

FY2021 Third Quarter Consolidated Financial Results

(April 1, 2021 through December 31, 2021)

February 7, 2022

Company name: TOWA CORPORATION
Stock exchange listings: First Section of Tokyo Stock Exchange
Code number: 6315
URL: <https://www.towajapan.co.jp>
Representative: Hirokazu Okada, President and CEO
Contact person: Kazuhiko Nakanishi, Executive Officer and Corporate Planning
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Scheduled filing date of Quarterly Report: February 8, 2022
Scheduled dividend payment date: -
Presentation meeting on Quarterly Results: None

(Monetary amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Third Quarter of FY2021 (April 1, 2021 through December 31, 2021)

(1) Consolidated Financial Results for the nine months period

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY2021	38,291	84.8	9,051	288.9	9,087	274.4	6,616	273.4
3Q FY2020	20,715	10.2	2,327	-	2,427	-	1,771	-

[Note] Comprehensive income: Nine months ended December 31, 2021; 7,721 million yen (175.1%)
Nine months ended December 31, 2020; 2,806 million yen (896.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q FY2021	264.57	-
3Q FY2020	70.84	-

[Note] The increase rate of 3Q FY2020's operating income, ordinary income and net income attributable to owners of parent against the same period of the previous year (3Q FY2019) had topped 1,000%, so the percentage figures of those incomes are expressed as blank " - " in accordance with rule.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2021	66,280	38,824	58.0
As of March 31, 2021	51,790	31,503	60.2

[Reference] Equity: As of December 31, 2021; 38,464 million yen
As of March 31, 2021; 31,181 million yen

2. Cash Dividends

	Cash Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2020	-	0.00	-	16.00	16.00
FY2021	-	0.00	-		
FY2021(E)				50.00	50.00

[Note] Revisions to the latest forecast of cash dividends: Yes

The breakdown of Year-end Cash Dividends for FY2021(E)

Ordinary Dividend: 40.00 yen Commemorative Dividend: 10.00 yen

Regarding the revision of the forecast of cash dividends, please refer “Revisions of Cash Dividends Forecast (Dividend Increase & Commemorative Dividend)” announced today (February 7, 2022).

3. Forecast of Consolidated Financial Results for FY2021 (April 1, 2021 through March 31, 2022)

(The percentage figures represent the percentage of increase or decrease against the same period of the previous year.)

	Net Sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Year-end	50,000	68.3	11,500	217.8	11,500	201.1	8,200	207.9	327.88

[Note] Revisions to the latest forecast of financial results: None

Notes

- (1) Changes in significant subsidiaries during the nine months ended Dec. 31, 2021
(Changes in specified subsidiaries resulting in changes in scope of consolidation) : None
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes of accounting policies accompanied by revision of accounting standard etc.: Yes
 - 2) Changes of accounting policies other than 1): None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None

[Note]

(Application of “Accounting Standard for Revenue Recognition”)

The Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020 (hereinafter “Accounting Standard for Revenue Recognition”)), etc. from the beginning of the first quarter of FY2021, and recognizes revenue for goods or services based on the amount estimated to be received in exchange for such goods or services at the point when control of the promised goods or services is transferred to the customer.

In addition, the Company had applied the alternative treatment prescribed in Article 98 of the “Implementation Guidance on Accounting Standard for Revenue Recognition.” The Company now recognizes revenue at the time of shipment when the period between the time of shipment and the time when control of the goods or products is transferred to the customer is a normal period for domestic sales of goods or products.

The adoption of the Accounting Standard for Revenue Recognition, etc. is subject to the transitional treatment provided for in the proviso to Article 84 of the Accounting Standard for Revenue Recognition. The cumulative effect amount, applying with the new accounting policy retrospectively prior to the beginning of the first quarter of FY2021, was adjusted to retained earnings at the beginning of the first quarter of FY2021, and the Company applied the new policy to the balance at

the beginning of the first quarter of FY2021.

(Application of “Accounting Standard for Fair Value Measurement”)

The Company has adopted the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019 (hereinafter “Accounting Standard for Fair Value Measurement”)), etc. from the beginning of the first quarter of FY2021. The Company has prospectively adopted new accounting policies based on the Accounting Standard for Fair Value Measurement, etc. in accordance with the transition provisions in Article 19 of Accounting Standard for Fair Value Measurement and Article 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019).

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding (including treasury stock) as of Dec. 31, 2021:	25,021,832 shares
as of March 31, 2021:	25,021,832 shares
2) Number of treasury stock as of Dec. 31, 2021:	13,141 shares
as of March 31, 2021:	12,806 shares
3) Average number of shares outstanding during the nine months ended Dec. 31, 2021:	25,008,903 shares
during the nine months ended Dec. 31, 2020:	25,009,144 shares

*** This financial results report is not subject to audit by a certified public accountant or an audit corporation.**

*** Explanation on the appropriate use of future earnings projections and other special instructions**

The above forecasts reflect the Company’s judgments and assumptions based on available information as of the announcement date, and therefore are not guarantees of future performance. Actual results may differ substantially from the forecasts for various reasons.