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May 9, 2023

Company: TODA CORPORATION

Representative: Seisuke Otani, President and Representative Director

(Securities Code: 1860 TSE Prime Market)

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Notice Concerning Recording of Extraordinary Loss and Revision of Earnings Forecasts

TODA CORPORATION (the “Company”) hereby announces that the Company has recorded an extraordinary loss for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023) as described below. In addition, the Company has revised the earnings forecasts (consolidated and non-consolidated) for the fiscal year ending March 31, 2023, which were announced on October 31, 2022.

1. Details of the Extraordinary Loss (Impairment Loss)

The Company has discovered a defect in the floating structure that is currently being manufactured for the “Offshore Wind Power Generation Project off the Coast of Goto City” (the “Project”). Based on the Company’s estimate of the inspection, repair, and remanufacturing costs to deal with this situation, a significant increase in the fabrication costs of the floating part is expected, and as a result of the review of the future recoverability of the said floating structure in accordance with the accounting standards for impairment of fixed assets, an impairment loss of approximately 9.5 billion yen has been recorded for the fiscal year ending March 31, 2023.

Since an impairment loss of approximately 3.2 billion yen was already estimated in previously announced earnings forecasts, the impact on the revised earnings forecasts is an increase in impairment loss of 6.3 billion yen.

2. 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
Forecasts to be revised (A) (October 31, 2022)	540,000	12,600	16,700	14,700	47.69
New Forecasts (B)	547,100	14,100	19,000	10,900	35.33
Change (B-A)	7,100	1,500	2,300	(3,800)	
Change (%)	1.3	11.9	13.8	(25.9)	
(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
Forecasts to be revised (A) (October 31, 2022)	463,500	9,300	13,000	12,300	39.91
New Forecasts (B)	465,400	9,500	13,500	6,600	21.39
Change (B-A)	1,900	200	500	(5,700)	
Change (%)	0.4	2.2	3.8	(46.3)	
(Reference) Comparison with the results of the previous fiscal year	451,770	22,540	25,995	16,215	52.80

3. Reason for the Revision

(1) Reason for the revision in the non-consolidated forecasts

The forecasts for the fiscal year ending March 31, 2023 have been revised as shown above due to the extraordinary loss as described in 1.

(2) Reason for the revision in the consolidated forecasts

The consolidated forecasts have been revised in conjunction with the revision made in the non-consolidated forecasts.

4. About the Project

The Project is led by the Company's consolidated subsidiary "Goto Floating Wind Farm LLC" ("Goto FWF"), and the Company is in charge of construction of the floating offshore wind farm. This is the first offshore wind farm in Japan to be constructed under the Renewable Energy Sea Area Utilization Act approved for a publicly solicited occupancy plan, with installation of eight 2.1 MW wind turbines (16.8 MW in total) underway.

Recently, the Company has discovered a defect in the structure in the two units that are currently being fabricated in the ground yard and decided to carefully assess our response to the defect from the perspective of the long-term integrity of the wind turbine generators. While the Company has confirmed that the three wind turbines already installed offshore pose no immediate danger, we are taking careful measures, including inspections for quality assurance.

The impact of the corrective measures on the operational timing of the wind farm is currently being discussed with Goto FWF and other relevant parties and will be announced as soon as a decision is made.

5. Dividend Forecasts

There is no change to the Company's fiscal year-end dividend forecasts.

	Annual Dividends					Dividends Paid (Total)	Payout Ratio (Consolidated)	Dividend on Equity Ratio (Consolidated)
	1Q	2Q	3Q	4Q	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal Year ending March 31, 2023		13.50						
Fiscal Year ending March 31, 2023 (Forecasts)				13.50	27.00	8,415	77.2	2.6

(Note) The above forecasts are based on the information available 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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