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November 8, 2023

Consolidated Financial Results for the Fiscal Year Ended September 30, 2023 (Under Japanese GAAP)



Company name: TOYO Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 8151
 URL: <https://www.toyo.co.jp/english/>
 Representative: Toshiya Kohno, President and Chief Executive Officer
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 Telephone: +81-3-3279-0771
 Scheduled date of Ordinary General Meeting Of Shareholders: December 21, 2023
 Scheduled date to commence dividend payments: December 22, 2023
 Scheduled date to file annual securities report: December 22, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

(1) Consolidated operating results

(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	%
Fiscal year ended September 30, 2023	28,172	6.4	1,472	(36.9)	1,800	(35.2)	1,534	(20.1)
September 30, 2022	26,490	12.7	2,332	35.2	2,777	24.5	1,919	10.7

Note: Comprehensive income For the fiscal year ended September 30, 2023: ¥1,612 million [(2.5)%]
 For the fiscal year ended September 30, 2022: ¥1,652 million [6.7%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2023	67.50	67.14	5.3	4.4	5.2
September 30, 2022	81.16	80.61	6.5	6.9	8.8

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended September 30, 2023: ¥(1) million
 For the fiscal year ended September 30, 2022: ¥(18) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2023	39,954	28,313	70.6	1,262.58
September 30, 2022	41,592	29,398	70.4	1,249.91

Reference: Equity
 As of September 30, 2023: ¥28,219 million
 As of September 30, 2022: ¥29,262 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2023	(105)	1,810	(2,864)	2,659
September 30, 2022	1,825	(1,735)	(1,485)	3,787

2. Cash dividends

	Annual dividends per share					Total cash dividends	Dividend payout ratio (Consolidated)	Dividend on equity ratio (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended September 30, 2022	–	20.00	–	30.00	50.00	1,176	61.6	4.0
Fiscal year ended September 30, 2023	–	22.00	–	32.00	54.00	1,215	80.0	4.3
Fiscal year ending September 30, 2024 (Forecast)	–	25.00	–	37.00	62.00		60.2	

3. Consolidated financial result forecasts for the fiscal year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	32,000	13.6	3,000	103.8	3,200	77.7	2,300	49.9	102.91

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	26,085,000 shares
As of September 30, 2022	26,085,000 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2023	3,734,499 shares
As of September 30, 2022	2,673,622 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended September 30, 2023	22,729,906 shares
Fiscal year ended September 30, 2022	23,656,860 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	26,048	3.4	1,670	(35.1)	1,837	(38.8)	1,622	(23.4)
September 30, 2022	25,192	9.6	2,575	31.0	3,003	29.3	2,118	20.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2023	71.37	70.99
September 30, 2022	89.57	88.97

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2023	39,767	28,806	72.2	1,284.62
September 30, 2022	40,485	29,854	73.4	1,269.38

Reference: Equity

As of September 30, 2023: ¥28,711 million
As of September 30, 2022: ¥29,717 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial result forecasts and other special matters

The financial result forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company at the time of this document's disclosure. Actual results may differ materially from the forecast figures due to various factors.

Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	3,787,571	2,659,402
Notes and accounts receivable - trade, and contract assets	4,774,545	5,013,046
Securities	2,436,363	1,367,886
Merchandise and finished goods	3,116,224	4,554,835
Other	2,932,968	3,123,836
Allowance for doubtful accounts	(500)	(2,700)
Total current assets	17,047,173	16,716,306
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,752,491	4,342,783
Accumulated depreciation and impairment	(3,100,904)	(1,663,757)
Buildings and structures, net	2,651,587	2,679,025
Vehicles	59,711	10,936
Accumulated depreciation	(48,918)	(6,764)
Vehicles, net	10,793	4,171
Tools, furniture and fixtures	3,929,798	4,280,167
Accumulated depreciation and impairment	(3,302,460)	(3,489,211)
Tools, furniture and fixtures, net	627,338	790,956
Land	11,507,790	6,808,541
Construction in progress	194,897	5,701,970
Total property, plant and equipment	14,992,407	15,984,666
Intangible assets		
Goodwill	93,370	267,691
Software	539,146	707,159
Software in progress	217,913	189,840
Other	97,740	72,516
Total intangible assets	948,172	1,237,208
Investments and other assets		
Investment securities	6,005,615	3,531,680
Retirement benefit asset	598,576	628,570
Deferred tax assets	803,891	725,242
Long-term time deposits	700,000	700,000
Other	529,511	464,494
Allowance for doubtful accounts	(32,435)	(33,328)
Total investments and other assets	8,605,159	6,016,659
Total non-current assets	24,545,739	23,238,533
Total assets	41,592,913	39,954,840

(Thousands of yen)

	As of September 30, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,768,756	1,666,125
Income taxes payable	153,902	427,615
Contract liabilities	3,941,225	2,855,790
Advances received	—	4,060,080
Provision for bonuses	832,027	772,094
Provision for bonuses for directors (and other officers)	73,000	66,000
Other	575,212	977,583
Total current liabilities	7,344,124	10,825,289
Non-current liabilities		
Retirement benefit liability	654,627	672,063
Long-term advances received	4,060,080	—
Other	135,696	143,536
Total non-current liabilities	4,850,403	815,600
Total liabilities	12,194,528	11,640,890
Net assets		
Shareholders' equity		
Share capital	4,158,000	4,158,000
Capital surplus	4,603,500	4,603,500
Retained earnings	23,664,469	23,995,345
Treasury shares	(3,044,970)	(4,496,633)
Total shareholders' equity	29,380,999	28,260,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(30,177)	(53,726)
Deferred gains or losses on hedges	79,600	129,858
Foreign currency translation adjustment	(121,509)	(125,467)
Remeasurements of defined benefit plans	(46,714)	8,494
Total accumulated other comprehensive income	(118,800)	(40,841)
Share acquisition rights	136,186	94,580
Total net assets	29,398,384	28,313,950
Total liabilities and net assets	41,592,913	39,954,840

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended September 30, 2022	For the fiscal year ended September 30, 2023
Net sales	26,490,197	28,172,589
Cost of sales	14,930,310	16,631,116
Gross profit	11,559,886	11,541,473
Selling, general and administrative expenses	9,227,075	10,069,201
Operating profit	2,332,810	1,472,272
Non-operating income		
Interest income	118,964	92,935
Dividend income	64,830	32,245
Foreign exchange gains	262,519	110,380
Settlement income	—	119,573
Other	59,439	91,476
Total non-operating income	505,754	446,612
Non-operating expenses		
Interest expenses	808	411
Compensation expenses	31,000	—
Share of loss of entities accounted for using equity method	18,275	1,055
Loss on investments in investment partnerships	8,920	80,738
Commission for purchase of treasury shares	—	33,063
Other	1,629	2,766
Total non-operating expenses	60,634	118,035
Ordinary profit	2,777,931	1,800,849
Extraordinary income		
Gain on sale of non-current assets	52,554	50,058
Gain on sale of investment securities	—	396,400
Gain on territorial rights exchange of non-current assets	—	7,199,714
Total extraordinary income	52,554	7,646,173
Extraordinary losses		
Loss on disposal of non-current assets	1,412	4,818
Loss on liquidation of subsidiaries and associates	4,794	—
Loss on tax purpose reduction entry of non-current assets	—	7,199,714
Total extraordinary losses	6,206	7,204,533
Profit before income taxes	2,824,278	2,242,489
Income taxes - current	541,736	660,970
Income taxes - deferred	362,645	47,308
Total income taxes	904,382	708,278
Profit	1,919,896	1,534,211
Profit attributable to owners of parent	1,919,896	1,534,211

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended September 30, 2022	For the fiscal year ended September 30, 2023
Profit	1,919,896	1,534,211
Other comprehensive income		
Valuation difference on available-for-sale securities	(226,824)	(23,549)
Deferred gains or losses on hedges	73,361	50,258
Foreign currency translation adjustment	(43,579)	(33,633)
Remeasurements of defined benefit plans, net of tax	(78,808)	55,208
Share of other comprehensive income of entities accounted for using equity method	8,932	29,675
Total other comprehensive income	(266,919)	77,958
Comprehensive income	1,652,977	1,612,169
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,652,977	1,612,169
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

Fiscal year ended September 30, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,158,000	4,603,500	23,411,295	(2,721,684)	29,451,111
Cumulative effects of changes in accounting policies			(552,185)		(552,185)
Restated balance	4,158,000	4,603,500	22,859,110	(2,721,684)	28,898,926
Changes during period					
Dividends of surplus			(1,112,408)		(1,112,408)
Profit attributable to owners of parent			1,919,896		1,919,896
Purchase of treasury shares				(373,566)	(373,566)
Disposal of treasury shares			(2,129)	50,280	48,151
Net changes in items other than shareholders' equity					
Total changes during period	—	—	805,358	(323,285)	482,073
Balance at end of period	4,158,000	4,603,500	23,664,469	(3,044,970)	29,380,999

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	196,647	6,239	(86,861)	32,093	148,118	137,808	29,737,038
Cumulative effects of changes in accounting policies							(552,185)
Restated balance	196,647	6,239	(86,861)	32,093	148,118	137,808	29,184,853
Changes during period							
Dividends of surplus							(1,112,408)
Profit attributable to owners of parent							1,919,896
Purchase of treasury shares							(373,566)
Disposal of treasury shares							48,151
Net changes in items other than shareholders' equity	(226,824)	73,361	(34,647)	(78,808)	(266,919)	(1,622)	(268,541)
Total changes during period	(226,824)	73,361	(34,647)	(78,808)	(266,919)	(1,622)	213,531
Balance at end of period	(30,177)	79,600	(121,509)	(46,714)	(118,800)	136,186	29,398,384

Fiscal year ended September 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,158,000	4,603,500	23,664,469	(3,044,970)	29,380,999
Changes during period					
Dividends of surplus			(1,202,435)		(1,202,435)
Profit attributable to owners of parent			1,534,211		1,534,211
Purchase of treasury shares				(1,629,691)	(1,629,691)
Disposal of treasury shares			(900)	178,029	177,128
Net changes in items other than shareholders' equity					
Total changes during period	—	—	330,875	(1,451,662)	(1,120,787)
Balance at end of period	4,158,000	4,603,500	23,995,345	(4,496,633)	28,260,212

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(30,177)	79,600	(121,509)	(46,714)	(118,800)	136,186	29,398,384
Changes during period							
Dividends of surplus							(1,202,435)
Profit attributable to owners of parent							1,534,211
Purchase of treasury shares							(1,629,691)
Disposal of treasury shares							177,128
Net changes in items other than shareholders' equity	(23,549)	50,258	(3,958)	55,208	77,958	(41,606)	36,352
Total changes during period	(23,549)	50,258	(3,958)	55,208	77,958	(41,606)	(1,084,434)
Balance at end of period	(53,726)	129,858	(125,467)	8,494	(40,841)	94,580	28,313,950

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended September 30, 2022	For the fiscal year ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,824,278	2,242,489
Depreciation	917,215	835,325
Amortization of goodwill	24,603	37,573
Increase (decrease) in allowance for doubtful accounts	(18,631)	3,204
Increase (decrease) in provision for bonuses	90,000	(60,000)
Increase (decrease) in provision for bonuses for directors (and other officers)	11,500	(7,000)
Increase (decrease) in retirement benefit liability	6,644	4,749
Interest and dividend income	(183,795)	(125,181)
Interest expenses	808	411
Compensation expenses	31,000	—
Settlement payments	—	(119,573)
Share of loss (profit) of entities accounted for using equity method	18,275	1,055
Loss (gain) on investments in investment partnerships	8,920	80,738
Loss (gain) on sale of securities	—	(59)
Loss (gain) on sale of investment securities	—	(396,400)
Loss (gain) on liquidation of subsidiaries and associates	4,794	—
Loss (gain) on sale and retirement of non-current assets	(51,141)	(45,239)
Gain on territorial rights exchange of non-current assets	—	(7,199,714)
Loss on tax purpose reduction entry of non-current assets	—	7,199,714
Decrease (increase) in trade receivables and contract assets	(729,202)	(130,962)
Decrease (increase) in inventories	(665,193)	(1,441,237)
Increase (decrease) in trade payables	335,916	(117,189)
Increase (decrease) in contract debt	—	(971,902)
Other, net	(114,341)	368,721
Subtotal	2,511,650	159,523
Interest and dividends received	195,383	152,638
Interest paid	(808)	(411)
Income taxes paid	(880,603)	(417,970)
Income taxes refund	—	831
Net cash provided by (used in) operating activities	1,825,622	(105,389)
Cash flows from investing activities		
Purchase of securities	(499,628)	—
Proceeds from sale of securities	8,010,662	1,030,330
Purchase of property, plant and equipment	(7,137,305)	(1,391,069)
Proceeds from sale of property, plant and equipment	27,524	66,509
Purchase of intangible assets	(511,990)	(479,815)
Purchase of investment securities	(1,665,384)	(403,031)
Proceeds from sale of investment securities	—	3,192,948
Liquidation of affiliated company	10,000	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(288,096)
Other, net	30,730	82,538
Net cash provided by (used in) investing activities	(1,735,392)	1,810,312

(Thousands of yen)

	For the fiscal year ended September 30, 2022	For the fiscal year ended September 30, 2023
Cash flows from financing activities		
Purchase of treasury shares	(372,784)	(1,661,701)
Dividends paid	(1,112,408)	(1,202,435)
Proceeds from exercise of employee share options	2	47
Net cash provided by (used in) financing activities	(1,485,191)	(2,864,088)
Effect of exchange rate change on cash and cash equivalents	185,994	30,995
Net increase (decrease) in cash and cash equivalents	(1,208,967)	(1,128,169)
Cash and cash equivalents at beginning of period	4,996,538	3,787,571
Cash and cash equivalents at end of period	3,787,571	2,659,402