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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 7, 2024

Company name: TOKYU CONSTRUCTION CO., LTD.
Listing: Tokyo
Securities code: 1720
URL: https://www.tokyu-cnst.co.jp/
Representative: Mitsuhiro Terada ,Representative Director ,President
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	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, 2024	55,251	(12.1)	(953)	-	(482)	-	(94)	-
June 30, 2023	62,860	2.3	229	-	928	-	769	-

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ (917) million [-%]
Three months ended June 30, 2023: ¥ 1,334 million [177.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	(0.90)	-
June 30, 2023	7.32	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	232,620	97,889	41.7
March 31, 2024	264,525	100,789	37.8

(Reference) Equity: As of June 30, 2024: ¥ 97,055 million
As of March 31, 2024: ¥ 99,966 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, 2024	-	18.00	-	19.00	37.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		19.00	-	19.00	38.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(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	310,000	8.5	5,000	(38.7)	5,800	(40.4)	4,400	(39.4)	41.70

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 106,761,205 shares

March 31, 2024: 106,761,205 shares

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

June 30, 2024: 1,187,611 shares

March 31, 2024: 1,243,973 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 105,536,864 shares

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

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

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forecasts given above are based on information currently available and certain premises regarded as reasonable, and do not include any intent that the company will guarantee its achievement. The actual business result is inherently subject to a variety of risks and uncertainties, and may vary significantly from forecast due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	32,122	36,847
Notes receivable, accounts receivable from completed construction contracts and other	153,707	114,727
Costs on construction contracts in progress	4,676	9,498
Costs on real estate business	27	30
Real estate for sale	8,031	7,993
Raw materials and supplies	90	87
Other	7,964	7,064
Allowance for doubtful accounts	(78)	(77)
Total current assets	206,541	176,171
Non-current assets		
Property, plant and equipment	22,478	22,840
Intangible assets	1,460	1,459
Investments and other assets		
Investment securities	30,040	28,026
Long-term loans receivable	3	3
Retirement benefit asset	1,455	1,472
Deferred tax assets	159	253
Other	2,386	2,392
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	34,045	32,148
Total non-current assets	57,984	56,448
Total assets	264,525	232,620
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	39,687	30,018
Electronically recorded obligations - operating	16,368	14,289
Short-term borrowings	33,207	9,080
Income taxes payable	352	50
Advances received on construction contracts in progress	11,971	19,692
Deposits received - real estate business	14	31
Provision for warranties for completed construction	6,497	6,512
Provision for loss on construction contracts	6,631	6,382
Provision for bonuses	2,707	4,452
Provision for loss on business liquidation	19	12
Deposits received	15,130	17,320
Other	4,799	1,815
Total current liabilities	137,388	109,659
Non-current liabilities		
Long-term borrowings	21,521	21,480
Deferred tax liabilities	993	-
Provision for share awards for directors (and other officers)	18	18
Provision for loss on real estate business and other	2,415	2,010
Retirement benefit liability	309	447
Other	1,089	1,113
Total non-current liabilities	26,347	25,071
Total liabilities	163,735	134,730

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	16,354	16,354
Capital surplus	3,533	3,533
Retained earnings	73,553	71,440
Treasury shares	(769)	(732)
Total shareholders' equity	92,672	90,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,244	4,410
Foreign currency translation adjustment	417	486
Remeasurements of defined benefit plans	1,632	1,563
Total accumulated other comprehensive income	7,293	6,460
Non-controlling interests	823	833
Total net assets	100,789	97,889
Total liabilities and net assets	264,525	232,620

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, 2023	For the three months ended June 30, 2024
Net sales		
Net sales of completed construction contracts	62,373	54,764
Net sales in real estate business and other	487	487
Total net sales	62,860	55,251
Cost of sales		
Cost of sales of completed construction contracts	58,235	51,519
Cost of sales in real estate business and other	178	(99)
Total cost of sales	58,414	51,420
Gross profit		
Gross profit on completed construction contracts	4,137	3,244
Gross profit on real estate business and other	309	586
Total gross profit	4,446	3,831
Selling, general and administrative expenses	4,216	4,785
Operating profit (loss)	229	(953)
Non-operating income		
Interest income	4	5
Dividend income	83	109
Foreign exchange gains	630	379
Share of profit of entities accounted for using equity method	51	195
Other	38	26
Total non-operating income	808	717
Non-operating expenses		
Interest expenses	36	67
Loss on valuation of investment securities	0	100
Other	73	76
Total non-operating expenses	110	245
Ordinary profit (loss)	928	(482)
Extraordinary income		
Gain on sale of investment securities	-	361
Total extraordinary income	-	361
Profit (loss) before income taxes	928	(121)
Income taxes - current	528	642
Income taxes - deferred	(389)	(677)
Total income taxes	138	(35)
Profit (loss)	789	(86)
Profit attributable to non-controlling interests	19	8
Profit (loss) attributable to owners of parent	769	(94)

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

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit (loss)	789	(86)
Other comprehensive income		
Valuation difference on available-for-sale securities	534	(863)
Foreign currency translation adjustment	52	53
Remeasurements of defined benefit plans, net of tax	44	(66)
Share of other comprehensive income of entities accounted for using equity method	(87)	45
Total other comprehensive income	544	(831)
Comprehensive income	1,334	(917)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,306	(928)
Comprehensive income attributable to non-controlling interests	28	10