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October 31, 2022

Company: TODA CORPORATION

Representative: Seisuke Otani, President and Representative Director

(Securities Code: 1860 TSE Prime Market)

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Notice Concerning of Revised forecasts

TODA CORPORATION (hereinafter referred to as the "Company") hereby announces that it has revised its consolidated and non-consolidated forecasts for the fiscal year ending March 31, 2023, which was announced on May 13, 2022. The revisions are as follows:

1. Revised forecasts

(1) Consolidated forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

	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
Forecast to be revised (A) (May 13, 2022)	520,000	20,500	22,900	18,800	61.00
New Forecast (B)	540,000	12,600	16,700	14,700	47.69
Change (B-A)	20,000	△7,900	△6,200	△4,100	
Change (%)	3.8	△38.5	△27.1	△21.8	
(Reference)Comparison with the results of the previous fiscal year	501,509	24,385	28,111	18,560	60.43

(2) Non-consolidated forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

	Net sales	Operating profit	Ordinary profit	Net income	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Forecast to be revised (A) (May 13, 2022)	459,000	17,100	19,700	16,900	54.83
New Forecast (B)	463,500	9,300	13,000	12,300	39.91
Change (B-A)	4,500	△7,800	△6,700	△4,600	
Change (%)	1.0	△45.6	△34.0	△27.2	
(Reference)Comparison with the results of the previous fiscal year	451,770	22,540	25,995	16,215	52.80

2. Reasons for the revisions

(1) Reasons for the revision in the non-consolidated forecast

The material prices such as steel frames, etc. have risen due to changes in the market environment. As a result, the construction costs increased in several projects in the Company's domestic construction business.

In response, operating income for the fiscal year ending March 31, 2023 is expected to decrease by 7.8 billion yen from the previous forecast to 9.3 billion yen. This is due to recording a provision for losses on construction contracts in the second quarter of this fiscal year for several projects in the domestic building construction business. As a result, profit for this fiscal year is expected to decrease by 4.6 billion yen from the previous forecast to 12.3 billion yen.

Regarding the increase in construction costs mentioned above, the Company will continue to seriously discuss additional contract for price increase and VE (value engineering) proposal with the customer. As of March 1, 2022, the Company established the "Cost Control Center" and built a system to centrally manage estimate and procurement information for all branches. Furthermore, the Company will strengthen our cost control system by appropriately taking into account the risk of price increases at the estimate stage.

(2) Reasons for the revision in the consolidated forecast

The consolidated forecast has been revised in conjunction with the revisions made in the non-consolidated forecast.

3. Dividend forecast

The Company's basic policy is to distribute profit based on business results and the business environment after giving consideration to the provision of continuous and stable dividends to shareholders and the need to secure sufficient retained earnings essential for improving the Company's competitiveness and its financial position.

Although the consolidated forecast has been revised downward, we plan to keep a dividend of 27 yen per share (including an interim dividend 13.5 yen per share) as planned, from the perspective maintaining of for dividend on equity (DOE) at 2.5% or more.

	Shareholder Return Policy	FY2021 Actual (As of March 31, 2022)	FY2022 Forecast (As of March 31, 2023)
DOE	2.5% or more	2.6%	2.6%
Total return ratio	40.0% or more	43.0%	57.1%

*DOE (dividend on equity) = Dividends amount ÷ Equity capital

* Total return ratio

= Total return to shareholders (Dividends amount + Total amount of treasury stock acquired)
÷ Profit attributable to owners of parent

Note

The numbers used with words or phrases relating to future events such as "forecast," or "expected" provided in this document are based on the information available to us at the time of the release of this document. Due to various factors, the actual results may differ from the forecasts.

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