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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 8, 2024

Company name: TOA CORPORATION

Stock exchange listing: Tokyo, Sapporo

Code number: 1885

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

Representative: Takeshi Hayakawa

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Scheduled date of filing quarterly securities report: February 8, 2024

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 Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	206,552	39.2	13,569	388.7	12,840	334.9	8,338	313.8
December 31, 2022	148,408	(7.3)	2,776	(61.3)	2,952	(59.6)	2,014	(60.0)

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 9,715 million [345.9%]
Nine months ended December 31, 2022: ¥ 2,178 million [(55.6)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	400.15	-
December 31, 2022	93.91	91.94

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	268,827	91,471	33.6
March 31, 2023	226,928	89,361	39.1

(Reference) Equity: As of December 31, 2023: ¥ 90,409 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)				150.00	150.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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	270,000	26.4	15,900	142.6	15,100	128.3	9,600	98.6	466.38

(Note) Revision to the financial results forecast announced most recently: Yes

* Explanatory Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 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):

December 31, 2023: 22,494,629 shares

March 31, 2023: 22,494,629 shares

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

December 31, 2023: 2,470,175 shares

March 31, 2023: 728,167 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 20,838,466 shares

Nine months ended December 31, 2022: 21,454,609 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	28,289	39,727
Notes receivable, accounts receivable from completed construction contracts and other	127,884	143,746
Costs on construction contracts in progress	4,427	6,697
Real estate for sale	1,315	1,272
Advances paid	7,935	12,098
Other	5,731	12,554
Allowance for doubtful accounts	(9)	(9)
Total current assets	175,573	216,089
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,386	5,143
Machinery, vehicles, tools, furniture and fixtures, net	3,369	9,999
Land	18,767	18,753
Other	8,079	1,809
Total property, plant and equipment	35,602	35,705
Intangible assets	808	702
Investments and other assets		
Investment securities	10,456	12,229
Retirement benefit asset	1,404	2,164
Other	3,614	3,208
Allowance for doubtful accounts	(530)	(1,272)
Total investments and other assets	14,944	16,330
Total non-current assets	51,355	52,738
Total assets	226,928	268,827
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	37,250	59,529
Electronically recorded obligations - operating	7,616	11,634
Short-term borrowings	30,708	29,910
Commercial papers	6,000	-
Income taxes payable	1,620	3,081
Advances received on construction contracts in progress	10,650	20,500
Deposits received	20,917	33,847
Provision for warranties for completed construction	894	874
Provision for loss on construction contracts	1,321	1,330
Provision for bonuses for directors (and other officers)	28	56
Other	5,242	4,546
Total current liabilities	122,249	165,311

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Non-current liabilities		
Long-term borrowings	10,335	7,118
Deferred tax liabilities for land revaluation	2,232	2,232
Retirement benefit liability	596	570
Provision for share awards for directors (and other officers)	111	237
Provision for employee stock ownership plan trust	-	102
Other	2,041	1,784
Total non-current liabilities	15,317	12,045
Total liabilities	137,567	177,356
Net assets		
Shareholders' equity		
Share capital	18,976	18,976
Capital surplus	18,965	18,965
Retained earnings	46,602	52,917
Treasury shares	(2,225)	(8,081)
Total shareholders' equity	82,319	82,777
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,048	3,333
Deferred gains or losses on hedges	(3)	36
Revaluation reserve for land	3,460	3,475
Foreign currency translation adjustment	-	(5)
Remeasurements of defined benefit plans	804	791
Total accumulated other comprehensive income	6,310	7,631
Non-controlling interests	731	1,061
Total net assets	89,361	91,471
Total liabilities and net assets	226,928	268,827

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	148,408	206,552
Cost of sales	137,294	183,665
Gross profit (loss)	11,114	22,887
Selling, general and administrative expenses	8,337	9,317
Operating profit (loss)	2,776	13,569
Non-operating income		
Interest income	14	43
Dividend income	307	295
Foreign exchange gains	142	156
Other	65	47
Non-operating income	530	542
Non-operating expenses		
Interest expenses	188	252
Provision of allowance for doubtful accounts	-	741
Guarantee fee	114	129
Other	52	148
Non-operating expenses	354	1,271
Ordinary profit (loss)	2,952	12,840
Extraordinary income		
Gain on sale of non-current assets	7	55
Gain on sale of investment securities	121	130
Other	0	-
Extraordinary income	130	185
Extraordinary losses		
Loss on sale of non-current assets	0	7
Loss on retirement of non-current assets	0	10
Other	3	4
Extraordinary losses	3	22
Profit (loss) before income taxes	3,079	13,003
Income taxes - current	317	4,059
Income taxes - deferred	685	532
Income taxes	1,002	4,591
Profit (loss)	2,077	8,411
Profit (loss) attributable to non-controlling interests	62	73
Profit (loss) attributable to owners of parent	2,014	8,338

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	2,077	8,411
Other comprehensive income		
Valuation difference on available-for-sale securities	153	1,284
Deferred gains or losses on hedges	(7)	39
Foreign currency translation adjustment	-	(8)
Remeasurements of defined benefit plans, net of tax	(44)	(12)
Total other comprehensive income	101	1,303
Comprehensive income	2,178	9,715
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,116	9,644
Comprehensive income attributable to non-controlling interests	62	70