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April 26, 2023

## Consolidated Financial Results for the Fiscal Year Ended March 31, 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  
 Inquiries: Hiroaki Shimizu, General Manager of Finance and Accounting Division  
 Telephone: +81-587-95-5211  
 Scheduled date of annual general meeting of shareholders: June 13, 2023  
 Scheduled date to commence dividend payments: May 25, 2023  
 Scheduled date to file annual securities report: June 13, 2023  
 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, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	553,124	13.5	16,656	80.8	24,063	54.7	10,900	205.4
March 31, 2022	487,303	10.7	9,211	(34.4)	15,557	(18.2)	3,569	(70.3)

Note: Comprehensive income For the fiscal year ended March 31, 2023: ¥16,421 million [(23.2)%]  
 For the fiscal year ended March 31, 2022: ¥21,379 million [(36.3)%]

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2023	119.37	-	4.0	5.3	3.0
March 31, 2022	39.1	-	1.4	3.6	1.9

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended March 31, 2023: ¥467 million  
 For the fiscal year ended March 31, 2022: ¥419 million

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	456,146	296,401	60.8	3,037.31
March 31, 2022	447,834	285,538	60.0	2,943.29

Reference: Equity  
 As of March 31, 2023: ¥277,375 million  
 As of March 31, 2022: ¥268,712 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, 2023	26,755	(8,695)	(6,078)	66,494
March 31, 2022	14,677	(26,005)	(6,437)	53,854

### 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			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	30.00	-	30.00	60.00	5,477	153.5	2.1
Fiscal year ended	-	30.00	-	34.00	64.00	5,844	53.6	2.1
March 31, 2023	-	32.00	-	32.00	64.00		53.1	
Fiscal year ending	-		-					
March 31, 2024 (Forecast)								

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

	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	570,000	3.1	17,000	2.1	18,000	(25.2)	11,000	0.9	120.46

#### \* 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: 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 March 31, 2023	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 March 31, 2023	2,911,355 shares
As of March 31, 2022	2,937,578 shares

(iii) Average number of shares outstanding during the period

Year ended March 31, 2023	91,316,772 shares
Year ended March 31, 2022	91,291,396 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		
<b>ASSETS</b>	As of March 31, 2022	As of March 31, 2023	Increase (Decrease)
<b>CURRENT ASSETS:</b>			
Cash and deposits	57,977	<b>69,728</b>	11,751
Notes and accounts receivable	81,137	<b>83,904</b>	2,767
Electronically recorded monetary claims-operating	11,451	<b>12,930</b>	1,479
Marketable securities	4,801	<b>299</b>	(4,502)
Finished goods	25,898	<b>26,120</b>	222
Work-in-process	36,493	<b>36,436</b>	(57)
Raw materials and supplies	8,449	<b>9,242</b>	793
Other current assets	11,580	<b>12,978</b>	1,398
Less: Allowance for doubtful accounts	(55)	<b>(46)</b>	9
<b>Total current assets</b>	<b>237,732</b>	<b>251,595</b>	<b>13,863</b>
<b>NON-CURRENT ASSETS:</b>			
<b>Tangible non-current assets</b>			
Buildings and structures	34,164	<b>35,222</b>	1,058
Machinery and vehicle	32,429	<b>31,388</b>	(1,041)
Others	30,762	<b>38,220</b>	7,458
<b>Total tangible non-current assets</b>	<b>97,357</b>	<b>104,833</b>	<b>7,476</b>
<b>Intangible non-current assets</b>			
Others	2,509	<b>3,567</b>	1,058
<b>Total intangible non-current assets</b>	<b>2,509</b>	<b>3,567</b>	<b>1,058</b>
<b>Investments and other assets:</b>			
Investments securities	63,084	<b>51,749</b>	(11,335)
Others	47,255	<b>44,505</b>	(2,750)
Less: Allowance for doubtful accounts	(105)	<b>(106)</b>	(1)
<b>Total investments and other assets</b>	<b>110,235</b>	<b>96,150</b>	<b>(14,085)</b>
<b>Total noncurrent assets</b>	<b>210,102</b>	<b>204,550</b>	<b>(5,552)</b>
<b>TOTAL</b>	<b>447,834</b>	<b>456,146</b>	<b>8,312</b>

	Millions of Yen		
<b>LIABILITIES AND EQUITY</b>	As of March 31, 2022	As of March 31, 2023	Increase (Decrease)
<b>CURRENT LIABILITIES:</b>			
Notes and accounts payable	51,651	<b>53,374</b>	1,723
Electronically recorded obligations-operating	10,631	<b>10,815</b>	184
Short-term borrowings	-	-	0
Income taxes payable	2,871	<b>3,296</b>	425
Provision for bonuses to employees	9,021	<b>8,811</b>	(210)
Provision for product warranty	1,060	<b>2,511</b>	1,451
Other provisions	192	<b>177</b>	(15)
Others	44,082	<b>39,637</b>	(4,445)
<b>Total current liabilities</b>	<b>119,513</b>	<b>118,624</b>	(889)
<b>NONCURRENT LIABILITIES:</b>			
Bonds payable	10,000	<b>10,000</b>	-
Provision for retirement benefits for directors (and other officers)	296	<b>300</b>	4
Defined benefit liability	23,793	<b>22,496</b>	(1,297)
Long-term asset retirement obligations	72	<b>72</b>	0
Others	8,621	<b>82,550</b>	73,929
<b>Total noncurrent liabilities</b>	<b>42,783</b>	<b>41,120</b>	(1,663)
<b>Total liabilities</b>	<b>162,296</b>	<b>159,744</b>	(2,552)
<b>SHAREHOLDERS' EQUITY:</b>			
Common stock	22,856	<b>22,856</b>	-
Capital surplus	25,872	<b>25,613</b>	(0)
Retained earnings	196,514	<b>201,936</b>	5,422
Treasury common stock, at cost	(5,285)	<b>(5,238)</b>	47
<b>Total shareholders' equity</b>	<b>239,957</b>	<b>245,167</b>	5,210
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>			
Net unrealized gain on available-for-sale securities	8,389	<b>7,700</b>	(689)
Foreign currency translation adjustments	8,173	<b>14,468</b>	6,295
Remeasurements of defined benefit plans	12,191	<b>10,038</b>	(2,153)
<b>Total accumulated other comprehensive income</b>	<b>28,755</b>	<b>32,208</b>	3,453
<b>NON-CONTROLLING INTERESTS</b>			
<b>Total equity</b>	<b>285,538</b>	<b>296,401</b>	10,863
<b>TOTAL</b>	<b>447,834</b>	<b>456,146</b>	8,312

## Consolidated Statement of Income and Comprehensive Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Income)		Millions of Yen	
	Year ended March 31, 2022	Year ended March 31, 2023	Increase (Decrease)
NET SALES	487,303	553,124	65,821
COST OF SALES	432,334	488,478	56,144
<b>Gross profit</b>	54,969	64,646	9,677
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	45,758	47,989	2,231
<b>Operating income</b>	9,211	16,656	7,445
NON-OPERATING INCOME			
Interest income	264	599	335
Dividend income	490	526	36
Share of profit of entities accounted for using equity method	419	467	48
Foreign exchange gain	4,257	4,312	55
Other	1,135	1,725	590
<b>Total non-operating income</b>	6,567	7,632	1,065
NON-OPERATING EXPENSES			
Interest expenses	74	79	5
Other	146	146	0
<b>Total non-operating expenses</b>	221	225	4
<b>Ordinary income</b>	15,557	24,063	8,506
EXTRAORDINARY LOSS			
Loss on sales and retirement of non-current assets	-	25	25
Impairment loss	1,700	1,100	(600)
Loss on investment securities	195	-	(195)
<b>Total extraordinary loss</b>	1,896	1,125	(771)
<b>INCOME BEFORE INCOME TAXES</b>	13,661	22,937	9,276
<b>INCOME TAXES</b>	8,326	10,128	1,802
<b>PROFIT</b>	5,334	12,808	7,474
<b>PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	1,765	1,908	143
<b>PROFIT ATTRIBUTABLE TO OWNERS OF PARENT</b>	3,569	10,900	7,331

## Consolidated Statement of Income and Comprehensive Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Comprehensive Income)		Millions of Yen	
	Year ended March 31, 2022	Year ended March 31, 2023	Increase (Decrease)
PROFIT	5,334	12,808	7,474
OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	791	(708)	(1,499)
Foreign currency translation adjustments	9,644	6,450	(3,194)
Remeasurements of defined benefit plans	5,501	(2,129)	(7,630)
Share of other comprehensive income of entities accounted for using equity method	106	1	(105)
<b>Total other comprehensive income</b>	16,044	3,613	(12,431)
<b>COMPREHENSIVE INCOME</b>	21,379	16,421	(4,958)
(Breakdown)			
Comprehensive income attributable to owners of parent	18,896	14,353	(4,543)
Comprehensive income attributable to non-controlling interests	2,483	2,068	(415)

# Consolidated Statements of Cash Flows

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

	Year ended March 31, 2022	Year ended March 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income taxes	13,661	22,937
Depreciation	18,166	19,547
Impairment loss	1,700	1,100
Increase (Decrease) in allowance for doubtful accounts	(74)	(9)
Increase (Decrease) in accrued bonuses	872	(256)
Increase (Decrease) in accrued bonuses to directors	(18)	(15)
Increase (Decrease) in provision for accrued product warranty	(3,722)	1,393
Increase (Decrease) in retirement allowances for directors and corporate auditors	(46)	4
Increase (Decrease) in net defined benefit liability	(535)	(1,213)
Increase (Decrease) in net defined benefit asset	(968)	(1,261)
Interest and dividend income	(755)	(1,126)
Interest expenses	74	79
Equity in earnings of affiliated companies	(419)	(467)
Foreign exchange gain or loss	(3,439)	(3,586)
Gain on sales of property, plant and equipment	172	331
Increase (Decrease) in notes and accounts receivable	(4,811)	(762)
Increase (Decrease) in inventories	(9,742)	3,466
Increase (Decrease) in notes and accounts payable	366	(276)
Increase (Decrease) in consumption taxes payable	(1,845)	303
Others, net	10,981	(6,167)
Sub - Total	19,615	34,020
Interest and dividend income received	829	1,241
Interest expenses paid	(76)	(79)
Income taxes paid	(5,691)	(8,426)
<b>Net cash provided by operating activities</b>	<b>14,677</b>	<b>26,755</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of marketable securities	2,800	8,000
Purchases of tangible fixed assets	(18,078)	(22,530)
Proceeds from sales of tangible fixed assets	95	34
Purchases of investment securities	(11,103)	(901)
Proceeds from sales of investment securities	197	8,058
Disbursement for originating loans	(197)	(232)
Proceeds from collections of loans	232	246
Others, net	49	(1,370)
<b>Net cash used in investing activities</b>	<b>(26,005)</b>	<b>(8,695)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issuance to non-controlling shareholders	-	461
Lease liabilities paid	(320)	(520)
Dividends paid	(5,477)	(5,477)
Dividends paid to non-controlling interests	(680)	(579)
Purchases of treasury stock	(0)	(0)
Others, net	40	38
<b>Net cash provided by (used in) financing activities</b>	<b>(6,437)</b>	<b>(6,078)</b>
<b>EFFECT OF FOREIGN CURRENCY TRANSLATION</b>	<b>2,016</b>	<b>657</b>
<b>ADJUSTMENTS ON CASH AND CASH EQUIVALENTS</b>		
<b>NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(15,750)</b>	<b>12,639</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>69,604</b>	<b>53,854</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>53,854</b>	<b>66,494</b>

## Consolidated Statement of Changes in Shareholders' Equity

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

Year ended March 31, 2022

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	198,421	(5,326)	241,824
Change of items during the period					
Cash dividends			(5,477)		(5,477)
Profit attributable to owners of parent			3,569		3,569
Purchase of treasury common stock				(0)	(0)
Disposal of treasury common stock		(0)		41	41
Net changes of items other than shareholders' equity					-
Total changes of items during the period	-	(0)	(1,907)	40	(1,866)
Balance at end of period	22,856	25,872	196,514	(5,285)	239,957

	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		
Balance at beginning of period	7,599	(847)	6,676	13,428	15,023	270,276
Change of items during the period						
Cash dividends				-		(5,477)
Profit attributable to owners of parent				-		3,569
Purchase of treasury common stock				-		(0)
Disposal of treasury common stock				-		41
Net changes of items other than shareholders' equity	790	9,021	5,515	15,326	1,802	17,128
Total changes of items during the period	790	9,021	5,515	15,326	1,802	15,262
Balance at end of period	8,389	8,173	12,191	28,755	16,825	285,538

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)	239,957
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)
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	(5,328)	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		
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)
Net changes of items other than shareholders' equity	(688)	6,295	(2,125)	3,453	2,200	5,653
Total changes of items during the period	(688)	6,295	(2,125)	3,453	2,200	10,863
Balance at end of period	7,700	14,468	10,038	32,208	19,026	296,401