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July 27, 2023

Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

Company name: TOKAI RIKA CO., LTD.
 Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities code: 6995
 URL: <http://www.tokai-rika.co.jp>
 Representative: Hiroyoshi Ninoyu, President
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 Scheduled date to file quarterly securities report: July 27, 2023
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results briefing: No

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

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results

(Percentages indicate the changes of the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2023	148,652	19.1	8,783	-	14,339	247.8	10,345	265.4
June 30, 2022	124,844	1.4	(773)	-	4,122	(43.8)	2,831	(50.0)

Note: Comprehensive income For the three months ended June 30, 2023: ¥22,932 million [157.3 %]
 For the three months ended June 30, 2022: ¥8,914 million [35.1%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2023	113.28	-
June 30, 2022	31.01	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of			
June 30, 2023	479,017	316,141	61.8
March 31, 2023	456,146	296,401	60.8

Reference: Equity
 As of June 30, 2023: ¥296,031 million
 As of March 31, 2023: ¥277,375 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, 2023	-	30.00	-	34.00	64.00
Fiscal year ended March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		32.00	-	32.00	64.00

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

3. Consolidated earnings forecast for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate the changes of the same period of the previous year.)

	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
Full year	580,000	4.9	20,000	20.1	21,000	(12.7)	13,000	19.3	142.33

Notes: Revisions to the forecast of cash dividends most recently announced: Yes

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)

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

As of June 30, 2023	94,234,171 shares
As of March 31, 2023	94,234,171 shares

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

As of June 30, 2023	2,894,501 shares
As of March 31, 2023	2,911,355 shares

- (iii) Average number of shares outstanding during the period

For the three months ended June 30, 2023	91,326,985 shares
For the three months ended June 30, 2022	91,303,155 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The above forward-looking statements are prepared based on judgment and assumption from information currently available to the Company. These statements do not purport that the Company pledges to realize such statements. Actual business results may differ from the forecast figures due to various factors such as uncertainties of the information, future economic conditions, stock prices and exchange rates trends.

Consolidated Balance Sheet

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

ASSETS	As of March 31, 2023	As of June 30, 2023
CURRENT ASSETS:		
Cash and deposits	69,728	78,379
Notes and accounts receivable	83,904	84,794
Electronically recorded monetary claims-operating	12,930	13,409
Marketable securities	299	899
Finished goods	26,120	24,730
Work-in-process	36,436	37,662
Raw materials and supplies	9,242	9,559
Other current assets	12,978	13,211
Less: Allowance for doubtful accounts	(46)	(46)
Total current assets	251,595	262,601
NON-CURRENT ASSETS:		
Tangible non-current assets		
Buildings and structures	35,222	38,880
Machinery and vehicle	31,388	31,804
Others	38,221	38,289
Total tangible non-current assets	104,833	108,973
Intangible non-current assets		
Others	3,567	3,553
Total intangible non-current assets	3,567	3,553
Investments and other assets:		
Investments securities	51,749	58,229
Others	44,507	45,766
Less: Allowance for doubtful accounts	(106)	(106)
Total investments and other assets	96,150	103,889
Total noncurrent assets	204,550	216,416
TOTAL	456,146	479,017

Millions of Yen

LIABILITIES AND EQUITY	As of March 31, 2023	As of June 30, 2023
CURRENT LIABILITIES:		
Notes and accounts payable	53,374	55,326
Electronically recorded obligations-operating	10,815	12,194
Income taxes payable	3,296	4,045
Provision for bonuses to employees	8,811	5,658
Provision for product warranty	2,511	1,697
Other provisions	177	49
Others	39,637	40,691
Total current liabilities	118,624	119,663
NONCURRENT LIABILITIES:		
Bonds payable	10,000	10,000
Provision for retirement benefits for directors (and other officers)	300	204
Defined benefit liability	22,496	22,451
Long-term asset retirement obligations	72	72
Others	8,251	10,483
Total noncurrent liabilities	41,120	43,212
Total liabilities	159,744	162,875
SHAREHOLDERS' EQUITY:		
Common stock	22,856	22,856
Capital surplus	25,613	25,617
Retained earnings	201,936	209,176
Treasury common stock, at cost	(5,238)	(5,208)
Total shareholders' equity	245,167	252,442
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Net unrealized gain on available-for-sale securities	7,700	11,524
Foreign currency translation adjustments	14,468	22,243
Remeasurements of defined benefit plans	10,038	9,821
Total accumulated other comprehensive income	32,208	43,588
NON-CONTROLLING INTERESTS		
Total equity	296,401	316,141
TOTAL	456,146	479,017

Consolidated Statement of Income and Comprehensive Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Income)	Millions of Yen	
	Three months Ended June 30, 2022	Three months Ended June 30, 2023
NET SALES	124,844	148,652
COST OF SALES	113,863	128,896
Gross profit	10,980	19,756
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	11,753	10,973
Operating income	(773)	8,783
NON-OPERATING INCOME		
Interest income	85	276
Dividend income	253	282
Share of profit of entities accounted for using equity method	89	255
Foreign exchange gain	4,317	4,608
Other	195	153
Total non-operating income	4,941	5,577
NON-OPERATING EXPENSES		
Interest expenses	19	12
Other	25	8
Total non-operating expenses	45	20
Ordinary income	4,122	14,339
EXTRAORDINARY LOSS		
Loss on sales and retirement of non-current assets	25	192
Total extraordinary loss	25	192
INCOME BEFORE INCOME TAXES	4,096	14,147
INCOME TAXES	1,304	3,189
PROFIT	2,792	10,957
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(38)	611
PROFIT ATTRIBUTABLE TO OWNERS OF PARENT	2,831	10,345

Consolidated Statement of Income and Comprehensive Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Comprehensive Income)	Millions of Yen	
	Three months Ended June 30, 2022	Three months Ended June 30, 2023
PROFIT	2,792	10,957
OTHER COMPREHENSIVE INCOME		
Net unrealized gain on available-for-sale securities	(987)	3,901
Foreign currency translation adjustments	7,283	8,118
Remeasurements of defined benefit plans	(284)	(218)
Share of other comprehensive income of entities accounted for using equity method	110	173
Total other comprehensive income	6,122	11,975
COMPREHENSIVE INCOME	8,914	22,932
(Breakdown)		
Comprehensive income attributable to owners of parent	8,479	21,726
Comprehensive income attributable to non-controlling interests	435	1,206