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Consolidated Financial Results for the Nine months Ended December 31, 2023 [Japanese GAAP]



February 7, 2024

Company name: T&K TOKA CO., LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4636
 URL: <https://www.tk-toka.co.jp/>
 Representative: Akihiro Takamizawa, Representative Director
 Contact: Hideaki Sekine, Managing Director, Chief of Management Headquarters
 Phone: +81-3-3963-0511
 Scheduled date of filing quarterly securities report: February 14, 2024
 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 Nine months Ended December 31, 2023 (April 1, 2023 - December 31, 2023)

(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	%
Nine months ended December 31, 2023	34,317	2.3	770	52.4	2,289	3.8	1,985	30.8
December 31, 2022	33,530	2.4	505	(2.1)	2,205	24.7	1,517	(29.8)

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥3,580 million [10.0%]
 Nine months ended December 31, 2022: ¥3,255 million [5.2%]

	Basic earnings per share	Diluted earnings per share
Nine months ended December 31, 2023	Yen 88.30	Yen 87.63
December 31, 2022	67.48	66.84

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2023	72,000	52,252	71.8
As of March 31, 2023	67,845	49,124	71.7

(Reference) Equity: As of December 31, 2023: ¥51,684 million
 As of March 31, 2023: ¥48,612 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, 2023	-	20.00	-	20.00	40.00
Fiscal year ending March 31, 2024	-	0.00			
Fiscal year ending March 31, 2024 (Forecast)			-	0.00	0.00

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

(Note) We don't schedule dividends for fiscal year March 2024, due to schedule of the tender offer for the Company's common shares and the share options by K.K. BCJ-74, as informed by "Announcement of Opinion in Support of and Recommendation to Tender in Scheduled Tender Offer for the Company's Share Certificates, Etc. by K.K. BCJ-74" and "Announcement of Revision of Dividend Forecast for the Fiscal Year Ending March 2024 (No Dividend) and Abolition of Shareholder Benefit Plan" released on August 17, 2023, and "Announcement of Opinion in Support of and Recommendation to Tender in Tender Offer for the Company's Share Certificates, Etc. by K.K. BCJ-74" released on January 22, 2024.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% 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	45,500	4.2	900	111.9	2,600	40.3	1,920	73.4	85.46

(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

(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: None

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):

December 31, 2023: 22,806,240 shares

March 31, 2023: 22,664,240 shares

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

December 31, 2023: 268,887 shares

March 31, 2023: 284,887 shares

3) Average number of shares during the period:

Nine months ended December 31, 2023: 22,487,223 shares

Nine months ended December 31, 2022: 22,489,399 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 (December 31, 2023: 218,600 shares; March 31, 2023: 234,600 shares). Such shares are included in the numbers of treasury shares reduced in the calculation of the average numbers of shares during the respective periods (Nine months ended December 31, 2023: 226,130 shares; Nine months ended December 31, 2022: 234,600 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	6,457	6,693
Notes and accounts receivable - trade	11,001	12,255
Electronically recorded monetary claims - operating	2,231	2,881
Merchandise and finished goods	5,165	5,396
Work in process	501	345
Raw materials and supplies	2,675	2,640
Other	624	2,213
Allowance for doubtful accounts	(6)	(7)
Total current assets	28,651	32,420
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,357	25,741
Machinery, equipment and vehicles	22,906	23,923
Land	7,886	8,000
Other	4,923	5,055
Accumulated depreciation	(37,144)	(38,787)
Total property, plant and equipment	23,929	23,933
Intangible assets	430	410
Investments and other assets		
Investment securities	12,748	13,196
Retirement benefit asset	1,347	1,467
Other	1,224	1,100
Allowance for doubtful accounts	(484)	(529)
Total investments and other assets	14,835	15,235
Total non-current assets	39,194	39,579
Total assets	67,845	72,000

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,779	7,248
Electronically recorded obligations - operating	3,177	3,508
Short-term borrowings	2,898	2,725
Current portion of long-term borrowings	743	742
Current portion of bonds payable	10	10
Lease liabilities	248	200
Income taxes payable	54	1,045
Provision for bonuses	582	314
Provision for bonuses for directors	12	7
Other	1,202	1,392
Total current liabilities	15,709	17,195
Non-current liabilities		
Bonds payable	30	25
Long-term borrowings	1,509	953
Lease liabilities	380	273
Retirement benefit liability	247	293
Other provisions	93	100
Asset retirement obligations	34	34
Other	716	871
Total non-current liabilities	3,012	2,552
Total liabilities	18,721	19,748
Net assets		
Shareholders' equity		
Share capital	2,122	2,174
Capital surplus	2,114	2,167
Retained earnings	42,607	44,141
Treasury shares	(277)	(261)
Total shareholders' equity	46,567	48,221
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	743	1,167
Foreign currency translation adjustment	855	1,904
Remeasurements of defined benefit plans	446	390
Total accumulated other comprehensive income	2,045	3,462
Share acquisition rights	125	20
Non-controlling interests	385	547
Total net assets	49,124	52,252
Total liabilities and net assets	67,845	72,000

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine months Ended December 31

(Million yen)

	For the Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	For the Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Net sales	33,530	34,317
Cost of sales	27,538	28,222
Gross profit	5,991	6,095
Selling, general and administrative expenses	5,485	5,325
Operating profit	505	770
Non-operating income		
Interest income	45	129
Dividend income	51	59
Foreign exchange gains	1,147	598
Share of profit of entities accounted for using equity method	409	593
Subsidy income	110	124
Other	75	78
Total non-operating income	1,839	1,584
Non-operating expenses		
Interest expenses	27	31
Interest on bonds	0	0
Commission expenses	3	19
Depreciation	92	10
Other	16	3
Total non-operating expenses	140	65
Ordinary profit	2,205	2,289
Extraordinary income		
Gain on sale of non-current assets	7	4
Gain on sale of investment securities	3	6
Gain on sale of shares of subsidiaries and associates	—	1,126
Gain on liquidation of subsidiaries	291	—
Total extraordinary income	302	1,137
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	18	9
Impairment loss	0	—
Loss on liquidation of subsidiaries	160	—
Cost for take-over bid	—	107
Total extraordinary losses	178	117
Profit before income taxes	2,328	3,309
Income taxes	717	1,189
Profit	1,611	2,120
Profit attributable to non-controlling interests	93	134
Profit attributable to owners of parent	1,517	1,985

Quarterly Consolidated Statements of Comprehensive Income
 Nine months Ended December 31

(Million yen)

	For the Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	For the Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Profit	1,611	2,120
Other comprehensive income		
Valuation difference on available-for-sale securities	(18)	423
Foreign currency translation adjustment	571	574
Remeasurements of defined benefit plans	(52)	(58)
Share of other comprehensive income of entities accounted for using equity method	1,143	520
Total other comprehensive income	1,644	1,460
Comprehensive income	3,255	3,580
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,108	3,402
Comprehensive income attributable to non-controlling interests	146	177