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February 2, 2023

Consolidated Financial Results for the Fiscal Year Ended December 31, 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: February 2, 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended								
December 31, 2022	408,581	14.1	7,340	(34.7)	12,820	(8.4)	6,399	(23.0)
December 31, 2021	358,030	14.5	11,248	111.2	13,989	77.8	8,312	42.8

Note: Comprehensive income For the nine months ended December 31, 2022: ¥7,774 million [(48.5) %]
 For the nine months ended December 31, 2021: ¥15,096 million [25.6%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	70.08	-
December 31, 2021	91.05	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	437,175	287,753	61.7
March 31, 2022	447,834	285,538	60.0

Reference: Equity
 As of December 31, 2022: ¥269,811 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 December 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: None

* 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 December 31, 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 December 31, 2022	2,911,355 shares
As of March 31, 2022	2,937,578 shares

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

For the nine months ended December 31, 2022	91,314,959 shares
For the nine months ended December 31, 2021	91,289,836 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 December 31, 2022	Increase (Decrease)
CURRENT ASSETS:			
Cash and deposits	57,977	55,157	(2,820)
Notes and accounts receivable	81,137	77,793	(3,344)
Electronically recorded monetary claims-operating	11,451	14,864	3,413
Marketable securities	4,801	999	(3,802)
Finished goods	25,898	26,539	641
Work-in-process	36,493	35,966	(527)
Raw materials and supplies	8,449	8,858	409
Other current assets	11,580	13,163	1,583
Less: Allowance for doubtful accounts	(55)	(46)	9
Total current assets	237,732	233,296	(4,436)
NON-CURRENT ASSETS:			
Tangible non-current assets			
Buildings and structures	34,164	33,879	(285)
Machinery and vehicle	32,429	30,913	(1,516)
Others	30,762	35,538	4,776
Total tangible non-current assets	97,357	100,331	2,974
Intangible non-current assets			
Others	2,509	2,720	211
Total intangible non-current assets	2,509	2,720	211
Investments and other assets:			
Investments securities	63,084	53,208	(9,876)
Others	47,255	47,721	466
Less: Allowance for doubtful accounts	(105)	(105)	0
Total investments and other assets	110,235	100,826	(9,409)
Total noncurrent assets	210,102	203,878	(6,224)
TOTAL	447,834	437,175	(10,659)

Millions of Yen

LIABILITIES AND EQUITY	As of March 31, 2022	As of December 31, 2022	Increase (Decrease)
CURRENT LIABILITIES:			
Notes and accounts payable	51,651	46,649	(5,002)
Electronically recorded obligations-operating	10,631	12,026	1,395
Short-term borrowings	-	1,990	1,990
Income taxes payable	2,871	1,609	(1,262)
Provision for bonuses to employees	9,021	5,888	(3,133)
Provision for product warranty	1,060	1,290	230
Other provisions	192	130	(62)
Others	44,082	38,366	(5,716)
Total current liabilities	119,513	107,951	(11,562)
NONCURRENT LIABILITIES:			
Bonds payable	10,000	10,000	-
Provision for retirement benefits for directors (and other officers)	296	283	(13)
Defined benefit liability	23,793	23,455	(338)
Long-term asset retirement obligations	72	72	0
Others	8,621	7,659	(962)
Total noncurrent liabilities	42,783	41,469	(1,314)
Total liabilities	162,296	149,421	(12,875)
SHAREHOLDERS' EQUITY:			
Common stock	22,856	22,856	-
Capital surplus	25,872	25,613	(0)
Retained earnings	196,514	197,435	921
Treasury common stock, at cost	(5,285)	(5,238)	47
Total shareholders' equity	239,957	240,666	709
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	8,389	5,980	(2,409)
Foreign currency translation adjustments	8,173	11,505	3,332
Remeasurements of defined benefit plans	12,191	11,659	(532)
Total accumulated other comprehensive income	28,755	29,144	389
NON-CONTROLLING INTERESTS	16,825	17,942	1,117
Total equity	285,538	287,753	2,215
TOTAL	447,834	437,175	(10,659)

Consolidated Statement of Income and Comprehensive Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Income)	Millions of Yen		
	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Increase (Decrease)
NET SALES	358,030	408,581	50,551
COST OF SALES	315,600	365,598	49,998
Gross profit	42,429	42,982	553
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	31,180	35,641	4,461
Operating income	11,248	7,340	(3,908)
NON-OPERATING INCOME			
Interest income	188	373	185
Dividend income	479	521	42
Share of profit of entities accounted for using equity method	342	352	10
Foreign exchange gain	1,238	3,142	1,904
Other	644	1,167	523
Total non-operating income	2,893	5,557	2,664
NON-OPERATING EXPENSES			
Interest expenses	52	46	(6)
Other	99	31	(68)
Total non-operating expenses	152	77	(75)
Ordinary income	13,989	12,820	(1,169)
EXTRAORDINARY LOSS			
Loss on sales and retirement of non-current assets	-	25	25
Total extraordinary loss	-	25	25
INCOME BEFORE INCOME TAXES	13,989	12,794	(1,195)
INCOME TAXES	4,555	5,277	722
PROFIT	9,433	7,517	(1,916)
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,121	1,117	(4)
PROFIT ATTRIBUTABLE TO OWNERS OF PARENT	8,312	6,399	(1,913)

Consolidated Statement of Income and Comprehensive Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Comprehensive Income)	Millions of Yen		
	Nine months ended December 31, 2021	Nine months ended December 31, 2022	Increase (Decrease)
PROFIT	9,433	7,517	(1,916)
OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	3,440	(2,455)	(5,895)
Foreign currency translation adjustments	2,583	3,278	695
Remeasurements of defined benefit plans	(389)	(533)	(144)
Share of other comprehensive income of entities accounted for using equity method	27	(32)	(59)
Total other comprehensive income	5,662	256	(5,406)
COMPREHENSIVE INCOME	15,096	7,774	(7,322)
(Breakdown)			
Comprehensive income attributable to owners of parent	13,744	6,789	(6,955)
Comprehensive income attributable to non-controlling interests	1,351	984	(367)