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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 08, 2023

Company name: TOA CORPORATION

Stock exchange listing: Tokyo, Sapporo

Code number: 1885

URL: <https://www.toa-const.co.jp/eng/>

Representative: Takeshi Hayakawa

President and Chief Executive Officer

Contact: Tetsuya Kimura

General Manager, Administration Dept., Administration General H/Q

Phone: +81-3-6757-3821

Scheduled date of filing quarterly securities report: February 08, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly 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, 2022 (April 01, 2022 to December 31, 2022)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	148,408	(7.3)	2,776	(61.3)	2,952	(59.6)	2,014	(60.0)
December 31, 2021	160,025	20.4	7,181	6.6	7,312	3.9	5,042	13.1

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 2,178 million [(55.6) %]
Nine months ended December 31, 2021: ¥ 4,908 million [(11.0) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	93.91	91.94
December 31, 2021	265.83	222.59

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2022	207,901	86,177	41.1
March 31, 2022	212,916	86,725	40.4

(Reference) Equity: As of December 31, 2022: ¥ 85,460 million
As of March 31, 2022: ¥ 86,028 million

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, 2022	-	-	-	90.00	90.00
Fiscal year ending March 31, 2023	-	-	-		
Fiscal year ending March 31, 2023 (Forecast)				90.00	90.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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	209,000	(4.9)	6,000	(39.2)	6,200	(38.8)	4,400	(40.4)	204.41

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

* Explanatory Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(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: No

3) Changes in accounting estimates: Yes

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, 2022: 22,494,629 shares

March 31, 2022: 22,494,629 shares

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

December 31, 2022: 756,094 shares

March 31, 2022: 658,371 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 21,454,609 shares

Nine months ended December 31, 2021: 18,967,708 shares

(Note) Both the number of treasury stock at the end of the period and the number of treasury stock excluded for calculating the average number of shares during the period include the company's shares held by the Board Benefit Trust (BBT).

* This document is not subject to quarterly review procedures by certified public accountants or audit firms.

* Disclaimer regarding appropriate use of the forecasts and other specific remarks:

The forecasts given above are based on information currently available and certain premises regarded as reasonable. The actual business results may be materially different from forecasts due to a variety of factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	32,028	33,830
Notes receivable, accounts receivable from completed construction contracts and other	111,809	100,249
Securities	42	-
Costs on construction contracts in progress	3,597	5,010
Real estate for sale	1,558	1,419
Advances paid	8,211	6,943
Other	4,831	10,086
Allowance for doubtful accounts	(7)	(7)
Total current assets	162,072	157,533
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,786	4,578
Machinery, vehicles, tools, furniture and fixtures, net	3,327	2,997
Land	19,127	19,063
Other	7,854	8,732
Total property, plant and equipment	35,095	35,371
Intangible assets	975	835
Investments and other assets		
Investment securities	10,600	10,779
Other	4,710	3,917
Allowance for doubtful accounts	(539)	(536)
Total investments and other assets	14,771	14,160
Total non-current assets	50,843	50,367
Total assets	212,916	207,901

(Million yen)

	As of March 31,2022	As of December 31,2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	34,601	27,841
Electronically recorded obligations - operating	7,897	7,149
Short-term borrowings	18,875	37,004
Income taxes payable	1,737	290
Advances received on construction contracts in progress	15,785	8,662
Deposits received	18,255	21,910
Provision for warranties for completed construction	859	789
Provision for loss on construction contracts	1,809	1,730
Provision for bonuses for directors (and other officers)	63	15
Other	7,864	3,253
Total current liabilities	107,750	108,648
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,050	280
Long-term borrowings	10,937	7,565
Deferred tax liabilities for land revaluation	2,320	2,320
Retirement benefit liability	1,339	562
Provision for share awards for directors (and other officers)	106	90
Other	2,686	2,256
Total non-current liabilities	18,440	13,074
Total liabilities	126,190	121,723
Net assets		
Shareholders' equity		
Share capital	18,976	18,976
Capital surplus	19,042	18,937
Retained earnings	43,543	43,583
Treasury shares	(1,524)	(2,129)
Total shareholders' equity	80,037	79,368
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,235	2,388
Deferred gains or losses on hedges	5	(2)
Revaluation reserve for land	3,659	3,659
Remeasurements of defined benefit plans	89	45
Total accumulated other comprehensive income	5,990	6,092
Non-controlling interests	697	716
Total net assets	86,725	86,177
Total liabilities and net assets	212,916	207,901

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 31,2021	For the nine months ended December 31,2022
Net sales	160,025	148,408
Cost of sales	144,701	137,294
Gross profit	15,324	11,114
Selling, general and administrative expenses	8,143	8,337
Operating profit	7,181	2,776
Non-operating income		
Interest income	16	14
Dividend income	252	307
Foreign exchange gains	134	142
Other	68	65
Total non-operating income	472	530
Non-operating expenses		
Interest expenses	162	188
Guarantee fee	111	114
Other	67	52
Total non-operating expenses	342	354
Ordinary profit	7,312	2,952
Extraordinary income		
Gain on sale of non-current assets	8	7
Gain on sale of investment securities	-	121
Other	2	0
Total extraordinary income	11	130
Extraordinary losses		
Loss on sale of non-current assets	0	0
Impairment losses	22	3
Other	8	0
Total extraordinary losses	31	3
Profit before income taxes	7,291	3,079
Income taxes - current	1,113	317
Income taxes - deferred	1,149	685
Total income taxes	2,263	1,002
Profit	5,028	2,077
Profit (loss) attributable to non-controlling interests	(13)	62
Profit attributable to owners of parent	5,042	2,014

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	5,028	2,077
Other comprehensive income		
Valuation difference on available-for-sale securities	(280)	153
Deferred gains or losses on hedges	5	(7)
Remeasurements of defined benefit plans, net of tax	155	(44)
Total other comprehensive income	(119)	101
Comprehensive income	4,908	2,178
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,922	2,116
Comprehensive income attributable to non-controlling interests	(13)	62