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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 [Japanese GAAP]

February 08, 2022

Company name: TOA CORPORATION

Stock exchange listing: Tokyo, Sapporo

Code number: 1885

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

Representative: Masaki Akiyama

President and Chief Executive Officer

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Scheduled date of filing quarterly securities report: February 09, 2022

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, 2021 (April 01, 2021 to December 31, 2021)

(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, 2021	160,025	20.4	7,181	6.6	7,312	3.9	5,042	13.1
December 31, 2020	132,909	(0.6)	6,738	6.3	7,034	12.2	4,460	11.0

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥ 4,908 million [(11.0)%]
 Nine months ended December 31, 2020: ¥ 5,517 million [8.7%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	265.83	222.59
December 31, 2020	227.48	191.03

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2021	216,081	79,805	36.6
March 31, 2021	204,200	76,175	36.9

(Reference) Equity: As of December 31, 2021: ¥ 79,090 million
 As of March 31, 2021: ¥ 75,446 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, 2021	-	-	-	80.00	80.00
Fiscal year ending March 31, 2022	-	-	-		
Fiscal year ending March 31, 2022 (Forecast)				90.00	90.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% 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	223,000	17.5	9,900	13.6	9,800	6.0	7,200	5.0	377.71

(Note) Revision to the financial results forecast announced most recently: Yes

* Explanatory Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2021

(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: 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, 2021: 22,494,629 shares

March 31, 2021: 22,494,629 shares

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

December 31, 2021: 3,148,971 shares

March 31, 2021: 3,375,462 shares

3) Average number of shares during the period:

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

Nine months ended December 31, 2020: 19,606,111 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 31,2021	As of December 31,2021
Assets		
Current assets		
Cash and deposits	32,331	42,746
Notes receivable, accounts receivable from completed construction contracts and other	87,702	100,128
Securities	-	42
Costs on construction contracts in progress	5,197	4,308
Real estate for sale	1,843	1,665
Advances paid	15,285	8,269
Other	9,535	7,603
Allowance for doubtful accounts	(275)	(7)
Total current assets	151,619	164,758
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,767	4,649
Machinery, vehicles, tools, furniture and fixtures, net	2,436	3,174
Land	19,050	19,185
Other	8,490	8,114
Total property, plant and equipment	34,745	35,123
Intangible assets	1,050	996
Investments and other assets		
Investment securities	11,324	10,905
Other	6,007	4,842
Allowance for doubtful accounts	(546)	(545)
Total investments and other assets	16,785	15,203
Total non-current assets	52,580	51,323
Total assets	204,200	216,081

(Million yen)

	As of March 31,2021	As of December 31,2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	32,005	29,231
Electronically recorded obligations - operating	11,929	9,964
Short-term borrowings	9,865	29,655
Income taxes payable	2,226	1,017
Advances received on construction contracts in progress	13,176	16,263
Deposits received	23,546	22,252
Provision for warranties for completed construction	941	935
Provision for loss on construction contracts	1,705	2,173
Provision for loss on construction defect	192	-
Other	5,325	3,478
Total current liabilities	100,914	114,973
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	6,990	5,980
Long-term borrowings	11,885	8,184
Deferred tax liabilities for land revaluation	2,320	2,320
Retirement benefit liability	2,504	1,735
Provision for share awards for directors (and other officers)	72	89
Other	3,337	2,992
Total non-current liabilities	27,111	21,302
Total liabilities	128,025	136,275
Net assets		
Shareholders' equity		
Share capital	18,976	18,976
Capital surplus	18,124	18,304
Retained earnings	37,647	41,200
Treasury shares	(5,247)	(5,217)
Total shareholders' equity	69,500	73,264
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,700	2,419
Deferred gains or losses on hedges	(8)	(2)
Revaluation reserve for land	3,659	3,659
Remeasurements of defined benefit plans	(405)	(250)
Total accumulated other comprehensive income	5,945	5,826
Non-controlling interests	728	714
Total net assets	76,175	79,805
Total liabilities and net assets	204,200	216,081

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 31,2020	For the nine months ended December 31,2021
Net sales	132,909	160,025
Cost of sales	118,299	144,701
Gross profit	14,609	15,324
Selling, general and administrative expenses	7,871	8,143
Operating profit	6,738	7,181
Non-operating income		
Interest income	16	16
Dividend income	298	252
Foreign exchange gains	-	134
Other	543	68
Total non-operating income	858	472
Non-operating expenses		
Interest expenses	198	162
Guarantee fee	118	111
Other	246	67
Total non-operating expenses	562	342
Ordinary profit	7,034	7,312
Extraordinary income		
Gain on sale of non-current assets	0	8
Other	23	2
Total extraordinary income	23	11
Extraordinary losses		
Loss on sale of non-current assets	2	0
Loss on retirement of non-current assets	223	7
Impairment losses	-	22
Other	35	1
Total extraordinary losses	261	31
Profit before income taxes	6,795	7,291
Income taxes - current	783	1,113
Income taxes - deferred	1,502	1,149
Total income taxes	2,286	2,263
Profit	4,508	5,028
Profit (loss) attributable to non-controlling interests	48	(13)
Profit attributable to owners of parent	4,460	5,042

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

(Million yen)

	For the nine months ended December 31,2020	For the nine months ended December 31,2021
Profit	4,508	5,028
Other comprehensive income		
Valuation difference on available-for-sale securities	523	(280)
Deferred gains or losses on hedges	(1)	5
Remeasurements of defined benefit plans, net of tax	486	155
Total other comprehensive income	1,008	(119)
Comprehensive income	5,517	4,908
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,468	4,922
Comprehensive income attributable to non-controlling interests	48	(13)