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Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)



February 3, 2025

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 Listing: Tokyo Stock Exchange
 Securities code: 6809
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	35,870	4.3	1,807	(9.2)	2,248	(7.8)	1,289	(17.2)
December 31, 2023	34,389	9.0	1,990	225.1	2,438	181.2	1,558	77.0

Note: Comprehensive income For the nine months ended December 31, 2024: ¥2,521 million [(32.3)%]
 For the nine months ended December 31, 2023: ¥3,723 million [17.5%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	42.91	–
December 31, 2023	48.43	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	65,969	50,368	72.2
March 31, 2024	64,734	49,239	72.0

Reference: Equity

As of December 31, 2024: ¥47,598 million
 As of March 31, 2024: ¥46,583 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2025	–	20.00	–		
Fiscal year ending March 31, 2025 (Forecast)				20.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Breakdown of the dividends for the fiscal year ended March 31, 2024: Stable dividend ¥40

Dividends for the fiscal year ending March 31, 2025 (Forecast) will be determined by taking into account the performances on stable dividend of ¥40, aiming at a consolidated dividend payout ratio of 45%, as announced in “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” on May 2, 2024.

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	52,000	6.5	3,700	22.2	3,900	5.1	2,400	20.1	79.85

Note: Revisions to the consolidated financial results forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	34,136,635 shares
As of March 31, 2024	34,136,635 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2024	4,066,592 shares
As of March 31, 2024	4,080,281 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	30,064,008 shares
Nine months ended December 31, 2023	32,174,661 shares

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

- * Proper use of earnings forecasts, and other special matters

- Forecasts presented herein are the current prospects based on information currently available and contain elements of uncertainty. Actual results may therefore differ from the forecasts due to subsequent changes in the circumstances.
- The supplementary material on financial results is scheduled to be posted on our website.

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Period Under Review

During the nine months ended December 31, 2024, in the environment surrounding TOA Corporation (hereinafter “the Company”) and its subsidiaries (collectively, the “Group”), an increase in inbound demand, an increasing appetite for capital investment, an improvement in labor and income environment and other factors have led to a trend of recovery in the business economy in Japan. However, remaining high prices of raw materials and the effects of inflation, geopolitical risks caused by the unstable international situation, as well as rapid fluctuations in foreign exchange markets and other factors mean that the outlook for the global economy continues to be uncertain.

In such an environment, in order to achieve “Smiles for the Public,” which is our corporate value, we have set forth our management vision targeting 2030, “Dr. Sound—becoming a professional organization that improves sound in society—.” We aim to create the value of reassurance, reliability, and emotion as a reliable partner that realizes, along with our customers, a cycle of identifying, solving, and improving social issues through the continuous provision of good experiences through sound that customers choose.

During the nine months ended December 31, 2024, the Group acquired all of the issued shares of PA-Vox Holding B.V. (hereinafter “PAX”) in the Netherlands in September 2024, thereby making four companies, which includes the three operating companies under PAX, consolidated subsidiaries. Each operating company is a business with advanced solutions for providing automated multilingual announcement content in 36 languages for airport facilities and airline companies. In addition to having technology for generating easy-to-hear sound sources in the airport market, this company has the capability of developing high-quality software, a subscription business targeting the airport market and other strengths not found at other companies. By adding PAX to the Group, we expect to generate a synergistic effect with the high-quality hardware for the airport market that is the Company’s area of expertise, and expand the business for the Europe, Middle East & Africa region, thereby expanding the Group’s entire business for providing systems for the airport market worldwide. We revised the prices of some products in Japan in December 2024 as a measure in response to the ongoing increases in raw material costs, personnel expenses, logistics costs and other costs. We will strengthen our revenue base based on these initiatives and accelerate growth through the pursuit and creation of new growth areas.

In these circumstances, net sales during the nine months ended December 31, 2024 were ¥35,870 million (up ¥1,481 million, or 4.3%, year on year). In terms of profits, although net sales increased, due to the increase in operating expenses, operating profit was ¥1,807 million (down ¥183 million, or 9.2%, year on year), ordinary profit was ¥2,248 million (down ¥190 million, or 7.8%, year on year), and profit attributable to owners of parent was ¥1,289 million (down ¥268 million, or 17.2%, year on year).

Performance by segment is as follows.

(Japan)

Net sales amounted to ¥20,520 million (up ¥1,217 million, or 6.3%, year on year), and segment profit (operating profit) was ¥4,101 million (up ¥191 million, or 4.9%, year on year).

Sales of products for the transport market, such as roads and railway facilities, for the educational market and for factories grew, causing net sales for the entire segment and segment profit to rise.

(Asia & Pacific)

Net sales amounted to ¥7,310 million (up ¥472 million, or 6.9%, year on year), and segment profit (operating profit) was ¥1,369 million (up ¥49 million, or 3.8%, year on year).

In Vietnam, progress was made on deliveries to large-scale urban development projects and commercial facilities, and market conditions in Singapore were improved. As a result, net sales increased. Progress was made on deliveries to sports facilities in Indonesia and to the educational market, religious facilities, and railway facilities in Thailand. Net sales for the entire segment increased and segment profit also increased, partly as a result of the impact of currency fluctuations.

(Europe, Middle East & Africa)

Net sales amounted to ¥4,598 million (down ¥159 million, or 3.3%, year on year), and segment profit (operating profit) to ¥537 million (down ¥135 million, or 20.1%, year on year).

Although progress was made on deliveries to railway facilities in the UK, to government agencies and the educational market in the Middle East, and to office buildings in Africa, there was a lull in activity in Germany and other European markets. As a result, net sales for the entire segment and segment profit decreased.

(The Americas)

Net sales amounted to ¥2,066 million (up ¥74 million, or 3.7%, year on year), and segment profit (operating profit) was ¥181 million (up ¥37 million, or 26.3%, year on year).

Progress was made on deliveries to retail stores in the United States, and to hospitals in Canada. Net sales for the entire segment increased and segment profit also increased, partly as a result of the impact of currency fluctuations.

(China & East Asia)

Net sales amounted to ¥1,374 million (down ¥123 million, or 8.2%, year on year), and segment profit (operating profit) to ¥115 million (down ¥20 million, or 15.2%, year on year).

As progress was made to government agencies in Hong Kong, net sales increased. Progress also continued to be made on deliveries to factories, particularly for semiconductors, in Taiwan. Net sales for the entire segment decreased and segment profit also decreased, partly as a result of the impact of the slowing pace of sales due to doldrums in real estate market in China.

(2) Overview of Financial Position for the Period Under Review

Total assets at the end of the nine months ended December 31, 2024 increased by ¥1,234 million from the end of the previous fiscal year to ¥65,969 million. Assets increased due mainly to increases in inventories, goodwill and investment securities, despite decreases in cash and deposits, etc. Liabilities and net assets increased due mainly to increases in trade payables and valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

The financial results forecast for the fiscal year ending March 31, 2025 has not been revised from the initial forecast announced in “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024.”

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	16,350	15,445
Notes and accounts receivable - trade, and contract assets	10,476	10,077
Merchandise and finished goods	8,937	9,539
Work in process	789	923
Raw materials and supplies	5,126	5,089
Other	1,048	1,591
Allowance for doubtful accounts	(95)	(100)
Total current assets	42,633	42,566
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,933	5,711
Other	4,714	4,646
Total property, plant and equipment	10,648	10,357
Intangible assets		
Goodwill	419	847
Other	1,249	1,521
Total intangible assets	1,669	2,369
Investments and other assets		
Investment securities	8,170	9,063
Other	1,614	1,611
Allowance for doubtful accounts	(0)	-
Total investments and other assets	9,784	10,675
Total non-current assets	22,101	23,402
Total assets	64,734	65,969

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,554	3,854
Short-term borrowings	1,836	1,957
Income taxes payable	579	163
Provisions	271	378
Other	3,336	3,058
Total current liabilities	9,578	9,411
Non-current liabilities		
Retirement benefit liability	3,089	3,212
Other	2,827	2,977
Total non-current liabilities	5,917	6,189
Total liabilities	15,495	15,600
Net assets		
Shareholders' equity		
Share capital	5,279	5,279
Capital surplus	5,048	5,051
Retained earnings	32,863	32,951
Treasury shares	(3,679)	(3,666)
Total shareholders' equity	39,512	39,615
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,807	5,427
Foreign currency translation adjustment	2,321	2,606
Remeasurements of defined benefit plans	(58)	(50)
Total accumulated other comprehensive income	7,070	7,982
Non-controlling interests	2,655	2,770
Total net assets	49,239	50,368
Total liabilities and net assets	64,734	65,969

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income
Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	34,389	35,870
Cost of sales	19,656	20,188
Gross profit	14,733	15,682
Selling, general and administrative expenses	12,742	13,874
Operating profit	1,990	1,807
Non-operating income		
Interest income	79	112
Dividend income	128	140
Foreign exchange gains	218	125
Share of profit of entities accounted for using equity method	5	-
Other	121	137
Total non-operating income	554	516
Non-operating expenses		
Interest expenses	67	62
Share of loss of entities accounted for using equity method	-	0
Loss on tax purpose reduction entry of non-current assets	25	-
Other	12	11
Total non-operating expenses	106	75
Ordinary profit	2,438	2,248
Profit before income taxes	2,438	2,248
Income taxes	661	693
Profit	1,776	1,555
Profit attributable to non-controlling interests	218	265
Profit attributable to owners of parent	1,558	1,289

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	1,776	1,555
Other comprehensive income		
Valuation difference on available-for-sale securities	29	619
Foreign currency translation adjustment	1,912	337
Share of other comprehensive income of entities accounted for using equity method	0	0
Remeasurements of defined benefit plans, net of tax	4	8
Total other comprehensive income	1,946	966
Comprehensive income	3,723	2,521
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,487	2,201
Comprehensive income attributable to non-controlling interests	236	319

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Notes in the case of significant changes in shareholders' equity)

There is no relevant information.

(Notes on accounting policies specific to the preparation of quarterly consolidated financial statements)

Calculation of tax expense

The Company calculates tax expense by multiplying profit before income taxes by an effective tax rate that was reasonably estimated by applying tax effect accounting to profit before income taxes for the current fiscal year.

(Notes on change in accounting policy)

(Application of the “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the “Revised Application Guidance of 2022”). There is no impact on quarterly consolidated financial statements as a result of this change in accounting policy.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Application Guidance of 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025. There is no impact on the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year as a result of this change in accounting policy.

(Notes on quarterly consolidated statement of cash flows)

Quarterly consolidated statements of cash flows are not prepared for the nine months ended December 31, 2024. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2024 are as follows.

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	¥1,173 million	¥1,229 million
Amortization of goodwill	¥32 million	¥36 million

(Notes on segment information, etc.)

[Segment information]

I. For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment						Adjustment (Note) 1	Amount recorded in quarterly consolidated statement of income (Note) 2
	Japan	Asia & Pacific	Europe, Middle East & Africa	The Americas	China & East Asia	Total		
Net sales								
Net sales to outside customers	19,303	6,838	4,757	1,992	1,498	34,389	–	34,389
Inter-segment net sales or transfers	3,512	105	17	15	13	3,663	(3,663)	–
Total	22,815	6,943	4,774	2,008	1,511	38,053	(3,663)	34,389
Segment profit	3,909	1,319	672	143	135	6,180	(4,189)	1,990

(Notes) 1. The adjustment for segment profit of negative ¥4,189 million includes elimination of inter-segment transactions of negative ¥48 million and corporate expenses in the amount of negative ¥4,141 million not previously allocated to the reportable segments. The relevant corporate expenses are mainly costs relating to the headquarters divisions which are not attributable to a reportable segment.

2. Segment profit has been adjusted with operating profit in the quarterly consolidated statement of income.

II. For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment						Adjustment (Note) 1	Amount recorded in quarterly consolidated statement of income (Note) 2
	Japan	Asia & Pacific	Europe, Middle East & Africa	The Americas	China & East Asia	Total		
Net sales								
Net sales to outside customers	20,520	7,310	4,598	2,066	1,374	35,870	–	35,870
Inter-segment net sales or transfers	3,254	99	13	14	27	3,409	(3,409)	–
Total	23,775	7,410	4,612	2,080	1,401	39,279	(3,409)	35,870
Segment profit	4,101	1,369	537	181	115	6,304	(4,496)	1,807

(Notes) 1. The adjustment for segment profit of negative ¥4,496 million includes elimination of inter-segment transactions of negative ¥33 million and corporate expenses in the amount of negative ¥4,463 million not previously allocated to the reportable segments. The relevant corporate expenses are mainly costs relating to the headquarters divisions which are not attributable to a reportable segment.

2. Segment profit has been adjusted with operating profit in the quarterly consolidated statement of income.