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30-October, 2023

Consolidated Financial Results for the Six Months Ended September 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: 30-October, 2023
 Scheduled date to commence dividend payments: 27-November, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2023(from April 1, 2023 to September 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	%
Six months ended								
September 30, 2023	307,468	15.2	20,246	416.6	27,738	132.5	20,240	154.0
September 30, 2022	266,927	15.5	3,919	(43.2)	11,929	46.0	7,967	56.1

Note: Comprehensive income For the Six Months Ended September 30, 2023 : 35,142 million [124.5%]
 For the Six Months Ended September 30, 2022 : 15,653 million [194.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	221.61	-
September 30, 2022	87.26	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	493,436	327,424	62.3
March 31, 2023	456,146	296,401	60.8

Reference: Equity

As of September 30, 2023 ¥307,455 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	-	34	64
Fiscal year ended March 31, 2024	-	36			
Fiscal year ending March 31, 2024 (Forecast)			-	32	68

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

3. Consolidated earnings forecast for the fiscal year ending March 31, 2023 (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 shares
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen
Full year	610,000	10.3	32,000	92.1	39,000	62.1	26,000	138.5	284.66

Notes: Revisions to the forecast of financial result 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 September 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 September 30, 2023 2,894,703 shares

As of March 31, 2023 2,911,355 shares

(iii) Average number of shares outstanding during the period

For the Three Months Ended September 30, 2023 91,332,386 shares

For the Three Months Ended September 30, 2022 91,311,587 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 September 30, 2023	Increase (Decrease)
CURRENT ASSETS:			
Cash and deposits	69,728	81,059	11,331
Notes and accounts receivable	83,904	91,015	7,111
Electronically recorded monetary claims-operating	12,930	14,668	
Marketable securities	299	2,399	2,100
Finished goods	26,120	24,043	(2,077)
Work-in-process	36,436	38,830	2,394
Raw materials and supplies	9,242	9,561	319
Other current assets	12,978	13,364	386
Less: Allowance for doubtful accounts	(46)	(53)	(7)
Total current assets	251,595	274,890	23,295
NON-CURRENT ASSETS:			
Tangible non-current assets			
Buildings and structures	35,222	38,313	3,091
Machinery and vehicle	31,388	31,946	558
Others	38,221	39,994	1,773
Total tangible non-current assets	104,833	110,255	5,422
Intangible non-current assets			
Others	3,567	3,655	88
Total intangible non-current assets	3,567	3,655	88
Investments and other assets:			
Investments securities	51,749	58,737	6,988
Others	44,507	46,004	1,497
Less: Allowance for doubtful accounts	(106)	(106)	0
Total investments and other assets	96,150	104,635	8,485
Total noncurrent assets	204,550	218,545	13,995
TOTAL	456,146	493,436	37,290

Millions of Yen

LIABILITIES AND EQUITY	As of March 31, 2023	As of September 30, 2023	Increase (Decrease)
CURRENT LIABILITIES:			
Notes and accounts payable	53,374	58,499	5,125
Electronically recorded obligations-operating	10,815	11,917	1,102
Income taxes payable	3,296	3,251	(45)
Provision for bonuses to employees	8,811	9,170	359
Provision for product warranty	2,511	1,714	(797)
Other provisions	177	257	80
Others	39,637	38,731	(906)
Total current liabilities	118,624	123,543	4,919
NONCURRENT LIABILITIES:			
Bonds payable	10,000	10,000	-
Provision for retirement benefits for directors (and other officers)	300	223	(77)
Defined benefit liability	22,496	22,547	51
Long-term asset retirement obligations	72	72	0
Others	8,251	9,625	1,374
Total noncurrent liabilities	41,120	42,468	1,348
Total liabilities	159,744	166,012	6,268
SHAREHOLDERS' EQUITY:			
Common stock	22,856	22,856	-
Capital surplus	25,613	25,617	(0)
Retained earnings	201,936	219,071	17,135
Treasury common stock, at cost	(5,238)	(5,208)	30
Total shareholders' equity	245,167	262,336	17,169
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	7,700	11,824	4,124
Foreign currency translation adjustments	14,468	23,732	9,264
Remeasurements of defined benefit plans	10,038	9,561	(477)
Total accumulated other comprehensive income	32,208	45,118	12,910
NON-CONTROLLING INTERESTS			
Total equity	296,401	327,424	31,023
TOTAL	456,146	493,436	37,290

Consolidated Statement of Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Income)

Millions of Yen

	Six months Ended September 30, 2022	Six months Ended September 30, 2023	Increase (Decrease)
NET SALES	266,927	307,468	40,541
COST OF SALES	239,484	264,795	25,311
Gross profit	27,443	42,673	15,230
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	23,523	22,426	(1,097)
Operating income	3,919	20,246	16,327
NON-OPERATING INCOME			
Interest income	205	591	386
Dividend income	257	287	30
Share of profit of entities accounted for using equity method	217	496	279
Foreign exchange gain	6,675	5,753	(922)
Other	674	406	(268)
Total non-operating income	8,032	7,535	(497)
NON-OPERATING EXPENSES			
Interest expenses	20	21	1
Other	2	21	19
Total non-operating expenses	22	42	20
Ordinary income	11,929	27,738	15,809
EXTRAORDINARY LOSS			
Loss on sales and retirement of non-current assets	25	192	167
Total extraordinary loss	25	192	167
INCOME BEFORE INCOME TAXES	11,903	27,546	15,643
INCOME TAXES	3,352	6,107	2,755
PROFIT	8,551	21,439	12,888
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	583	1,198	615
PROFIT ATTRIBUTABLE TO OWNERS OF PARENT	7,967	20,240	12,273

Consolidated Statement of Comprehensive Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Comprehensive Income)	Millions of Yen		
	Six months Ended September 30, 2022	Six months Ended September 30, 2023	Increase (Decrease)
PROFIT	8,551	21,439	12,888
OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	(2,199)	4,237	6,436
Foreign currency translation adjustments	9,598	9,735	137
Remeasurements of defined benefit plans	(456)	(478)	(22)
Share of other comprehensive income of entities accounted for using equity method	160	208	48
Total other comprehensive income	7,102	13,703	6,601
COMPREHENSIVE INCOME	15,653	35,142	19,489
(Breakdown)			
Comprehensive income attributable to owners of parent	14,586	33,150	18,564
Comprehensive income attributable to non-controlling interests	1,066	1,991	925

Consolidated Statements of Cash Flows

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

	Six months Ended September 30, 2022	Six months Ended September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	11,903	27,546
Depreciation	9,621	9,806
Increase (Decrease) in allowance for doubtful accounts	(10)	5
Increase (Decrease) in accrued bonuses	(140)	245
Increase (Decrease) in provision for accrued product warranty	86	(871)
Increase (Decrease) in retirement allowances for directors and corporate auditors	(30)	(77)
Increase (Decrease) in net defined benefit liability	(377)	0
Increase (Decrease) in net defined benefit asset	(663)	(1,156)
Interest and dividend income	(463)	(878)
Interest expenses	20	21
Equity in earnings of affiliated companies	(217)	(496)
Foreign exchange gain or loss	(6,001)	(5,053)
Gain on sales of property, plant and equipment	45	201
Increase (Decrease) in notes and accounts receivable	(439)	(3,875)
Increase (Decrease) in inventories	1,802	3,658
Increase (Decrease) in notes and accounts payable	(1,542)	2,803
Increase (Decrease) in consumption taxes payable	868	830
Others, net	(5,812)	(822)
Sub - Total	8,649	31,887
Interest and dividend income received	602	1,041
Interest expenses paid	(20)	(21)
Income taxes paid	(4,749)	(6,874)
Net cash provided by operating activities	4,481	26,031
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of marketable securities	3,200	200
Purchases of tangible fixed assets	(11,131)	(10,652)
Proceeds from sales of tangible fixed assets	21	20
Purchases of investment securities	(702)	(2,703)
Disbursement for originating loans	(118)	(126)
Proceeds from collections of loans	122	126
Others, net	98	(995)
Net cash used in investing activities	(8,508)	(14,131)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuance to non-controlling shareholders	461	-
Lease liabilities paid	(235)	(248)
Dividends paid	(2,739)	(3,103)
Dividends paid to non-controlling interests	(250)	(1,048)
Purchases of treasury stock	(0)	(1)
Others, net	38	35
Net cash provided by (used in) financing activities	(2,725)	(4,366)
EFFECT OF FOREIGN CURRENCY TRANSLATION	2,319	3,468
ADJUSTMENTS ON CASH AND CASH EQUIVALENTS		
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,433)	11,002
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	53,854	66,494
CASH AND CASH EQUIVALENTS, END OF PERIOD	49,421	77,496