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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



February 13, 2023

Company name: TOKYO SANGYO CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 8070

URL: <http://www.tscom.co.jp/>

Representative: Minoru Kambara, President and Representative Director

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Scheduled date of filing quarterly securities report: February 14, 2023

Scheduled date of commencing dividend payments: –

Availability of supplementary explanatory materials on quarterly financial results: Not available

Schedule of quarterly financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 - December 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	48,512	14.8	2,195	22.3	2,387	14.1	1,522	69.8
December 31, 2021	42,263	(50.9)	1,795	20.2	2,092	19.6	896	(54.5)

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥1,705 million [61.8%]

Nine months ended December 31, 2021: ¥1,053 million [(55.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	58.67	–
December 31, 2021	33.33	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2022	77,523	27,903	36.0
As of March 31, 2022	88,261	26,868	30.4

(Reference) Equity: As of December 31, 2022: ¥27,903 million

As of March 31, 2022: ¥26,868 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, 2022	–	13.00	–	13.00	26.00
Fiscal year ending March 31, 2023	–	15.00	–		
Fiscal year ending March 31, 2023 (Forecast)				15.00	30.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	80,000	35.9	3,700	52.0	3,800	44.7	2,700	121.5	104.12

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

*** Notes:**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None
Newly included: – (Company name: –)
Excluded: – (Company name: –)
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (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, 2022:	28,678,486 shares
March 31, 2022:	28,678,486 shares
 - 2) Total number of treasury shares at the end of the period:

December 31, 2022:	2,733,795 shares
March 31, 2022:	2,747,118 shares
 - 3) Average number of shares outstanding during the period:

Nine months ended December 31, 2022:	25,942,676 shares
Nine months ended December 31, 2021:	26,902,514 shares
- (Note) The Company has introduced the Stock Grant ESOP Trust and the Directors' Compensation BIP Trust. Shares of the Company held by the Trusts are included in treasury shares.

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation on the proper use of financial results forecast and other notes

The earnings forecasts and forward-looking statements herein are based on information available to the Company at the time of preparation and certain assumptions deemed to be reasonable, and the Company does not guarantee the achievement of the projections. Actual result may vary significantly due to various factors. For the assumptions used for the earnings forecasts and the notes regarding the use thereof, please refer to “(3) Forward-looking Statements Including Consolidated Financial Results Forecast” under “1. Qualitative Information on Quarterly Financial Results” on page 2 of the attached document.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	8,481	9,042
Notes and accounts receivable - trade, and contract assets	20,639	17,220
Securities	200	200
Merchandise	921	368
Work in process	6,000	6,000
Advance payments to suppliers	21,143	14,414
Accounts receivable – other	54	314
Other	4,835	4,262
Allowance for doubtful accounts	(13)	(18)
Total current assets	62,262	51,804
Non-current assets		
Property, plant and equipment	10,663	10,438
Intangible assets	27	70
Investments and other assets		
Investment securities	5,458	5,455
Other	9,906	9,807
Allowance for doubtful accounts	(56)	(52)
Total investments and other assets	15,308	15,209
Total non-current assets	25,999	25,718
Total assets	88,261	77,523
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,057	5,513
Accounts payable – consignment	7,229	6,284
Short-term borrowings	9,901	12,593
Accounts payable – other	538	550
Income taxes payable	333	175
Contract liabilities	23,417	14,130
Provisions	413	220
Other	3,793	3,783
Total current liabilities	54,685	43,251
Non-current liabilities		
Long-term borrowings	4,289	3,968
Retirement benefit liability	14	14
Provisions	130	121
Other	2,273	2,263
Total non-current liabilities	6,707	6,368
Total liabilities	61,393	49,619

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	3,443	3,443
Capital surplus	2,832	2,832
Retained earnings	20,003	20,848
Treasury shares	(1,493)	(1,487)
Total shareholders' equity	24,784	25,636
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,686	1,698
Deferred gains or losses on hedges	218	281
Foreign currency translation adjustment	65	197
Remeasurements of defined benefit plans	112	90
Total accumulated other comprehensive income	2,083	2,266
Total net assets	26,868	27,903
Total liabilities and net assets	88,261	77,523

(2) Quarterly Consolidated Income Statement and Consolidated Statement of Comprehensive Income
 Quarterly Consolidated Income Statement
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	42,263	48,512
Cost of sales	36,277	41,671
Gross profit	5,986	6,841
Selling, general and administrative expenses	4,190	4,645
Operating profit	1,795	2,195
Non-operating income		
Interest income	7	28
Dividend income	381	331
Foreign exchange gains	5	-
Other	79	92
Total non-operating income	474	452
Non-operating expenses		
Interest expenses	165	115
Share of loss of entities accounted for using equity method	-	34
Foreign exchange losses	-	78
Other	12	32
Total non-operating expenses	177	260
Ordinary profit	2,092	2,387
Extraordinary losses		
Loss related to impropriety	544	31
Loss on disposal of non-current assets	0	0
Special survey costs, etc.	-	153
Total extraordinary losses	544	185
Profit before income taxes	1,548	2,202
Income taxes	651	680
Profit	896	1,522
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	896	1,522

Quarterly Consolidated Statement of Comprehensive Income
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	896	1,522
Other comprehensive income		
Valuation difference on available-for-sale securities	94	11
Deferred gains or losses on hedges	23	62
Foreign currency translation adjustment	57	131
Remeasurements of defined benefit plans, net of tax	(18)	(22)
Total other comprehensive income	156	183
Comprehensive income	1,053	1,705
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,053	1,705
Comprehensive income attributable to non-controlling interests	-	-