

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 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
 Inquiries: General Manager of Finance Department Motoyasu Ueno TEL 082-577-0055
 Scheduled date of ordinary general meeting of shareholders: June 25, 2021
 Scheduled date to file Securities Report: June 28, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

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	%
Year ended March 31, 2021	29,024	(12.4)	11	–	(600)	–	(4,142)	–
Year ended March 31, 2020	33,147	(3.5)	(611)	–	(1,307)	–	(5,285)	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	(718.76)	–	(42.2)	(1.4)	0.0
Year ended March 31, 2020	(917.09)	–	(36.6)	(2.8)	(1.8)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	41,783	9,375	19.5	1,411.60
As of March 31, 2020	43,870	12,590	26.2	1,997.25

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	612	(1,219)	1,416	6,492
Year ended March 31, 2020	2,259	(239)	(120)	5,542

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	0.00	–	0.00	0.00	–	–	–
Year ended March 31, 2021	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	0.00	–	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
Six months ending September 30, 2021	14,000	4.6	500	—	800	—	500	—	86.75
Full year	30,500	5.1	1,400	—	1,800	—	1,200	—	208.20

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

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

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	6,099,192 shares	As of March 31, 2020	6,099,192 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	335,871 shares	As of March 31, 2020	335,307 shares
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Average number of shares during the period

Year ended March 31, 2021	5,763,677 shares	Year ended March 31, 2020	5,763,180 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	5,612	6,629
Notes and accounts receivable - trade	8,226	8,180
Merchandise and finished goods	3,775	3,362
Work in process	1,654	1,409
Raw materials and supplies	1,518	2,146
Other	326	1,342
Allowance for doubtful accounts	(6)	(6)
Total current assets	21,107	23,065
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,061	2,340
Machinery, equipment and vehicles, net	2,673	1,294
Land	6,342	6,317
Leased assets, net	21	18
Construction in progress	225	177
Other, net	608	560
Total property, plant and equipment	12,932	10,709
Intangible assets		
Goodwill	32	—
Other	217	200
Total intangible assets	250	200
Investments and other assets		
Investment securities	3,487	3,526
Investments in capital of subsidiaries and associates	3,492	2,741
Long-term loans receivable	1,715	689
Other	883	853
Allowance for doubtful accounts	—	(3)
Total investments and other assets	9,579	7,807
Total non-current assets	22,762	18,718
Total assets	43,870	41,783

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,584	3,995
Short-term borrowings	8,280	9,372
Current portion of long-term borrowings	3,544	3,756
Lease obligations	19	14
Income taxes payable	141	165
Provision for bonuses	292	259
Provision for environmental measures	1,095	60
provision for loss on factory closings	–	80
Other	1,338	1,345
Total current liabilities	18,296	19,051
Non-current liabilities		
Long-term borrowings	9,678	10,070
Lease obligations	25	24
Retirement benefit liability	2,165	2,080
Deferred tax liabilities	581	878
Other	531	303
Total non-current liabilities	12,982	13,356
Total liabilities	31,279	32,408
Net assets		
Shareholders' equity		
Share capital	7,477	7,477
Capital surplus	8,886	4,344
Retained earnings	(3,624)	(3,224)
Treasury shares	(1,512)	(1,513)
Total shareholders' equity	11,227	7,083
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	201	779
Foreign currency translation adjustment	142	281
Remeasurements of defined benefit plans	(58)	(9)
Total accumulated other comprehensive income	284	1,052
Share acquisition rights	49	66
Non-controlling interests	1,029	1,173
Total net assets	12,590	9,375
Total liabilities and net assets	43,870	41,783

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	33,147	29,024
Cost of sales	28,602	24,246
Gross profit	4,544	4,778
Selling, general and administrative expenses		
Freight-out	578	529
Employees' salaries and allowances	1,014	1,018
Provision for bonuses	64	56
Retirement benefit expenses	68	94
Depreciation	147	160
Research and development expenses	1,240	1,274
Other	2,043	1,632
Total selling, general and administrative expenses	5,156	4,766
Operating profit (loss)	(611)	11
Non-operating income		
Interest income	46	38
Dividend income	45	52
Rental income	36	41
Foreign exchange gains	–	34
Subsidies for employment adjustment	–	181
Miscellaneous income	91	115
Total non-operating income	218	464
Non-operating expenses		
Interest expenses	214	214
Foreign exchange losses	21	–
Share of loss of entities accounted for using equity method	663	831
Miscellaneous losses	15	30
Total non-operating expenses	914	1,076
Ordinary loss	(1,307)	(600)
Extraordinary income		
Gain on disposal of non-current assets	96	8
Gain on sale of investment securities	0	1
Compensation income	44	–
Total extraordinary income	141	10

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Extraordinary losses		
Loss on disposal of non-current assets	51	63
Loss on sale of investment securities	0	–
Loss on valuation of investment securities	–	739
Impairment losses	2,592	2,223
Provision for environmental measures	1,094	–
provision for loss on factory closings	–	77
Total extraordinary losses	3,738	3,104
Loss before income taxes	(4,904)	(3,694)
Income taxes - current	231	240
Income taxes - deferred	16	42
Total income taxes	247	283
Loss	(5,152)	(3,977)
Profit attributable to non-controlling interests	133	165
Loss attributable to owners of parent	(5,285)	(4,142)

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Loss	(5,152)	(3,977)
Other comprehensive income		
Valuation difference on available-for-sale securities	(139)	578
Foreign currency translation adjustment	(232)	127
Remeasurements of defined benefit plans, net of tax	(105)	49
Share of other comprehensive income of entities accounted for using equity method	(52)	26
Total other comprehensive income	(529)	781
Comprehensive income	(5,681)	(3,195)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(5,789)	(3,375)
Comprehensive income attributable to non-controlling interests	108	179

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,477	8,892	1,776	(1,525)	16,620
Changes during period					
Dividends of surplus			(115)		(115)
Loss attributable to owners of parent			(5,285)		(5,285)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(5)		14	8
Net changes in items other than shareholders' equity					
Total changes during period	-	(5)	(5,400)	13	(5,392)
Balance at end of period	7,477	8,886	(3,624)	(1,512)	11,227

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	340	402	46	789	43	956	18,408
Changes during period							
Dividends of surplus							(115)
Loss attributable to owners of parent							(5,285)
Purchase of treasury shares							(1)
Disposal of treasury shares							8
Net changes in items other than shareholders' equity	(139)	(259)	(105)	(504)	5	73	(425)
Total changes during period	(139)	(259)	(105)	(504)	5	73	(5,818)
Balance at end of period	201	142	(58)	284	49	1,029	12,590

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,477	8,886	(3,624)	(1,512)	11,227
Changes during period					
Dividends of surplus					
Loss attributable to owners of parent			(4,142)		(4,142)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares					
Deficit disposition		(4,542)	4,542		-
Net changes in items other than shareholders' equity					
Total changes during period	-	(4,542)	399	(1)	(4,143)
Balance at end of period	7,477	4,344	(3,224)	(1,513)	7,083

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	201	142	(58)	284	49	1,029	12,590
Changes during period							
Dividends of surplus							-
Loss attributable to owners of parent							(4,142)
Purchase of treasury shares							(1)
Disposal of treasury shares							-
Deficit disposition							-
Net changes in items other than shareholders' equity	578	139	49	767	17	143	928
Total changes during period	578	139	49	767	17	143	(3,215)
Balance at end of period	779	281	(9)	1,052	66	1,173	9,375

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Loss before income taxes	(4,904)	(3,694)
Depreciation	1,725	1,043
Impairment losses	2,592	2,233
Amortization of goodwill	35	32
Increase (decrease) in provision for environmental measures	1,094	(1,008)
Increase (decrease) in provision for loss on factory closings	–	77
Increase (decrease) in provision and allowance	(31)	(29)
Decrease (increase) in retirement benefit asset	1	–
Increase (decrease) in retirement benefit liability	6	(71)
Interest and dividend income	(91)	(91)
Interest expenses	214	214
Loss (gain) on valuation of investment securities	–	739
Foreign exchange losses (gains)	(10)	5
Share of loss (profit) of entities accounted for using equity method	663	831
Loss (gain) on disposal of non-current assets	(43)	55
Decrease (increase) in trade receivables	301	159
Decrease (increase) in inventories	489	191
Increase (decrease) in trade payables	(31)	254
Other, net	357	(116)
Subtotal	2,371	825
Payments of retirement benefits for directors (and other officers)	–	(2)
Income taxes refund (paid)	(111)	(210)
Net cash provided by (used in) operating activities	2,259	612
Cash flows from investing activities		
Interest and dividends received	158	137
Purchase of investment securities	(1)	–
Purchase of property, plant and equipment	(1,519)	(945)
Proceeds from sale of property, plant and equipment	110	9
Purchase of intangible assets	(14)	(80)
Loan advances	–	(300)
Proceeds from collection of loans receivable	1,024	6
Other, net	2	(46)
Net cash provided by (used in) investing activities	(239)	(1,219)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(690)	1,075
Proceeds from long-term borrowings	4,560	4,700
Repayments of long-term loans payable and others	(3,616)	(4,096)
Interest paid	(214)	(214)
Dividends paid	(115)	–
Proceeds from sale of treasury shares	0	–
Purchase of treasury shares	(1)	(1)
Dividends paid to non-controlling interests	(24)	(23)
Other, net	(18)	(23)
Net cash provided by (used in) financing activities	(120)	1,416
Effect of exchange rate change on cash and cash equivalents	(117)	141
Net increase (decrease) in cash and cash equivalents	1,781	949
Cash and cash equivalents at beginning of period	3,760	5,542
Cash and cash equivalents at end of period	5,542	6,492