

30-October, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: TOKAI RIKI 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 semi-annual securities report: 30-October, 2024
 Scheduled date to commence dividend payments: 26-November, 2024
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(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	%
Six months ended								
September 30, 2024	303,972	(1.1)	18,541	(8.4)	14,523	(47.6)	10,658	(47.3)
September 30, 2023	307,468	15.2	20,246	416.6	27,738	132.5	20,240	154.0

Note: Comprehensive income

For the Six Months Ended September 30, 2024 : -1,369 million [-%]

For the Six Months Ended September 30, 2023 : 35,142 million [124.5%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	126.00	-
September 30, 2023	221.61	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	500,535	333,534	62.5
March 31, 2024	519,718	339,488	61.2

Reference: Equity

As of September 30, 2024 ¥312,806 million

As of March 31, 2024 ¥317,867 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, 2024	-	36.00	-	39.00	75.00
Fiscal year ended March 31, 2025	-	45.00			
Fiscal year ending March 31, 2025 (Forecast)			-	45.00	90.00

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

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

(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	600,000	(3.8)	30,000	4.1	28,000	(29.3)	22,000	(11.5)	259.68

Notes: Revisions to the forecast of financial result most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: 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, 2024 94,234,171 shares

As of March 31, 2024 94,234,171 shares

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

As of September 30, 2024 9,636,403 shares

As of March 31, 2024 9,654,293 shares

(iii) Average number of shares outstanding during the period

For the Six Months Ended September 30, 2024 84,590,075 shares

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

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 RIKAI Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

ASSETS	As of March 31, 2024	As of September 30, 2024	Increase (Decrease)
CURRENT ASSETS:			
Cash and deposits	73,779	75,565	1,786
Notes and accounts receivable	82,403	79,285	(3,118)
Electronically recorded monetary claims-operating	13,022	12,540	(482)
Marketable securities	4,743	3,993	(750)
Finished goods	25,934	24,791	(1,143)
Work-in-process	40,744	42,949	2,205
Raw materials and supplies	9,617	9,349	(268)
Other current assets	13,812	14,490	678
Less: Allowance for doubtful accounts	(55)	(32)	23
Total current assets	264,002	262,934	(1,068)
NON-CURRENT ASSETS:			
Tangible non-current assets			
Buildings and structures	39,741	41,435	1,694
Machinery and vehicle	32,408	32,031	(377)
Others	46,158	38,869	(7,289)
Total tangible non-current assets	118,308	112,336	(5,972)
Intangible non-current assets			
Others	3,687	3,883	196
Total intangible non-current assets	3,687	3,883	196
Investments and other assets:			
Investments securities	60,288	48,335	(11,953)
Net defined benefit asset	59,588	60,233	645
Others	13,922	12,894	(1,028)
Less: Allowance for doubtful accounts	(80)	(81)	(1)
Total investments and other assets	133,719	121,381	(12,338)
Total noncurrent assets	255,715	237,601	(18,114)
TOTAL	519,718	500,535	(19,183)

Millions of Yen

LIABILITIES AND EQUITY	As of March 31, 2024	As of September 30, 2024	Increase (Decrease)
CURRENT LIABILITIES:			
Notes and accounts payable	51,042	51,081	39
Electronically recorded obligations-operating	11,099	9,628	(1,471)
Income taxes payable	3,342	3,292	(50)
Provision for bonuses to employees	10,932	9,452	(1,480)
Provision for product warranty	14,294	12,207	(2,087)
Other provisions	177	102	(75)
Others	40,973	36,486	(4,487)
Total current liabilities	131,862	122,251	(9,611)
NONCURRENT LIABILITIES:			
Bonds payable	10,000	10,000	-
Provision for retirement benefits for directors (and other officers)	252	232	(20)
Provision for Environment(fixed)	990	990	0
Defined benefit liability	17,467	17,671	204
Long-term asset retirement obligations	72	72	-
Others	19,585	15,783	(3,802)
Total noncurrent liabilities	48,367	44,749	(3,618)
Total liabilities	180,229	167,001	(13,228)
SHAREHOLDERS' EQUITY:			
Common stock	22,856	22,856	-
Capital surplus	25,640	25,612	(28)
Retained earnings	220,393	227,753	7,360
Treasury common stock, at cost	(19,964)	(19,897)	67
Total shareholders' equity	248,925	256,324	7,399
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	14,633	8,089	(6,544)
Foreign currency translation adjustments	25,871	21,187	(4,684)
Remeasurements of defined benefit plans	28,437	27,205	(1,232)
Total accumulated other comprehensive income	68,941	56,481	(12,460)
NON-CONTROLLING INTERESTS	21,621	20,728	(893)
Total equity	339,488	333,534	(5,954)
TOTAL	519,718	500,535	(19,183)

Consolidated Statement of Income

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

(Consolidated Statement of Income)

Millions of Yen

	Six months Ended September 30, 2023	Six months Ended September 30, 2024	Increase (Decrease)
NET SALES	307,468	303,972	(3,496)
COST OF SALES	264,795	259,849	(4,946)
Gross profit	42,673	44,123	1,450
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	22,426	25,581	3,155
Operating income	20,246	18,541	(1,705)
NON-OPERATING INCOME			
Interest income	591	675	84
Dividend income	287	318	31
Share of profit of entities accounted for using equity method	496	357	(139)
Foreign exchange gain	5,753	-	(5,753)
Other	406	485	79
Total non-operating income	7,535	1,836	(5,699)
NON-OPERATING EXPENSES			
Interest expenses	21	21	0
Foreign exchange loss	-	5,375	5,375
Other	21	457	436
Total non-operating expenses	42	5,854	5,812
Ordinary income	27,738	14,523	(13,215)
EXTRAORDINARY INCOME			
Gain on sales of non-current assets	-	781	781
Gain on sales of investment securities	-	2,336	2,336
Total extraordinary income	-	3,118	3,118
EXTRAORDINARY LOSS			
Loss on sales and retirement of non-current assets	192	-	(192)
Impairment loss	-	302	302
Total extraordinary loss	192	302	110
INCOME BEFORE INCOME TAXES	27,546	17,338	(10,208)
INCOME TAXES	6,107	5,912	(195)
PROFIT	21,439	11,426	(10,013)
PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,198	768	(430)
PROFIT ATTRIBUTABLE TO OWNERS OF PARENT	20,240	10,658	(9,582)

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, 2023	Six months Ended September 30, 2024	Increase (Decrease)
PROFIT	21,439	11,426	(10,013)
OTHER COMPREHENSIVE INCOME			
Net unrealized gain on available-for-sale securities	4,237	(6,672)	(10,909)
Foreign currency translation adjustments	9,735	(4,692)	(14,427)
Remeasurements of defined benefit plans	(478)	(1,235)	(757)
Share of other comprehensive income of entities accounted for using equity method	208	(195)	(403)
Total other comprehensive income	13,703	(12,796)	(26,499)
COMPREHENSIVE INCOME	35,142	(1,369)	(36,511)
(Breakdown)			
Comprehensive income attributable to owners of parent	33,150	(1,801)	(34,951)
Comprehensive income attributable to non-controlling interests	1,991	431	(1,560)

Consolidated Statements of Cash Flows

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries

Millions of Yen

	Six months Ended September 30, 2023	Six months Ended September 30, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	27,546	17,338
Depreciation	9,806	10,209
Increase (Decrease) in allowance for doubtful accounts	5	(22)
Increase (Decrease) in accrued bonuses	245	(1,445)
Increase (Decrease) in provision for accrued product warranty	(871)	(2,068)
Increase (Decrease) in retirement allowances for directors and corporate auditors	(77)	(19)
Increase (Decrease) in net defined benefit liability	(0)	(134)
Increase (Decrease) in net defined benefit asset	(1,156)	(2,278)
Interest and dividend income	(878)	(994)
Interest expenses	21	21
Equity in earnings of affiliated companies	(496)	(357)
Foreign exchange gain or loss	(5,053)	4,870
Gain on sales of property, plant and equipment	201	(719)
Gain(Loss) on sales of investment securities	-	(2,336)
Impairment loss	-	302
Increase (Decrease) in notes and accounts receivable	(3,875)	1,570
Increase (Decrease) in inventories	3,658	(889)
Increase (Decrease) in notes and accounts payable	2,803	96
Increase (Decrease) in consumption taxes payable	830	57
Others, net	(822)	(2,576)
Sub - Total	31,887	20,624
Interest and dividend income received	1,041	981
Interest expenses paid	(21)	(43)
Income taxes paid	(6,874)	(5,241)
Net cash provided by operating activities	26,031	16,321
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of marketable securities	200	2,344
Purchases of tangible fixed assets	(10,652)	(15,730)
Proceeds from sales of tangible fixed assets	20	1,229
Purchases of investment securities	(2,703)	(510)
Proceeds from sales of investment securities	0	3,590
Disbursement for originating loans	(126)	(141)
Proceeds from collections of loans	126	131
Others, net	(995)	(4,337)
Net cash used in investing activities	(14,131)	(13,423)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities paid	(248)	(185)
Dividends paid	(3,103)	(3,295)
Dividends paid to non-controlling interests	(1,048)	(1,324)
Purchases of treasury stock	(1)	(0)
Others, net	35	39
Net cash provided by (used in) financing activities	(4,366)	(4,766)
EFFECT OF FOREIGN CURRENCY TRANSLATION	3,468	(479)
ADJUSTMENTS ON CASH AND CASH EQUIVALENTS		
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	11,002	(2,348)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	66,494	69,414
CASH AND CASH EQUIVALENTS, END OF PERIOD	77,496	67,065