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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 10, 2023

Company name: TOKAI Corp.

Stock exchange listing: Tokyo

Code number: 9729

URL: <https://www.tokai-corp.com/>

Representative: Toshiaki Asai

Chief Executive Officer

Contact: Tetsuyuki Fujii

Chief Financial Officer

Phone: +81-58(263)-5111

Scheduled date of filing quarterly securities report: November 13, 2023

Scheduled date of commencing dividend payments: December 8, 2023

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

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

	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, 2023	67,865	5.9	3,684	3.3	3,869	4.0	2,626	(16.1)
September 30, 2022	64,091	6.3	3,567	(6.8)	3,720	(12.6)	3,130	11.9

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 3,172 million [2.3%]
Six months ended September 30, 2022: ¥ 3,100 million [16.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	74.62	-
September 30, 2022	88.91	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	115,701	83,976	72.1
March 31, 2023	110,785	82,223	73.7

(Reference) Equity: As of September 30, 2023: ¥ 83,396 million
As of March 31, 2023: ¥ 81,654 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	-	21.00	-	39.00	60.00
Fiscal year ending March 31, 2024	-	25.00			
Fiscal year ending March 31, 2024 (Forecast)			-	26.00	51.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	135,609	4.2	7,437	(5.3)	7,804	(3.4)	5,121	(16.1)	145.47

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2023: 36,041,346 shares

March 31, 2023: 36,041,346 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 834,376 shares

March 31, 2023: 814,728 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 35,204,169 shares

Six months ended September 30, 2022: 35,213,869 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	36,070	33,024
Notes and accounts receivable - trade	19,071	20,366
Securities	927	919
Inventories	5,424	6,492
Other	1,176	1,459
Allowance for doubtful accounts	(42)	(44)
Total current assets	62,628	62,218
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,051	9,879
Machinery, equipment and vehicles, net	4,100	4,229
Land	11,198	11,920
Other, net	7,243	10,603
Total property, plant and equipment	32,592	36,633
Intangible assets		
Goodwill	268	229
Other	1,425	1,373
Total intangible assets	1,694	1,603
Investments and other assets		
Investment securities	7,709	9,205
Deferred tax assets	1,411	1,460
Other	5,086	4,908
Allowance for doubtful accounts	(336)	(327)
Total investments and other assets	13,870	15,247
Total non-current assets	48,157	53,483
Total assets	110,785	115,701

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,159	14,538
Short-term borrowings	1,425	1,436
Income taxes payable	1,332	1,067
Provision for bonuses	2,195	2,157
Provision for bonuses for directors (and other officers)	74	38
Other	5,374	7,443
Total current liabilities	23,561	26,682
Non-current liabilities		
Long-term borrowings	530	308
Deferred tax liabilities	165	381
Provision for retirement benefits for directors (and other officers)	456	448
Retirement benefit liability	2,201	2,266
Other	1,647	1,638
Total non-current liabilities	5,000	5,043
Total liabilities	28,562	31,725
Net assets		
Shareholders' equity		
Share capital	8,108	8,108
Capital surplus	4,934	4,920
Retained earnings	68,715	69,983
Treasury shares	(1,901)	(1,936)
Total shareholders' equity	79,856	81,075
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,816	2,334
Remeasurements of defined benefit plans	(17)	(14)
Total accumulated other comprehensive income	1,798	2,320
Non-controlling interests	568	580
Total net assets	82,223	83,976
Total liabilities and net assets	110,785	115,701

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	64,091	67,865
Cost of sales	48,583	51,401
Gross profit	15,508	16,463
Selling, general and administrative expenses	11,940	12,778
Operating profit	3,567	3,684
Non-operating income		
Interest income	16	21
Dividend income	69	84
Other	156	156
Total non-operating income	243	262
Non-operating expenses		
Interest expenses	14	12
Compensation for damage	61	49
Rental costs on real estate	9	6
Other	4	8
Total non-operating expenses	89	77
Ordinary profit	3,720	3,869
Extraordinary income		
Gain on sale of non-current assets	1,079	-
Total extraordinary income	1,079	-
Extraordinary losses		
Loss on retirement of non-current assets	91	12
Impairment losses	-	12
Loss on disaster	13	-
Loss on valuation of investment securities	-	15
Total extraordinary losses	105	40
Profit before income taxes	4,695	3,829
Income taxes - current	1,502	1,233
Income taxes - deferred	30	(53)
Total income taxes	1,533	1,180
Profit	3,161	2,649
Profit attributable to non-controlling interests	31	22
Profit attributable to owners of parent	3,130	2,626

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	3,161	2,649
Other comprehensive income		
Valuation difference on available-for-sale securities	(65)	519
Remeasurements of defined benefit plans, net of tax	4	3
Total other comprehensive income	(61)	523
Comprehensive income	3,100	3,172
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,069	3,148
Comprehensive income attributable to non-controlling interests	31	23