

Translation

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

August 12, 2022

Company name: TOYO KANETSU K.K.
 Stock exchange listing: Tokyo
 Stock code: 6369 URL <https://www.toyokanetsu.co.jp>
 Representative: President and Representative Director Takashi Owada
 Senior Executive Officer
 Inquiries: Division Manager Takeshi Yonehara TEL 03-5857-3333
 Corporate Division
 Scheduled date to file Quarterly Securities Report: August 12, 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	10,619	(41.0)	388	(45.4)	664	(27.7)	379	(35.8)
Three months ended June 30, 2021	18,014	–	711	–	919	–	590	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	46.72		–	
Three months ended June 30, 2021	72.26		–	

(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	64,469	35,903	55.7	4,450.59
As of March 31, 2022	64,290	36,477	56.7	4,460.55

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, 2022	–	0.00	–	145.00	145.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	135.00	135.00

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	52,100	(12.0)	2,700	(3.9)	2,900	(16.5)	2,140	(8.3)	261.71

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	9,323,074 shares	As of March 31, 2022	9,323,074 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	1,256,702 shares	As of March 31, 2022	1,145,933 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, 2022	8,121,771 shares	Three months ended June 30, 2021	8,178,182 shares
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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	8,759	10,288
Notes and accounts receivable - trade, and contract assets	25,327	21,713
Investments in leases	220	153
Merchandise and finished goods	32	41
Work in process	795	1,096
Raw materials and supplies	2,550	3,169
Other	670	1,026
Allowance for doubtful accounts	(24)	(18)
Total current assets	38,332	37,472
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,157	4,199
Machinery, equipment and vehicles, net	773	866
Tools, furniture and fixtures, net	376	437
Land	10,374	10,374
Construction in progress	608	501
Other, net	31	28
Total property, plant and equipment	16,321	16,408
Intangible assets	667	806
Investments and other assets		
Investment securities	7,663	8,516
Deferred tax assets	234	224
Retirement benefit asset	449	416
Other	847	849
Allowance for doubtful accounts	(224)	(224)
Total investments and other assets	8,970	9,782
Total non-current assets	25,958	26,997
Total assets	64,290	64,469

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,761	1,548
Short-term borrowings	8,120	10,120
Accrued expenses	4,887	4,248
Income taxes payable	774	291
Contract liabilities	655	1,343
Provision for bonuses	434	–
Provision for warranties for completed construction	299	274
Other	1,269	910
Total current liabilities	18,202	18,736
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	4,580	4,580
Deferred tax liabilities	1,644	1,873
Deferred tax liabilities for land revaluation	1,095	1,095
Retirement benefit liability	392	395
Asset retirement obligations	799	799
Other	98	83
Total non-current liabilities	9,610	9,829
Total liabilities	27,813	28,566
Net assets		
Shareholders' equity		
Share capital	18,580	18,580
Capital surplus	1,273	1,273
Retained earnings	17,533	16,715
Treasury shares	(2,936)	(3,216)
Total shareholders' equity	34,450	33,352
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,632	3,215
Deferred gains or losses on hedges	3	23
Revaluation reserve for land	106	106
Foreign currency translation adjustment	(878)	(949)
Remeasurements of defined benefit plans	160	150
Total accumulated other comprehensive income	2,024	2,547
Non-controlling interests	2	3
Total net assets	36,477	35,903
Total liabilities and net assets	64,290	64,469

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

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	18,014	10,619
Cost of sales	15,486	8,233
Gross profit	2,527	2,386
Selling, general and administrative expenses	1,816	1,998
Operating profit	711	388
Non-operating income		
Interest income	1	1
Dividend income	156	140
Foreign exchange gains	31	125
Other	33	31
Total non-operating income	222	297
Non-operating expenses		
Interest expenses	12	17
Other	1	3
Total non-operating expenses	14	21
Ordinary profit	919	664
Extraordinary income		
Gain on sale of non-current assets	–	7
Gain on sale of membership	9	–
Total extraordinary income	9	7
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Other	–	0
Total extraordinary losses	0	0
Profit before income taxes	928	671
Income taxes - current	392	313
Income taxes - deferred	(54)	(22)
Total income taxes	337	290
Profit	590	380
Profit attributable to		
Profit attributable to owners of parent	590	379
Profit (loss) attributable to non-controlling interests	(0)	0
Other comprehensive income		
Valuation difference on available-for-sale securities	(68)	583
Deferred gains or losses on hedges	(2)	20
Foreign currency translation adjustment	25	(70)
Remeasurements of defined benefit plans, net of tax	15	(10)
Total other comprehensive income	(30)	523
Comprehensive income	560	903
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	560	902
Comprehensive income attributable to non-controlling interests	(0)	0