(TSE Code 3433)

Comprehensive Manufacture of Advanced Coatings

Financial Summary (3Q FY2022)

1/31/2022

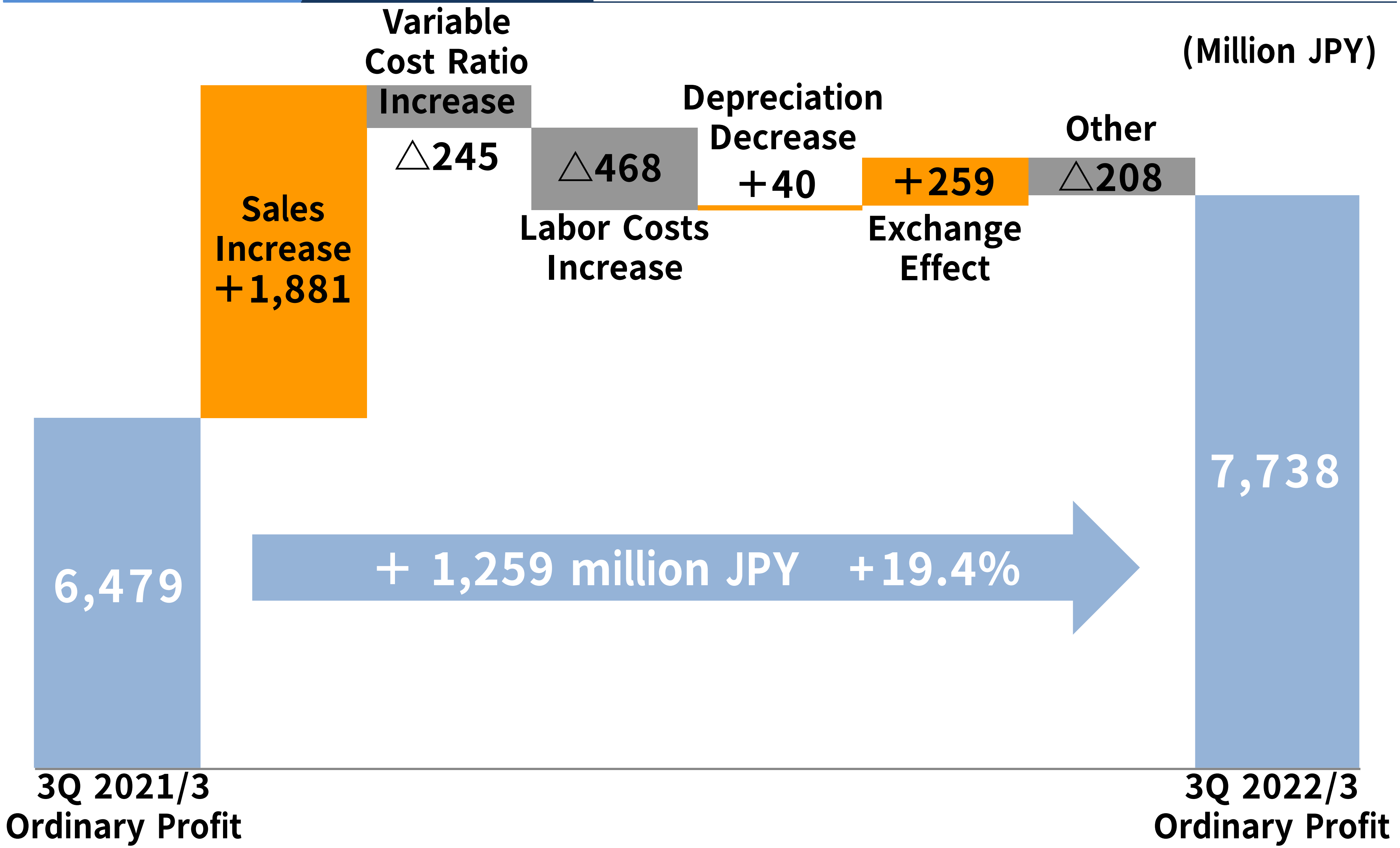
TOCALO Co., Ltd.

Overview of Consolidated Results 3Q FY2022

(Million JPY)	3Q 2021/3		3Q 2022/3		Change	
	Result	Ratio	Result	Ratio	Amount	%
Net Sales	29,279	100.0%	32,227	100.0%	2,947	10.1%
Thermal Spray	22,703	77.5%	24,322	75.5%	1,619	7.1%
Semicon & FPD	13,540	46.2%	14,979	46.5%	1,439	10.6%
Industrial Parts	3,134	10.7%	2,758	8.6%	△ 375	-12.0%
Iron & Steel	2,390	8.2%	2,547	7.9%	157	6.6%
Others	3,638	12.4%	4,036	12.5%	398	10.9%
Other Surface Modif.	1,560	5.4%	1,801	5.6%	241	15.5%
Domestic Sub.	1,431	4.9%	1,812	5.6%	380	26.6%
Overseas Sub.	3,436	11.7%	4,187	13.0%	750	21.8%
Royalty Income	148	0.5%	104	0.3%	△ 43	-29.5%
Operating Profit	6,525	22.3%	7,555	23.4%	1,030	15.8%
Ordinary Profit	6,479	22.1%	7,738	24.0%	1,259	19.4%
Net income attributable to owners of parent	4,177	14.3%	4,997	15.5%	819	19.6%

(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 previous years have been reclassified to reflect this change.

Analysis of Ordinary P/L Change



Segment Information

(Million JPY)	3Q 2021/3		3Q 2022/3		Change			
					Net Sales		Segment P/L	
	Net Sales	P/L	Net Sales	P/L	Amount	Ratio	Amount	Ratio
Thermal Spray TOCALO	22,703	5,252	24,322	5,964	1,619	7.1%	712	13.6%
Domestic Sub.	1,431	262	1,812	352	380	26.6%	89	34.1%
Overseas Sub.	3,436	946	4,187	1,134	750	21.8%	187	19.8%
Other Surface Modif.	1,560	96	1,801	331	241	15.5%	234	243.4%
Total	29,131	6,558	32,123	7,782	2,991	10.3%	1,224	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

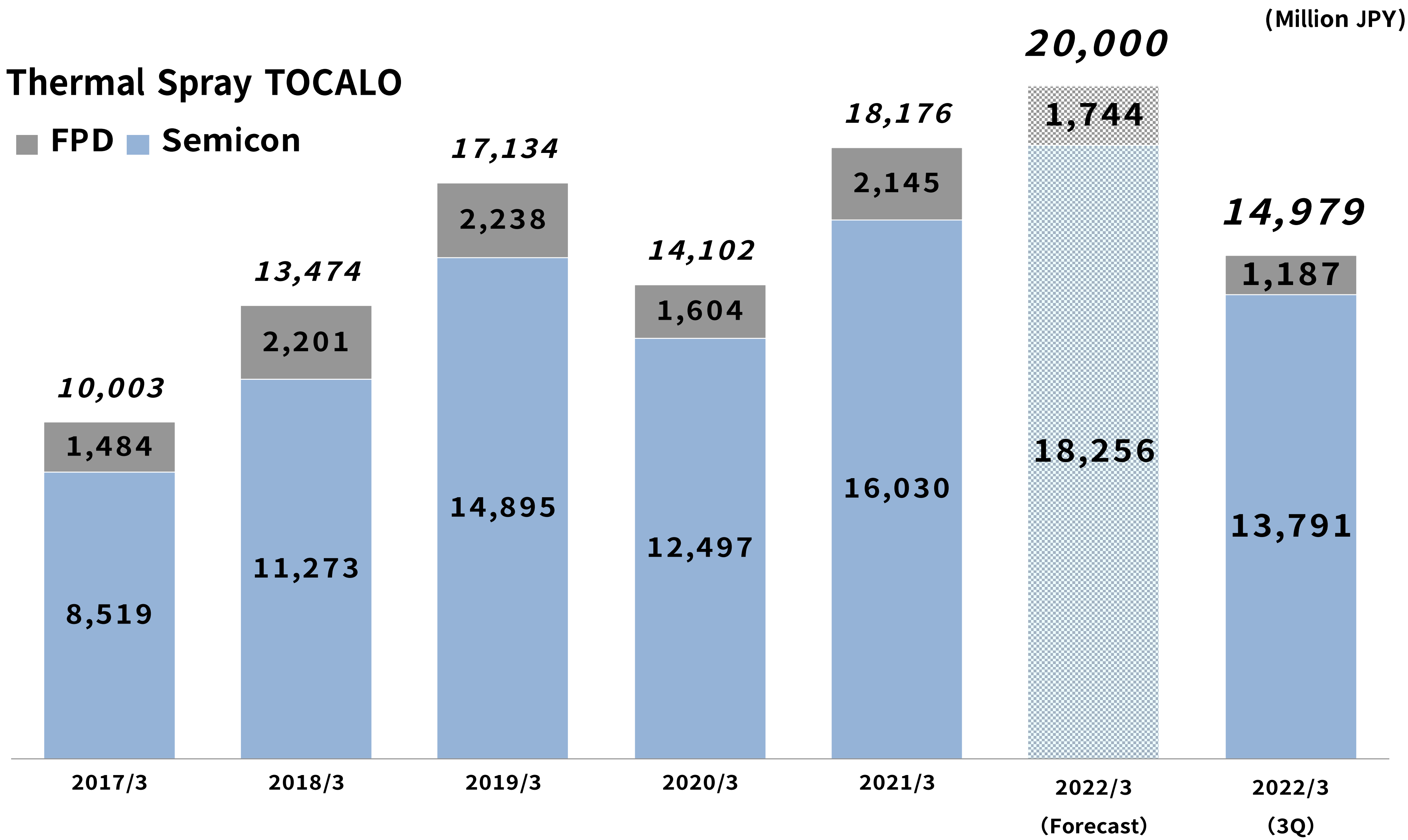
(Million JPY)	FY 2021		FY 2022		Change	
	Result	Ratio	Forecast	Ratio	Amount	Ratio
Net Sales	39,294	100.0%	42,500	100.0%	3,205	8.2%
Thermal Spray	30,141	76.7%	31,830	74.9%	1,688	5.6%
Semicon & FPD	18,176	46.3%	20,000	47.1%	1,823	10.0%
Industrial Parts	3,965	10.1%	3,780	8.9%	△ 185	-4.7%
Iron & Steel	3,166	8.1%	3,280	7.7%	113	3.6%
Others	4,832	12.2%	4,770	11.2%	△ 62	-1.3%
Other Surface Modif.	2,112	5.4%	2,460	5.7%	347	16.4%
Domestic Sub.	2,018	5.1%	2,450	5.8%	431	21.4%
Overseas Sub.	4,800	12.2%	5,600	13.2%	799	16.6%
Royalty Income	221	0.6%	160	0.4%	△ 61	-27.7%
Operating Profit	8,890	22.6%	10,100	23.8%	1,209	13.6%
Ordinary Profit	8,914	22.7%	10,200	24.0%	1,285	14.4%
Net income attributable to owners of parent	5,463	13.9%	6,600	15.5%	1,136	20.8%

(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.

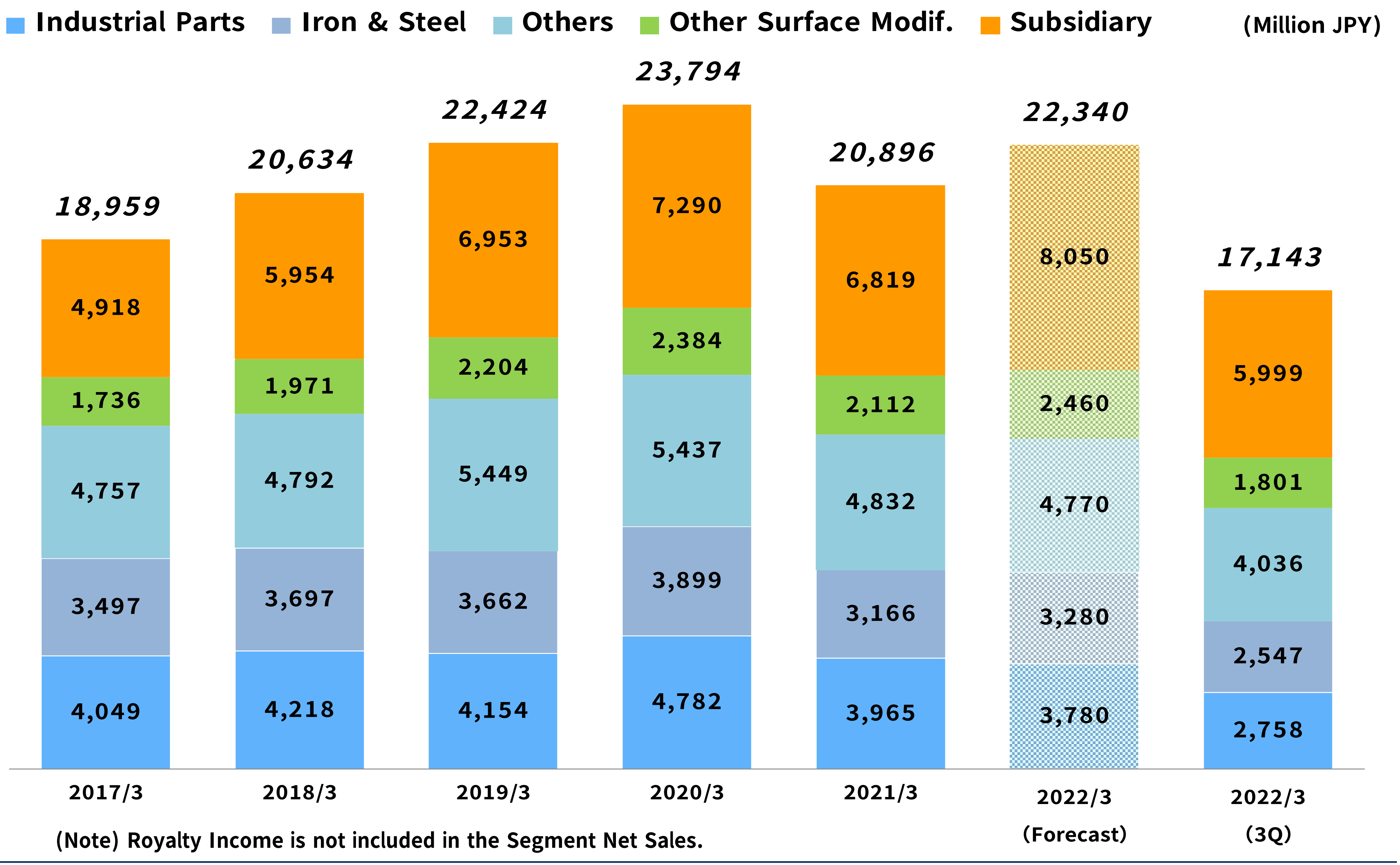
3Q FY2022 Progress Rate

(Million JPY)	3Q 2022/3		FY 2022/3		Progress
	Result	Ratio	Forecast	Ratio	Rate
Net Sales	32,227	100.0%	42,500	100.0%	75.8%
Thermal Spray	24,322	75.5%	31,830	74.9%	76.4%
Semicon & FPD	14,979	46.5%	20,000	47.1%	74.9%
Industrial Parts	2,758	8.6%	3,780	8.9%	73.0%
Iron & Steel	2,547	7.9%	3,280	7.7%	77.7%
Others	4,036	12.5%	4,770	11.2%	84.6%
Other Surface Modif.	1,801	5.6%	2,460	5.7%	73.2%
Domestic Sub.	1,812	5.6%	2,450	5.8%	74.0%
Overseas Sub.	4,187	13.0%	5,600	13.2%	74.8%
Royalty Income	104	0.3%	160	0.4%	65.3%
Operating Profit	7,555	23.4%	10,100	23.8%	74.8%
Ordinary Profit	7,738	24.0%	10,200	24.0%	75.9%
Net income attributable to owners of parent	4,997	15.5%	6,600	15.5%	75.7%

SC & FPD Net Sales



Non-SC & FPD Net Sales



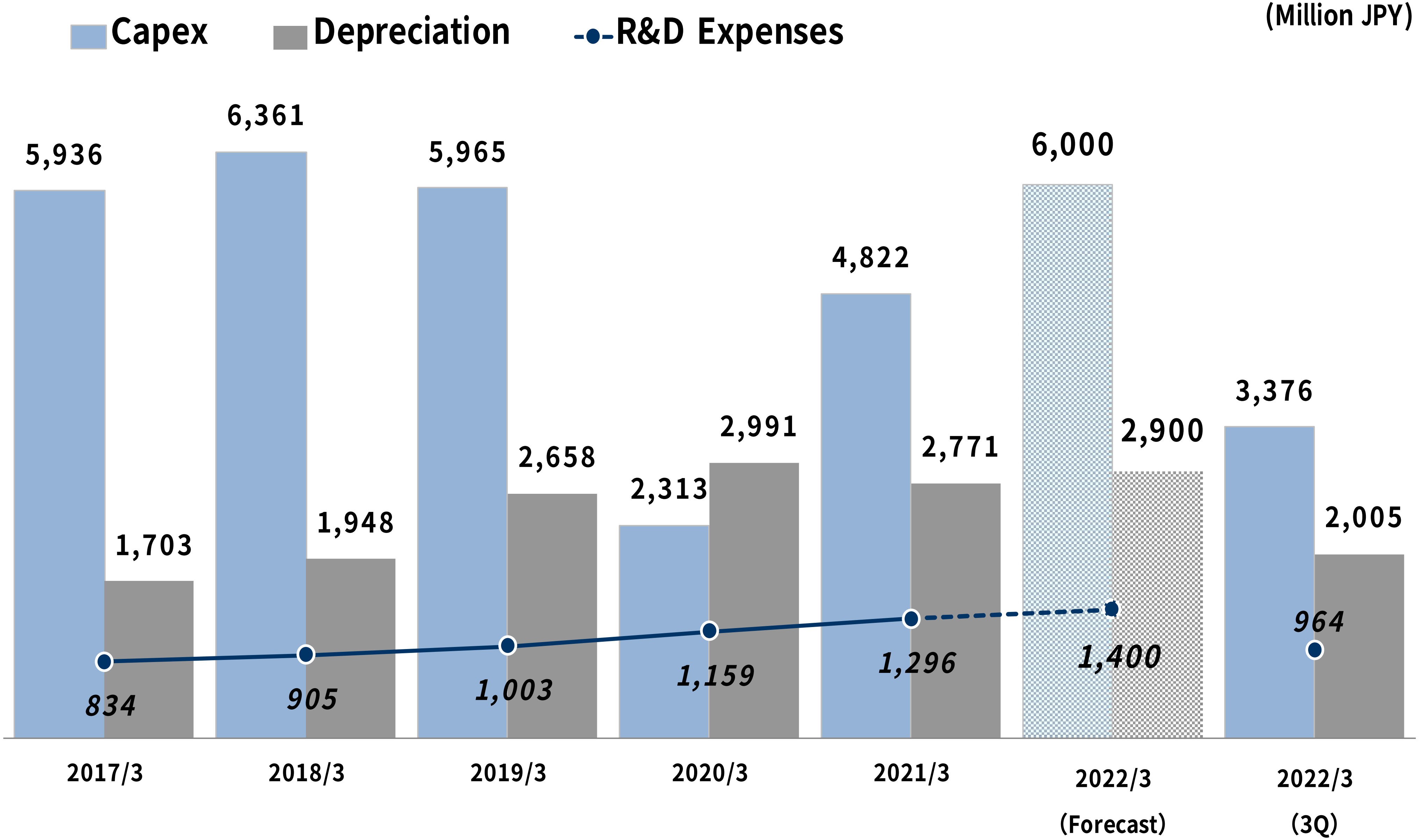
(Note) Royalty Income is not included in the Segment Net Sales.

Financial Position

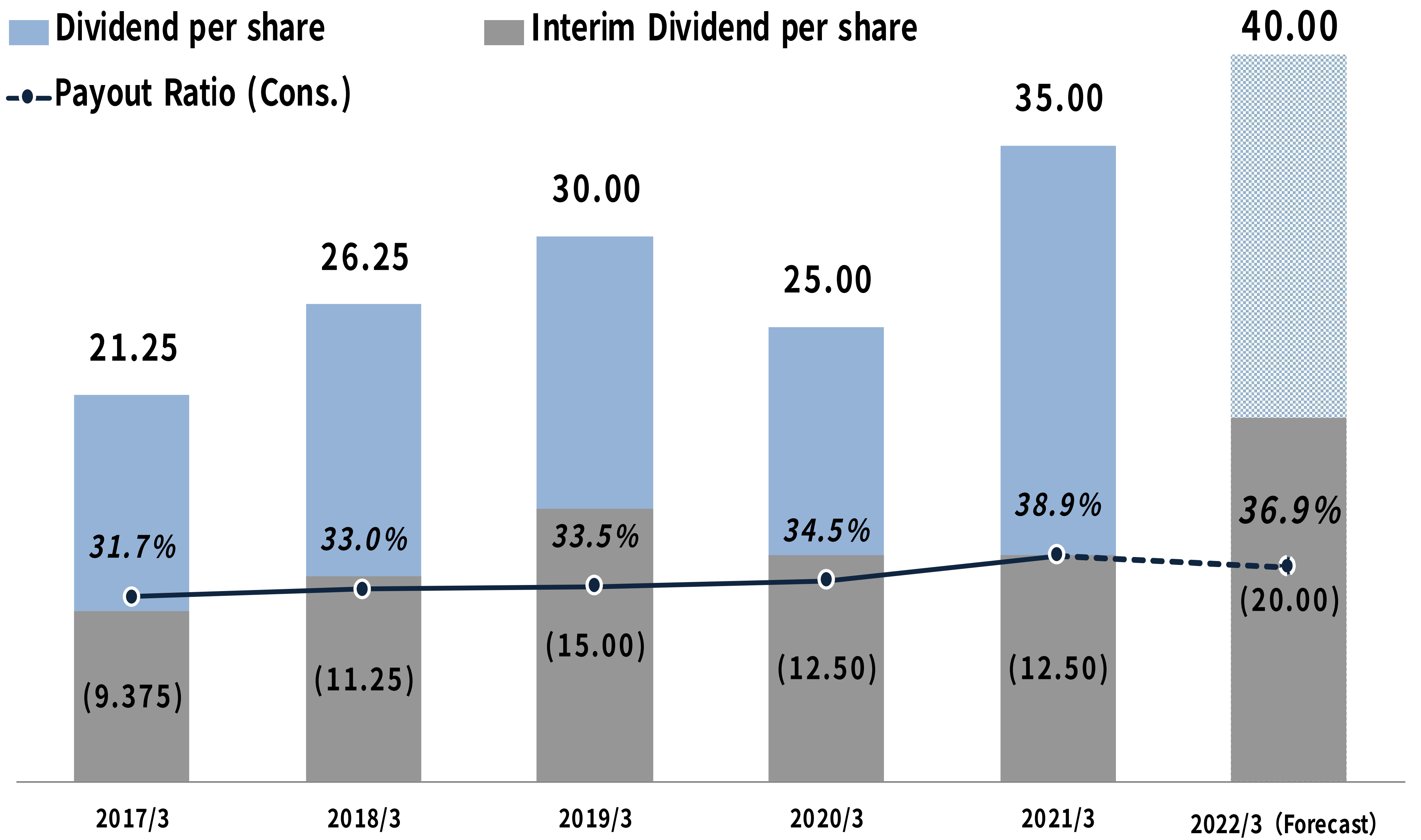
(Million JPY)	FY 2021		FY 2022
	3Q	4Q	3Q
Total Assets	62,942	64,183	66,958
Equity	42,898	44,201	47,029
Equity ratio	68.2%	68.9%	70.2%
Interest-bearing debt	6,536	6,031	4,661

Capex・Depreciation・R&D Expenses

(Million JPY)

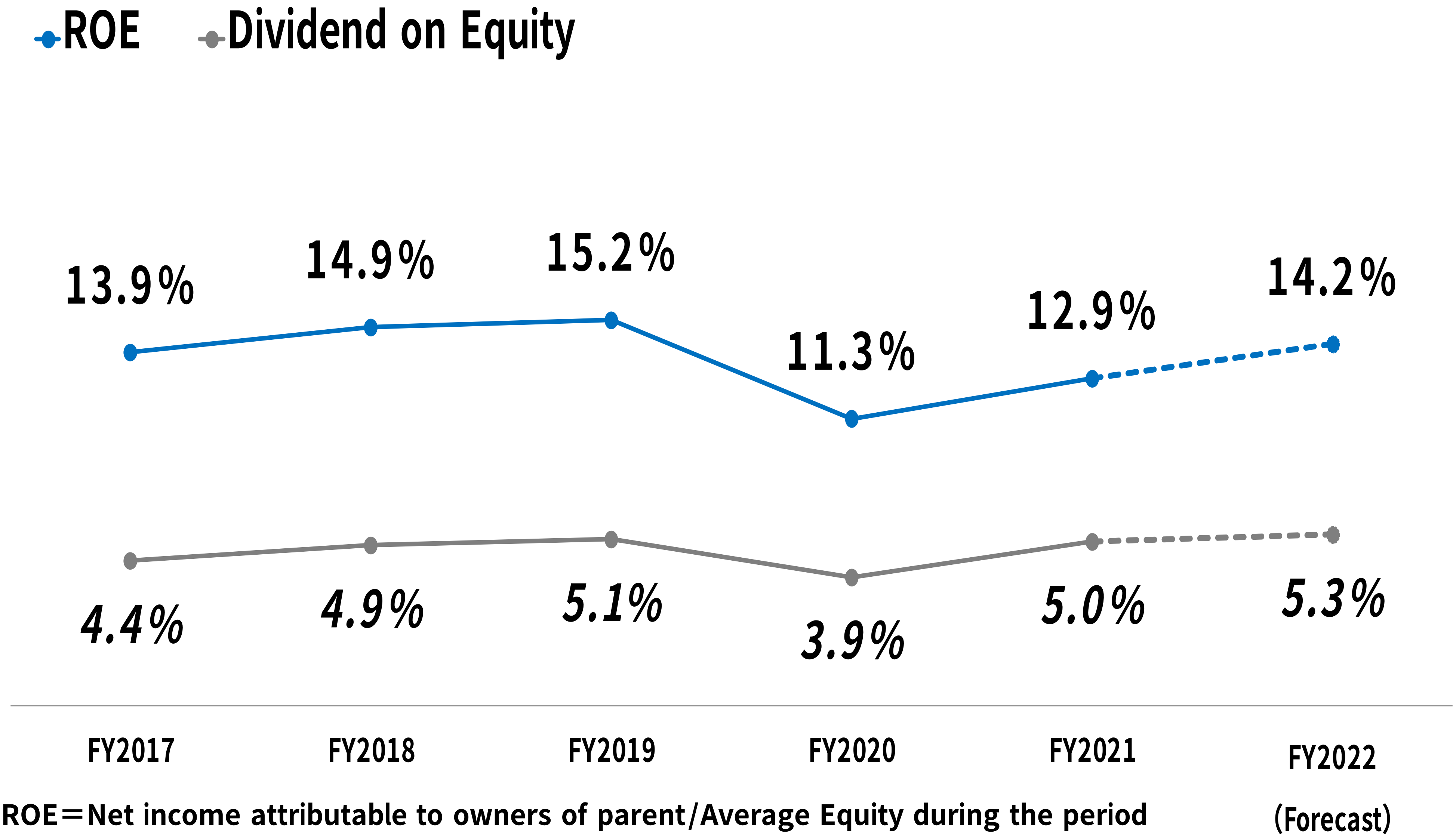


Dividends



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

ROE・Dividend on Equity



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

Dividend on Equity＝Dividend per share/Average Net Assets per share during the period

Financial Highlights

TOCALO

(Million JPY)	FY 2017 Result	FY 2018 Result	FY 2019 Result	FY 2020 Result	FY 2021 Result	FY 2022 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	29,108	34,275	39,742	38,084	39,294	42,500
Operating Profit	5,783	7,270	7,905	6,727	8,890	10,100
Ordinary Profit	5,801	7,363	8,076	6,812	8,914	10,200
Ordinary Profit Ratio	19.9%	21.5%	20.3%	17.9%	22.7%	24.0%
Net income attributable to owners of parent	4,070	4,836	5,441	4,404	5,463	6,600
Earnings Per Share (EPS)	66.95	79.56	89.51	72.45	89.86	108.54
Total Assets	44,302	52,664	57,278	61,122	64,183	69,276
Equity	30,647	34,174	37,559	40,263	44,201	48,631
Equity ratio	69.1%	64.9%	65.6%	65.9%	68.9%	70.2%
Return on Equity (ROE)	13.9%	14.9%	15.2%	11.3%	12.9%	14.2%
Return on Asset (ROA)	14.1%	15.2%	14.7%	11.5%	14.2%	15.3%
Return on Invested Capital (ROIC)	12.3%	13.6%	13.3%	9.8%	11.9%	12.9%

ROE＝Net income attributable 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

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.

Contact

TOCALO Co., LTD

Corporate Planning Division

TEL: +81-78-303-3433