

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 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
 Inquiries: Division Manager Takeshi Yonehara TEL 03-5857-3333
 Corporate Division
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	13,996	40.1	1,302	–	1,446	–	949	–
Three months ended June 30, 2023	9,987	(6.0)	(446)	–	(236)	–	(469)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2024	123.17		–	
Three months ended June 30, 2023	(59.03)		–	

(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, 2024	69,525	36,843	53.0	4,775.71
As of March 31, 2024	67,891	37,752	55.6	4,894.51

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, 2024	–	0.00	–	229.00	229.00
Year ending March 31, 2025	–	–	–	–	–
Year ending March 31, 2025 (Forecast)	–	50.00	–	132.00	182.00

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
Six months ending September 30, 2024	28,900	24.9	1,750	217.1	1,900	116.5	1,450	260.0	188.00
Full year	59,500	10.6	3,900	26.2	4,100	14.5	2,800	(21.2)	363.02

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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: 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, 2024	8,323,074 shares	As of March 31, 2024	8,323,074 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	609,647 shares	As of March 31, 2024	611,100 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, 2024	7,712,234 shares	Three months ended June 30, 2023	7,955,958 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	8,351	9,945
Notes and accounts receivable - trade, and contract assets	25,571	24,989
Merchandise and finished goods	26	39
Work in process	1,476	1,418
Raw materials and supplies	5,163	5,489
Other	1,420	1,622
Allowance for doubtful accounts	(34)	(35)
Total current assets	41,975	43,470
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,634	4,640
Machinery, equipment and vehicles, net	698	663
Tools, furniture and fixtures, net	484	520
Land	10,092	10,145
Construction in progress	598	799
Other, net	43	40
Total property, plant and equipment	16,551	16,810
Intangible assets	634	626
Investments and other assets		
Investment securities	6,971	6,933
Deferred tax assets	205	183
Retirement benefit asset	820	786
Other	948	932
Allowance for doubtful accounts	(216)	(216)
Total investments and other assets	8,729	8,619
Total non-current assets	25,915	26,055
Total assets	67,891	69,525

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	997	1,093
Short-term borrowings	11,375	12,075
Current portion of long-term borrowings	2,480	2,480
Accrued expenses	5,197	4,512
Income taxes payable	1,384	354
Contract liabilities	584	4,215
Provision for bonuses	410	96
Provision for loss on orders received	104	92
Provision for warranties for completed construction	106	126
Other	1,043	1,318
Total current liabilities	23,685	26,365
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	2,160	2,100
Deferred tax liabilities	858	810
Deferred tax liabilities for land revaluation	1,095	1,095
Retirement benefit liability	420	405
Asset retirement obligations	820	816
Other	99	88
Total non-current liabilities	6,454	6,316
Total liabilities	30,139	32,682
Net assets		
Shareholders' equity		
Share capital	18,580	18,580
Capital surplus	1,273	1,273
Retained earnings	17,722	16,888
Treasury shares	(1,704)	(1,702)
Total shareholders' equity	35,871	35,039
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,835	1,778
Deferred gains or losses on hedges	21	40
Revaluation reserve for land	684	684
Foreign currency translation adjustment	(958)	(978)
Remeasurements of defined benefit plans	291	272
Total accumulated other comprehensive income	1,874	1,797
Non-controlling interests	5	6
Total net assets	37,752	36,843
Total liabilities and net assets	67,891	69,525

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

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	9,987	13,996
Cost of sales	8,371	10,518
Gross profit	1,616	3,478
Selling, general and administrative expenses	2,063	2,175
Operating profit (loss)	(446)	1,302
Non-operating income		
Interest income	0	2
Dividend income	128	120
Foreign exchange gains	85	64
Other	21	25
Total non-operating income	236	213
Non-operating expenses		
Interest expenses	16	26
Share of loss of entities accounted for using equity method	–	23
Other	8	19
Total non-operating expenses	25	69
Ordinary profit (loss)	(236)	1,446
Extraordinary income		
Gain on sale of non-current assets	29	0
Total extraordinary income	29	0
Extraordinary losses		
Loss on retirement of non-current assets	2	0
Loss on disaster	517	9
Total extraordinary losses	519	10
Profit (loss) before income taxes	(726)	1,436
Income taxes - current	104	480
Income taxes - deferred	(361)	5
Total income taxes	(256)	486
Profit (loss)	(469)	950
Profit attributable to		
Profit (loss) attributable to owners of parent	(469)	949
Profit attributable to non-controlling interests	0	0
Other comprehensive income		
Valuation difference on available-for-sale securities	(242)	(71)
Deferred gains or losses on hedges	14	19
Foreign currency translation adjustment	(58)	(19)
Remeasurements of defined benefit plans, net of tax	(9)	(18)
Share of other comprehensive income of entities accounted for using equity method	–	14
Total other comprehensive income	(295)	(76)
Comprehensive income	(765)	873
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(765)	873
Comprehensive income attributable to non-controlling interests	0	0