

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 12, 2021

Company name: TOYO KANETSU K.K.  
 Stock exchange listing: Tokyo  
 Stock code: 6369 URL <https://www.toyokanetsu.co.jp>  
 Representative: President and Representative Director Toru Yanagawa  
 Inquiries: Managing Officer Takeshi Yonehara TEL 03-5857-3333  
 Scheduled date to file Quarterly Securities Report: August 13, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2021	18,014	–	711	–	919	–	590	–
Three months ended June 30, 2020	9,798	24.3	757	–	735	987.9	465	126.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	72.26	–
Three months ended June 30, 2020	55.08	–

(Note) From the beginning of the 1st quarter of the current fiscal year ending March 31, 2022, the Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29). The figures for the 1st quarter of the current fiscal year above include the effects of the said standards. Accordingly, percentages of changes from the same period of the previous fiscal year are not indicated.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2021	61,508	36,096	58.7	4,413.53
As of March 31, 2021	58,764	36,484	62.1	4,461.06

(Note) From the beginning of the 1st quarter of the current fiscal year ending March 31, 2022, the Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29). The figures for the 1st quarter of the current fiscal year above include the effects of the said standards.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	0.00	–	115.00	115.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	0.00	–	105.00	105.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	54,700	25.4	2,370	(9.7)	2,670	(12.5)	1,750	(1.6)	209.12

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
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|--|-----|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes |
| Changes in accounting policies due to other reasons:   | No  |
| Changes in accounting estimates:   | No  |
| Restatement of prior period financial statements:  | No  |

(4) Number of issued shares (common shares)

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

As of June 30, 2021	9,323,074 shares	As of March 31, 2021	9,323,074 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	1,144,990 shares	As of March 31, 2021	1,144,747 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	8,178,182 shares	Three months ended June 30, 2020	8,449,028 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	7,413	8,362
Notes and accounts receivable - trade, and contract assets	13,489	20,638
Investments in leases	550	461
Merchandise and finished goods	57	52
Work in process	6,732	809
Raw materials and supplies	2,523	2,459
Other	863	910
Allowance for doubtful accounts	(13)	(17)
Total current assets	31,616	33,676
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,142	4,222
Machinery, equipment and vehicles, net	716	794
Tools, furniture and fixtures, net	284	383
Land	10,122	10,326
Construction in progress	356	369
Other, net	18	42
Total property, plant and equipment	15,641	16,138
Intangible assets	481	533
Investments and other assets		
Investment securities	9,909	9,835
Deferred tax assets	42	211
Retirement benefit asset	452	480
Other	847	860
Allowance for doubtful accounts	(227)	(227)
Total investments and other assets	11,024	11,160
Total non-current assets	27,147	27,832
Total assets	58,764	61,508

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,091	1,534
Short-term borrowings	3,620	6,120
Current portion of long-term borrowings	8	5
Accrued expenses	3,778	4,083
Income taxes payable	914	452
Contract liabilities	2,354	2,191
Provision for bonuses	259	–
Provision for loss on order received	30	–
Provision for warranties for completed construction	348	400
Other	681	1,053
<b>Total current liabilities</b>	<b>13,086</b>	<b>15,840</b>
<b>Non-current liabilities</b>		
Bonds payable	1,000	1,000
Long-term borrowings	4,580	4,580
Deferred tax liabilities	2,138	2,104
Deferred tax liabilities for land revaluation	1,095	1,095
Retirement benefit liability	107	381
Asset retirement obligations	230	311
Other	41	98
<b>Total non-current liabilities</b>	<b>9,193</b>	<b>9,571</b>
<b>Total liabilities</b>	<b>22,280</b>	<b>25,412</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	18,580	18,580
Capital surplus	1,273	1,273
Retained earnings	16,148	15,789
Treasury shares	(2,933)	(2,934)
<b>Total shareholders' equity</b>	<b>33,068</b>	<b>32,709</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	3,937	3,868
Deferred gains or losses on hedges	9	6
Revaluation reserve for land	106	106
Foreign currency translation adjustment	(833)	(808)
Remeasurements of defined benefit plans	195	210
<b>Total accumulated other comprehensive income</b>	<b>3,415</b>	<b>3,384</b>
<b>Non-controlling interests</b>	<b>0</b>	<b>2</b>
<b>Total net assets</b>	<b>36,484</b>	<b>36,096</b>
<b>Total liabilities and net assets</b>	<b>58,764</b>	<b>61,508</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	9,798	18,014
Cost of sales	7,476	15,486
Gross profit	2,321	2,527
Selling, general and administrative expenses	1,563	1,816
Operating profit	757	711
Non-operating income		
Interest income	4	1
Dividend income	145	156
Foreign exchange gains	–	31
Other	25	33
Total non-operating income	175	222
Non-operating expenses		
Interest expenses	17	12
Foreign exchange losses	178	–
Other	2	1
Total non-operating expenses	198	14
Ordinary profit	735	919
Extraordinary income		
Gain on sale of non-current assets	1	–
Gain on sale of membership	–	9
Total extraordinary income	1	9
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Retirement benefits for directors (and other officers)	2	–
Loss on disaster	7	–
Total extraordinary losses	9	0
Profit before income taxes	727	928
Income taxes - current	321	392
Income taxes - deferred	(59)	(54)
Total income taxes	262	337
Profit	465	590
Profit attributable to		
Profit attributable to owners of parent	465	590
Loss attributable to non-controlling interests	(0)	(0)
Other comprehensive income		
Valuation difference on available-for-sale securities	662	(68)
Deferred gains or losses on hedges	3	(2)
Foreign currency translation adjustment	(128)	25
Remeasurements of defined benefit plans, net of tax	17	15
Total other comprehensive income	555	(30)
Comprehensive income	1,020	560
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,021	560
Comprehensive income attributable to non-controlling interests	(0)	(0)