(TSE Prime Market Code 3433)

Comprehensive Manufacture of Advanced Coatings

Financial Summary (1Q FY2022)

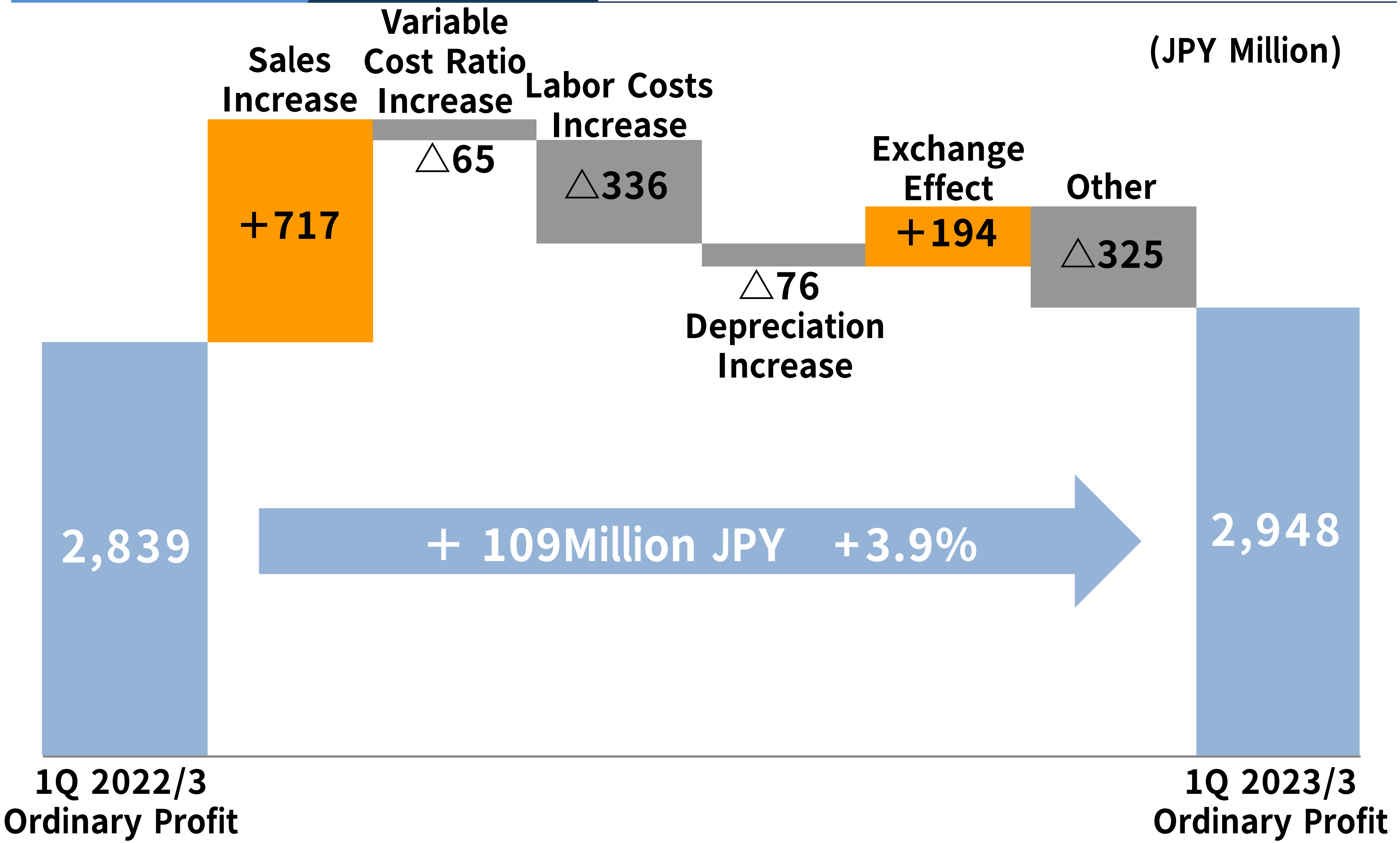
7/29/2022

TOCALO Co., Ltd.

Overview of Consolidated Results 1Q FY2022

(Million JPY)	1Q 2022/3		1Q 2023/3		Change	
	Result	Ratio	Result	Ratio	Amount	%
Net sales	10,736	100.0%	11,906	100.0%	1,170	10.9%
Thermal Spray	8,238	76.7%	9,010	75.7%	772	9.4%
Semicon & FPD	4,999	46.6%	5,891	49.5%	891	17.8%
Industrial Parts	820	7.6%	994	8.3%	173	21.1%
Iron & Steel	876	8.2%	755	6.3%	△ 121	-13.8%
Others	1,541	14.3%	1,369	11.6%	△ 171	-11.1%
Other Surface Modif.	597	5.6%	697	5.8%	99	16.7%
Domestic Sub.	611	5.7%	591	5.0%	△ 19	-3.2%
Overseas Sub.	1,265	11.8%	1,577	13.3%	312	24.7%
Royalty Income	23	0.2%	29	0.2%	5	24.2%
Operating Profit	2,759	25.7%	2,724	22.9%	△ 35	-1.3%
Ordinary Profit	2,839	26.4%	2,948	24.8%	109	3.9%
Net Income attribute to owners of parent	1,865	17.4%	1,912	16.1%	46	2.5%

Analysis of Ordinary P/L Change



Segment Information

(JPY Million)	1Q 2022/3		1Q 2023/3		Change			
					Net Sales		Segment P/L	
	Net Sales	P/L	Net Sales	P/L	Amount	%	Amount	%
Thermal Spray TOCALO	8,238	2,148	9,010	2,278	772	9.4%	130	6.1%
Domestic Sub.	611	152	591	85	△19	-3.2%	△66	-43.6%
Overseas Sub.	1,265	353	1,577	437	312	24.7%	84	24.0%
Other Surface Modif.	597	117	697	122	99	16.7%	4	4.0%
Total	10,712	2,771	11,877	2,924	1,164	10.9%	153	5.5%

(Note) Royalty Income is not included in the Segment Net Sales.

Revised Financial Forecasts

(JPY Million)	FY2022				Change	
	Initial Forecast	Ratio	Revised Forecast	Ratio	Amount	%
Net Sales	47,500	100.0%	48,200	100.0%	700	1.5%
Thermal Spray	36,496	76.8%	36,788	76.3%	292	0.8%
Semicon & FPD	23,768	50.0%	23,968	49.7%	200	0.8%
Industrial Parts	3,742	7.9%	3,819	7.9%	77	2.1%
Iron & Steel	3,639	7.7%	3,639	7.5%	—	—
Others	5,347	11.2%	5,362	11.2%	15	0.3%
Other Surface Modif.	2,595	5.5%	2,638	5.5%	43	1.7%
Domestic Sub.	2,528	5.3%	2,457	5.1%	△ 71	-2.8%
Overseas Sub.	5,701	12.0%	6,137	12.7%	436	7.6%
Royalty Income	180	0.4%	180	0.4%	—	—
Operating Profit	11,000	23.2%	11,200	23.2%	200	1.8%
Ordinary Profit	11,000	23.2%	11,400	23.7%	400	3.6%
Net income attribute to owners of parent	7,184	15.1%	7,444	15.4%	260	3.6%

Consolidated Forecast FY2022

(JPY Million)	FY2021		FY2022		Change	
	Result	Ratio	Forecast	Ratio	Amount	%
Net Sales	43,813	100.0%	48,200	100.0%	4,386	10.0%
Thermal Spray	33,043	75.4%	36,788	76.3%	3,744	11.3%
Semicon & FPD	20,643	47.1%	23,968	49.7%	3,324	16.1%
Industrial Parts	3,707	8.5%	3,819	7.9%	111	3.0%
Iron & Steel	3,450	7.9%	3,639	7.5%	188	5.5%
Others	5,242	11.9%	5,362	11.2%	119	2.3%
Other Surface Modif.	2,502	5.7%	2,638	5.5%	135	5.4%
Domestic Sub.	2,399	5.5%	2,457	5.1%	57	2.4%
Overseas Sub.	5,695	13.0%	6,137	12.7%	441	7.7%
Royalty Income	171	0.4%	180	0.4%	8	5.2%
Operating Profit	10,255	23.4%	11,200	23.2%	944	9.2%
Ordinary Profit	10,571	24.1%	11,400	23.7%	828	7.8%
Net income attribute to owners parent	6,909	15.8%	7,444	15.4%	534	7.7%

1Q FY2022 Progress Rate

(JPY Million)	1Q 2023/3		FY 2023/3		Progress
	Result	Ratio	Forecast	Ratio	Rate
Net Sales	11,906	100.0%	48,200	100.0%	24.7%
Thermal Spray	9,010	75.7%	36,788	76.3%	24.5%
Semicon & FPD	5,891	49.5%	23,968	49.7%	24.6%
Industrial Parts	994	8.3%	3,819	7.9%	26.0%
Iron & Steel	755	6.3%	3,639	7.5%	20.8%
Others	1,369	11.6%	5,362	11.2%	25.5%
Other Surface Modif.	697	5.8%	2,638	5.5%	26.4%
Domestic Sub.	591	5.0%	2,457	5.1%	24.1%
Overseas Sub.	1,577	13.3%	6,137	12.7%	25.7%
Royalty Income	29	0.2%	180	0.4%	16.5%
Operating Profit	2,724	22.9%	11,200	23.2%	24.3%
Ordinary Profit	2,948	24.8%	11,400	23.7%	25.9%
Net income attribute to owners of parent	1,912	16.1%	7,444	15.4%	25.7%

Revised Forecast for 1H FY2022

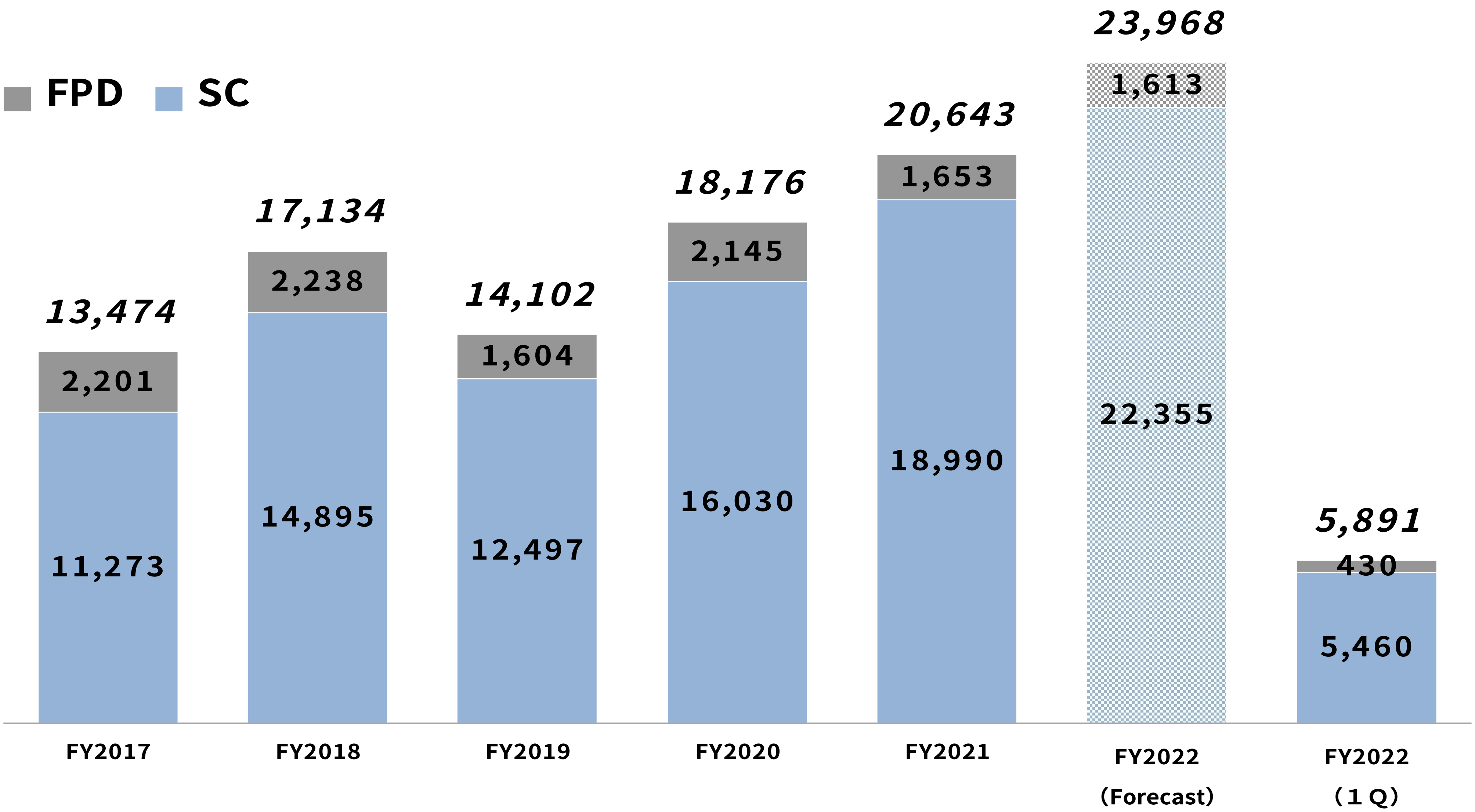
(JPY Million)	1H 2023/3				Change		1H 2022/3	
	Initial Forecast	Ratio	Revised Forecast	Ratio	Amount	%	Result	Ratio
Net Sales	22,900	100.0%	23,600	100.0%	700	3.1%	21,098	100.0%
Operating Profit	5,200	22.7%	5,400	22.9%	200	3.8%	5,111	24.2%
Ordinary Profit	5,200	22.7%	5,600	23.7%	400	7.7%	5,222	24.8%
Net income attribute to owners of parent	3,400	14.8%	3,660	15.5%	260	7.6%	3,448	16.3%

(JPY Million)	1Q 2023/3		1H 2023/3		Progress
	Result	Ratio	Forecast	Ratio	Ratio
Net Sales	11,906	100.0%	23,600	100.0%	50.5%
Operatong Profit	2,724	22.9%	5,400	22.9%	50.4%
Ordinary Profit	2,948	24.8%	5,600	23.7%	52.7%
Net income attribute to owners of Parent	1,912	16.1%	3,660	15.5%	52.2%

SC & FPD Net Sales

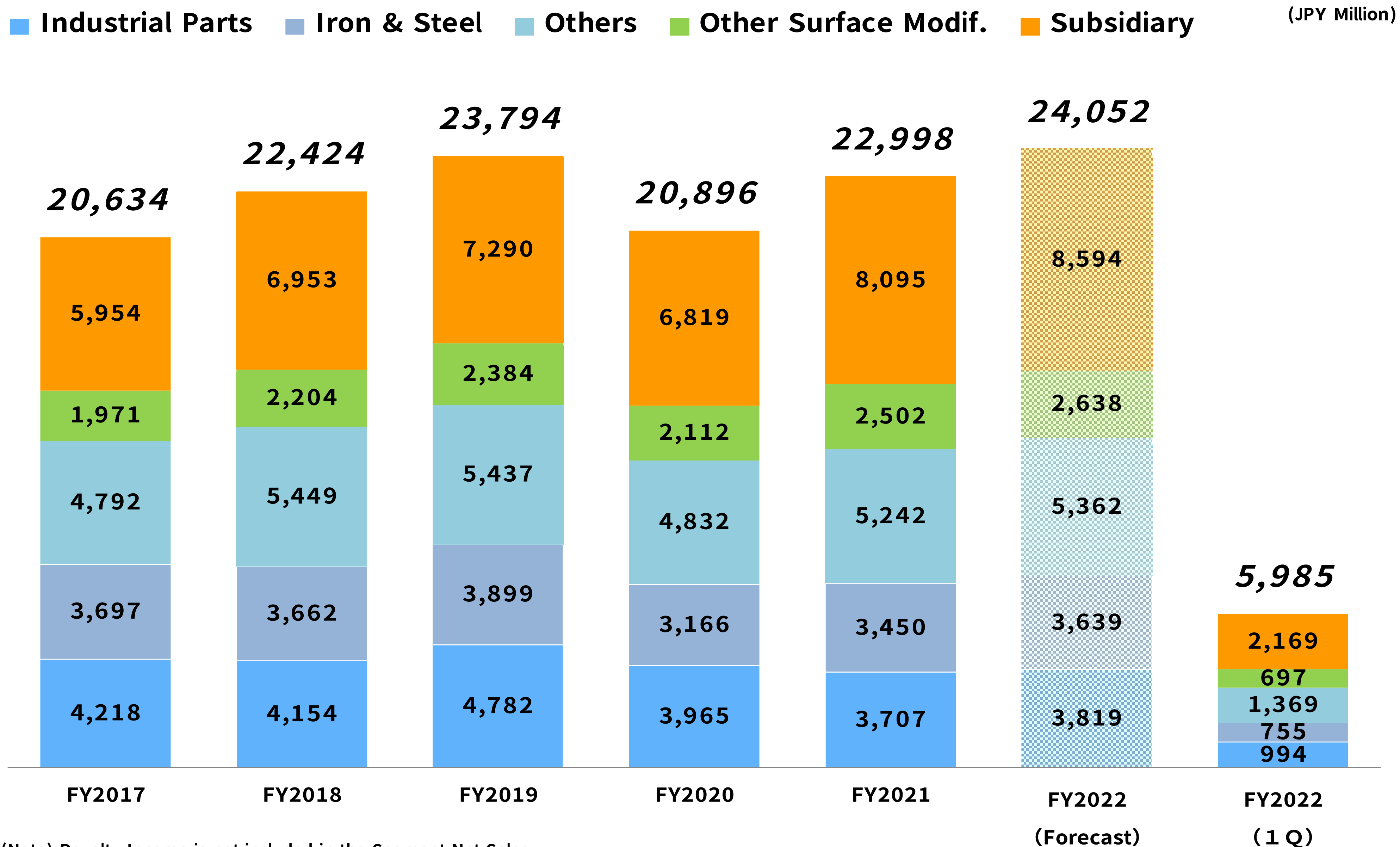
(JPY Million)

Thermal Spray(TOCALO)



Non-SC & FPD Net Sales

TOCALO

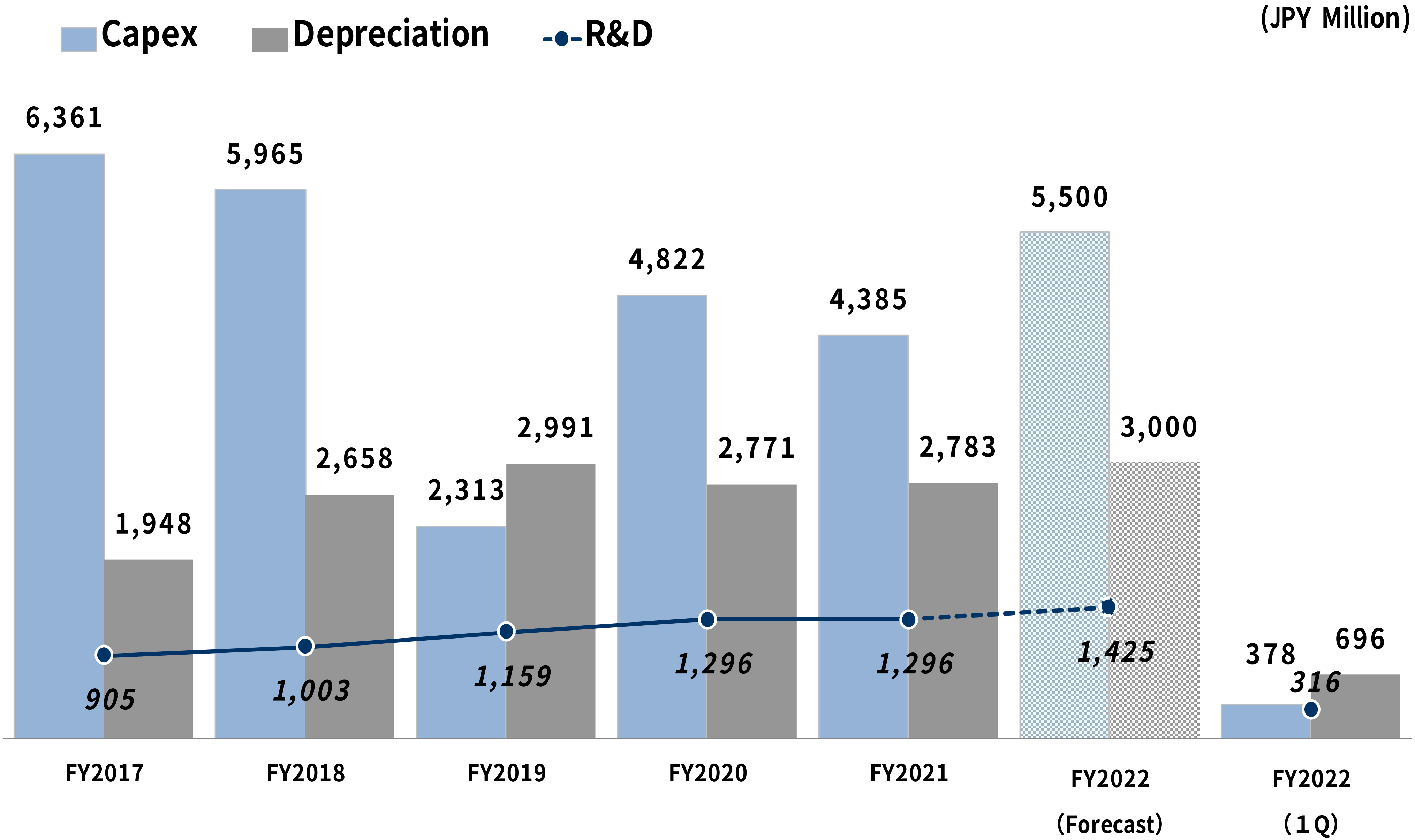


(Note) Royalty Income is not included in the Segment Net Sales.

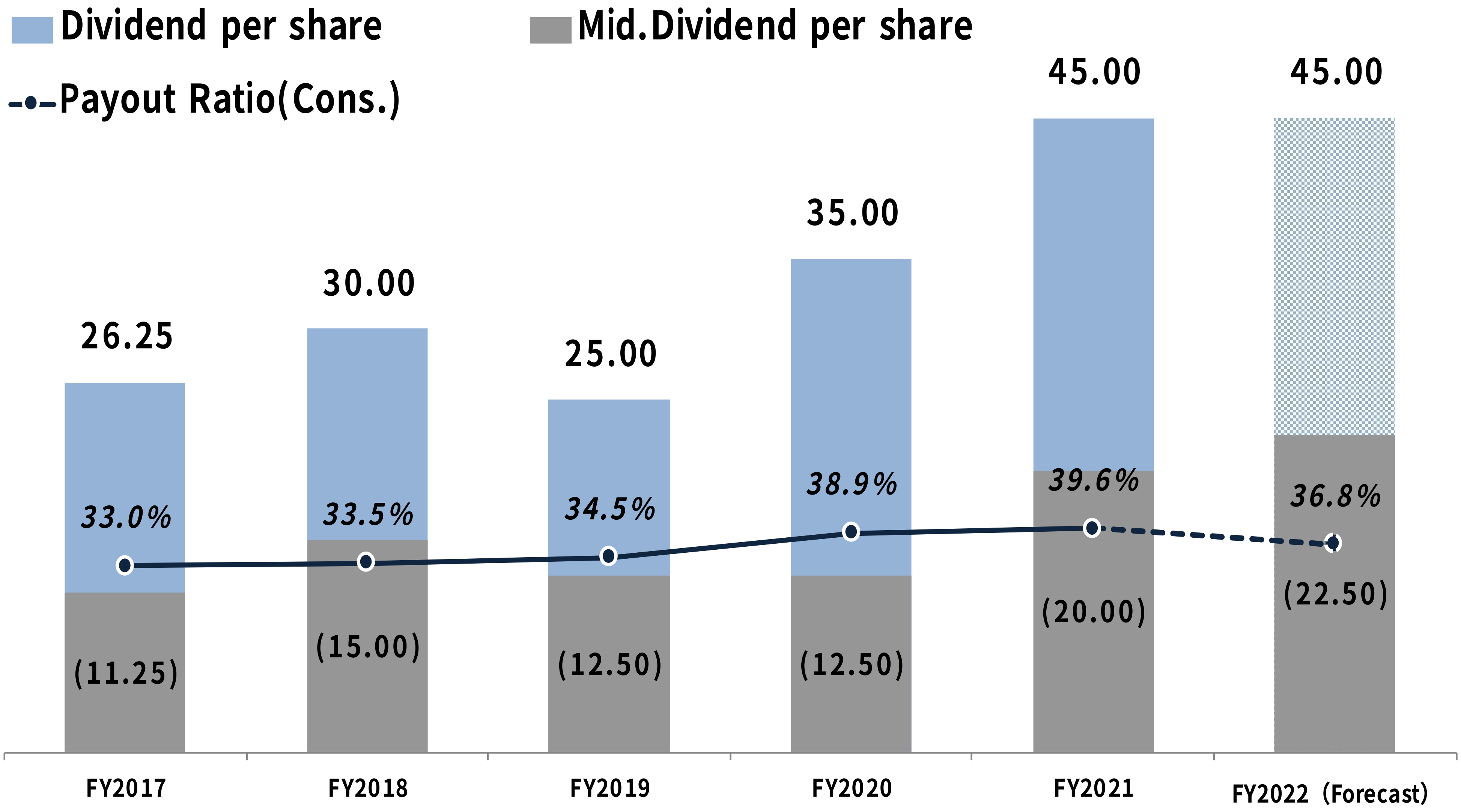
Financial Position

(JPY Million)	FY2021		FY2022
	1Q	4Q	1Q
Total Assets	65,134	69,517	69,820
Equity	44,939	49,099	49,680
Equity ratio	69.0%	70.6%	71.2%
Interest-bearing debt	5,494	4,249	3,887

Capex・Depreciation・R&D Expenses



Dividends



Dividend per share
Mid.Dividend per share
Payout Ratio(Cons.)
26.25
30.00
25.00
35.00
45.00
45.00
33.0%
33.5%
34.5%
38.9%
39.6%
36.8%
(11.25)
(15.00)
(12.50)
(12.50)
(20.00)
(22.50)
FY2017
FY2018
FY2019
FY2020
FY2021
FY2022 (Forecast)

Financial Highlights

TOCALO

(JPY Million)	FY2017 Result	FY2018 Result	FY2019 Result	FY2020 Result	FY2021 Result	FY2022 Forecast
Orders received	36,851	38,915	38,011	39,021	45,394	-
Backlog of Orders	6,725	6,081	6,195	6,143	7,896	-
Net Sales	34,275	39,742	38,084	39,294	43,813	48,200
Operating Profit	7,270	7,905	6,727	8,890	10,255	11,200
Ordinary Profit	7,363	8,076	6,812	8,914	10,571	11,400
Ordinary Profit Ratio	21.5%	20.3%	17.9%	22.7%	24.1%	23.7%
Net income attribute to owners of parent	4,836	5,441	4,404	5,463	6,909	7,444
Earnings Per Share (EPS)	79.56	89.51	72.45	89.86	113.62	122.36
Total Assets	52,664	57,278	61,122	64,183	69,517	75,886
Equity	34,174	37,559	40,263	44,201	49,099	53,879
Equity ratio	64.9%	65.6%	65.9%	68.9%	70.6%	71.0%
Return on Equity (ROE)	14.9%	15.2%	11.3%	12.9%	14.8%	14.5%
Return on Asset (ROA)	15.2%	14.7%	11.5%	14.2%	15.8%	15.7%
Return on Invested Capital (ROIC)	13.6%	13.3%	9.8%	11.9%	13.0%	13.3%

ROE=Net income attribute to owners of parent/Average Equity during the period. ROA=Ordinary Profit /Average Total Assets during the period.

ROIC=Operating Profit after tax/Average Invested Capital during the period.

Effective from the FY2021, the classification of Royalty Income has been changed from non-operating income to Net Sales.

Notes.

The financial forecasts and estimates in this Financial Summary are based on information available to the Company at the time of report issuance and certain assumptions judged to be reasonable by the Company, and therefore are not guarantees of future performance. Consequently, actual results may differ substantially from those described in this Financial Summary.

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