

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

Company name: TOYO CONSTRUCTION CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 1890 URL <https://www.toyo-const.co.jp/>
 Representative: Representative Director, President Haruhisa Obayashi
 General Manager of Administration Dept.,
 Inquiries: Administration Group, Corporate Sec. Hisanori Sakashita TEL 03-6361-5450
 Scheduled date of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	%
Year ended March 31, 2024	186,781	10.9	10,887	21.0	10,057	17.6	7,016	24.0
Year ended March 31, 2023	168,351	10.4	8,995	(6.5)	8,551	(6.4)	5,656	(3.5)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	74.51	—	9.4	6.3	5.8
Year ended March 31, 2023	60.17	—	8.1	5.9	5.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	164,160	80,800	47.6	831.98
As of March 31, 2023	153,717	73,984	46.7	763.87

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	(8,512)	(7,881)	572	23,475
Year ended March 31, 2023	11,785	(485)	(2,872)	39,008

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	—	—	25.00	25.00	2,358	41.5	3.4
Year ended March 31, 2024	—	—	—	74.00	74.00	6,980	99.3	9.3
Year ending March 31, 2025 (Forecast)	—	30.00	—	50.00	80.00		99.1	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	190,000	1.7	11,600	6.5	11,100	10.4	7,600	8.3	80.70

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: Yes

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	94,371,183 shares	As of March 31, 2023	94,371,183 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	448,980 shares	As of March 31, 2023	351,466 shares
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Average number of shares during the period

Year ended March 31, 2024	94,173,386 shares	Year ended March 31, 2023	94,013,978 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	39,108	23,575
Notes receivable, accounts receivable from completed construction contracts and other	63,153	74,856
Costs on construction contracts in progress	2,158	2,105
Advances paid	2,384	4,133
Other accounts receivable	4,770	9,218
Other	3,450	5,127
Allowance for doubtful accounts	(11)	(8)
Total current assets	115,014	119,007
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,086	13,383
Machinery, vehicles, tools, furniture and fixtures	26,052	26,326
Land	21,346	21,486
Construction in progress	186	6,241
Accumulated depreciation	(29,658)	(31,249)
Total property, plant and equipment	31,013	36,188
Intangible assets	977	914
Investments and other assets		
Investment securities	2,528	3,190
Deferred tax assets	2,513	1,735
Retirement benefit asset	366	1,168
Other	1,400	2,073
Allowance for doubtful accounts	(97)	(117)
Total investments and other assets	6,711	8,050
Total non-current assets	38,703	45,153
Total assets	153,717	164,160

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	33,729	32,397
Short-term borrowings	2,951	6,534
Income taxes payable	2,268	1,105
Advances received on construction contracts in progress	12,537	15,353
Deposits received	5,996	3,923
Accrued consumption taxes	8,525	10,480
Provision for warranties for completed construction	1,053	925
Provision for loss on construction contracts	25	46
Provision for bonuses	1,233	1,279
Other	1,915	2,129
Total current liabilities	70,235	74,174
Non-current liabilities		
Long-term borrowings	1,754	1,615
Deferred tax liabilities	135	234
Deferred tax liabilities for land revaluation	2,206	2,204
Other provisions	9	44
Retirement benefit liability	4,826	4,506
Other	564	580
Total non-current liabilities	9,497	9,185
Total liabilities	79,733	83,360
Net assets		
Shareholders' equity		
Share capital	14,049	14,049
Capital surplus	6,074	6,074
Retained earnings	48,701	53,367
Treasury shares	(145)	(488)
Total shareholders' equity	68,680	73,002
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	576	1,019
Deferred gains or losses on hedges	–	1,087
Revaluation reserve for land	3,070	3,066
Foreign currency translation adjustment	35	99
Remeasurements of defined benefit plans	(543)	(134)
Total accumulated other comprehensive income	3,138	5,139
Non-controlling interests	2,165	2,658
Total net assets	73,984	80,800
Total liabilities and net assets	153,717	164,160

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales		
Net sales of completed construction contracts	167,676	185,898
Net sales in sideline businesses	675	882
Total net sales	168,351	186,781
Cost of sales		
Cost of sales of completed construction contracts	148,609	163,027
Cost of sales in sideline businesses	214	426
Total cost of sales	148,823	163,453
Gross profit		
Gross profit on completed construction contracts	19,066	22,871
Gross profit on sideline businesses	460	456
Total gross profit	19,527	23,328
Selling, general and administrative expenses	10,531	12,440
Operating profit	8,995	10,887
Non-operating income		
Interest income	46	72
Dividend income	121	52
Foreign exchange gains	74	443
Other	80	59
Total non-operating income	321	627
Non-operating expenses		
Interest expenses	132	145
Restructuring Expense	486	1,091
Commitment fees	27	72
Other	118	148
Total non-operating expenses	765	1,457
Ordinary profit	8,551	10,057
Extraordinary income		
Gain on sale of non-current assets	149	51
Gain on sale of investment securities	222	–
Other	10	–
Total extraordinary income	382	51
Extraordinary losses		
Loss on sale of non-current assets	24	2
Loss on retirement of non-current assets	24	122
Impairment losses	–	14
Other	3	13
Total extraordinary losses	51	152
Profit before income taxes	8,882	9,955
Income taxes - current	3,166	2,609
Income taxes - deferred	(247)	(7)
Total income taxes	2,918	2,601
Profit	5,964	7,354
Profit attributable to non-controlling interests	307	337
Profit attributable to owners of parent	5,656	7,016

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	5,964	7,354
Other comprehensive income		
Valuation difference on available-for-sale securities	(90)	455
Deferred gains or losses on hedges	(0)	1,087
Foreign currency translation adjustment	85	161
Remeasurements of defined benefit plans, net of tax	5	490
Total other comprehensive income	0	2,195
Comprehensive income	5,964	9,549
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,562	9,021
Comprehensive income attributable to non-controlling interests	402	528

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,049	6,066	44,931	(161)	64,886
Changes during period					
Dividends of surplus			(1,886)		(1,886)
Profit attributable to owners of parent			5,656		5,656
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				16	16
Purchase of shares of consolidated subsidiaries		8			8
Reversal of revaluation reserve for land					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	8	3,770	15	3,794
Balance at end of period	14,049	6,074	48,701	(145)	68,680

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	661	0	3,070	0	(500)	3,233	1,780	69,899
Changes during period								
Dividends of surplus								(1,886)
Profit attributable to owners of parent								5,656
Purchase of treasury shares								(0)
Disposal of treasury shares								16
Purchase of shares of consolidated subsidiaries								8
Reversal of revaluation reserve for land								–
Net changes in items other than shareholders' equity	(85)	(0)	–	34	(43)	(94)	384	290
Total changes during period	(85)	(0)	–	34	(43)	(94)	384	4,084
Balance at end of period	576	–	3,070	35	(543)	3,138	2,165	73,984

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,049	6,074	48,701	(145)	68,680
Changes during period					
Dividends of surplus			(2,358)		(2,358)
Profit attributable to owners of parent			7,016		7,016
Purchase of treasury shares				(444)	(444)
Disposal of treasury shares				100	100
Purchase of shares of consolidated subsidiaries			3		3
Reversal of revaluation reserve for land			3		3
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	4,665	(343)	4,322
Balance at end of period	14,049	6,074	53,367	(488)	73,002

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	576	–	3,070	35	(543)	3,138	2,165	73,984
Changes during period								
Dividends of surplus								(2,358)
Profit attributable to owners of parent								7,016
Purchase of treasury shares								(444)
Disposal of treasury shares								100
Purchase of shares of consolidated subsidiaries								3
Reversal of revaluation reserve for land								3
Net changes in items other than shareholders' equity	443	1,087	(3)	64	409	2,000	492	2,493
Total changes during period	443	1,087	(3)	64	409	2,000	492	6,815
Balance at end of period	1,019	1,087	3,066	99	(134)	5,139	2,658	80,800

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,882	9,955
Depreciation	1,652	2,843
Impairment losses	–	14
Increase (decrease) in allowance for doubtful accounts	(9)	16
Increase (decrease) in provision for loss on construction contracts	(24)	20
Decrease (increase) in retirement benefit asset	(96)	(773)
Increase (decrease) in retirement benefit liability	(375)	(320)
Interest and dividend income	(167)	(125)
Interest expenses	132	145
Loss (gain) on sale of investment securities	(222)	–
Loss (gain) on sale of property, plant and equipment	(124)	(49)
Loss on retirement of property, plant and equipment	24	122
Decrease (increase) in trade receivables	(11,601)	(11,519)
Decrease (increase) in costs on construction contracts in progress	334	67
Decrease (increase) in real estate for sale	–	0
Decrease (increase) in accounts receivable - other	(109)	12
Decrease (increase) in other accounts receivable	732	(4,447)
Decrease (increase) in advances paid	943	(1,682)
Increase (decrease) in trade payables	3,921	(1,547)
Increase (decrease) in advances received on construction contracts in progress	3,865	2,786
Increase (decrease) in accrued consumption taxes	732	1,949
Increase (decrease) in deposits received	3,340	(2,078)
Other, net	1,157	(106)
Subtotal	12,988	(4,714)
Interest and dividends received	166	118
Interest paid	(125)	(152)
Income taxes paid	(1,242)	(3,763)
Net cash provided by (used in) operating activities	11,785	(8,512)
Cash flows from investing activities		
Payments into time deposits	(100)	(100)
Proceeds from withdrawal of time deposits	100	100
Purchase of securities	(91)	(200)
Proceeds from sale and redemption of securities	54	97
Purchase of property, plant and equipment	(794)	(7,620)
Proceeds from sale of property, plant and equipment	185	129
Purchase of intangible assets	(174)	(262)
Purchase of investment securities	(0)	(5)
Proceeds from sale of investment securities	301	–
Loan advances	(10)	(5)
Proceeds from collection of loans receivable	45	7
Other, net	(0)	(21)
Net cash provided by (used in) investing activities	(485)	(7,881)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	529	3,732
Proceeds from long-term borrowings	300	916
Repayments of long-term borrowings	(1,706)	(1,252)
Repayments of lease liabilities	(107)	(111)
Dividends paid	(1,886)	(2,358)
Dividends paid to non-controlling interests	(9)	(35)
Proceeds from sale of treasury shares	8	124
Purchase of treasury shares	(0)	(444)
Net cash provided by (used in) financing activities	(2,872)	572
Effect of exchange rate change on cash and cash equivalents	95	254
Net increase (decrease) in cash and cash equivalents	8,523	(15,567)
Cash and cash equivalents at beginning of period	30,485	39,008
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	34
Cash and cash equivalents at end of period	39,008	23,475