

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 13, 2024

Company name: TOYO KANETSU K.K.
 Stock exchange listing: Tokyo
 Stock code: 6369 URL <https://www.toyokanetsu.co.jp>
 Representative: President and Representative Director Takashi Owada
 Senior Executive Officer Division Manager Takeshi Yonehara
 Inquiries: Corporate Division TEL 03-5857-3333
 Scheduled date to file Quarterly Securities Report: February 14, 2024
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(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	%
Nine months ended December 31, 2023	37,012	11.3	1,073	(6.9)	1,523	(4.2)	1,693	48.2
Nine months ended December 31, 2022	33,240	(23.0)	1,152	(42.1)	1,590	(33.7)	1,142	(22.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	216.58	–
Nine months ended December 31, 2022	141.04	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	64,963	35,686	54.9	4,626.54
As of March 31, 2023	64,001	38,087	59.5	4,708.95

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, 2023	–	0.00	–	147.00	147.00
Year ending March 31, 2024	–	0.00	–		
Year ending March 31, 2024 (Forecast)				180.00	180.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	52,400	10.7	2,800	12.1	3,100	7.0	2,800	17.7	358.88

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(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
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- 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 December 31, 2023	8,323,074 shares	As of March 31, 2023	9,323,074 shares
-------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of December 31, 2023	610,848 shares	As of March 31, 2023	1,235,672 shares
-------------------------	----------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	7,820,528 shares	Nine months ended December 31, 2022	8,102,574 shares
-------------------------------------	------------------	-------------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	6,989	11,339
Notes and accounts receivable - trade, and contract assets	23,649	20,158
Investments in leases	35	3
Merchandise and finished goods	19	33
Work in process	1,117	1,464
Raw materials and supplies	4,787	5,313
Other	1,156	1,188
Allowance for doubtful accounts	(20)	(29)
Total current assets	37,734	39,472
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,206	4,662
Machinery, equipment and vehicles, net	568	630
Tools, furniture and fixtures, net	434	526
Land	10,092	10,092
Construction in progress	543	626
Other, net	58	48
Total property, plant and equipment	15,903	16,586
Intangible assets	877	621
Investments and other assets		
Investment securities	8,059	6,971
Deferred tax assets	240	195
Retirement benefit asset	514	410
Other	894	923
Allowance for doubtful accounts	(221)	(217)
Total investments and other assets	9,486	8,283
Total non-current assets	26,267	25,490
Total assets	64,001	64,963

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,243	1,233
Short-term borrowings	5,357	9,857
Current portion of long-term borrowings	1,700	1,700
Accrued expenses	4,715	4,914
Income taxes payable	908	478
Contract liabilities	2,138	1,895
Provision for bonuses	423	103
Provision for loss on orders received	45	45
Provision for warranties for completed construction	202	105
Other	696	1,052
Total current liabilities	17,430	21,386
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	3,380	3,458
Deferred tax liabilities	1,730	1,012
Deferred tax liabilities for land revaluation	1,095	1,095
Retirement benefit liability	392	418
Asset retirement obligations	800	801
Other	84	103
Total non-current liabilities	8,483	7,890
Total liabilities	25,914	29,276
Net assets		
Shareholders' equity		
Share capital	18,580	18,580
Capital surplus	1,273	1,273
Retained earnings	18,135	15,862
Treasury shares	(3,200)	(1,666)
Total shareholders' equity	34,789	34,049
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,374	1,799
Deferred gains or losses on hedges	(6)	(19)
Revaluation reserve for land	684	684
Foreign currency translation adjustment	(899)	(940)
Remeasurements of defined benefit plans	140	108
Total accumulated other comprehensive income	3,293	1,631
Non-controlling interests	4	5
Total net assets	38,087	35,686
Total liabilities and net assets	64,001	64,963

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	33,240	37,012
Cost of sales	26,013	29,518
Gross profit	7,226	7,494
Selling, general and administrative expenses	6,074	6,420
Operating profit	1,152	1,073
Non-operating income		
Interest income	4	3
Dividend income	229	202
Foreign exchange gains	189	161
Gain on sale of scraps	35	27
Other	70	132
Total non-operating income	529	527
Non-operating expenses		
Interest expenses	61	59
Other	29	17
Total non-operating expenses	91	77
Ordinary profit	1,590	1,523
Extraordinary income		
Gain on sale of non-current assets	11	440
Gain on sale of investment securities	13	1,210
Other	0	0
Total extraordinary income	25	1,651
Extraordinary losses		
Loss on sale of non-current assets	19	-
Loss on valuation of investment securities	60	7
Impairment losses	-	333
Loss on disaster	-	517
Other	5	5
Total extraordinary losses	85	864
Profit before income taxes	1,529	2,310
Income taxes - current	359	579
Income taxes - deferred	26	36
Total income taxes	385	615
Profit	1,143	1,694
Profit attributable to		
Profit attributable to owners of parent	1,142	1,693
Profit attributable to non-controlling interests	1	1
Other comprehensive income		
Valuation difference on available-for-sale securities	968	(1,575)
Deferred gains or losses on hedges	(9)	(13)
Foreign currency translation adjustment	(28)	(41)
Remeasurements of defined benefit plans, net of tax	(26)	(32)
Total other comprehensive income	902	(1,662)
Comprehensive income	2,046	32
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,045	31
Comprehensive income attributable to non-controlling interests	1	1