

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 13, 2023

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: February 14, 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	33,240	(23.0)	1,152	(42.1)	1,590	(33.7)	1,142	(22.4)
Nine months ended December 31, 2021	43,183	–	1,991	–	2,397	–	1,473	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	141.04		–	
Nine months ended December 31, 2021	180.17		–	

(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, 2022	70,090	37,063	52.9	4,582.24
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	–	0.00	–		
Year ending March 31, 2023 (Forecast)				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 nine months ended December 31, 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 December 31, 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 December 31, 2022	1,235,443 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)

Nine months ended December 31, 2022	8,102,574 shares	Nine months ended December 31, 2021	8,177,847 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	8,759	8,711
Notes and accounts receivable - trade, and contract assets	25,327	26,888
Investments in leases	220	61
Merchandise and finished goods	32	36
Work in process	795	1,258
Raw materials and supplies	2,550	4,157
Other	670	1,584
Allowance for doubtful accounts	(24)	(21)
Total current assets	38,332	42,675
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,157	4,266
Machinery, equipment and vehicles, net	773	797
Tools, furniture and fixtures, net	376	443
Land	10,374	10,216
Construction in progress	608	548
Other, net	31	30
Total property, plant and equipment	16,321	16,303
Intangible assets	667	871
Investments and other assets		
Investment securities	7,663	9,016
Deferred tax assets	234	210
Retirement benefit asset	449	348
Other	847	887
Allowance for doubtful accounts	(224)	(222)
Total investments and other assets	8,970	10,240
Total non-current assets	25,958	27,414
Total assets	64,290	70,090

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,761	1,237
Short-term borrowings	8,120	13,857
Accrued expenses	4,887	3,549
Income taxes payable	774	122
Contract liabilities	655	2,918
Provision for bonuses	434	219
Provision for loss on orders received	–	18
Provision for warranties for completed construction	299	214
Other	1,269	887
Total current liabilities	18,202	23,025
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	4,580	4,580
Deferred tax liabilities	1,644	2,226
Deferred tax liabilities for land revaluation	1,095	919
Retirement benefit liability	392	390
Asset retirement obligations	799	800
Other	98	84
Total non-current liabilities	9,610	10,001
Total liabilities	27,813	33,027
Net assets		
Shareholders' equity		
Share capital	18,580	18,580
Capital surplus	1,273	1,273
Retained earnings	17,533	17,478
Treasury shares	(2,936)	(3,199)
Total shareholders' equity	34,450	34,132
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,632	3,600
Deferred gains or losses on hedges	3	(6)
Revaluation reserve for land	106	106
Foreign currency translation adjustment	(878)	(907)
Remeasurements of defined benefit plans	160	133
Total accumulated other comprehensive income	2,024	2,926
Non-controlling interests	2	3
Total net assets	36,477	37,063
Total liabilities and net assets	64,290	70,090

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	43,183	33,240
Cost of sales	35,741	26,013
Gross profit	7,442	7,226
Selling, general and administrative expenses	5,450	6,074
Operating profit	1,991	1,152
Non-operating income		
Interest income	5	4
Dividend income	249	229
Foreign exchange gains	75	189
Gain on sale of scraps	56	35
Other	70	70
Total non-operating income	457	529
Non-operating expenses		
Interest expenses	45	61
Other	6	29
Total non-operating expenses	51	91
Ordinary profit	2,397	1,590
Extraordinary income		
Gain on sale of non-current assets	0	11
Gain on sale of investment securities	–	13
Gain on sale of membership	9	–
Other	2	0
Total extraordinary income	12	25
Extraordinary losses		
Loss on sale of non-current assets	–	19
Loss on valuation of investment securities	90	60
Other	0	5
Total extraordinary losses	91	85
Profit before income taxes	2,318	1,529
Income taxes - current	626	359
Income taxes - deferred	219	26
Total income taxes	845	385
Profit	1,473	1,143
Profit attributable to		
Profit attributable to owners of parent	1,473	1,142
Profit attributable to non-controlling interests	0	1
Other comprehensive income		
Valuation difference on available-for-sale securities	(639)	968
Deferred gains or losses on hedges	(4)	(9)
Foreign currency translation adjustment	(2)	(28)
Remeasurements of defined benefit plans, net of tax	(12)	(26)
Total other comprehensive income	(660)	902
Comprehensive income	813	2,046
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	813	2,045
Comprehensive income attributable to non-controlling interests	0	1