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October 27, 2022

Consolidated Financial Results for the Fiscal Year Ended September 30, 2022 (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: October 27, 2022
 Scheduled date to commence dividend payments: November 25, 2022
 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 six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended								
September 30, 2022	266,927	15.5	3,919	(43.2)	11,929	46.0	7,967	56.1
September 30, 2021	231,124	26.6	6,903	-	8,171	-	5,103	-

Note: Comprehensive income For the six months ended September 30, 2022: ¥15,653 million [194.7%]
 For the six months ended September 30, 2021: ¥5,312 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2022	87.26	-
September 30, 2021	55.90	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2022	455,039	298,701	61.7
March 31, 2022	447,834	285,538	60.0

Reference: Equity
 As of September 30, 2022: ¥280,598 million
 As of March 31, 2022: ¥268,712 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, 2022	-	30.00	-	30.00	60.00
Fiscal year ended September 31, 2022	-	30.00			
Fiscal year ending March 31, 2023 (Forecast)			-	30.00	60.00

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

3. Consolidated earnings forecast for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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	530,000	8.8	10,000	8.6	15,000	(3.6)	6,000	68.1	65.71

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: Yes
 - (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 September 30, 2022	94,234,171 shares
As of March 31, 2022	94,234,171 shares

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

As of September 30, 2022	2,911,342 shares
As of March 31, 2022	2,937,578 shares

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

For the six months ended September 30, 2022	91,311,587 shares
For the six months ended September 30, 2021	91,286,923 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, 2022	As of September 30, 2022	Increase (Decrease)
CURRENT ASSETS:			
Cash and deposits	57,977	53,152	(4,825)
Notes and accounts receivable	81,137	88,022	6,885
Electronically recorded monetary claims-operating	11,451	10,758	(693)
Marketable securities	4,801	5,000	199
Finished goods	25,898	28,258	2,360
Work-in-process	36,493	37,542	1,049
Raw materials and supplies	8,449	9,348	899
Other current assets	11,580	12,678	1,098
Less: Allowance for doubtful accounts	(55)	(46)	9
Total current assets	237,732	244,714	6,982
NON-CURRENT ASSETS:			
Tangible non-current assets			
Buildings and structures	34,164	34,814	650
Machinery and vehicle	32,429	32,826	397
Tools and furniture	8,937	8,824	(113)
Land	13,417	13,729	312
Tangible lease assets	1,071	1,298	227
Construction in progress	7,336	10,797	3,461
Total tangible non-current assets	97,357	102,290	4,933
Intangible non-current assets			
Software	2,425	2,394	(31)
Others	83	87	4
Total intangible non-current assets	2,509	2,481	(28)
Investments and other assets:			
Investments securities	63,084	57,498	(5,586)
Long-term loans	323	324	1
Net defined benefit asset	35,032	35,191	159
Deferred tax assets	4,302	4,686	384
Others	7,598	7,957	359
Less: Allowance for doubtful accounts	(105)	(105)	-
Total investments and other assets	110,235	105,552	(4,683)
Total noncurrent assets	210,102	210,324	222
TOTAL	447,834	455,039	7,205

LIABILITIES AND EQUITY	As of March 31, 2022	As of September 30, 2022	Increase (Decrease)
CURRENT LIABILITIES:			
Notes and accounts payable	51,651	54,551	2,900
Electronically recorded obligations-operating	10,631	9,770	(861)
Short-term lease liabilities	288	400	112
Accrued expenses	33,736	27,875	(5,861)
Income taxes payable	2,871	2,397	(474)
Accrued bonuses to employees	9,021	8,972	(49)
Accrued bonuses to directors	192	89	(103)
Provision for accrued product warranty	1,060	1,244	184
Others	10,057	9,980	(77)
Total current liabilities	119,513	115,282	(4,231)
NONCURRENT LIABILITIES:			
Bonds payable	10,000	10,000	-
Long-term lease liabilities	604	683	79
Deferred tax liabilities	7,939	6,377	(1,562)
Retirement allowances for directors and corporate auditors	296	266	(30)
Intangible non-current assets	23,793	23,576	(217)
Long-term asset retirement obligations	72	72	0
Others	77	79	2
Total noncurrent liabilities	42,783	41,054	(1,729)
Total liabilities	162,296	156,337	(5,959)
SHAREHOLDERS' EQUITY:			
Common stock	22,856	22,856	-
Capital surplus	25,872	25,863	(9)
Retained earnings	196,514	201,743	5,229
Treasury common stock, at cost	(5,285)	(5,238)	47
Total shareholders' equity	239,957	245,224	5,267
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	8,389	6,230	(2,159)
Foreign currency translation adjustments	8,173	17,408	9,235
Remeasurements of defined benefit plans	12,191	11,735	(456)
Total accumulated other comprehensive income	28,755	35,373	6,618
NON-CONTROLLING INTERESTS			
Total equity	285,538	298,701	13,163
TOTAL	447,834	455,039	7,205

Consolidated Statement of Income and Comprehensive Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Income)	Millions of Yen		
	Six months ended September 30, 2021	Six months ended September 30, 2022	Increase (Decrease)
NET SALES	231,124	266,927	35,803
COST OF SALES	203,979	239,484	35,505
Gross profit	27,144	27,443	299
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	20,240	23,523	3,283
Operating income	6,903	3,919	(2,984)
NON-OPERATING INCOME			
Interest income	129	205	76
Dividend income	238	257	19
Share of profit of entities accounted for using equity method	230	217	(13)
Foreign exchange gain	505	6,675	6,170
Other	259	674	415
Total non-operating income	1,363	8,032	6,669
NON-OPERATING EXPENSES			
Interest expenses	38	20	(18)
Other	57	2	(55)
Total non-operating expenses	95	22	(73)
Ordinary income	8,171	11,929	3,758
EXTRAORDINARY LOSS			
Loss on sales and retirement of non-current assets	-	25	25
Total extraordinary loss	-	25	25
INCOME BEFORE INCOME TAXES	8,171	11,903	3,732
INCOME TAXES:			
Current	3,007	4,030	1,023
Deferred	(580)	(677)	(97)
Total income taxes	2,427	3,352	925
PROFIT	5,743	8,551	2,808
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	640	583	(57)
PROFIT ATTRIBUTABLE TO OWNERS OF PARENT	5,103	7,967	2,864

Consolidated Statement of Income and Comprehensive Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Comprehensive Income)	Millions of Yen		
	Six months ended September 30, 2021	Six months ended September 30, 2022	Increase (Decrease)
PROFIT	5,743	8,551	2,808
OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	181	(2,199)	(2,380)
Foreign currency translation adjustments	(374)	9,598	9,972
Remeasurements of defined benefit plans	(229)	(456)	(227)
Share of other comprehensive income of entities accounted for using equity method	(8)	160	168
Total other comprehensive income	(431)	7,102	7,533
COMPREHENSIVE INCOME	5,312	15,653	10,341
(Breakdown)			
Comprehensive income attributable to owners of parent	4,689	14,586	9,897
Comprehensive income attributable to non-controlling interests	623	1,066	443

Consolidated Statements of Cash Flows

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

	Six months ended September 30, 2021	Six months ended September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	8,171	11,903
Depreciation	8,665	9,621
Increase (Decrease) in allowance for doubtful accounts	(52)	(10)
Increase (Decrease) in accrued bonuses	528	(140)
Increase (Decrease) in provision for accrued product warranty	(41)	86
Increase (Decrease) in retirement allowances for directors and corporate auditors	(82)	(30)
Increase (Decrease) in net defined benefit liability	93	(377)
Increase (Decrease) in net defined benefit asset	(455)	(663)
Interest and dividend income	(367)	(463)
Interest expenses	38	20
Equity in earnings of affiliated companies	(230)	(217)
Foreign exchange gain or loss	(84)	(6,001)
Gain on sales of property, plant and equipment	117	45
Increase (Decrease) in notes and accounts receivable	16,511	(439)
Increase (Decrease) in inventories	(8,842)	1,802
Int Increase (Decrease) in notes and accounts payable	(8,826)	(1,542)
Increase (Decrease) in consumption taxes payable	(985)	868
Others, net	1,394	(5,812)
Sub - Total	15,551	8,649
Interest and dividend income received	436	602
Interest expenses paid	(38)	(20)
Income taxes paid	(3,247)	(4,749)
Net cash provided by operating activities	12,702	4,481
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of marketable securities	1,400	3,200
Purchases of tangible fixed assets	(8,122)	(11,131)
Proceeds from sales of tangible fixed assets	6	21
Purchases of investment securities	(10,701)	(702)
Disbursement for originating loans	(102)	(118)
Proceeds from collections of loans	115	122
Others, net	28	98
Net cash used in investing activities	(17,376)	(8,508)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities paid	(135)	(235)
Dividends paid	(2,737)	(2,739)
Dividends paid to non-controlling interests	(680)	(250)
Proceeds from share issuance to non-controlling shareholders	-	461
Purchases of treasury stock	(0)	(0)
Others, net	41	38
Net cash provided by (used in) financing activities	(3,512)	(2,725)
EFFECT OF FOREIGN CURRENCY TRANSLATION	(657)	2,319
ADJUSTMENTS ON CASH AND CASH EQUIVALENTS		
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(8,844)	(4,433)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	69,604	53,854
CASH AND CASH EQUIVALENTS, END OF PERIOD	60,760	49,421