

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 10, 2021

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
 Inquiries: Atsushi Tomokawa TEL 082-577-0055
 Department
 Scheduled date to file Quarterly Securities Report: November 12, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

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

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 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	%
Six months ended September 30, 2021	15,986	–	1,259	–	1,865	–	1,550	–
Six months ended September 30, 2020	13,381	(14.5)	(473)	–	(568)	–	(725)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	269.04		267.52	
Six months ended September 30, 2020	(125.87)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	47,840	11,374	20.8
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	31,000	–	1,700	–	2,400	–	1,800	–	312.32

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 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 September 30, 2021	334,318 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)

Six months ended September 30, 2021	5,764,014 shares	Six months ended September 30, 2020	5,763,779 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	6,629	7,517
Notes and accounts receivable - trade	8,180	9,258
Merchandise and finished goods	3,362	3,926
Work in process	1,409	1,690
Raw materials and supplies	2,146	2,574
Other	1,342	1,781
Allowance for doubtful accounts	(6)	(6)
Total current assets	23,065	26,741
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,340	2,328
Machinery, equipment and vehicles, net	1,294	1,828
Land	6,317	6,312
Construction in progress	177	149
Other, net	578	774
Total property, plant and equipment	10,709	11,393
Intangible assets		
Goodwill	–	1,984
Other	200	157
Total intangible assets	200	2,142
Investments and other assets		
Investment securities	3,526	2,493
Other	4,284	5,073
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	7,807	7,563
Total non-current assets	18,718	21,099
Total assets	41,783	47,840

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,995	4,937
Short-term borrowings	9,372	8,276
Current portion of long-term borrowings	3,756	3,631
Income taxes payable	165	248
Provision for bonuses	259	180
Provision for environmental measures	60	61
Provision for loss on factory closing	80	49
Other	1,359	1,338
Total current liabilities	19,051	18,723
Non-current liabilities		
Long-term borrowings	10,070	13,368
Long-term accounts payable - other	–	1,060
Retirement benefit liability	2,080	2,039
Other	1,206	1,275
Total non-current liabilities	13,356	17,742
Total liabilities	32,408	36,465
Net assets		
Shareholders' equity		
Share capital	7,477	7,477
Capital surplus	4,344	4,340
Retained earnings	(3,224)	(1,678)
Treasury shares	(1,513)	(1,506)
Total shareholders' equity	7,083	8,633
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	779	565
Foreign currency translation adjustment	281	764
Remeasurements of defined benefit plans	(9)	(3)
Total accumulated other comprehensive income	1,052	1,326
Share acquisition rights	66	74
Non-controlling interests	1,173	1,341
Total net assets	9,375	11,374
Total liabilities and net assets	41,783	47,840

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	13,381	15,986
Cost of sales	11,525	12,236
Gross profit	1,856	3,749
Selling, general and administrative expenses		
Employees' salaries	515	566
Research and development expenses	605	536
Other	1,209	1,387
Total selling, general and administrative expenses	2,329	2,490
Operating profit (loss)	(473)	1,259
Non-operating income		
Interest income	17	20
Dividend income	34	21
Outsourcing service income	6	7
Share of profit of entities accounted for using equity method	–	639
Subsidies for employment adjustment	63	19
Foreign exchange gains	0	–
Other	43	101
Total non-operating income	165	811
Non-operating expenses		
Interest expenses	108	96
Share of loss of entities accounted for using equity method	145	–
Foreign exchange losses	–	25
Other	6	83
Total non-operating expenses	260	204
Ordinary profit (loss)	(568)	1,865
Extraordinary income		
Gain on disposal of non-current assets	7	3
Gain on sale of investment securities	–	39
National subsidies	–	20
Total extraordinary income	7	63
Extraordinary losses		
Loss on disposal of non-current assets	15	14
Loss on tax purpose reduction entry of non-current assets	–	16
Total extraordinary losses	15	31
Profit (loss) before income taxes	(576)	1,898
Income taxes - current	81	166
Income taxes - deferred	8	81
Total income taxes	90	247
Profit (loss)	(666)	1,650
Profit attributable to non-controlling interests	59	99
Profit (loss) attributable to owners of parent	(725)	1,550

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit (loss)	(666)	1,650
Other comprehensive income		
Valuation difference on available-for-sale securities	260	(214)
Foreign currency translation adjustment	(160)	405
Remeasurements of defined benefit plans, net of tax	15	5
Share of other comprehensive income of entities accounted for using equity method	(26)	157
Total other comprehensive income	89	354
Comprehensive income	(576)	2,004
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(610)	1,825
Comprehensive income attributable to non-controlling interests	33	179