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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: TOA CORPORATION

Listing: Tokyo, Sapporo

Securities code: 1885

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

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	68,432	9.4	1,396	(63.9)	1,958	(53.6)	1,337	(52.9)
June 30, 2023	62,570	32.7	3,874	432.6	4,222	350.3	2,838	357.2

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 1,987 million [(46.1)%]
Three months ended June 30, 2023: ¥ 3,690 million [512.1%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2024	16.87		-	
June 30, 2023	33.06		-	

(Note) The Company conducted a 4-for-1 stock split of its common stock on April 1, 2024. Net income per share is calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2024	244,460		95,407		38.6	
March 31, 2024	272,936		96,700		35.0	

(Reference) Equity: As of June 30, 2024: ¥ 94,280 million
As of March 31, 2024: ¥ 95,634 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, 2024	-	-	-	160.00	-
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		-	-	40.50	40.50

(Note 1) Revision to the forecast for dividends announced most recently: None

(Note 2) The Company conducted a 4-for-1 stock split of its common stock on April 1, 2024, and the actual dividend amounts for the fiscal years ended March 31, 2024 are shown before the stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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	300,000	5.7	12,000	(30.4)	11,800	(29.0)	8,000	(23.9)	100.90

(Note) Revision to the financial results forecast announced most recently: None

* Explanatory Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2024: 87,978,516 shares

March 31, 2024: 89,978,516 shares

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

June 30, 2024: 8,693,520 shares

March 31, 2024: 10,696,984 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 79,284,260 shares

Three months ended June 30, 2023: 85,851,166 shares

(Note 1) 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).

(Note 2) The Company conducted a 4-for-1 stock split of its common stock on April 1, 2024. The number of shares issued and outstanding is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters:

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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	57,063	41,095
Notes receivable, accounts receivable from completed construction contracts and other	131,994	111,125
Costs on construction contracts in progress	6,091	7,036
Real estate for sale	1,269	1,260
Advances paid	11,865	16,032
Other	5,763	8,756
Allowance for doubtful accounts	(9)	(8)
Total current assets	214,037	185,297
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,108	5,035
Machinery, vehicles, tools, furniture and fixtures, net	9,612	9,676
Land	18,414	18,455
Other	1,751	1,508
Total property, plant and equipment	34,887	34,676
Intangible assets	700	725
Investments and other assets		
Investment securities	14,037	14,954
Retirement benefit asset	6,114	6,385
Other	4,424	3,687
Allowance for doubtful accounts	(1,266)	(1,265)
Total investments and other assets	23,310	23,761
Total non-current assets	58,898	59,163
Total assets	272,936	244,460

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	44,566	37,429
Electronically recorded obligations - operating	10,456	10,257
Short-term borrowings	29,896	19,700
Commercial papers	8,000	-
Income taxes payable	7,255	1,813
Advances received on construction contracts in progress	22,719	20,187
Deposits received	28,248	37,799
Provision for warranties for completed construction	912	739
Provision for loss on construction contracts	2,214	2,046
Provision for bonuses for directors (and other officers)	79	14
Other	6,925	4,919
Total current liabilities	161,276	134,907
Non-current liabilities		
Long-term borrowings	9,806	8,781
Deferred tax liabilities for land revaluation	2,144	2,144
Retirement benefit liability	583	604
Provision for share awards for directors (and other officers)	277	275
Provision for employee stock ownership plan trust	527	595
Other	1,619	1,742
Total non-current liabilities	14,959	14,144
Total liabilities	176,235	14,905
Net assets		
Shareholders' equity		
Share capital	18,976	18,976
Capital surplus	19,270	17,606
Retained earnings	55,294	53,349
Treasury shares	(9,146)	(7,479)
Total shareholders' equity	84,395	82,453
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,636	5,275
Deferred gains or losses on hedges	1	1
Revaluation reserve for land	3,277	3,277
Foreign currency translation adjustment	(30)	(12)
Remeasurements of defined benefit plans	3,354	3,285
Total accumulated other comprehensive income	11,239	11,826
Non-controlling interests	1,065	1,127
Total net assets	96,700	95,407
Total liabilities and net assets	272,936	244,460

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, 2023	For the three months ended June 30, 2024
Net sales	62,570	68,432
Cost of sales	55,657	63,838
Gross profit	6,912	4,594
Selling, general and administrative expenses	3,037	3,197
Operating profit	3,874	1,396
Non-operating income		
Interest income	16	14
Dividend income	147	168
Foreign exchange gains	316	478
Other	13	15
Total non-operating income	493	678
Non-operating expenses		
Interest expenses	73	70
Guarantee fee	51	30
Other	20	15
Total non-operating expenses	145	116
Ordinary profit	4,222	1,958
Extraordinary income		
Subsidy income	-	6
Gain on sale of non-current assets	-	0
Gain on sale of investment securities	-	33
Total extraordinary income	-	40
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on tax purpose reduction entry of non-current assets	-	6
Loss on valuation of investment securities	101	-
Impairment losses	-	1
Other	0	-
Total extraordinary losses	102	8
Profit before income taxes	4,120	1,991
Income taxes - current	595	82
Income taxes - deferred	660	517
Total income taxes	1,255	600
Profit	2,865	1,390
Profit attributable to non-controlling interests	27	52
Profit attributable to owners of parent	2,838	1,337

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

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	2,865	1,390
Other comprehensive income		
Valuation difference on available-for-sale securities	746	639
Deferred gains or losses on hedges	90	(0)
Foreign currency translation adjustment	(7)	26
Remeasurements of defined benefit plans, net of tax	(4)	(69)
Total other comprehensive income	824	596
Comprehensive income	3,690	1,987
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,665	1,925
Comprehensive income attributable to non-controlling interests	24	61