

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 9, 2023

Company name: TOA CORPORATION

Stock exchange listing: Tokyo, Sapporo

Code number: 1885

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

Representative: Takeshi Hayakawa

Contact: Tetsuya Kimura

Phone: +81-3-6757-3821

Scheduled date of filing quarterly securities report: August 10, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

President and Chief Executive Officer
General Manager, Administration Dept., Administration General
H/Q

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	62,570	32.7	3,874	432.6	4,222	350.3	2,838	357.2
June 30, 2022	47,141	(7.4)	727	(51.3)	937	(39.9)	620	(45.2)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 3,690 million [512.1%]
Three months ended June 30, 2022: ¥ 602 million [(11.9)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	132.23	-
June 30, 2022	29.04	28.27

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	227,948	89,741	38.9
March 31, 2023	226,928	89,361	39.1

(Reference) Equity: As of June 30, 2023: ¥ 88,725 million
As of March 31, 2023: ¥ 88,629 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, 2023	-	-	-	90.00	90.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		-	-	100.00	100.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	253,000	18.5	9,700	48.0	9,500	43.6	6,600	36.5	312.42

(Note) Revision to the financial results forecast announced most recently: No

* Explanatory Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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: No
 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):

June 30, 2023: 22,494,629 shares
 March 31, 2023: 22,494,629 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 1,241,804 shares
 March 31, 2023: 728,167 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 21,462,791 shares
 Three months ended June 30, 2022: 21,373,083 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) and the Japanese version of Employee Stock Ownership Plan (J-ESOP).

* 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

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	28,289	32,961
Notes receivable, accounts receivable from completed construction contracts and other	127,884	118,714
Costs on construction contracts in progress	4,427	6,264
Real estate for sale	1,315	1,313
Advances paid	7,935	7,191
Other	5,731	9,870
Allowance for doubtful accounts	(9)	(9)
Total current assets	175,573	176,307
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,386	5,313
Machinery, vehicles, tools, furniture and fixtures, net	3,369	9,905
Land	18,767	18,767
Other	8,079	1,687
Total property, plant and equipment	35,602	35,673
Intangible assets	808	775
Investments and other assets		
Investment securities	10,456	11,444
Retirement benefit asset	1,404	1,663
Other	3,614	2,615
Allowance for doubtful accounts	(530)	(530)
Total investments and other assets	14,944	15,192
Total non-current assets	51,355	51,641
Total assets	226,928	227,948
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	37,250	40,579
Electronically recorded obligations - operating	7,616	8,027
Short-term borrowings	30,708	10,466
Commercial papers	6,000	18,000
Income taxes payable	1,620	802
Advances received on construction contracts in progress	10,650	13,751
Deposits received	20,917	26,608
Provision for warranties for completed construction	894	866
Provision for loss on construction contracts	1,321	1,097
Provision for bonuses for directors (and other officers)	28	12
Other	5,242	3,661
Total current liabilities	122,249	123,875

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Non-current liabilities		
Long-term borrowings	10,335	9,262
Deferred tax liabilities for land revaluation	2,232	2,232
Retirement benefit liability	596	598
Provision for share awards for directors (and other officers)	111	148
Provision for employee stock ownership plan trust	-	34
Other	2,041	2,055
Total non-current liabilities	15,317	14,332
Total liabilities	137,567	138,207
Net assets		
Shareholders' equity		
Share capital	18,976	18,976
Capital surplus	18,965	18,965
Retained earnings	46,602	47,432
Treasury shares	(2,225)	(3,786)
Total shareholders' equity	82,319	81,587
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,048	2,794
Deferred gains or losses on hedges	(3)	87
Revaluation reserve for land	3,460	3,460
Foreign currency translation adjustment	-	(5)
Remeasurements of defined benefit plans	804	800
Total accumulated other comprehensive income	6,310	7,137
Non-controlling interests	731	1,016
Total net assets	89,361	89,741
Total liabilities and net assets	226,928	227,948

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	47,141	62,570
Cost of sales	43,632	55,657
Gross profit	3,508	6,912
Selling, general and administrative expenses	2,780	3,037
Operating profit	727	3,874
Non-operating income		
Interest income	3	16
Dividend income	136	147
Foreign exchange gains	125	316
Other	45	13
Total non-operating income	310	493
Non-operating expenses		
Interest expenses	52	73
Guarantee fee	27	51
Other	20	20
Total non-operating expenses	100	145
Ordinary profit	937	4,222
Extraordinary income		
Gain on sales of right of using facilities	0	-
Total extraordinary income	0	-
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of investment securities	-	101
Other	1	0
Total extraordinary losses	1	102
Profit before income taxes	937	4,120
Income taxes - current	58	595
Income taxes - deferred	236	660
Total income taxes	295	1,255
Profit	642	2,865
Profit attributable to non-controlling interests	21	27
Profit attributable to owners of parent	620	2,838

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	642	2,865
Other comprehensive income		
Valuation difference on available-for-sale securities	(13)	746
Deferred gains or losses on hedges	(10)	90
Foreign currency translation adjustment	-	(7)
Remeasurements of defined benefit plans, net of tax	(14)	(4)
Total other comprehensive income	(39)	824
Comprehensive income	602	3,690
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	581	3,665
Comprehensive income attributable to non-controlling interests	21	24