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April 25, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (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 of annual general meeting of shareholders: June 13, 2024
 Scheduled date to commence dividend payments: May 28, 2024
 Scheduled date to file annual securities report: June 13, 2024
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	623,558	12.7	28,822	73.0	39,592	64.5	24,850	128.0
March 31, 2023	553,124	13.5	16,656	80.8	24,063	54.7	10,900	205.4

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥65,253million [297.4 %]
 For the fiscal year ended March 31, 2023: ¥16,421million [(23.2) %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	276.80	-	8.3	8.1	4.6
March 31, 2023	119.37	-	4.0	5.3	3.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥910 million
 For the fiscal year ended March 31, 2023: ¥467 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	519,718	339,488	61.2	3,758.19
March 31, 2023	456,146	296,401	60.8	3,037.31

Reference: Equity
 As of March 31, 2024: ¥317,867 million
 As of March 31, 2023: ¥277,375 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	53,266	(31,474)	(22,574)	69,384
March 31, 2023	26,755	(8,695)	(6,078)	66,494

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	-	30.00	-	34.00	64.00	5,844	53.6	2.1
Fiscal year ended March 31, 2024	-	36.00	-	39.00	75.00	6,586	27.1	2.2
Fiscal year ending March 31, 2025 (Forecast)	-	35.00	-	35.00	70.00		29.6	

3. Consolidated earnings forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	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	(7.0)	23,000	(20.2)	25,000	(36.9)	20,000	(19.5)	236.46

* 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 March 31, 2024	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 March 31, 2024	9,654,293 shares
As of March 31, 2023	2,911,355 shares

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

Year ended March 31, 2024	89,775,746 shares
Year ended March 31, 2023	91,316,772 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 March 31, 2024	Increase (Decrease)
CURRENT ASSETS:			
Cash and deposits	69,728	73,112	3,384
Notes and accounts receivable	83,904	82,403	(1,501)
Electronically recorded monetary claims-operating	12,930	13,022	92
Marketable securities	299	6,068	5,769
Finished goods	26,120	25,934	(186)
Work-in-process	36,436	40,744	4,308
Raw materials and supplies	9,242	9,617	375
Other current assets	12,978	13,812	834
Less: Allowance for doubtful accounts	(46)	(55)	(9)
Total current assets	251,595	264,660	13,065
NON-CURRENT ASSETS:			
Tangible non-current assets			
Buildings and structures	35,222	39,741	4,519
Machinery and vehicle	31,388	32,408	1,020
Tools and furniture	9,320	10,684	1,364
Land	14,543	15,083	540
Tangible lease assets	1,150	1,411	261
Construction in progress	13,207	18,979	5,772
Total tangible non-current assets	104,833	118,308	13,475
Intangible non-current assets			
Software	2,552	1,999	(553)
Others	1,014	1,688	674
Total intangible non-current assets	3,567	3,687	120
Investments and other assets:			
Investments securities	51,749	60,288	8,539
Long-term loans	327	356	29
Net defined benefit asset	32,916	59,588	26,672
Deferred tax assets	3,254	4,224	970
Others	8,008	8,682	674
Less: Allowance for doubtful accounts	(106)	(80)	26
Total investments and other assets	96,150	133,061	36,911
Total noncurrent assets	204,550	255,057	50,507
TOTAL	456,146	519,718	63,572

Millions of Yen

LIABILITIES AND EQUITY	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
CURRENT LIABILITIES:			
Notes and accounts payable	53,374	51,042	(2,332)
Electronically recorded obligations-operating	10,815	11,099	284
Short-term lease liabilities	397	477	80
Accrued expenses	27,373	27,062	(311)
Income taxes payable	3,296	3,342	46
Provision for bonuses to employees	8,811	10,932	2,121
Accrued bonuses to directors	177	177	0
Provision for product warranty	2,511	14,294	11,783
Others	11,867	13,432	1,565
Total current liabilities	118,624	131,862	13,238
NONCURRENT LIABILITIES:			
Bonds payable	10,000	10,000	-
Long-term lease liabilities	592	770	178
Deferred tax liabilities	7,532	18,670	11,138
Provision for retirement benefits for directors (and other officers)	300	252	(48)
Provision for Environment(fixed)	-	990	990
Defined benefit liability	22,496	17,467	(5,029)
Long-term asset retirement obligations	72	72	-
Others	126	144	18
Total noncurrent liabilities	41,120	48,367	7,247
Total liabilities	159,744	180,229	20,485
SHAREHOLDERS' EQUITY:			
Common stock	22,856	22,856	-
Capital surplus	25,613	25,640	27
Retained earnings	201,936	220,393	18,457
Treasury common stock, at cost	(5,238)	(19,964)	(14,726)
Total shareholders' equity	245,167	248,925	3,758
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	7,700	14,633	6,933
Foreign currency translation adjustments	14,468	25,871	11,403
Remeasurements of defined benefit plans	10,038	28,437	18,399
Total accumulated other comprehensive income	32,208	68,941	36,733
NON-CONTROLLING INTERESTS			
Total equity	296,401	339,488	43,087
TOTAL	456,146	519,718	63,572

Consolidated Statement of Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Income)

Millions of Yen

	Year Ended March 31, 2023	Year Ended March 31, 2024	Increase (Decrease)
NET SALES	553,124	623,558	70,434
COST OF SALES	488,478	531,983	43,505
Gross profit	64,646	91,575	26,929
SELLING , GENERAL AND ADMINISTRATIVE EXPENSES	47,989	62,753	14,764
Operating income	16,656	28,822	12,166
NON-OPERATING INCOME			
Interest income	599	1,242	643
Dividend income	526	601	75
Share of profit of entities accounted for	467	910	443
Foreign exchange gain	4,312	7,388	3,076
Other	1,725	834	(891)
Total non-operating income	7,632	10,978	3,346
NON-OPERATING EXPENSES			
Interest expenses	79	44	(35)
Acquisition cost for treasury stock	-	96	96
Other	146	66	(80)
Total non-operating expenses	225	207	(18)
Ordinary income	24,063	39,592	15,529
EXTRAORDINARY INCOME			
Gain on sales of non-current assets	-	732	732
Total extraordinary income	-	732	732
EXTRAORDINARY LOSS			
Loss on sales and retirement of non-current assets	25	316	291
Impairment loss	1,100	2,688	1,588
provision for environment	-	990	990
Loss on valuation of investment securities	-	80	80
Total extraordinary loss	1,125	4,075	2,950
INCOME BEFORE INCOME TAXES	22,937	36,249	13,312
INCOME TAXES	10,128	8,913	(1,215)
Current	8,821	12,205	3,384
Deferred	1,307	(3,292)	(4,599)
PROFIT	12,808	27,336	14,528
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,908	2,486	578
PROFIT ATTRIBUTABLE TO OWNERS OF PARENT	10,900	24,850	13,950

Consolidated Statement of Comprehensive Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Comprehensive Income)		Millions of Yen	
	Year Ended March 31, 2023	Year Ended March 31, 2024	Increase (Decrease)
PROFIT	12,808	27,336	14,528
OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	(708)	7,199	7,907
Foreign currency translation adjustments	6,450	12,024	5,574
Remeasurements of defined benefit plans	(2,129)	18,453	20,582
Share of other comprehensive income of entities	1	238	237
Total other comprehensive income	3,613	37,916	34,303
COMPREHENSIVE INCOME	16,421	65,253	48,832
(Breakdown)			
Comprehensive income attributable to owners of parent	14,353	61,583	47,230
Comprehensive income attributable to non-controlling interests	2,068	3,669	1,601

Consolidated Statements of Cash Flows

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

	Year Ended March 31, 2023	Year Ended March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	22,937	36,249
Depreciation	19,547	20,061
Increase (Decrease) in allowance for doubtful accounts	(9)	(18)
Increase (Decrease) in accrued bonuses	(256)	2,011
Increase (Decrease) in accrued bonuses to directors	(15)	0
Increase (Decrease) in provision for accrued product warranty	1,393	11,699
Increase (Decrease) in retirement allowances for directors and corporate auditors	4	(48)
Increase (Decrease) in net defined benefit liability	(1,213)	327
Increase (Decrease) in net defined benefit asset	(1,261)	(2,882)
Interest and dividend income	(1,126)	(1,844)
Interest expenses	79	44
Equity in earnings of affiliated companies	(467)	(910)
Foreign exchange gain or loss	(3,586)	(6,318)
Gain on sales of property, plant and equipment	331	368
Gain(Loss) on sales of investment securities	-	(732)
Impairment loss	1,100	2,688
Increase (Decrease) in notes and accounts receivable	(762)	7,223
Increase (Decrease) in inventories	3,466	2,856
Increase (Decrease) in notes and accounts payable	(276)	(5,987)
Increase (Decrease) in consumption taxes payable	303	(62)
Others, net	(6,167)	186
Sub - Total	34,020	64,912
Interest and dividend income received	1,241	2,003
Interest expenses paid	(79)	(44)
Income taxes paid	(8,426)	(13,605)
Net cash provided by operating activities	26,755	53,266
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of marketable securities	-	(1,321)
Proceeds from sales of marketable securities	8,000	300
Purchases of tangible fixed assets	(22,530)	(26,869)
Proceeds from sales of tangible fixed assets	34	47
Purchases of investment securities	(901)	(3,305)
Proceeds from sales of investment securities	8,058	2,000
Disbursement for originating loans	(232)	(249)
Proceeds from collections of loans	246	248
Others, net	(1,370)	(2,324)
Net cash used in investing activities	(8,695)	(31,474)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities paid	(520)	(410)
Dividends paid	(5,477)	(6,391)
Dividends paid to non-controlling interests	(579)	(1,048)
Proceeds from share issuance to non-controlling shareholders	461	-
Purchases of treasury stock	(0)	(14,756)
Others, net	38	32
Net cash provided by (used in) financing activities	(6,078)	(22,574)
EFFECT OF FOREIGN CURRENCY TRANSLATION	657	3,673
ADJUSTMENTS ON CASH AND CASH EQUIVALENTS		
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	12,639	2,890
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	53,854	66,494
CASH AND CASH EQUIVALENTS, END OF PERIOD	66,494	69,384

Consolidated Statement of Changes in Shareholders' Equity

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

Year Ended March 31, 2023

Millions of Yen

	Shareholders' equity				
	Common Stock	Capital Surplus	Retained earnings	Treasury common stock, at cost	Total shareholders' equity
Balance at beginning of period	22,856	25,872	196,514	(5,285)	233,957
Change of items during the period					
Cash dividends			(5,478)		(5,478)
Profit attributable to owners of parent			10,900		10,900
Purchase of treasury common stock				(0)	(0)
Disposal of treasury common stock		(9)		47	38
Capital increase of consolidated subsidiaries		(250)			(250)
Purchase of shares of consolidated subsidiaries					-
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	(259)	5,421	47	5,209
Balance at end of period	22,856	25,613	201,936	(5,238)	245,167

	Accumulated other comprehensive income				Non-controlling interests	Total equity
	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
Balance at beginning of period	8,389	8,173	12,191	28,755	16,825	285,538
Change of items during the period						
Cash dividends				-		(5,478)
Profit attributable to owners of parent				-		10,900
Purchase of treasury common stock				-		(0)
Disposal of treasury common stock				-		38
Capital increase of consolidated subsidiaries				-		(250)
Purchase of shares of consolidated subsidiaries						-
Net changes of items other than shareholders' equity	(688)	6,295	(2,152)	3,453	2,200	5,653
Total changes of items during the period	(688)	6,295	(2,152)	3,453	2,200	10,863
Balance at end of period	7,700	14,468	10,038	32,208	19,026	296,401

Year Ended March 31, 2024

Millions of Yen

	Shareholders' equity				
	Common Stock	Capital Surplus	Retained earnings	Treasury common stock, at cost	Total shareholders' equity
Balance at beginning of period	22,856	25,613	201,936	(5,238)	245,167
Change of items during the period					
Cash dividends			(6,393)		(6,393)
Profit attributable to owners of parent			24,850		24,850
Purchase of treasury common stock				(14,756)	(14,756)
Disposal of treasury common stock		4		31	35
Capital increase of consolidated subsidiaries					-
Purchase of shares of consolidated subsidiaries		22			22
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	26	18,457	(14,725)	3,758
Balance at end of period	22,856	25,640	220,393	(19,964)	248,925

	Accumulated other comprehensive income				Non-controlling interests	Total equity
	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
Balance at beginning of period	7,700	14,468	10,038	32,208	19,026	296,401
Change of items during the period						
Cash dividends				-		(6,393)
Profit attributable to owners of parent				-		24,850
Purchase of treasury common stock				-		(14,756)
Disposal of treasury common stock				-		35
Capital increase of consolidated subsidiaries				-		-
Purchase of shares of consolidated subsidiaries				-		22
Net changes of items other than shareholders' equity	6,932	11,402	18,398	36,733	2,595	39,328
Total changes of items during the period	6,932	11,402	18,398	36,733	2,595	43,086
Balance at end of period	14,633	25,871	28,437	68,941	21,621	339,488