

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 8, 2022

Company name: TODA KOGYO CORP.
 Stock exchange listing: Tokyo
 Stock code: 4100 URL <https://www.todakogyo.co.jp>
 Representative: President and Representative Director Shigeru Takaragi
 Department Manager of Corporate Planning
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 Department
 Scheduled date to file Quarterly Securities Report: February 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(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	%
Nine months ended December 31, 2021	24,676	–	1,649	–	2,757	–	2,105	–
Nine months ended December 31, 2020	20,372	(15.9)	(354)	–	(411)	–	(705)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	365.23		362.97	
Nine months ended December 31, 2020	(122.38)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	49,303	12,287	21.7
As of March 31, 2021	41,783	9,375	19.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	0.00	–	0.00	0.00
Year ending March 31, 2022	–	0.00	–		
Year ending March 31, 2022 (Forecast)				0.00	0.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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
Full year	34,500	–	2,200	–	3,400	–	2,300	–	399.01

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): 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 December 31, 2021	6,099,192 shares	As of March 31, 2021	6,099,192 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	334,548 shares	As of March 31, 2021	335,871 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	5,764,206 shares	Nine months ended December 31, 2020	5,763,747 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	6,629	7,040
Notes and accounts receivable - trade	8,180	9,664
Merchandise and finished goods	3,362	4,375
Work in process	1,409	1,942
Raw materials and supplies	2,146	3,040
Other	1,342	1,365
Allowance for doubtful accounts	(6)	(5)
Total current assets	23,065	27,423
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,340	2,327
Machinery, equipment and vehicles, net	1,294	1,825
Land	6,317	6,315
Construction in progress	177	147
Other, net	578	772
Total property, plant and equipment	10,709	11,388
Intangible assets		
Goodwill	–	1,959
Other	200	144
Total intangible assets	200	2,103
Investments and other assets		
Investment securities	3,526	2,635
Other	4,284	5,755
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	7,807	8,387
Total non-current assets	18,718	21,879
Total assets	41,783	49,303

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,995	5,794
Short-term borrowings	9,372	7,982
Current portion of long-term borrowings	3,756	3,478
Income taxes payable	165	177
Provision for bonuses	259	104
Provision for environmental measures	60	63
Provision for loss on factory closing	80	47
Other	1,359	1,580
Total current liabilities	19,051	19,229
Non-current liabilities		
Long-term borrowings	10,070	13,537
Long-term accounts payable - other	–	901
Retirement benefit liability	2,080	2,033
Other	1,206	1,314
Total non-current liabilities	13,356	17,786
Total liabilities	32,408	37,015
Net assets		
Shareholders' equity		
Share capital	7,477	7,477
Capital surplus	4,344	4,340
Retained earnings	(3,224)	(1,123)
Treasury shares	(1,513)	(1,506)
Total shareholders' equity	7,083	9,187
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	779	657
Foreign currency translation adjustment	281	856
Remeasurements of defined benefit plans	(9)	(13)
Total accumulated other comprehensive income	1,052	1,501
Share acquisition rights	66	81
Non-controlling interests	1,173	1,518
Total net assets	9,375	12,287
Total liabilities and net assets	41,783	49,303

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	20,372	24,676
Cost of sales	17,172	19,049
Gross profit	3,200	5,627
Selling, general and administrative expenses		
Employees' salaries	775	861
Research and development expenses	948	892
Other	1,830	2,224
Total selling, general and administrative expenses	3,554	3,977
Operating profit (loss)	(354)	1,649
Non-operating income		
Interest income	28	31
Dividend income	52	40
Outsourcing service income	10	11
Share of profit of entities accounted for using equity method	–	1,069
Foreign exchange gains	–	33
Subsidies for employment adjustment	139	20
Other	123	138
Total non-operating income	355	1,346
Non-operating expenses		
Interest expenses	164	151
Share of loss of entities accounted for using equity method	189	–
Foreign exchange losses	38	–
Other	19	86
Total non-operating expenses	411	237
Ordinary profit (loss)	(411)	2,757
Extraordinary income		
Gain on disposal of non-current assets	8	3
Gain on sale of investment securities	–	40
National subsidies	–	20
Total extraordinary income	8	63
Extraordinary losses		
Loss on disposal of non-current assets	19	45
Loss on tax purpose reduction entry of non-current assets	–	16
Total extraordinary losses	19	61
Profit (loss) before income taxes	(422)	2,760
Income taxes - current	150	263
Income taxes - deferred	19	131
Total income taxes	169	394
Profit (loss)	(591)	2,365
Profit attributable to non-controlling interests	113	260
Profit (loss) attributable to owners of parent	(705)	2,105

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit (loss)	(591)	2,365
Other comprehensive income		
Valuation difference on available-for-sale securities	514	(121)
Foreign currency translation adjustment	(59)	478
Remeasurements of defined benefit plans, net of tax	24	(4)
Share of other comprehensive income of entities accounted for using equity method	(0)	193
Total other comprehensive income	478	545
Comprehensive income	(113)	2,911
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(220)	2,554
Comprehensive income attributable to non-controlling interests	106	357