilities	175,002	174,573
Net assets		
Shareholders' equity		
Share capital	7,680	7,680
Capital surplus	6,840	6,840
Retained earnings	105,381	105,076
Treasury shares	(1,548)	(1,548)
Total shareholders' equity	118,354	118,049
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,689	7,709
Foreign currency translation adjustment	206	280
Remeasurements of defined benefit plans	320	389
Total accumulated other comprehensive income	8,216	8,379
Non-controlling interests	26	27
Total net assets	126,596	126,456
Total liabilities and net assets	301,599	301,029

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Net sales	49,534	52,301
Cost of sales	41,775	44,336
Gross profit	7,759	7,965
Selling, general and administrative expenses	5,129	5,455
Operating profit	2,630	2,510
Non-operating income		
Interest income	42	6
Dividend income	178	197
Rental income from land and buildings	47	52
Other	24	53
Total non-operating income	292	309
Non-operating expenses		
Interest expenses	536	547
Commission for syndicated loans	20	-
Share of loss of entities accounted for using equity method	15	9
Other	8	5
Total non-operating expenses	580	562
Ordinary profit	2,342	2,257
Extraordinary income		
Gain on sale of non-current assets	0	11
Gain on sale of investment securities	-	5
Total extraordinary income	0	17
Extraordinary losses		
Loss on sale and retirement of non-current assets	13	17
Loss on valuation of investment securities	5	0
Total extraordinary losses	19	17
Profit before income taxes	2,323	2,257
Income taxes	835	879
Profit	1,488	1,377
Profit attributable to non-controlling interests	3	1
Profit attributable to owners of parent	1,485	1,376

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

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	1,488	1,377
Other comprehensive income		
Valuation difference on available-for-sale securities	230	20
Foreign currency translation adjustment	119	131
Remeasurements of defined benefit plans, net of tax	111	71
Share of other comprehensive income of entities accounted for using equity method	8	(58)
Total other comprehensive income	469	164
Comprehensive income	1,958	1,542
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,953	1,540
Comprehensive income attributable to non-controlling interests	4	2