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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]



November 7, 2022

Company name: T&K TOKA CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 4346

URL: <https://www.tk-toka.co.jp/>

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Scheduled date of filing quarterly securities report: November 14, 2022

Scheduled date of commencing dividend payments: December 5, 2022

Availability of supplementary explanatory materials on quarterly financial results: Yes

Schedule of quarterly 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 Six Months Ended September 30, 2022 (April 1, 2022 - September 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	%
Six months ended September 30, 2022	21,919	1.2	323	2.9	1,667	57.7	1,144	(32.0)
September 30, 2021	21,648	6.7	314	—	1,057	—	1,683	—

(Note) Comprehensive income: Six months ended September 30, 2022: ¥3,159 million [12.9%]

Six months ended September 30, 2021: ¥2,796 million [—%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	50.77		50.28	
September 30, 2021	74.71		73.95	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2022	68,323	50,545	73.2
As of March 31, 2022	70,306	48,296	68.0

(Reference) Equity: As of September 30, 2022: ¥50,023 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				
Fiscal year ended March 31, 2022	—	10.00	—	30.00	40.00
Fiscal year ending March 31, 2023	—	20.00			
Fiscal year ending March 31, 2023 (Forecast)			—	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
Full year	44,600	0.3	740	224.0	2,480	24.5	1,600	(39.7)	71.00

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the period under review (Changes in specified subsidiaries resulting in changes in scope of consolidation): Yes
 Newly included: – (Company name:)
 Excluded: 1 (Company name: Toka Ink International (Hong Kong) Ltd.)

(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):

September 30, 2022:	22,664,240 shares
March 31, 2022:	22,603,040 shares

2) Total number of treasury shares at the end of the period:

September 30, 2022:	284,814 shares
March 31, 2022:	50,214 shares

3) Average number of shares during the period:

Six months ended September 30, 2022:	22,536,540 shares
Six months ended September 30, 2021:	22,530,772 shares

(Note) The figures indicated as the total numbers of treasury shares at the end of the respective periods include the numbers of the Company's shares held in a share delivery trust (September 30, 2022: 234,600 shares; March 31, 2022: – shares). Such shares are included in the numbers of treasury shares deducted in the calculation of the average numbers of shares during the respective periods (Six months ended September 30, 2022: 234,600 shares; Six months ended September 30, 2021: – 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 September 30, 2022
Assets		
Current assets		
Cash and deposits	9,111	6,687
Notes and accounts receivable - trade	12,326	10,690
Electronically recorded monetary claims - operating	2,022	2,145
Merchandise and finished goods	4,894	5,069
Work in process	433	352
Raw materials and supplies	2,628	2,639
Other	406	335
Allowance for doubtful accounts	(481)	(1)
Total current assets	31,341	27,919
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,867	25,305
Machinery, equipment and vehicles	22,672	23,205
Land	7,740	7,892
Other	6,187	4,936
Accumulated depreciation	(37,024)	(36,518)
Total property, plant and equipment	24,443	24,821
Intangible assets	460	458
Investments and other assets		
Investment securities	11,852	12,843
Retirement benefit asset	1,476	1,544
Other	741	1,286
Allowance for doubtful accounts	(10)	(550)
Total investments and other assets	14,060	15,124
Total non-current assets	38,965	40,404
Total assets	70,306	68,323

(Million yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,195	6,586
Electronically recorded obligations - operating	3,347	2,787
Short-term borrowings	4,339	1,893
Current portion of long-term borrowings	811	742
Current portion of bonds payable	10	10
Lease liabilities	283	264
Income taxes payable	572	694
Provision for bonuses	644	612
Provision for bonuses for directors	11	16
Provision for loss on business liquidation	36	2
Other	1,179	1,131
Total current liabilities	18,433	14,742
Non-current liabilities		
Bonds payable	40	35
Long-term borrowings	2,249	1,878
Lease liabilities	516	414
Retirement benefit liability	255	280
Other provisions	48	48
Asset retirement obligations	34	34
Other	432	343
Total non-current liabilities	3,577	3,036
Total liabilities	22,010	17,778
Net assets		
Shareholders' equity		
Share capital	2,098	2,122
Capital surplus	2,091	2,114
Retained earnings	42,629	43,096
Treasury shares	(41)	(277)
Total shareholders' equity	46,778	47,056
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	584	607
Foreign currency translation adjustment	(221)	1,701
Remeasurements of defined benefit plans	694	658
Total accumulated other comprehensive income	1,057	2,967
Share acquisition rights	155	125
Non-controlling interests	304	396
Total net assets	48,296	50,545
Total liabilities and net assets	70,306	68,323

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Net sales	21,648	21,919
Cost of sales	17,443	17,945
Gross profit	4,205	3,973
Selling, general and administrative expenses	3,890	3,649
Operating profit	314	323
Non-operating income		
Interest income	23	27
Dividend income	28	27
Foreign exchange gains	344	1,005
Share of profit of entities accounted for using equity method	295	230
Subsidy income	39	101
Other	34	56
Total non-operating income	766	1,448
Non-operating expenses		
Interest expenses	16	18
Interest on bonds	–	0
Depreciation	1	78
Other	5	8
Total non-operating expenses	24	104
Ordinary profit	1,057	1,667
Extraordinary income		
Gain on sale of non-current assets	664	0
Gain on sale of investment securities	3	3
Gain on liquidation of subsidiaries	–	291
Total extraordinary income	667	295
Extraordinary losses		
Loss on sale of non-current assets	3	0
Loss on retirement of non-current assets	13	13
Impairment loss	3	0
Loss on liquidation of business	180	–
Total extraordinary losses	201	13
Profit before income taxes	1,523	1,949
Income taxes	(192)	742
Profit	1,716	1,206
Profit attributable to non-controlling interests	33	62
Profit attributable to owners of parent	1,683	1,144

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Profit	1,716	1,206
Other comprehensive income		
Valuation difference on available-for-sale securities	74	22
Foreign currency translation adjustment	393	803
Remeasurements of defined benefit plans	(27)	(36)
Share of other comprehensive income of entities accounted for using equity method	638	1,162
Total other comprehensive income	1,080	1,952
Comprehensive income	2,796	3,159
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,749	3,054
Comprehensive income attributable to non-controlling interests	47	104