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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 7, 2023

Company name: TOKYU CONSTRUCTION CO., LTD.
Stock exchange listing: Tokyo
Code number: 1720
URL: https://www.tokyu-cnst.co.jp/
Representative: Mitsuhiro Terada ,Representative Director,President
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Scheduled date of filing quarterly securities report: August 8, 2023
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 Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	62,860	2.3	229	-	928	-	769	-
June 30, 2022	61,468	9.1	(517)	-	(186)	-	(340)	-

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 1,334 million [177.6%]
Three months ended June 30, 2022: ¥ 480 million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	7.32	-
June 30, 2022	(3.25)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	226,455	95,491	41.8
March 31, 2023	249,164	96,020	38.2

(Reference) Equity: As of June 30, 2023: ¥ 94,688 million
As of March 31, 2023: ¥ 95,248 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	-	18.00	-	18.00	36.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		18.00	-	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, 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	307,000	6.3	5,300	3.8	6,200	23.5	4,000	(23.7)	38.05

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023 (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):

June 30, 2023: 106,761,205 shares

March 31, 2023: 106,761,205 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 1,563,437 shares

March 31, 2023: 1,629,392 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 105,153,770 shares

Three months ended June 30, 2022: 104,757,957 shares

(Note)The number of shares of treasury stock included the shares held by TOKYU CONSTRUCTION Employee Ownership Association Trust and BIP Trust.

* 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

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	58,714	38,207
Notes receivable, accounts receivable from completed construction contracts and other	113,448	107,861
Securities	1	1
Costs on construction contracts in progress	7,667	11,161
Costs on real estate business	1,034	1,069
Real estate for sale	21	21
Raw materials and supplies	55	78
Other	7,035	6,151
Allowance for doubtful accounts	(85)	(95)
Total current assets	187,892	164,457
Non-current assets		
Property, plant and equipment	27,220	27,076
Intangible assets	1,480	1,513
Investments and other assets		
Investment securities	28,837	29,510
Long-term loans receivable	6	6
Deferred tax assets	1,282	1,440
Other	2,444	2,450
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	32,571	33,408
Total non-current assets	61,271	61,997
Total assets	249,164	226,455
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	44,324	33,762
Electronically recorded obligations - operating	21,175	16,322
Short-term borrowings	20,083	20,214
Income taxes payable	2,276	608
Advances received on construction contracts in progress	16,736	14,276
Deposits received - real estate business	18	35
Provision for warranties for completed construction	8,003	8,053
Provision for loss on construction contracts	10,341	9,928
Provision for bonuses	2,602	3,663
Deposits received	15,372	14,617
Other	3,809	1,335
Total current liabilities	144,743	122,818
Non-current liabilities		
Long-term borrowings	1,887	1,848
Provision for share awards for directors (and other officers)	27	18
Provision for loss on real estate business and other	4,883	4,719
Retirement benefit liability	572	556
Other	1,030	1,002
Total non-current liabilities	8,400	8,146
Total liabilities	153,144	130,964

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	16,354	16,354
Capital surplus	4,093	4,093
Retained earnings	70,112	68,970
Treasury shares	(1,019)	(972)
Total shareholders' equity	89,541	88,445
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,284	5,665
Foreign currency translation adjustment	269	376
Remeasurements of defined benefit plans	153	202
Total accumulated other comprehensive income	5,707	6,243
Non-controlling interests	771	802
Total net assets	96,020	95,491
Total liabilities and net assets	249,164	226,455

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales		
Net sales of completed construction contracts	60,840	62,373
Net sales in real estate business and other	627	487
Total net sales	61,468	62,860
Cost of sales		
Cost of sales of completed construction contracts	57,764	58,235
Cost of sales in real estate business and other	335	178
Total cost of sales	58,100	58,414
Gross profit		
Gross profit on completed construction contracts	3,076	4,137
Gross profit on real estate business and other	291	309
Total gross profit	3,368	4,446
Selling, general and administrative expenses	3,885	4,216
Operating profit (loss)	(517)	229
Non-operating income		
Interest income	3	4
Dividend income	104	83
Foreign exchange gains	384	630
Share of profit of entities accounted for using equity method	-	51
Other	32	38
Total non-operating income	525	808
Non-operating expenses		
Interest expenses	29	36
Investment business association management fee	31	31
Share of loss of entities accounted for using equity method	61	-
Other	72	42
Total non-operating expenses	194	110
Ordinary profit (loss)	(186)	928
Profit (loss) before income taxes	(186)	928
Income taxes - current	652	528
Income taxes - deferred	(522)	(389)
Total income taxes	129	138
Profit (loss)	(316)	789
Profit attributable to non-controlling interests	23	19
Profit (loss) attributable to owners of parent	(340)	769

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit (loss)	(316)	789
Other comprehensive income		
Valuation difference on available-for-sale securities	461	534
Foreign currency translation adjustment	104	52
Remeasurements of defined benefit plans, net of tax	45	44
Share of other comprehensive income of entities accounted for using equity method	184	(87)
Total other comprehensive income	796	544
Comprehensive income	480	1,334
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	449	1,306
Comprehensive income attributable to non-controlling interests	30	28