

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 14, 2022

Company name: TOEI COMPANY, LTD.
 Stock exchange listing: Tokyo
 Stock code: 9605 URL: <https://www.toei.co.jp>
 Representative: President & Chief Executive Officer Osamu Tezuka
 Inquiries: Senior Director, Accounting Kei Yamauchi TEL 03(3535)4641
 Scheduled date to file Quarterly Securities Report: November 14, 2022
 Scheduled date to commence dividend payments: December 5, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	85,422	47.1	19,230	87.5	22,243	87.0	9,791	118.5
Six months ended September 30, 2021	58,084	26.6	10,254	91.6	11,893	87.6	4,480	181.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	789.47		-	
Six months ended September 30, 2021	361.01		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	376,824	275,936	55.6
As of March 31, 2022	348,561	261,127	57.6

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, 2022	-	30.00	-	30.00	60.00
Year ending March 31, 2023	-	30.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	30.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	157,000	33.6	31,600	77.4	36,300	55.8	16,000	78.2	1,290.05

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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: No
- 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, 2022	14,768,909 shares	As of March 31, 2022	14,768,909 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	2,387,336 shares	As of March 31, 2022	2,357,867 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, 2022	12,402,586 shares	Six months ended September 30, 2021	12,411,467 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	81,631	89,607
Notes and accounts receivable - trade, and contract assets	23,775	35,397
Merchandise and finished goods	1,571	1,527
Work in process	17,648	18,729
Raw materials and supplies	425	507
Other	4,493	5,468
Allowance for doubtful accounts	(62)	(63)
Total current assets	129,483	151,175
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	35,661	36,796
Land	49,851	51,569
Other, net	3,750	3,092
Total property, plant and equipment	89,264	91,458
Intangible assets	1,087	1,239
Investments and other assets		
Investment securities	114,288	113,278
Other	14,652	19,887
Allowance for doubtful accounts	(215)	(214)
Total investments and other assets	128,726	132,951
Total non-current assets	219,077	225,648
Total assets	348,561	376,824
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,567	37,445
Short-term borrowings	7,570	789
Current portion of long-term borrowings	3,133	2,240
Income taxes payable	3,201	5,384
Provision for bonuses	1,182	1,377
Other	11,995	14,343
Total current liabilities	55,649	61,581
Non-current liabilities		
Long-term borrowings	7,217	14,596
Provision for retirement benefits for directors (and other officers)	844	308
Provision for share awards for directors (and other officers)	100	155
Retirement benefit liability	4,825	4,962
Other	18,796	19,283
Total non-current liabilities	31,784	39,306
Total liabilities	87,433	100,887

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	11,707	11,707
Capital surplus	22,598	22,539
Retained earnings	142,457	151,862
Treasury shares	(11,040)	(11,596)
Total shareholders' equity	165,723	174,512
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,310	21,847
Deferred gains or losses on hedges	(1)	(6)
Revaluation reserve for land	11,508	11,508
Foreign currency translation adjustment	533	1,837
Remeasurements of defined benefit plans	(310)	(280)
Total accumulated other comprehensive income	35,040	34,908
Non-controlling interests	60,363	66,515
Total net assets	261,127	275,936
Total liabilities and net assets	348,561	376,824

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, 2021	Six months ended September 30, 2022
Net sales	58,084	85,422
Cost of sales	33,526	49,852
Gross profit	24,558	35,569
Selling, general and administrative expenses		
Personnel expenses	5,944	6,324
Advertising expenses	939	1,266
Provision for bonuses	895	1,049
Retirement benefit expenses	222	225
Depreciation	749	742
Other	5,552	6,731
Total selling, general and administrative expenses	14,303	16,339
Operating profit	10,254	19,230
Non-operating income		
Dividend income	470	1,166
Share of profit of entities accounted for using equity method	987	1,021
Subsidy income	388	433
Other	126	501
Total non-operating income	1,973	3,122
Non-operating expenses		
Interest expenses	35	59
Foreign exchange losses	238	–
Commission expenses	42	39
Other	19	10
Total non-operating expenses	334	109
Ordinary profit	11,893	22,243
Extraordinary income		
Gain on sale of non-current assets	718	–
Subsidies for employment adjustment	24	–
Total extraordinary income	742	–
Extraordinary losses		
Loss on disaster	1	9
Loss on retirement of non-current assets	6	4
Loss due to temporary closure	159	–
Loss on valuation of investment securities	103	–
Other	–	0
Total extraordinary losses	271	13
Profit before income taxes	12,364	22,229
Income taxes - current	3,203	5,395
Income taxes - deferred	292	184
Total income taxes	3,495	5,580
Profit	8,868	16,649
Profit attributable to non-controlling interests	4,387	6,857
Profit attributable to owners of parent	4,480	9,791

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	8,868	16,649
Other comprehensive income		
Valuation difference on available-for-sale securities	(55)	(291)
Deferred gains or losses on hedges	(6)	(0)
Foreign currency translation adjustment	275	2,897
Remeasurements of defined benefit plans, net of tax	(14)	(16)
Share of other comprehensive income of entities accounted for using equity method	1,774	(1,175)
Total other comprehensive income	1,973	1,412
Comprehensive income	10,842	18,061
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,357	9,658
Comprehensive income attributable to non-controlling interests	4,484	8,403

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	12,364	22,229
Depreciation	1,738	1,640
Increase (decrease) in allowance for doubtful accounts	(1)	0
Increase (decrease) in retirement benefit liability	82	137
Decrease (increase) in retirement benefit asset	(17)	(24)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(338)	(535)
Increase (decrease) in provision for share awards for directors (and other officers)	18	55
Increase (decrease) in provision for bonuses	55	194
Interest and dividend income	(487)	(1,248)
Interest expenses	35	59
Commission expenses	42	39
Loss on disaster	1	9
Subsidy income	(388)	(433)
Subsidies for employment adjustment	(24)	–
Share of loss (profit) of entities accounted for using equity method	(987)	(1,021)
Loss (gain) on valuation of investment securities	103	–
Loss (gain) on sale of non-current assets	(718)	–
Decrease (increase) in trade receivables	(704)	(10,928)
Increase (decrease) in trade payables	2,407	7,238
Decrease (increase) in inventories	(3,704)	(1,086)
Increase (decrease) in guarantee deposits received	(118)	(35)
Other, net	391	459
Subtotal	9,749	16,749
Interest and dividends received	902	1,871
Interest paid	(33)	(54)
Subsidies received	428	433
Income taxes paid	(3,212)	(2,899)
Payments associated with disaster loss	–	(7)
Net cash provided by (used in) operating activities	7,835	16,093

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from investing activities		
Payments into time deposits	(12,843)	(6,116)
Proceeds from withdrawal of time deposits	2,036	4,272
Purchase of property, plant and equipment	(459)	(3,548)
Purchase of intangible assets	(142)	(320)
Proceeds from sale of property, plant and equipment	3,998	–
Purchase of investment securities	(42)	(91)
Proceeds from sale of investment securities	–	41
Proceeds from redemption of investment securities	250	80
Loan advances	(12)	(185)
Proceeds from collection of loans receivable	172	223
Decrease(increase) in guarantee deposits	(71)	22
Other, net	(0)	(223)
Net cash provided by (used in) investing activities	(7,114)	(5,845)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,820)	(6,780)
Proceeds from long-term borrowings	4,000	8,500
Repayments of long-term borrowings	(1,989)	(2,013)
Repayments of lease liabilities	(180)	(50)
Dividends paid	(386)	(386)
Dividends paid to non-controlling interests	(1,613)	(2,176)
Other, net	(47)	(729)
Net cash provided by (used in) financing activities	(9,036)	(3,637)
Effect of exchange rate change on cash and cash equivalents	(13)	2,048
Net increase (decrease) in cash and cash equivalents	(8,330)	8,659
Cash and cash equivalents at beginning of period	63,364	57,390
Cash and cash equivalents at end of period	55,034	66,049