(TSE Code 3433)

Comprehensive Manufacture of Advanced Coatings

Financial Summary (1Q FY2022)

7/30/2021

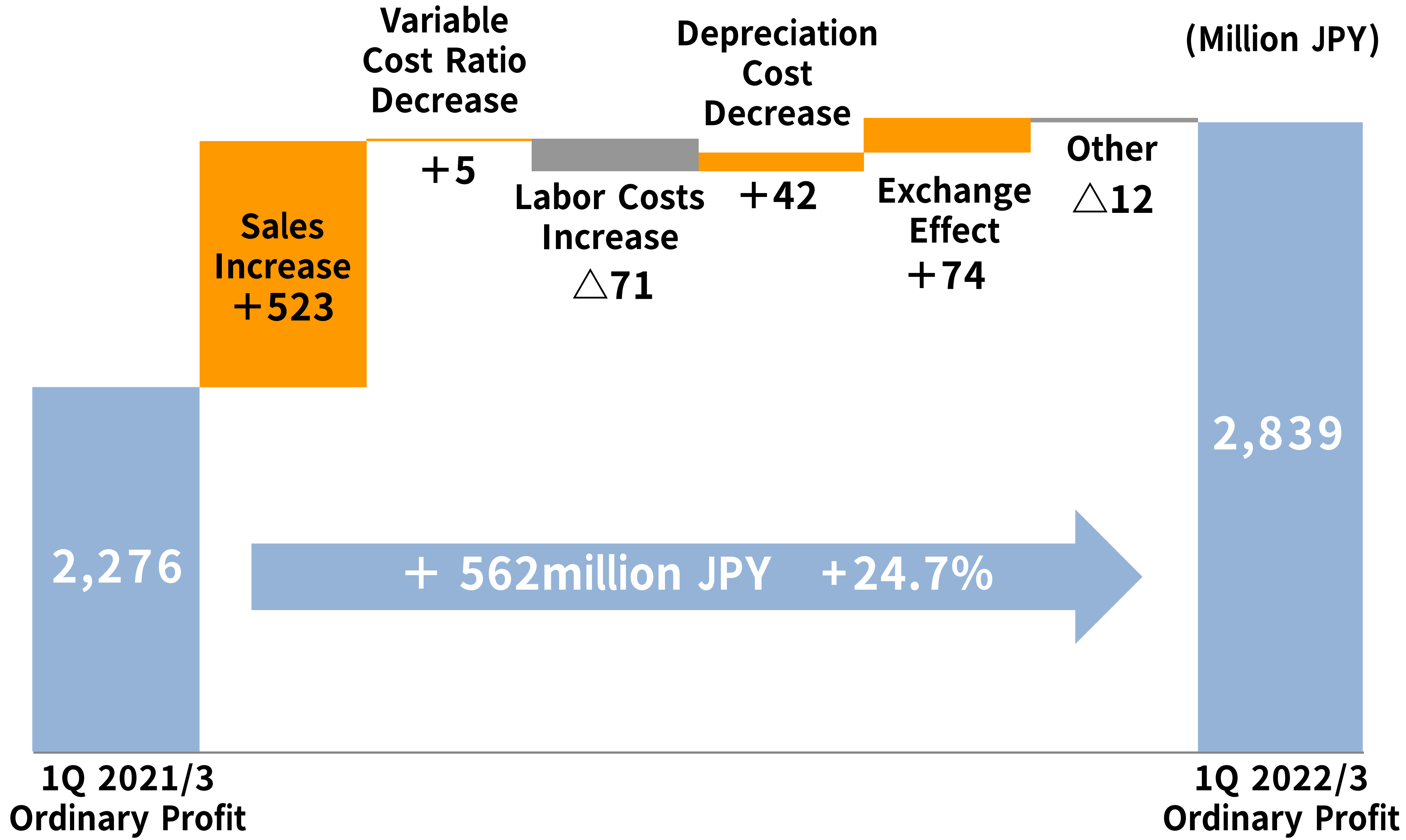
TOCALO Co., Ltd.

Overview of Consolidated Results 1Q FY2022

(Million JPY)	1Q 2021/3		1Q 2022/3		Change	
	Result	Ratio	Result	Ratio	Amount	%
Net Sales	9,953	100.0%	10,736	100.0%	782	7.9%
Thermal Spray	7,872	79.1%	8,238	76.7%	365	4.6%
Semicon & FPD	4,537	45.6%	4,999	46.6%	461	10.2%
Industrial Parts	1,164	11.7%	820	7.6%	△ 343	-29.5%
Iron & Steel	976	9.8%	876	8.2%	△ 99	-10.2%
Others	1,193	12.0%	1,541	14.3%	347	29.1%
Other Surface Modif.	546	5.5%	597	5.6%	51	9.4%
Domestic Sub.	462	4.7%	611	5.7%	148	32.0%
Overseas Sub.	1,030	10.3%	1,265	11.8%	235	22.8%
Royalty Income	42	0.4%	23	0.2%	△ 18	-43.3%
Operating Profit	2,269	22.8%	2,759	25.7%	489	21.6%
Ordinary Profit	2,276	22.9%	2,839	26.4%	562	24.7%
Net income attributable to owners of parent	1,466	14.7%	1,865	17.4%	399	27.2%

(Note) Effective from the FY2022, the classification of Royalty Income has been changed from non-operating income to net sales, and the figures for the FY2021 have been reclassified to reflect this change.

Analysis of Ordinary P/L Change



Segment Information

(Million JPY)	1Q 2021/3		1Q 2022/3		Change			
					Net Sales		Segment P/L	
	Net Sales	P/L	Net Sales	P/L	Amount	Ratio	Amount	Ratio
Thermal Spray TOCALO	7,872	1,859	8,238	2,148	365	4.6%	288	15.5%
Domestic Sub.	462	70	611	152	148	32.0%	81	116.5%
Overseas Sub.	1,030	350	1,265	353	235	22.8%	2	0.7%
Other Surface Modif.	546	54	597	117	51	9.4%	63	115.7%
Total	9,911	2,335	10,712	2,771	800	8.1%	435	18.7%

(Note) Royalty Income is not included in the Segment Net Sales. Segment P/L is adjusted with Ordinary Profit in the consolidated statements of income.

Consolidated Forecast FY2022

(Million JPY)	2021/3		2022/3		Change	
	Result	Ratio	Forecast	Ratio	Amount	Ratio
Net Sales	39,294	100.0%	41,000	100.0%	1,705	4.3%
Thermal Spray	30,141	76.7%	31,045	75.7%	903	3.0%
Semicon & FPD	18,176	46.3%	19,462	47.5%	1,285	7.1%
Industrial Parts	3,965	10.1%	3,895	9.5%	△ 70	-1.8%
Iron & Steel	3,166	8.1%	3,105	7.6%	△ 61	-1.9%
Others	4,832	12.2%	4,583	11.1%	△ 249	-5.2%
Other Surface Modif.	2,112	5.4%	2,247	5.6%	134	6.4%
Domestic Sub.	2,018	5.1%	2,396	5.8%	377	18.7%
Overseas Sub.	4,800	12.2%	5,182	12.6%	381	7.9%
Royalty Income	221	0.6%	130	0.3%	△ 91	-41.2%
Operating Profit	8,890	22.6%	9,000	22.0%	109	1.2%
Ordinary Profit	8,914	22.7%	9,000	22.0%	85	1.0%
Net income attributable to owners of parent	5,463	13.9%	5,800	14.1%	336	6.2%

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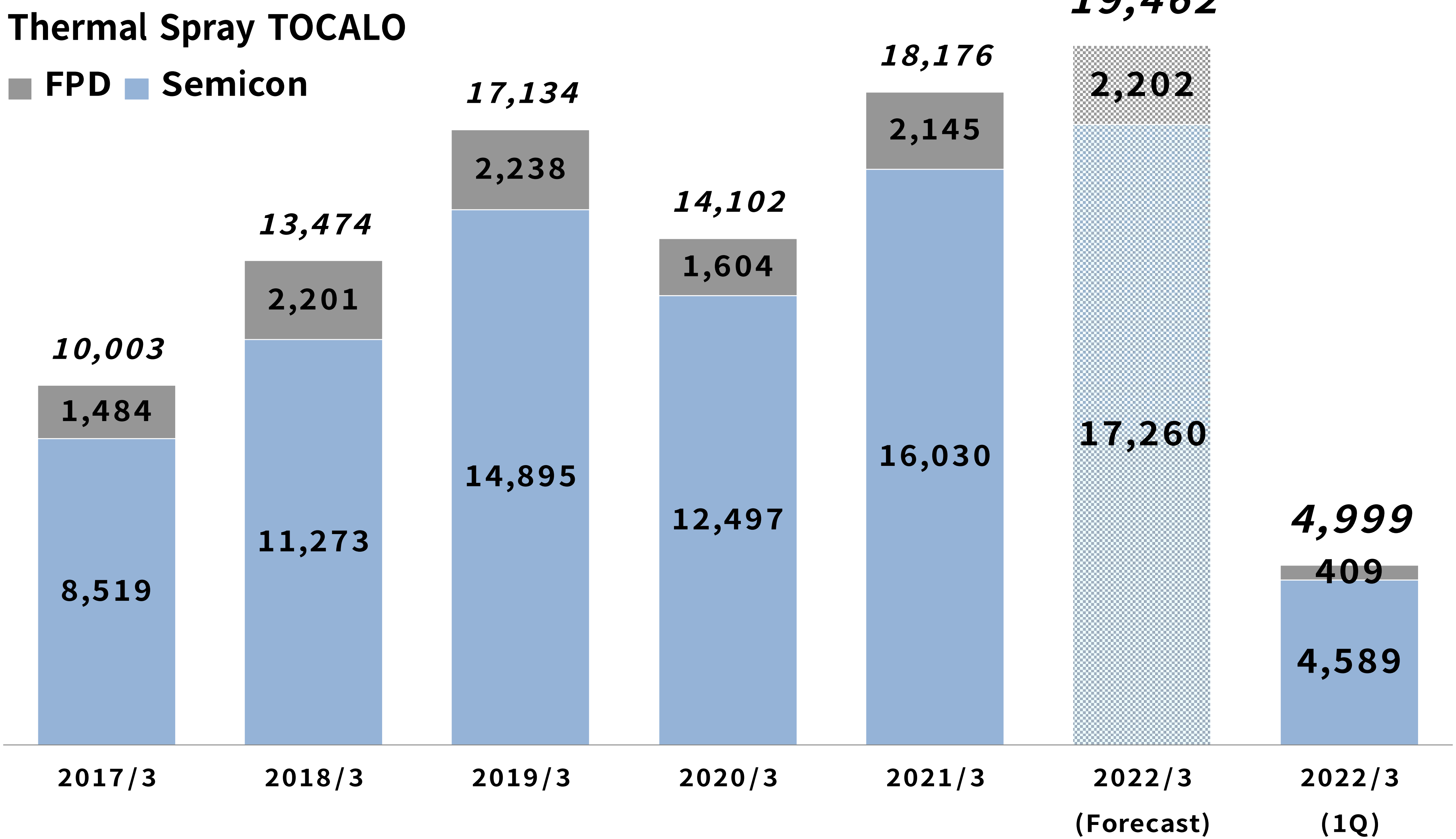
Progress Rate 1Q FY2022

(Million JPY)	1Q 2022/3		FY 2022/3		Progress
	Result	Ratio	Forecast	Ratio	Rate
Net Sales	10,736	100.0%	41,000	100.0%	26.2%
Thermal Spray	8,238	76.7%	31,045	75.7%	26.5%
Semicon & FPD	4,999	46.6%	19,462	47.5%	25.7%
Industrial Parts	820	7.6%	3,895	9.5%	21.1%
Iron & Steel	876	8.2%	3,105	7.6%	28.2%
Others	1,541	14.3%	4,583	11.1%	33.6%
Other Surface Modif.	597	5.6%	2,247	5.6%	26.6%
Domestic Sub.	611	5.7%	2,396	5.8%	25.5%
Overseas Sub.	1,265	11.8%	5,182	12.6%	24.4%
Royalty Income	23	0.2%	130	0.3%	18.4%
Operating Profit	2,759	25.7%	9,000	22.0%	30.7%
Ordinary Profit	2,839	26.4%	9,000	22.0%	31.5%
Net income attributable to owners of parent	1,865	17.4%	5,800	14.1%	32.2%

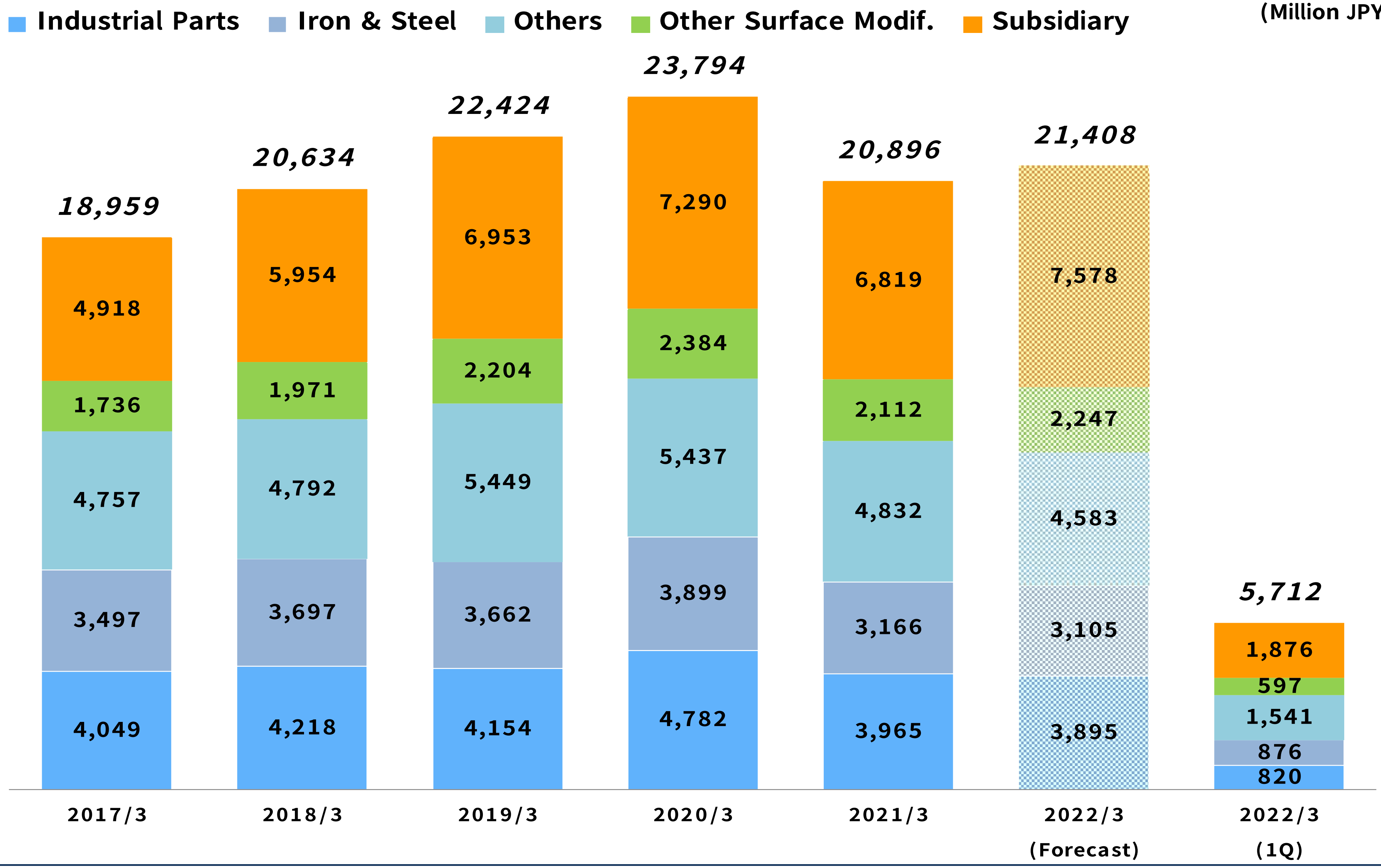
SC & FPD Net Sales

(Million JPY)



Non-SC & FPD Net Sales

(Million JPY)

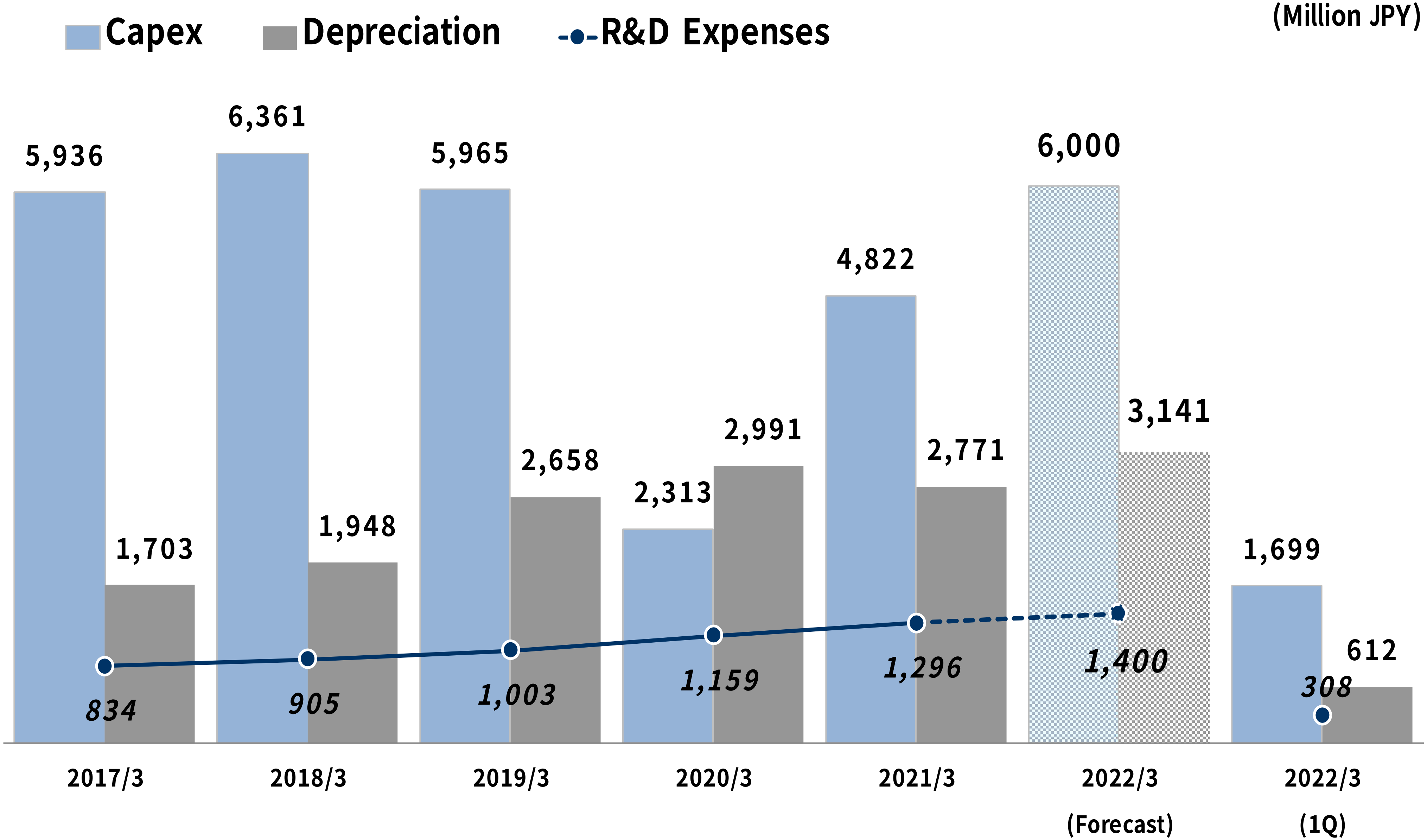


Financial Position

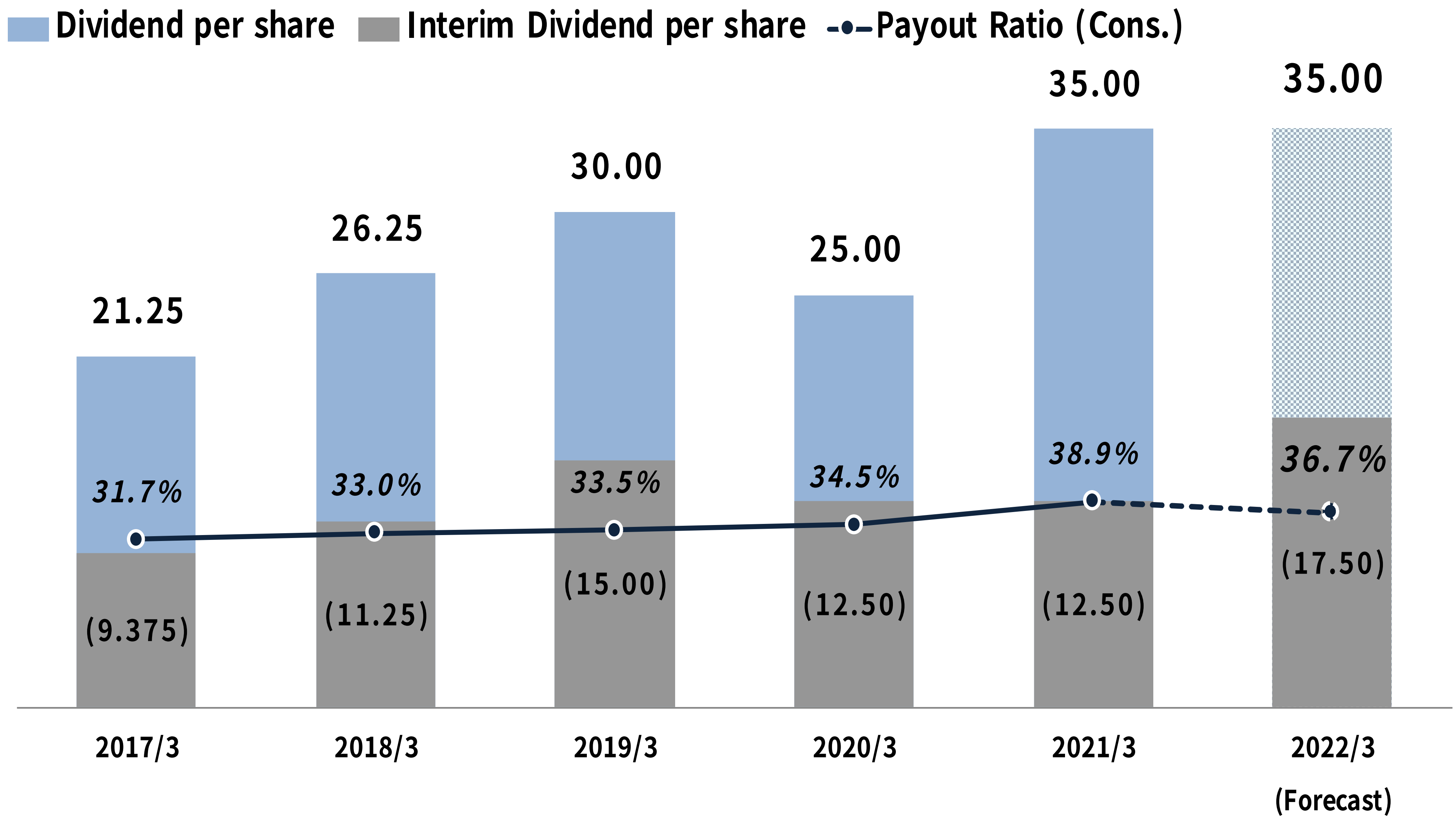
(Million JPY)	2021/3		2022/3
	1Q	4Q	1Q
Total Assets	61,562	64,183	65,134
Equity	40,893	44,201	44,939
Equity ratio	66.4%	68.9%	69.0%
Interest-bearing debt	7,592	6,031	5,494

Capex • Depreciation • R&D Expenses

(Million JPY)



Dividends



(Note) Dividend per share for the FY2017 has been converted to a figure that takes into account the stock split.

Financial Highlights

(Million JPY)	2017/3 Result	2018/3 Result	2019/3 Result	2020/3 Result	2021/3 Result	2022/3 Forecast
Orders received	29,506	36,851	38,915	38,011	39,021	-
Backlog of Orders	3,983	6,725	6,081	6,195	6,143	-
Net Sales	28,963	34,109	39,558	37,896	39,073	41,000
Operating Profit	5,645	7,110	7,741	6,550	8,669	9,000
Ordinary Profit	5,801	7,363	8,076	6,812	8,914	9,000
Ordinary Profit Ratio	20.0%	21.6%	20.4%	18.0%	22.8%	22.0%
Net income attributable to owners of parent	4,070	4,836	5,441	4,404	5,463	5,800
Earnings Per Share (EPS)	66.95	79.56	89.51	72.45	89.86	95.38
Total Assets	44,302	52,664	57,278	61,122	64,183	68,941
Equity	30,647	34,174	37,559	40,263	44,201	47,569
Equity ratio	69.1%	64.9%	65.6%	65.9%	68.9%	69.0%
Return on Equity (ROE)	13.9%	14.9%	15.2%	11.3%	12.9%	12.6%
Return on Asset (ROA)	14.1%	15.2%	14.7%	11.5%	14.2%	13.5%

ROE＝Net income attributable to owners of parent/Average Equity during the period

ROA＝Ordinary Profit/Average Total Assets during the period

Earnings Per Share (EPS) for the FY2017 has been converted to a figure that takes into account the stock split.

Effective from the FY2022, 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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