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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 09, 2023

Company name: TOKYU CONSTRUCTION CO., LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 1720
URL: https://www.tokyu-cnst.co.jp/
Representative: Mitsuhiro Terada, Representative Director, President
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Phone: +81-3-5466-5061
Scheduled date of filing quarterly securities report: February 10, 2023
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Yes
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, 2022 (April 01, 2022 to December 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2022	201,019	10.9	1,716	-	1,632	-	2,307	-
December 31, 2021	181,296	17.2	(4,982)	-	(4,538)	-	(5,452)	-

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 2,143 million [-%]
Nine months ended December 31, 2021: ¥ (6,773) million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	22.00	-
December 31, 2021	(52.09)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2022	235,918	92,994	39.1
March 31, 2022	237,811	93,064	38.9

(Reference) Equity: As of December 31, 2022: ¥ 92,295 million
As of March 31, 2022: ¥ 92,490 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, 2022	-	20.00	-	5.00	25.00
Fiscal year ending March 31, 2023	-	18.00	-		
Fiscal year ending March 31, 2023 (Forecast)				18.00	36.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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	305,000	18.2	3,100	-	4,000	-	4,000	-	38.11

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(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, 2022: 106,761,205 shares
March 31, 2022: 106,761,205 shares

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

December 31, 2022: 1,687,519 shares
March 31, 2022: 2,029,142 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 104,882,411 shares
Nine months ended December 31, 2021: 104,669,180 shares

Note: The number of treasury shares at end of each period includes the shares of the company owned by BIP trust and Employee Stock Ownership plan trust. BIP trust and Employee Stock Ownership plan trust are included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period (Nine months ended December 31, 2022). BIP trust are included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period (Nine months ended December 31, 2021).

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation of the proper use of financial results forecast and other notes

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management, and they are not meant to be a commitment by the Company. Therefore, there might be cases in which actual results differ materially from forecast values due to various factors.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	38,648	46,128
Notes receivable, accounts receivable from completed construction contracts and other	115,860	109,813
Costs on construction contracts in progress	6,981	7,101
Costs on real estate business	2	183
Real estate for sale	3,801	5,331
Raw materials and supplies	53	59
Other	8,695	6,990
Allowance for doubtful accounts	(78)	(76)
Total current assets	173,963	175,532
Non-current assets		
Property, plant and equipment	29,675	27,308
Intangible assets	1,390	1,364
Investments and other assets		
Investment securities	30,171	28,950
Long-term loans receivable	26	6
Deferred tax assets	130	318
Other	2,453	2,438
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	32,782	31,713
Total non-current assets	63,847	60,386
Total assets	237,811	235,918
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	48,699	41,973
Electronically recorded obligations - operating	14,131	17,027
Short-term borrowings	97	20,320
Income taxes payable	1,651	616
Advances received on construction contracts in progress	14,536	15,386
Deposits received - real estate business	37	28
Provision for warranties for completed construction	6,625	7,959
Provision for loss on construction contracts	8,777	10,210
Provision for bonuses	2,047	1,039
Provision for losses on sales of shares of subsidiaries and associates	105	-
Deposits received	16,566	18,251
Other	1,730	1,301
Total current liabilities	115,004	134,115
Non-current liabilities		
Long-term borrowings	22,334	2,019
Deferred tax liabilities	141	-
Provision for share awards for directors (and other officers)	46	27
Provision for loss on real estate business and other	5,139	4,964
Retirement benefit liability	697	554
Other	1,383	1,243
Total non-current liabilities	29,742	8,809
Total liabilities	144,747	142,924

(Million yen)

	As of March 31,2022	As of December 31,2022
Net assets		
Shareholders' equity		
Share capital	16,354	16,354
Capital surplus	4,089	4,093
Retained earnings	67,309	67,174
Treasury shares	(1,282)	(1,057)
Total shareholders' equity	86,471	86,565
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,087	5,237
Foreign currency translation adjustment	11	331
Remeasurements of defined benefit plans	(80)	160
Total accumulated other comprehensive income	6,018	5,729
Non-controlling interests	574	699
Total net assets	93,064	92,994
Total liabilities and net assets	237,811	235,918

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 31,2021	For the nine months ended December 31,2022
Net sales		
Net sales of completed construction contracts	179,582	198,985
Net sales in real estate business and other	1,714	2,034
Total net sales	181,296	201,019
Cost of sales		
Cost of sales of completed construction contracts	173,809	185,780
Cost of sales in real estate business and other	1,062	1,317
Total cost of sales	174,871	187,098
Gross profit		
Gross profit on completed construction contracts	5,772	13,205
Gross profit on real estate business and other	652	716
Total gross profit	6,424	13,921
Selling, general and administrative expenses	11,407	12,205
Operating profit (loss)	(4,982)	1,716
Non-operating income		
Interest income	17	12
Dividend income	160	166
Share of profit of entities accounted for using equity method	367	268
Other	140	62
Total non-operating income	685	510
Non-operating expenses		
Interest expenses	121	106
Foreign exchange losses	-	190
Other	119	296
Total non-operating expenses	240	594
Ordinary profit (loss)	(4,538)	1,632
Extraordinary income		
Gain on sale of non-current assets	399	-
Gain on sale of investment securities	-	2,571
Total extraordinary income	399	2,571
Extraordinary losses		
Loss on retirement of non-current assets	34	-
Loss on valuation of investment securities	37	-
Impairment losses	19	47
Total extraordinary losses	90	47
Profit (loss) before income taxes	(4,229)	4,157
Income taxes - current	967	1,770
Income taxes - deferred	219	(42)
Total income taxes	1,186	1,727
Profit (loss)	(5,416)	2,430
Profit attributable to non-controlling interests	36	122
Profit (loss) attributable to owners of parent	(5,452)	2,307

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit (loss)	(5,416)	2,430
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,672)	(933)
Foreign currency translation adjustment	48	116
Remeasurements of defined benefit plans, net of tax	114	223
Share of other comprehensive income of entities accounted for using equity method	151	307
Total other comprehensive income	(1,357)	(286)
Comprehensive income	(6,773)	2,143
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,807)	2,018
Comprehensive income attributable to non-controlling interests	33	124