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



February 13, 2025

Company name: TOBISHIMA HOLDINGS Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 256A
 URL: <https://www.tobishimahd.co.jp/>
 Representative: Mitsuhiro Takahashi, President and Representative Director
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 Scheduled date to commence dividend payments: –
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Not scheduled

(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 - 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	100,266	–	4,071	–	3,707	–	2,465	–
December 31, 2023	–	–	–	–	–	–	–	–

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥2,082 million [–%]

Nine months ended December 31, 2023: ¥– million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	128.76	–
December 31, 2023	–	–

(Note) The Company was established through sole share transfer on October 1, 2024. Accordingly, operating results for the nine months ended December 31, 2023 and changes from the previous corresponding period are not stated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	160,511	49,651	30.9
As of March 31, 2024	–	–	–

(Reference) Equity: As of December 31, 2024: ¥49,553 million

As of March 31, 2024: ¥– million

(Note) The Company was established through sole share transfer on October 1, 2024. Accordingly, financial position for the previous fiscal year is not stated.

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	—	—	—	—	—
Fiscal year ending March 31, 2025	—	—	—		
Fiscal year ending March 31, 2025 (Forecast)				90.00	90.00

(Notes) 1. Revision to the forecast for dividends announced most recently: None

2. The Company was established through sole share transfer on October 1, 2024. Accordingly, dividends for the previous fiscal year and dividends for the 1st and 2nd quarter-ends are not stated.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Full year	135,000	—	5,500	—	4,900	—	3,100	161.91

(Notes) 1. Revision to the financial results forecast announced most recently: None

2. The Company was established through sole share transfer on October 1, 2024. Accordingly, changes from the previous corresponding period are not stated.

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – (), Excluded: – ()

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(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: 19,225,868 shares

March 31, 2024: – shares

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

December 31, 2024: 76,053 shares

March 31, 2024: – shares

3) Average number of shares during the period:

Nine months ended December 31, 2024: 19,145,602 shares

Nine months ended December 31, 2023: – shares

Note: 1. The number of treasury shares at the end of the period and the number of treasury shares deducted in the calculation of the average number of shares during the nine months ended December 31, 2024 include the Company's shares held by the Board Benefit Trust (BBT).

2. The Company was established through sole share transfer on October 1, 2024. Accordingly, numbers for the previous fiscal year and a number for the nine months ended December 31, 2023 are not stated. The figures were calculated using the average number of shares during the period for Tobishima Corporation from April 1, 2024 to September 30, 2024 before the Company was established, and using the average number of shares during the period for the Company from October 1, 2024 to December 31, 2024.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes

Note: 1. The Company was established through sole share transfer on October 1, 2024. Tobishima Corporation, which became a wholly-owned subsidiary of the Company through the sole share transfer, has been exempt from the review of financial results since the three months ended June 30, 2024, and there have been no particular events that require a review since then.

2. The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company as of the date of publication of this document. Actual results may differ from these forecasts due to a wide range of factors. For assumptions underlying the financial results forecast and precautions regarding their use, please refer to “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” in “1. Overview of Operating Results, etc.” on page 3 of the Attachment.

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1. Overview of Operating Results, etc.

TOBISHIMA HOLDINGS Inc. (the “Company”) was established on October 1, 2024 through a sole share transfer, as a wholly-owning parent company of Tobishima Corporation. The Company’s scope of consolidation has been practically unchanged from that of Tobishima Corporation before business combination. Comparison, however, has not been made with financial results for the fiscal year ended March 31, 2024 or the nine months ended December 31, 2023, as this document is the first financial results for the nine months ended December 31 after the establishment of the Company.

In addition, the Company took over the quarterly consolidated financial statements of Tobishima Corporation, which became a wholly-owned subsidiary through the sole share transfer, to prepare the quarterly consolidated financial statements for the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024).

(1) Overview of Operating Results for the Nine Months Ended December 31, 2024

During the nine months ended December 31, 2024, the Japanese economy was on a moderate recovery trend with improvements in employment and income environments and an increase in inbound demand, among other factors; however, conditions remained uncertain, mainly due to downswings in overseas economies resulting from concerns over the outlook of the Chinese economy and other issues, as well as expected policy trends in the United States and circumstances surrounding the Middle East region. The domestic construction market requires continued careful observation due to persistently high prices of labor, materials and equipment, although public investment has remained strong and private capital investment has also shown signs of recovery.

Under these circumstances, for the nine months ended December 31, 2024, net sales were ¥100.2 billion, operating profit was ¥4.0 billion, ordinary profit was ¥3.7 billion, and profit attributable to owners of parent was ¥2.4 billion.

The Group’s net sales tend to be concentrated in the second half of the fiscal year, especially in the fourth quarter, and thus there are seasonal fluctuations in its business performance.

Business results of each reportable segment are as follows.

(Construction Business (Civil Engineering Business))

In the Civil Engineering Business, net sales of completed construction contracts were ¥51.6 billion and segment income was ¥3.8 billion, owing mainly to steady progress made on construction projects.

(Construction Business (Building Construction Business))

In the Building Construction Business, net sales of completed construction contracts were ¥37.1 billion and segment income was ¥1.7 billion, owing mainly to steady progress made on construction projects.

(Growth Business, etc.)

In the Growth Business, etc., net sales were ¥11.4 billion and segment income was ¥0.9 billion, owing mainly to by and large steady progress made by each company.

Note: For the above figures by reportable segment, net sales represent “Sales to third parties,” while adjustments have been made between segment income and operating profit in the quarterly consolidated statements of income.

(2) Overview of Financial Position for the Nine Months Ended December 31, 2024

As for the financial position as of December 31, 2024, assets amounted to ¥160.5 billion, liabilities ¥110.8 billion, and net assets ¥49.6 billion.

Equity ratio was 30.9%.

Going forward, the Company will accelerate the promotion of strategies designed to expand the future revenue base by investing in new and existing businesses while at the same time increasing equity.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There is no change to the consolidated financial results forecasts for the fiscal year ending March 31, 2025 as the Company believes that they are within the range of the forecasts announced on October 1, 2024.

If the need for revision arises in the future, we will disclose it in a timely and appropriate manner.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

As of December 31, 2024	
Assets	
Current assets	
Cash and deposits	18,100
Notes receivable, accounts receivable from completed construction contracts and other	88,923
Real estate for sale	1,492
Costs on construction contracts in progress	2,205
Costs on development business and other in progress	11,321
Other	8,666
Total current assets	130,711
Non-current assets	
Property, plant and equipment	18,410
Intangible assets	1,529
Investments and other assets	
Other	10,006
Allowance for doubtful accounts	(200)
Total investments and other assets	9,805
Total non-current assets	29,745
Deferred assets	54
Total assets	160,511

(Millions of yen)

As of December 31, 2024

Liabilities	
Current liabilities	
Notes payable, accounts payable for construction contracts and other	27,475
Short-term borrowings	29,240
Advances received on construction contracts in progress	9,302
Deposits received	24,345
Provision for warranties for completed construction	219
Provision for loss on construction contracts	117
Other	2,534
Total current liabilities	93,234
Non-current liabilities	
Long-term borrowings	15,674
Provision for share awards for directors (and other officers)	56
Provision for retirement benefits for directors (and other officers)	117
Retirement benefit liability	65
Other	1,711
Total non-current liabilities	17,625
Total liabilities	110,859
Net assets	
Shareholders' equity	
Share capital	5,500
Capital surplus	5,784
Retained earnings	37,067
Treasury shares	(85)
Total shareholders' equity	48,267
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	650
Foreign currency translation adjustment	32
Remeasurements of defined benefit plans	603
Total accumulated other comprehensive income	1,286
Non-controlling interests	98
Total net assets	49,651
Total liabilities and net assets	160,511

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2024
Net sales	100,266
Cost of sales	89,351
Gross profit	10,915
Selling, general and administrative expenses	6,843
Operating profit	4,071
Non-operating income	
Dividend income	32
Gain on investments in investment partnerships	68
Other	31
Total non-operating income	133
Non-operating expenses	
Interest expenses	285
Other	210
Total non-operating expenses	496
Ordinary profit	3,707
Extraordinary income	
Gain on sale of non-current assets	60
Other	10
Total extraordinary income	71
Extraordinary losses	
Loss on retirement of non-current assets	80
Other	3
Total extraordinary losses	83
Profit before income taxes	3,695
Income taxes - current	971
Income taxes - deferred	276
Total income taxes	1,247
Profit	2,447
Loss attributable to non-controlling interests	(17)
Profit attributable to owners of parent	2,465

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2024
Profit	2,447
Other comprehensive income	
Valuation difference on available-for-sale securities	(326)
Foreign currency translation adjustment	4
Remeasurements of defined benefit plans, net of tax	(43)
Total other comprehensive income	(365)
Comprehensive income	2,082
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	2,099
Comprehensive income attributable to non-controlling interests	(17)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

The Company was established on October 1, 2024, as a wholly-owning parent company of Tobishima Corporation, by means of sole share transfer (hereinafter referred to as the "Share Transfer"). Mainly due to the Share Transfer, as of December 31, 2024, share capital stood at ¥5,500 million, capital surplus ¥5,784 million, and treasury shares ¥(85) million.

(Notes on changes in accounting policies)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27; October 28, 2022), the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25; October 28, 2022), and the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28; October 28, 2022) have been applied since the beginning of the three months ended June 30, 2024. These changes in accounting policies have no impact on the quarterly consolidated financial statements.

(Additional information)

The Company was established on October 1, 2024 through a sole share transfer, as a wholly-owning parent company of Tobishima Corporation.

The Company, the wholly-owning parent company established by share transfer, took over the quarterly consolidated financial statements of Tobishima Corporation, the former parent company that became a wholly-owned subsidiary of share transfer, to prepare the financial results. The nine months ended December 31, 2024, reviewed in this document, therefore include the six months ended September 30, 2024 (April 1, 2024 to September 30, 2024) as Tobishima Corporation, although the period as the Company is from October 1, 2024 to December 31, 2024.

(Notes on segment information, etc.)

[Segment information]

I. Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

1. Information relating to net sales and profit or loss by reportable segment and information on disaggregation of revenue

(Millions of yen)

	Construction Business		Growth Business, etc.	Total	Adjusted amount (Note 1)	Consolidated (Note 2)
	Civil Engineering Business	Building Construction Business				
Net sales						
Public sector	34,407	8,724	3,497	46,629	—	46,629
Private sector	17,276	28,388	7,164	52,828	—	52,828
Revenue from contracts with customers	51,683	37,112	10,661	99,458	—	99,458
Other revenue	—	—	808	808	—	808
Sales to third parties	51,683	37,112	11,469	100,266	—	100,266
Intersegment sales and transactions	—	—	11,868	11,868	(11,868)	—
Total	51,683	37,112	23,338	112,135	(11,868)	100,266
Segment income	3,823	1,780	969	6,573	(2,502)	4,071

(Notes) 1. Adjusted amount of ¥(2,502) million under “Segment income” includes ¥(52) million in elimination of intersegment transactions and ¥(2,450) million in total corporate operating expenses that are not allocated to the reportable segments. Total corporate operating expenses are general and administrative expenses not attributable to the reportable segments.

2. Adjustments have been made between “Segment income” and “Operating profit” in the quarterly consolidated statements of income.

2. Information on impairment losses on fixed assets or goodwill by reportable segment

(Material impairment losses pertaining to fixed assets)

Not applicable.

(Material change in the amount of goodwill)

No material change.

(Material gain on negative goodwill)

No material gain.

3. Matters on change in reportable segments, etc.

Following the transition to a holding company structure through a sole share transfer, the Company revised its categories of business segments. Effective from the period under review, the Company reports on the following three segments: Construction Business (Civil Engineering Business), Construction Business (Building Construction Business), and Growth Business, etc.

(Notes on statements of cash flows)

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 have not been prepared. Depreciation (including amortization pertaining to intangible assets excluding goodwill) and amortization of goodwill pertaining to the nine months ended December 31 are as follows:

	For the nine months ended December 31, 2024
Depreciation	¥933 million
Amortization of goodwill	¥57 million

(Business combination, etc.)

Transaction under common control, etc.

(1) Transaction summary

(i) Name of combined entity and description of its business

Wholly-owned subsidiary of share transfer: Tobishima Corporation (contracting of civil engineering and building construction works, designing, etc.)

(ii) Date of business combination

October 1, 2024

(iii) Legal form of business combination

Establishment of a holding company through a sole share transfer

(iv) Name of the company after business combination

Wholly-owning parent company of share transfer: TOBISHIMA HOLDINGS Inc.

(v) Other matters on transaction summary

The Company has determined that it is optimal to shift to a holding company structure in order to accelerate its transformation into a “conglomerate” that operates in a wide range of business domains that can flexibly respond to the recent diversification and complexity of social needs and issues, and to pursue the enhancement of corporate value by further strengthening group governance.

(2) Overview of accounting procedures implemented

The transaction has been treated as a transaction under common control based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21; January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10; September 13, 2024).

3. Supplementary Information on Tobishima Corporation

(1) Non-consolidated Orders Received

(Millions of yen)

Category			For the nine months ended December 31, 2023		For the nine months ended December 31, 2024		Changes	Percentage changes
Construction Business	Civil Engineering	Domestic public sector	26,389	[34.7%]	32,393	[37.5%]	6,004	22.8 %
		Domestic private sector	8,944	[11.8%]	11,446	[13.3%]	2,501	28.0 %
		Overseas	429	[0.6%]	2,734	[3.2%]	2,304	536.4 %
		Total	35,763	[47.1%]	46,574	[54.0%]	10,810	30.2 %
	Building Construction	Domestic public sector	9,852	[13.0%]	1,273	[1.5%]	(8,578)	(87.1) %
		Domestic private sector	25,602	[33.7%]	36,921	[42.8%]	11,319	44.2 %
		Overseas	3,926	[5.1%]	597	[0.7%]	(3,328)	(84.8) %
		Total	39,380	[51.8%]	38,793	[45.0%]	(587)	(1.5) %
	Total	Domestic public sector	36,241	[47.7%]	33,667	[39.0%]	(2,573)	(7.1) %
		Domestic private sector	34,546	[45.5%]	48,368	[56.1%]	13,821	40.0 %
		Overseas	4,355	[5.7%]	3,331	[3.9%]	(1,024)	(23.5) %
		Total	75,143	[98.9%]	85,367	[99.0%]	10,223	13.6 %
Development Business, etc.			855	[1.1%]	857	[1.0%]	2	0.2 %
Total			75,998	[100.0%]	86,224	[100.0%]	10,225	13.5 %

(Note) Percentages in square brackets indicate composition ratios.

(2) Non-consolidated Statements of Income

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024	YoY change
Net sales	83,809	90,038	6,229
Gross profit	8,495	8,959	464
Selling, general and administrative expenses	5,774	5,552	(222)
Operating profit	2,720	3,406	686
Ordinary profit	2,510	3,247	737
Profit	1,902	2,115	212