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January 31, 2024

**[Summary] Consolidated Financial Results
for the Nine Months Ended December 31, 2023
[Japanese GAAP]**

Company name: TOENEC CORPORATION
 Stock exchange listing: Tokyo, Nagoya
 Code number: 1946
 URL: <https://www.toenec.co.jp/english/>
 Representative: Yuzo Fujita, President and Director Chief Executive Officer
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 Scheduled date of filing quarterly securities report: February 7, 2024
 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 nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(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	%
Nine months ended								
December 31, 2023	182,471	11.8	9,966	64.5	8,994	77.1	5,357	–
December 31, 2022	163,202	5.4	6,060	(26.8)	5,077	(34.0)	(6,453)	–

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥7,750 million [–%]
 Nine months ended December 31, 2022: ¥(5,996) million [–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	286.56	–
December 31, 2022	(345.25)	–

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2023	297,757	122,907	41.3	6,570.18
March 31, 2023	300,172	117,193	39.0	6,267.16

(Reference) Equity:
 As of December 31, 2023: ¥122,859 million
 As of March 31, 2023: ¥117,159 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, 2023	–	45.00	–	50.00	95.00
Fiscal year ending March 31, 2024	–	60.00	–		
Fiscal year ending March 31, 2024 (Forecast)				120.00	180.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated financial results forecast for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% 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
Full year	254,000	9.5	14,000	36.1	10,600	18.0	8,200	–	438.55

(Note) Revision to the financial results forecast announced most recently: Yes

*** Notes:**

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(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):

December 31, 2023	19,329,990 shares
March 31, 2023	19,329,990 shares

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

December 31, 2023	630,361 shares
March 31, 2023	635,825 shares

- 3) Average number of shares during the period:

Nine months ended December 31, 2023	18,697,186 shares
Nine months ended December 31, 2022	18,692,192 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	30,101	26,284
Deposits paid	1,700	1,700
Notes receivable, accounts receivable from completed construction contracts and other	79,887	80,306
Costs on construction contracts in progress	6,787	8,519
Raw materials and supplies	3,505	3,347
Merchandise	117	114
Other	3,673	3,964
Allowance for doubtful accounts	(138)	(109)
Total current assets	125,633	124,127
Non-current assets		
Property, plant and equipment		
Buildings and structures	58,171	57,676
Machinery, vehicles, tools, furniture and fixtures	116,256	116,928
Land	31,897	31,897
Construction in progress	401	2,686
Accumulated depreciation	(74,796)	(80,223)
Total property, plant and equipment	131,931	128,965
Intangible assets		
Goodwill	940	705
Other	3,121	2,874
Total intangible assets	4,061	3,579
Investments and other assets		
Investment securities	28,405	31,514
Deferred tax assets	6,871	6,107
Other	6,662	6,864
Allowance for doubtful accounts	(3,393)	(3,400)
Total investments and other assets	38,546	41,085
Total non-current assets	174,538	173,630
Total assets	300,172	297,757

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	45,485	40,850
Short-term borrowings	9,082	9,726
Accrued expenses	7,100	5,326
Income taxes payable	1,111	1,915
Advances received on construction contracts in progress	3,719	6,709
Provision for loss on construction contracts	292	177
Provision for loss on cancellation of leases	967	–
Other	10,178	11,434
Total current liabilities	77,937	76,138
Non-current liabilities		
Bonds payable	8,400	8,400
Long-term borrowings	22,381	21,569
Lease liabilities	49,483	44,754
Retirement benefit liability	19,594	18,819
Asset retirement obligations	4,686	4,697
Other	495	471
Total non-current liabilities	105,041	98,712
Total liabilities	182,978	174,850
Net assets		
Shareholders' equity		
Share capital	7,680	7,680
Capital surplus	6,848	6,855
Retained earnings	97,310	100,611
Treasury shares	(1,537)	(1,524)
Total shareholders' equity	110,302	113,623
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,548	9,168
Foreign currency translation adjustment	388	1,006
Remeasurements of defined benefit plans	(1,079)	(937)
Total accumulated other comprehensive income	6,857	9,236
Non-controlling interests	34	47
Total net assets	117,193	122,907
Total liabilities and net assets	300,172	297,757

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	163,202	182,471
Cost of sales	140,879	156,584
Gross profit	22,323	25,887
Selling, general and administrative expenses	16,263	15,920
Operating profit	6,060	9,966
Non-operating income		
Interest income	49	31
Dividend income	403	376
Rental income from land and buildings	145	153
Other	157	343
Total non-operating income	755	905
Non-operating expenses		
Interest expenses	1,614	1,481
Share of loss of entities accounted for using equity method	11	353
Other	112	42
Total non-operating expenses	1,738	1,877
Ordinary profit	5,077	8,994
Extraordinary income		
Gain on sale of non-current assets	12	0
Reversal of allowance for doubtful accounts	0	–
Gain on sale of investment securities	106	0
Total extraordinary income	118	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	128	154
Impairment losses	10,004	–
Provision of allowance for doubtful accounts	–	0
Loss on valuation of investment securities	0	129
Provision for loss on cancellation of leases	1,485	–
Total extraordinary losses	11,618	284
Profit (loss) before income taxes	(6,422)	8,710
Income taxes	25	3,344
Profit (loss)	(6,447)	5,366
Profit attributable to non-controlling interests	5	8
Profit (loss) attributable to owners of parent	(6,453)	5,357

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

(Million yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit (loss)	(6,447)	5,366
Other comprehensive income		
Valuation difference on available-for-sale securities	(476)	1,614
Foreign currency translation adjustment	348	331
Remeasurements of defined benefit plans, net of tax	215	138
Share of other comprehensive income of entities accounted for using equity method	362	300
Total other comprehensive income	450	2,384
Comprehensive income	(5,996)	7,750
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,008)	7,736
Comprehensive income attributable to non-controlling interests	11	14