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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Japanese GAAP]

May 10, 2022

Company name: T&K TOKA CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4346
 URL: <https://www.tk-toka.co.jp/>
 Representative: Yoshikatsu Masuda, Representative Director
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 Phone: +81-3-3963-0511
 Scheduled date of general shareholders' meeting: June 24, 2022
 Scheduled date of commencing dividend payments: June 27, 2022
 Scheduled date of filing securities report: June 24, 2022
 Availability of supplementary explanatory materials on annual financial results: Yes
 Schedule of annual financial results briefing session: Scheduled (For institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	44,456	5.3	228	14.8	1,992	83.1	2,651	100.4
March 31, 2021	42,205	(12.5)	198	(63.6)	1,088	(15.9)	1,323	735.1

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥3,990 million [32.5%]

Fiscal year ended March 31, 2021: ¥3,012 million [—%]

	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, 2022	117.64	116.41	5.8	2.9	0.5
March 31, 2021	58.39	57.86	3.1	1.6	0.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥738 million

Fiscal year ended March 31, 2021: ¥787 million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the reporting period. Application of these standards does not impact on sales and profit.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	70,306	48,296	68.0	2,121.05
As of March 31, 2021	67,435	44,743	65.6	1,965.65

(Reference) Equity: As of March 31, 2022: ¥47,835 million

As of March 31, 2021: ¥44,237 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 the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	2,295	(971)	(1,725)	6,245
March 31, 2021	3,227	(772)	(2,643)	6,315

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	–	5.00	–	10.00	15.00	337	25.7	0.8
March 31, 2022	–	10.00	–	30.00	40.00	902	34.0	2.0
March 31, 2023 (Forecast)	–	20.00	–	20.00	40.00		64.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (Cumulative)	22,560	4.2	350	11.2	820	(22.4)	480	(71.5)	21.29
Full year	46,470	4.5	1,180	416.7	2,120	6.4	1,390	(47.6)	61.67

* Notes:

- Changes in significant subsidiaries during the fiscal year under review (Changes in specified subsidiaries resulting in changes in scope of consolidation): None
Newly included: – (Company name:)
Excluded: – (Company name:)
- Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - Changes in accounting policies due to the revision of accounting standards: Yes
 - Changes in accounting policies other than 1) above: None
 - Changes in accounting estimates: None
 - Retrospective restatement: None
- Total number of issued and outstanding shares (common shares)
 - Total number of issued and outstanding shares at the end of the period: (including treasury shares):
March 31, 2022: 22,603,040 shares
March 31, 2021: 22,555,440 shares
 - Total number of treasury shares at the end of the period:
March 31, 2022: 50,214 shares
March 31, 2021: 50,154 shares
 - Average number of shares during the period:
Fiscal year ended March 31, 2022: 22,540,964 shares
Fiscal year ended March 31, 2021: 22,659,166 shares

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2022	35,267	2.9	800	248.1	1,607	22.7	1,727	84.6
March 31, 2021	34,263	(12.0)	230	(58.7)	1,310	–	935	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	76.63	75.83
March 31, 2021	41.29	40.91

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	51,723	33,416	64.3	1,474.80
As of March 31, 2021	51,929	32,349	62.0	1,429.76

(Reference) Equity: As of March 31, 2022: ¥33,261 million

As of March 31, 2021: ¥32,177 million

2. Nonconsolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (Cumulative)	18,920	10.1	460	11.7	1,020	69.2	790	(18.8)	35.05
Full year	38,620	9.5	1,210	51.1	1,980	23.2	1,530	(11.4)	67.88

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.* Explanation of the proper use of financial results forecast and other notes

The performance outlook and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that have been deemed reasonable, and are not intended to guarantee the achievement. Actual performance may differ significantly from these forecasts due to a wide range of factors.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	9,361	9,111
Notes and accounts receivable - trade	12,176	12,326
Electronically recorded monetary claims - operating	1,772	2,022
Merchandise and finished goods	4,992	4,894
Work in process	396	433
Raw materials and supplies	2,210	2,628
Other	276	406
Allowance for doubtful accounts	(24)	(481)
Total current assets	31,161	31,341
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,669	24,867
Machinery, equipment and vehicles	20,748	22,672
Tools, furniture and fixtures	3,553	3,645
Land	6,841	7,740
Leased assets	1,226	1,149
Construction in progress	2,708	1,392
Accumulated depreciation	(35,470)	(37,024)
Total property, plant and equipment	23,278	24,443
Intangible assets		
Goodwill	7	—
Other	444	460
Total intangible assets	452	460
Investments and other assets		
Investment securities	10,527	11,852
Retirement benefit asset	1,341	1,476
Deferred tax assets	126	61
Other	562	679
Allowance for doubtful accounts	(14)	(10)
Total investments and other assets	12,543	14,060
Total non-current assets	36,273	38,965
Total assets	67,435	70,306

(Million yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,419	7,195
Electronically recorded obligations - operating	3,675	3,347
Short-term borrowings	4,329	4,339
Current portion of long-term borrowings	976	811
Current portion of bonds payable	–	10
Lease liabilities	303	283
Income taxes payable	180	572
Accounts payable - other	613	736
Provision for bonuses	590	644
Provision for bonuses for directors	6	11
Provision for loss on business liquidation	–	36
Other	489	442
Total current liabilities	17,585	18,433
Non-current liabilities		
Bonds payable	–	40
Long-term borrowings	3,061	2,249
Lease liabilities	692	516
Provision for retirement benefits for directors	29	32
Provision for shareholder benefit program	12	16
Retirement benefit liability	243	255
Asset retirement obligations	93	34
Deferred tax liabilities	818	328
Other	154	103
Total non-current liabilities	5,106	3,577
Total liabilities	22,691	22,010
Net assets		
Shareholders' equity		
Share capital	2,080	2,098
Capital surplus	2,073	2,091
Retained earnings	40,428	42,629
Treasury shares	(41)	(41)
Total shareholders' equity	44,540	46,778
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	812	584
Foreign currency translation adjustment	(1,859)	(221)
Remeasurements of defined benefit plans	743	694
Total accumulated other comprehensive income	(303)	1,057
Share acquisition rights	171	155
Non-controlling interests	334	304
Total net assets	44,743	48,296
Total liabilities and net assets	67,435	70,306

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	For the fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Net sales	42,205	44,456
Cost of sales	34,386	36,063
Gross profit	7,818	8,393
Selling, general and administrative expenses	7,619	8,164
Operating profit	198	228
Non-operating income		
Interest income	70	44
Dividend income	66	54
Foreign exchange gains	—	664
Share of profit of entities accounted for using equity method	787	738
Subsidy income	253	144
Other	67	175
Total non-operating income	1,245	1,822
Non-operating expenses		
Interest expenses	51	39
Commission expenses	2	5
Depreciation	5	9
Foreign exchange losses	282	—
Other	13	3
Total non-operating expenses	355	58
Ordinary profit	1,088	1,992
Extraordinary income		
Gain on sale of non-current assets	536	1,295
Gain on sale of investment securities	129	7
Gain on change in equity	295	—
Gain on sale of businesses	12	—
Total extraordinary income	973	1,302
Extraordinary losses		
Loss on sale of non-current assets	10	3
Loss on retirement of non-current assets	25	16
Impairment loss	133	3
Loss on valuation of investment securities	221	—
Loss on liquidation of business	41	206
Other	0	—
Total extraordinary losses	432	229
Profit before income taxes	1,630	3,064
Income taxes - current	396	783
Income taxes - deferred	(103)	(318)
Total income taxes	293	465
Profit	1,336	2,599
Profit (loss) attributable to non-controlling interests	13	(51)
Profit attributable to owners of parent	1,323	2,651

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	For the fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Profit	1,336	2,599
Other comprehensive income		
Valuation difference on available-for-sale securities	453	(227)
Foreign currency translation adjustment	(81)	576
Remeasurements of defined benefit plans	1,173	(49)
Share of other comprehensive income of entities accounted for using equity method	129	1,092
Total other comprehensive income	1,676	1,391
Comprehensive income	3,012	3,990
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,021	4,011
Comprehensive income attributable to non-controlling interests	(8)	(20)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,080	2,079	41,668	(1,383)	44,444
Changes during period					
Issuance of new shares - exercise of share acquisition rights					—
Share-based payment with restriction on transfer					—
Dividends of surplus			(512)		(512)
Profit attributable to owners of parent			1,323		1,323
Purchase of treasury shares				(715)	(715)
Cancellation of treasury shares		(2,057)		2,057	—
Transfer from retained earnings to capital surplus		2,051	(2,051)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	(6)	(1,240)	1,342	95
Balance at end of period	2,080	2,073	40,428	(41)	44,540

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	358	(1,929)	(430)	(2,001)	156	358	42,957
Changes during period							
Issuance of new shares - exercise of share acquisition rights							—
Share-based payment with restriction on transfer							—
Dividends of surplus							(512)
Profit attributable to owners of parent							1,323
Purchase of treasury shares							(715)
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Net changes in items other than shareholders' equity	453	70	1,173	1,698	15	(23)	1,690
Total changes during period	453	70	1,173	1,698	15	(23)	1,786
Balance at end of period	812	(1,859)	743	(303)	171	334	44,743

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,080	2,073	40,428	(41)	44,540
Changes during period					
Issuance of new shares - exercise of share acquisition rights	15	15			31
Share-based payment with restriction on transfer	2	2			4
Dividends of surplus			(450)		(450)
Profit attributable to owners of parent			2,651		2,651
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity					
Total changes during period	18	18	2,201	(0)	2,237
Balance at end of period	2,098	2,091	42,629	(41)	46,778

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	812	(1,859)	743	(303)	171	334	44,743
Changes of during period							
Issuance of new shares - exercise of share acquisition rights							31
Share-based payment with restriction on transfer							4
Dividends of surplus							(450)
Profit attributable to owners of parent							2,651
Purchase of treasury shares							(0)
Cancellation of treasury shares							—
Transfer from retained earnings to capital surplus							—
Net changes in items other than shareholders' equity	(227)	1,637	(49)	1,360	(15)	(29)	1,314
Total changes during period	(227)	1,637	(49)	1,360	(15)	(29)	3,552
Balance at end of period	584	(221)	694	1,057	155	304	48,296

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	For the fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	1,630	3,064
Depreciation	2,076	2,126
Impairment losses	133	3
Amortization of goodwill	22	7
Gain on sale of businesses	(12)	–
Share of loss (profit) of entities accounted for using equity method	(787)	(738)
Loss (gain) on change in equity	(295)	–
Increase (decrease) in retirement benefit liability	9	(209)
Increase (decrease) in provision for retirement benefits for directors	3	3
Increase (decrease) in provision for bonuses for directors	(7)	4
Increase (decrease) in provision for bonuses	(56)	53
Increase (decrease) in allowance for doubtful accounts	8	453
Increase (decrease) in provision for shareholder benefit program	4	3
Increase (decrease) in provision for loss on business liquidation	–	36
Interest and dividends income	(136)	(98)
Interest expenses	51	39
Loss (gain) on sale of property, plant and equipment	(526)	(1,291)
Loss on retirement of property, plant and equipment	25	16
Loss (gain) on sale of investment securities	(129)	(7)
Loss (gain) on valuation of investment securities	221	–
Subsidy income	(253)	(144)
Decrease (increase) in trade receivables	1,585	(118)
Decrease (increase) in inventories	355	(168)
Increase (decrease) in trade payables	(1,009)	298
Decrease (increase) in other assets	260	(335)
Increase (decrease) in other liabilities	166	(593)
Subtotal	3,339	2,406
Interest and dividends received	170	323
Interest paid	(46)	(39)
Income taxes paid	(469)	(396)
Income taxes refunded	67	1
Subsidies received	165	–
Net cash provided by (used in) operating activities	3,227	2,295

(Million yen)

	For the fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	For the fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Cash flows from investing activities		
Payments into time deposits	(4,797)	(5,936)
Proceeds from withdrawal of time deposits	4,765	6,172
Purchase of property, plant and equipment	(1,732)	(2,661)
Proceeds from sale of property, plant and equipment	706	1,476
Purchase of intangible assets	(27)	(46)
Payments for retirement of non-current assets	(10)	(8)
Purchase of investment securities	(31)	(32)
Proceeds from sale of investment securities	228	18
Subsidies received	94	63
Proceeds from sale of businesses	12	–
Purchase of insurance funds	(21)	(16)
Proceeds from maturity of insurance funds	30	0
Other, net	9	0
Net cash provided by (used in) investing activities	(772)	(971)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5	(30)
Repayments of long-term borrowings	(1,072)	(976)
Proceeds from issuance of bonds	–	50
Purchase of treasury shares	(715)	(0)
Dividends paid to non-controlling interests	(15)	(8)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	0
Dividends paid	(511)	(450)
Other, net	(335)	(308)
Net cash provided by (used in) financing activities	(2,643)	(1,725)
Effect of exchange rate change on cash and cash equivalents	(30)	331
Net increase (decrease) in cash and cash equivalents	(219)	(70)
Cash and cash equivalents at beginning of period	6,534	6,315
Cash and cash equivalents at end of period	6,315	6,245