

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



August 4, 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
 Contact: Hideaki Sekine, Director, Deputy Chief of Headquarters, Management Headquarters
 Phone: +81-3-3963-0511
 Scheduled date of filing quarterly securities report: August 10, 2022
 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 - June 30, 2022)

(1) Consolidated Operating Results (cumulative) (% 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	%
Three months ended June 30, 2022	11,079	1.5	325	72.1	1,137	94.0	705	(42.0)
June 30, 2021	10,913	7.9	188	—	586	—	1,217	—

(Note) Comprehensive income: Three months ended June 30, 2022: ¥1,719 million [(14.6)%]
 Three months ended June 30, 2021: ¥2,013 million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	31.27	30.98
June 30, 2021	54.08	53.53

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	71,477	49,343	68.4
As of March 31, 2022	70,306	48,296	68.0

(Reference) Equity: As of June 30, 2022: ¥48,874 million
 As of March 31, 2022: ¥47,835 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	10.00	–	30.00	40.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecast)		20.00	–	20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(Note) Revision to the financial results forecast announced most recently: None

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review (Changes in specified subsidiaries resulting in changes in scope of consolidation): None
Newly included: – (Company name:)
Excluded: – (Company name:)
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
- (4) Total number of issued and outstanding shares (common shares)
1) Total number of issued and outstanding shares at the end of the period (including treasury shares):
June 30, 2022: 22,650,040 shares
March 31, 2022: 22,603,040 shares

2) Total number of treasury shares at the end of the period:
June 30, 2022: 50,214 shares
March 31, 2022: 50,214 shares

3) Average number of shares during the period:
Three months ended June 30, 2022: 22,564,576 shares
Three months ended June 30, 2021: 22,515,686 shares

* These quarterly consolidated financial results are outside the scope of quarterly review 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.

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	9,111	9,786
Notes and accounts receivable - trade	12,326	11,852
Electronically recorded monetary claims - operating	2,022	2,147
Merchandise and finished goods	4,894	5,004
Work in process	433	332
Raw materials and supplies	2,628	2,537
Other	406	526
Allowance for doubtful accounts	(481)	(31)
Total current assets	31,341	32,155
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,867	25,059
Machinery, equipment and vehicles	22,672	22,652
Land	7,740	7,814
Other	6,187	4,972
Accumulated depreciation	(37,024)	(35,853)
Total property, plant and equipment	24,443	24,645
Intangible assets	460	462
Investments and other assets		
Investment securities	11,852	11,994
Retirement benefit asset	1,476	1,510
Other	741	1,190
Allowance for doubtful accounts	(10)	(482)
Total investments and other assets	14,060	14,213
Total non-current assets	38,965	39,321
Total assets	70,306	71,477

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,195	6,527
Electronically recorded obligations - operating	3,347	3,880
Short-term borrowings	4,339	4,752
Current portion of long-term borrowings	811	775
Current portion of bonds payable	10	10
Lease liabilities	283	274
Income taxes payable	572	506
Provision for bonuses	644	322
Provision for bonuses for directors	11	13
Provision for loss on business liquidation	36	38
Other	1,179	1,742
Total current liabilities	18,433	18,844
Non-current liabilities		
Bonds payable	40	40
Long-term borrowings	2,249	2,064
Lease liabilities	516	474
Retirement benefit liability	255	283
Other provisions	48	52
Asset retirement obligations	34	34
Other	432	340
Total non-current liabilities	3,577	3,289
Total liabilities	22,010	22,134
Net assets		
Shareholders' equity		
Share capital	2,098	2,116
Capital surplus	2,091	2,108
Retained earnings	42,629	42,658
Treasury shares	(41)	(41)
Total shareholders' equity	46,778	46,842
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	584	515
Foreign currency translation adjustment	(221)	838
Remeasurements of defined benefit plans	694	677
Total accumulated other comprehensive income	1,057	2,031
Share acquisition rights	155	125
Non-controlling interests	304	343
Total net assets	48,296	49,343
Total liabilities and net assets	70,306	71,477

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)	For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)
Net sales	10,913	11,079
Cost of sales	8,769	8,996
Gross profit	2,143	2,082
Selling, general and administrative expenses	1,954	1,756
Operating profit	188	325
Non-operating income		
Interest income	11	12
Dividend income	20	19
Foreign exchange gains	219	588
Share of profit of entities accounted for using equity method	130	91
Subsidy income	19	96
Other	6	17
Total non-operating income	407	825
Non-operating expenses		
Interest expenses	8	6
Interest on bonds	—	0
Depreciation	0	3
Other	0	3
Total non-operating expenses	10	13
Ordinary profit	586	1,137
Extraordinary income		
Gain on sale of non-current assets	401	0
Gain on sale of investment securities	1	3
Total extraordinary income	403	3
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	2	2
Impairment loss	3	—
Total extraordinary losses	5	2
Profit before income taxes	983	1,138
Income taxes	(258)	410
Profit	1,242	728
Profit attributable to non-controlling interests	25	22
Profit attributable to owners of parent	1,217	705

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)	For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)
Profit	1,242	728
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	(68)
Foreign currency translation adjustment	333	486
Remeasurements of defined benefit plans	(14)	(17)
Share of other comprehensive income of entities accounted for using equity method	473	590
Total other comprehensive income	770	991
Comprehensive income	2,013	1,719
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,975	1,680
Comprehensive income attributable to non-controlling interests	37	39