

FY2021 Second Quarter Consolidated Financial Results

(April 1, 2021 through September 30, 2021)

November 8, 2021

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: November 9, 2021
Scheduled dividend payment date: -
Presentation meeting on Quarterly Results: Yes (via online for investors and analysts)

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

1. Consolidated Financial Results for the Second Quarter of FY2021 (April 1, 2021 through September 30, 2021)

(1) Consolidated Financial Results for the six 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	%
2Q FY2021	24,332	89.1	5,675	421.7	5,707	364.8	4,145	366.2
2Q FY2020	12,869	10.5	1,087	-	1,227	-	889	-

[Note] Comprehensive income: Six months ended September 30, 2021; 4,547 million yen (245.4%)
Six months ended September 30, 2020; 1,316 million yen (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q FY2021	165.75	-
2Q FY2020	35.55	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sept. 30, 2021	60,693	35,650	58.2
As of March 31, 2021	51,790	31,503	60.2

[Reference] Equity: As of September 30, 2021; 35,310 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)			-	23.00	23.00

[Note] Revisions to the latest forecast of cash dividends: None

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: Yes

Regarding the details of the current forecast of consolidated financial results, please refer “Revisions of Forecast for the Fiscal Year Ending March 31, 2022” announced today (November 8, 2021).

Notes

- (1) Changes in significant subsidiaries during the six months ended Sept. 30, 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 Sept. 30, 2021:	25,021,832 shares
as of March 31, 2021:	25,021,832 shares
2) Number of treasury stock as of Sept. 30, 2021:	12,989 shares
as of March 31, 2021:	12,806 shares
3) Average number of shares outstanding during the six months ended Sept. 30, 2021:	25,008,957 shares
during the six months ended Sept. 30, 2020:	25,009,183 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.