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February 3, 2025

[Summary] Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

Company name: TOENEC CORPORATION
 Stock exchange listing: Tokyo, Nagoya
 Code number: 1946
 URL: <https://www.toenec.co.jp/english/>
 Representative: Tsuguhisa Takimoto, President and Representative Director
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 Scheduled date of commencing dividend payments: —
 Availability of supplementary briefing material on financial results: Yes
 Schedule of financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	198,313	8.7	10,063	1.0	9,714	8.0	6,054	13.0
December 31, 2023	182,471	11.8	9,966	64.5	8,994	77.1	5,357	—

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥4,163 million [(46.3)%]
 Nine months ended December 31, 2023: ¥7,750 million [—%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	64.98	—
December 31, 2023	57.31	—

* The Company conducted a 5-for-1 share split of its common shares on October 1, 2024. Basic earnings per share have been calculated as if the share split had occurred at the beginning of the fiscal year ended March 31, 2024.

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2024	309,461	130,337	42.1	1,403.73
March 31, 2024	304,931	131,140	43.0	1,402.16

(Reference) Equity:

As of December 31, 2024: ¥130,285 million
 As of March 31, 2024: ¥131,097 million

* The Company conducted a 5-for-1 share split of its common shares on October 1, 2024. Net assets per share have been calculated as if the share split had occurred at the beginning of the fiscal year ended March 31, 2024.

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	—	60.00	—	140.00	200.00
Fiscal year ending March 31, 2025	—	100.00	—		
Fiscal year ending March 31, 2025 (Forecast)				20.00	—

(Note) Revision to the forecast for dividends announced most recently: No

* The breakdown of dividends for the 2nd quarter-end of the fiscal year ending March 31, 2025:

Ordinary dividend: ¥80.00 per share

Commemorative dividend: ¥20.00 per share (commemorative dividend on the 80th anniversary of the Company's founding)

* The Company conducted a 5-for-1 share split of its common shares on October 1, 2024. For the year-end dividend per share for the fiscal year ending March 31, 2025, the amount that takes into account the share split is shown, and for the total annual dividends, “—” is shown. Without taking into account the share split, the year-end dividend for the fiscal year ending March 31, 2025 (forecast) would be ¥100.00 and the annual dividends would be ¥200.00.

3. Consolidated financial results forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	275,000	8.8	15,000	(5.7)	14,300	12.8	8,700	(6.9)	93.47

(Note) Revision to the financial results forecast announced most recently: No

* In the consolidated financial results forecast for the fiscal year ending March 31, 2025, the forecast of basic earnings per share takes into account the impact of the share split.

*** Notes:**

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: Yes
Newly included: 2 companies (Company names: Tri-En TOENEC Co., Ltd., TATESHINA SUN SUN FARM LLC.)
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)

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

December 31, 2024	96,649,950 shares
March 31, 2024	96,649,500 shares

- 2) Total number of treasury shares at the end of the period:

December 31, 2024	3,836,130 shares
March 31, 2024	3,153,000 shares

- 3) Average number of shares during the period:

Nine months ended December 31, 2024	93,167,404 shares
Nine months ended December 31, 2023	93,485,929 shares

* The Company conducted a 5-for-1 share split of its common shares on October 1, 2024. Total number of issued shares at the end of the period, total number of treasury shares at the end of the period and average number of shares during the period have been calculated as if the share split had occurred at the beginning of the fiscal year ended March 31, 2024.

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: No

- * Proper use of earnings forecasts, and other special matters

1. The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.
2. The supplementary briefing material on financial results “Supplementary Briefing Material for the Nine Months Ended December 31, 2024” was posted on the Company’s website today.
3. After the voluntary review of the Japanese-language originals of the attached quarterly consolidated financial statements by an audit corporation is completed, the Company plans to attach the review report to the quarterly consolidated financial results and disclose the results on February 7, 2025.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	38,282	38,382
Deposits paid	1,500	500
Notes receivable, accounts receivable from completed construction contracts and other	83,880	88,597
Costs on construction contracts in progress	5,649	7,700
Raw materials and supplies	3,270	3,179
Merchandise	115	99
Other	3,915	5,323
Allowance for doubtful accounts	(119)	(223)
Total current assets	136,494	143,560
Non-current assets		
Property, plant and equipment		
Buildings and structures	57,556	59,742
Machinery, vehicles, tools, furniture and fixtures	117,290	118,890
Land	31,897	31,911
Construction in progress	3,240	3,180
Accumulated depreciation	(81,872)	(85,817)
Total property, plant and equipment	128,111	127,907
Intangible assets		
Goodwill	626	391
Other	2,772	2,567
Total intangible assets	3,399	2,958
Investments and other assets		
Investment securities	29,167	26,563
Deferred tax assets	4,350	5,152
Other	6,807	6,736
Allowance for doubtful accounts	(3,400)	(3,418)
Total investments and other assets	36,925	35,034
Total non-current assets	168,436	165,901
Total assets	304,931	309,461

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	44,199	51,414
Short-term borrowings	12,082	17,398
Accrued expenses	8,010	5,713
Income taxes payable	4,398	1,989
Advances received on construction contracts in progress	4,091	5,232
Provision for loss on construction contracts	79	1,317
Other	10,924	11,704
Total current liabilities	83,785	94,770
Non-current liabilities		
Bonds payable	8,400	8,400
Long-term borrowings	21,299	20,487
Lease liabilities	43,357	39,315
Retirement benefit liability	11,777	11,130
Asset retirement obligations	4,707	4,584
Other	462	436
Total non-current liabilities	90,004	84,354
Total liabilities	173,790	179,124
Net assets		
Shareholders' equity		
Share capital	7,680	7,680
Capital surplus	6,855	6,869
Retained earnings	104,598	106,177
Treasury shares	(1,525)	(2,181)
Total shareholders' equity	117,609	118,545
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,112	7,440
Foreign currency translation adjustment	735	708
Remeasurements of defined benefit plans	3,640	3,591
Total accumulated other comprehensive income	13,487	11,740
Non-controlling interests	42	51
Total net assets	131,140	130,337
Total liabilities and net assets	304,931	309,461

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	182,471	198,313
Cost of sales	156,584	170,254
Gross profit	25,887	28,059
Selling, general and administrative expenses	15,920	17,995
Operating profit	9,966	10,063
Non-operating income		
Interest income	31	50
Dividend income	376	374
Rental income from land and buildings	153	151
Share of profit of entities accounted for using equity method	—	454
Other	343	158
Total non-operating income	905	1,189
Non-operating expenses		
Interest expenses	1,481	1,412
Share of loss of entities accounted for using equity method	353	—
Other	42	126
Total non-operating expenses	1,877	1,538
Ordinary profit	8,994	9,714
Extraordinary income		
Gain on step acquisitions	—	212
Gain on sale of non-current assets	0	9
Gain on sale of investment securities	0	2,146
Total extraordinary income	0	2,368
Extraordinary losses		
Loss on sale and retirement of non-current assets	154	660
Impairment losses	—	837
Provision of allowance for doubtful accounts	0	1
Loss on sale of investment securities	—	2
Loss on valuation of investment securities	129	2
Total extraordinary losses	284	1,503
Profit before income taxes	8,710	10,580
Income taxes	3,344	4,652
Profit	5,366	5,928
Profit (loss) attributable to non-controlling interests	8	(126)
Profit attributable to owners of parent	5,357	6,054

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

(Million yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	5,366	5,928
Other comprehensive income		
Valuation difference on available-for-sale securities	1,614	(1,726)
Foreign currency translation adjustment	331	30
Remeasurements of defined benefit plans, net of tax	138	(33)
Share of other comprehensive income of entities accounted for using equity method	300	(34)
Total other comprehensive income	2,384	(1,764)
Comprehensive income	7,750	4,163
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,736	4,306
Comprehensive income attributable to non-controlling interests	14	(142)