

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

August 10, 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: August 10, 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	9,987	(6.0)	(446)	–	(236)	–	(469)	–
Three months ended June 30, 2022	10,619	(41.0)	388	(45.4)	664	(27.7)	379	(35.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	(59.03)		–	
Three months ended June 30, 2022	46.72		–	

(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	62,561	34,924	55.8	4,514.97
As of March 31, 2023	64,001	38,087	59.5	4,708.95

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	–	0.00	–	147.00	147.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	150.00	150.00

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	54,000	14.0	3,300	32.2	3,500	20.8	2,400	0.9	296.76

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: 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, 2023	9,323,074 shares	As of March 31, 2023	9,323,074 shares
---------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of June 30, 2023	1,588,857 shares	As of March 31, 2023	1,235,672 shares
---------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	7,955,958 shares	Three months ended June 30, 2022	8,121,771 shares
----------------------------------	------------------	----------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,989	7,444
Notes and accounts receivable - trade, and contract assets	23,649	20,334
Investments in leases	35	19
Merchandise and finished goods	19	48
Work in process	1,117	1,308
Raw materials and supplies	4,787	5,263
Other	1,156	1,754
Allowance for doubtful accounts	(20)	(18)
Total current assets	37,734	36,155
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,206	4,389
Machinery, equipment and vehicles, net	568	642
Tools, furniture and fixtures, net	434	501
Land	10,092	10,092
Construction in progress	543	653
Other, net	58	54
Total property, plant and equipment	15,903	16,332
Intangible assets	877	889
Investments and other assets		
Investment securities	8,059	7,774
Deferred tax assets	240	237
Retirement benefit asset	514	479
Other	894	915
Allowance for doubtful accounts	(221)	(221)
Total investments and other assets	9,486	9,184
Total non-current assets	26,267	26,406
Total assets	64,001	62,561

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,243	1,187
Short-term borrowings	5,357	8,357
Current portion of long-term borrowings	1,700	1,700
Accrued expenses	4,715	4,333
Income taxes payable	908	148
Contract liabilities	2,138	2,003
Provision for bonuses	423	102
Provision for loss on orders received	45	44
Provision for warranties for completed construction	202	191
Other	696	1,543
<b>Total current liabilities</b>	<b>17,430</b>	<b>19,611</b>
<b>Non-current liabilities</b>		
Bonds payable	1,000	1,000
Long-term borrowings	3,380	3,380
Deferred tax liabilities	1,730	1,269
Deferred tax liabilities for land revaluation	1,095	1,095
Retirement benefit liability	392	396
Asset retirement obligations	800	800
Other	84	82
<b>Total non-current liabilities</b>	<b>8,483</b>	<b>8,025</b>
<b>Total liabilities</b>	<b>25,914</b>	<b>27,637</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	18,580	18,580
Capital surplus	1,273	1,273
Retained earnings	18,135	16,468
Treasury shares	(3,200)	(4,400)
<b>Total shareholders' equity</b>	<b>34,789</b>	<b>31,921</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,374	3,131
Deferred gains or losses on hedges	(6)	8
Revaluation reserve for land	684	684
Foreign currency translation adjustment	(899)	(957)
Remeasurements of defined benefit plans	140	130
<b>Total accumulated other comprehensive income</b>	<b>3,293</b>	<b>2,997</b>
<b>Non-controlling interests</b>	<b>4</b>	<b>4</b>
<b>Total net assets</b>	<b>38,087</b>	<b>34,924</b>
<b>Total liabilities and net assets</b>	<b>64,001</b>	<b>62,561</b>

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	10,619	9,987
Cost of sales	8,233	8,371
Gross profit	2,386	1,616
Selling, general and administrative expenses	1,998	2,063
Operating profit (loss)	388	(446)
Non-operating income		
Interest income	1	0
Dividend income	140	128
Foreign exchange gains	125	85
Other	31	21
Total non-operating income	297	236
Non-operating expenses		
Interest expenses	17	16
Other	3	8
Total non-operating expenses	21	25
Ordinary profit (loss)	664	(236)
Extraordinary income		
Gain on sale of non-current assets	7	29
Total extraordinary income	7	29
Extraordinary losses		
Loss on retirement of non-current assets	0	2
Loss on disaster	–	517
Other	0	–
Total extraordinary losses	0	519
Profit (loss) before income taxes	671	(726)
Income taxes - current	313	104
Income taxes - deferred	(22)	(361)
Total income taxes	290	(256)
Profit (loss)	380	(469)
Profit attributable to		
Profit (loss) attributable to owners of parent	379	(469)
Profit attributable to non-controlling interests	0	0
Other comprehensive income		
Valuation difference on available-for-sale securities	583	(242)
Deferred gains or losses on hedges	20	14
Foreign currency translation adjustment	(70)	(58)
Remeasurements of defined benefit plans, net of tax	(10)	(9)
Total other comprehensive income	523	(295)
Comprehensive income	903	(765)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	902	(765)
Comprehensive income attributable to non-controlling interests	0	0