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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 10, 2024

Company name: TOKAI Corp.
Stock exchange listing: Tokyo
Code number: 9729
URL: <https://www.tokai-corp.com/>
Representative: Toshiaki Asai
Contact: Kenji Yoshida
Phone: +81-58(263)-5111

Chief Executive Officer
Chief Financial Officer

Scheduled date of Annual General Meeting of Shareholders: June 27, 2024
Scheduled date of commencing dividend payments: June 28, 2024
Scheduled date of filing annual securities report: June 28, 2024
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	%
Fiscal year ended March 31, 2024	138,222	6.2	8,082	2.9	8,505	5.3	5,810	(4.8)
March 31, 2023	130,184	5.4	7,855	(4.8)	8,080	(9.0)	6,106	5.2

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 6,865 million [8.8%]
Fiscal year ended March 31, 2023: ¥ 6,308 million [12.0%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	165.05	-	6.9	7.5	5.8
March 31, 2023	173.39	-	7.7	7.5	6.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	114,926	86,789	75.0	2,447.91
March 31, 2023	110,785	82,223	73.7	2,317.99

(Reference) Equity: As of March 31, 2024: ¥ 86,183 million
As of March 31, 2023: ¥ 81,654 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	8,036	(10,206)	(3,196)	30,407
March 31, 2023	8,592	(6,236)	(2,432)	35,541

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	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	Millions of yen	%	%
March 31, 2023	-	21.00	-	39.00	60.00	2,113	34.6	2.7
March 31, 2024	-	25.00	-	33.00	58.00	2,042	35.1	2.4
Fiscal year ending March 31, 2025 (Forecast)	-	29.00	-	29.00	58.00		36.6	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% 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	142,925	3.4	7,695	(4.8)	8,195	(3.6)	5,578	(4.0)	158.51

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) 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

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

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

March 31, 2024:	36,041,346 shares
March 31, 2023:	36,041,346 shares

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

March 31, 2024:	834,418 shares
March 31, 2023:	814,728 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024:	35,205,556 shares
Fiscal Year ended March 31, 2023:	35,220,243 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	55,847	6.2	3,021	(4.5)	6,181	(1.0)	5,209	(0.0)
March 31, 2023	52,606	5.5	3,162	(0.5)	6,240	21.0	5,210	33.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	147.97	-
March 31, 2023	147.94	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	69,956	53,658	76.7	1,524.08
March 31, 2023	65,812	49,781	75.6	1,413.19

(Reference) Equity: As of March 31, 2024: ¥ 53,658 million
As of March 31, 2023: ¥ 49,781 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	36,070	30,985
Notes and accounts receivable - trade	19,071	20,985
Securities	927	695
Inventories	5,424	5,545
Other	1,176	1,429
Allowance for doubtful accounts	(42)	(40)
Total current assets	62,628	59,601
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,660	33,976
Accumulated depreciation	(18,609)	(19,344)
Buildings and structures, net	10,051	14,631
Machinery, equipment and vehicles	16,569	19,409
Accumulated depreciation	(12,469)	(13,003)
Machinery, equipment and vehicles, net	4,100	6,405
Land	11,198	11,984
Leased assets	1,814	1,763
Accumulated depreciation	(720)	(818)
Leased assets, net	1,093	944
Construction in progress	3,407	519
Other	7,602	8,095
Accumulated depreciation	(4,860)	(5,252)
Other, net	2,741	2,843
Total property, plant and equipment	32,592	37,328
Intangible assets		
Goodwill	268	191
Other	1,425	1,299
Total intangible assets	1,694	1,490
Investments and other assets		
Investment securities	7,709	10,126
Deferred tax assets	1,411	1,470
Other	5,086	5,227
Allowance for doubtful accounts	(336)	(318)
Total investments and other assets	13,870	16,505
Total non-current assets	48,157	55,324
Total assets	110,785	114,926

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,159	11,802
Short-term borrowings	1,425	1,196
Accounts payable - other	3,883	4,609
Income taxes payable	1,332	1,339
Provision for bonuses	2,195	2,224
Provision for bonuses for directors (and other officers)	74	75
Other	1,490	1,570
Total current liabilities	23,561	22,818
Non-current liabilities		
Long-term borrowings	530	383
Lease liabilities	344	240
Deferred tax liabilities	165	566
Provision for retirement benefits for directors (and other officers)	456	464
Retirement benefit liability	2,201	2,300
Other	1,302	1,364
Total non-current liabilities	5,000	5,318
Total liabilities	28,562	28,137
Net assets		
Shareholders' equity		
Share capital	8,108	8,108
Capital surplus	4,934	4,920
Retained earnings	68,715	72,287
Treasury shares	(1,901)	(1,936)
Total shareholders' equity	79,856	83,379
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,816	2,813
Remeasurements of defined benefit plans	(17)	(9)
Total accumulated other comprehensive income	1,798	2,803
Non-controlling interests	568	605
Total net assets	82,223	86,789
Total liabilities and net assets	110,785	114,926

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	130,184	138,222
Cost of sales	98,266	104,585
Gross profit	31,918	33,637
Selling, general and administrative expenses	24,063	25,554
Operating profit	7,855	8,082
Non-operating income		
Interest income	36	46
Dividend income	162	234
Subsidy income	147	69
Rent income of real estate	30	25
Other	249	204
Total non-operating income	626	581
Non-operating expenses		
Interest expenses	27	24
Provision of allowance for doubtful accounts	110	-
Bad debt expenses	170	-
Rental costs on real estate	17	13
Compensation for damage	64	83
Other	10	37
Total non-operating expenses	400	158
Ordinary profit	8,080	8,505
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	145	41
Impairment losses	57	18
Loss on disaster	16	-
Loss on valuation of investment securities	-	15
Total extraordinary losses	220	75
Profit before income taxes	8,940	8,429
Income taxes - current	2,862	2,653
Income taxes - deferred	(82)	(81)
Total income taxes	2,780	2,572
Profit	6,159	5,857
Profit attributable to non-controlling interests	52	46
Profit attributable to owners of parent	6,106	5,810

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	6,159	5,857
Other comprehensive income		
Valuation difference on available-for-sale securities	139	999
Remeasurements of defined benefit plans, net of tax	10	8
Total other comprehensive income	149	1,007
Comprehensive income	6,308	6,865
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,256	6,816
Comprehensive income attributable to non-controlling interests	52	49

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,108	4,949	64,246	(1,951)	75,352
Changes during period					
Dividends of surplus			(1,549)		(1,549)
Profit attributable to owners of parent			6,106		6,106
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(14)		49	34
Change in scope of consolidation			(88)		(88)
Net changes in items other than shareholders' equity					
Total changes during period	-	(14)	4,468	49	4,503
Balance at end of period	8,108	4,934	68,715	(1,901)	79,856

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,677	(28)	1,649	516	77,519
Changes during period					
Dividends of surplus					(1,549)
Profit attributable to owners of parent					6,106
Purchase of treasury shares					(0)
Disposal of treasury shares					34
Change in scope of consolidation					(88)
Net changes in items other than shareholders' equity	138	10	149	51	200
Total changes during period	138	10	149	51	4,704
Balance at end of period	1,816	(17)	1,798	568	82,223

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,108	4,934	68,715	(1,901)	79,856
Changes during period					
Dividends of surplus			(2,254)		(2,254)
Profit attributable to owners of parent			5,810		5,810
Purchase of treasury shares				(78)	(78)
Disposal of treasury shares		(7)		43	35
Change by merger		(10)	15		4
Change in ownership interest of parent due to transactions with non-controlling interests		4			4
Net changes in items other than shareholders' equity					
Total changes during period	-	(14)	3,571	(34)	3,523
Balance at end of period	8,108	4,920	72,287	(1,936)	83,379

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,816	(17)	1,798	568	82,223
Changes during period					
Dividends of surplus					(2,254)
Profit attributable to owners of parent					5,810
Purchase of treasury shares					(78)
Disposal of treasury shares					35
Change by merger					4
Change in ownership interest of parent due to transactions with non-controlling interests					4
Net changes in items other than shareholders' equity	996	8	1,005	37	1,042
Total changes during period	996	8	1,005	37	4,565
Balance at end of period	2,813	(9)	2,803	605	86,789

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	8,940	8,429
Depreciation	4,189	4,596
Impairment losses	57	18
Amortization of goodwill	100	84
Bad debt expenses	170	-
Increase (decrease) in allowance for doubtful accounts	100	(20)
Increase (decrease) in provision for bonuses	49	15
Increase (decrease) in provision for bonuses for directors (and other officers)	(3)	1
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(40)	8
Increase (decrease) in retirement benefit liability	118	75
Interest and dividend income	(199)	(281)
Interest expenses	27	24
Loss on retirement of non-current assets	145	41
Loss (gain) on sale of non-current assets	(1,079)	-
Decrease (increase) in trade receivables	(860)	(1,657)
Decrease (increase) in inventories	(788)	(101)
Increase (decrease) in trade payables	818	(1,449)
Increase (decrease) in other current liabilities	232	385
Other, net	53	180
Subtotal	12,032	10,351
Interest and dividends received	183	267
Interest paid	(26)	(25)
Income taxes paid	(3,597)	(2,556)
Net cash provided by (used in) operating activities	8,592	8,036
Cash flows from investing activities		
Payments into time deposits	(732)	(850)
Proceeds from withdrawal of time deposits	477	834
Net decrease (increase) in short-term investment securities	(300)	-
Purchase of property, plant and equipment	(5,650)	(8,408)
Purchase of intangible assets	(575)	(292)
Proceeds from sale of property, plant and equipment	1,317	2
Purchase of investment securities	(757)	(1,119)
Proceeds from sale of investment securities	88	240
Loan advances	-	(486)
Other, net	(103)	(126)
Net cash provided by (used in) investing activities	(6,236)	(10,206)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(235)	(185)
Proceeds from long-term borrowings	380	340
Repayments of long-term borrowings	(477)	(530)
Purchase of treasury shares	(0)	(78)
Dividends paid	(1,549)	(2,252)
Repayments of installment payables and lease obligations	(471)	(447)
Other, net	(79)	(42)
Net cash provided by (used in) financing activities	(2,432)	(3,196)
Effect of exchange rate change on cash and cash equivalents	40	1
Net increase (decrease) in cash and cash equivalents	(35)	(5,364)
Cash and cash equivalents at beginning of period	35,508	35,541
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	68	-
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	-	231
Cash and cash equivalents at end of period	35,541	30,407