

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 2021

Company name: TOKYO RADIATOR MFG. CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 7235 URL <http://www.tokyo-radiator.co.jp/>
 Representative: President Hisao Ochiai
 Inquiries: Executive Corporate Officer Kazuhiko Yano TEL 0466-87-1231
 Scheduled date of ordinary general meeting of shareholders: June 25, 2021
 Scheduled date to file Securities Report: June 25, 2021
 Scheduled date to commence dividend payments: June 28, 2021
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	25,996	(10.0)	122	(83.0)	373	(56.8)	106	17.5
Year ended March 31, 2020	28,899	(4.3)	716	(50.2)	863	(45.9)	90	(91.9)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	7.40	—	0.5	1.2	0.5
Year ended March 31, 2020	6.30	—	0.4	2.8	2.5

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	31,399	23,285	68.6	1,497.63
As of March 31, 2020	29,720	22,357	69.7	1,440.27

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	1,181	(1,287)	(368)	7,997
Year ended March 31, 2020	1,234	(1,776)	(236)	8,412

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	—	7.50	—	7.50	15.00	215	238.1	1.0
Year ended March 31, 2021	—	0.00	—	7.50	7.50	107	101.4	0.5
Year ending March 31, 2022 (Forecast)	—	8.00	—	8.00	16.00		57.6	

(Note) Accounting Standard for Revenue Recognition (ASBJ Statement No.29) will be applied at the beginning of FY ending March 2022. Therefore Year-over year % of changes are not stated, as the forecast above reflects first application of the standard.

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	26,000	–	500	–	600	–	400	–	27.80

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

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

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2021	14,400,000 shares	As of March 31, 2020	14,400,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	12,083 shares	As of March 31, 2020	12,083 shares
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Average number of shares during the period

Year ended March 31, 2021	14,387,917 shares	Year ended March 31, 2020	14,387,922 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	5,193,625	5,430,048
Notes and accounts receivable - trade	7,217,262	8,169,184
Merchandise and finished goods	759,949	688,736
Work in process	365,746	321,737
Raw materials and supplies	1,357,330	1,557,689
Income taxes receivable	100,442	33,646
Deposits paid	5,316,876	4,796,113
Other	341,356	442,080
Total current assets	20,652,588	21,439,236
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,370,545	5,685,003
Accumulated depreciation	(3,121,262)	(3,225,800)
Buildings and structures, net	2,249,283	2,459,203
Machinery, equipment and vehicles	14,805,623	15,258,348
Accumulated depreciation	(11,304,372)	(11,780,451)
Machinery, equipment and vehicles, net	3,501,250	3,477,897
Tools, furniture and fixtures	6,730,292	6,844,510
Accumulated depreciation	(5,984,218)	(5,880,177)
Tools, furniture and fixtures, net	746,074	964,333
Land	1,106,558	1,106,558
Construction in progress	440,882	608,081
Total property, plant and equipment	8,044,050	8,616,074
Intangible assets	344,687	308,762
Investments and other assets		
Investment securities	554,982	926,116
Deferred tax assets	46,129	43,793
Other	77,753	65,440
Total investments and other assets	678,865	1,035,350
Total non-current assets	9,067,603	9,960,186
Total assets	29,720,192	31,399,423

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,500,958	3,159,830
Electronically recorded obligations - operating	2,227,084	2,457,126
Accrued expenses	933,449	1,104,732
Income taxes payable	144,725	85,464
Provision for product warranties	32,518	26,945
Electronically recorded obligations - non-operating	162,058	253,314
Accounts payable - facilities	385,542	516,273
Other	155,193	181,010
Total current liabilities	6,541,531	7,784,697
Non-current liabilities		
Retirement benefit liability	523,556	68,243
Deferred tax liabilities	22,946	82,666
Other	274,162	178,072
Total non-current liabilities	820,665	328,983
Total liabilities	7,362,197	8,113,680
Net assets		
Shareholders' equity		
Share capital	1,317,600	1,317,600
Capital surplus	778,300	778,300
Retained earnings	18,701,616	18,700,109
Treasury shares	(4,587)	(4,587)
Total shareholders' equity	20,792,929	20,791,422
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	123,919	372,429
Foreign currency translation adjustment	(112,126)	29,926
Remeasurements of defined benefit plans	(82,220)	354,004
Total accumulated other comprehensive income	(70,427)	756,359
Non-controlling interests	1,635,493	1,737,960
Total net assets	22,357,995	23,285,743
Total liabilities and net assets	29,720,192	31,399,423

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	28,899,384	25,996,144
Cost of sales	25,448,353	23,431,039
Gross profit	3,451,031	2,565,105
Selling, general and administrative expenses	2,734,337	2,443,040
Operating profit	716,693	122,064
Non-operating income		
Interest income	110,596	105,995
Dividend income	28,726	22,928
Rental income	2,282	2,215
Commission income	10,186	9,061
Subsidies for employment adjustment	–	92,389
Insurance claim income	–	18,045
Other	16,899	17,852
Total non-operating income	168,690	268,486
Non-operating expenses		
Interest expenses	11,667	11,008
Foreign exchange losses	9,329	2,709
Employment payment for persons with disabilities	–	550
Vehicle Referral system incentive fee	445	278
Other	603	2,759
Total non-operating expenses	22,045	17,304
Ordinary profit	863,339	373,246
Extraordinary income		
Gain on sale of non-current assets	99	161
Total extraordinary income	99	161
Extraordinary losses		
Loss on sale of non-current assets	133	–
Loss on retirement of non-current assets	178,972	7,540
Impairment losses	51,100	78,177
Total extraordinary losses	230,206	85,717
Profit before income taxes	633,233	287,690
Income taxes - current	182,342	118,490
Income taxes - deferred	209,066	(43,886)
Total income taxes	391,409	74,604
Profit	241,824	213,086
Profit attributable to non-controlling interests	151,230	106,683
Profit attributable to owners of parent	90,593	106,402

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	241,824	213,086
Other comprehensive income		
Valuation difference on available-for-sale securities	(353,564)	248,509
Foreign currency translation adjustment	(289,674)	182,034
Remeasurements of defined benefit plans, net of tax	(42,840)	436,151
Total other comprehensive income	(686,079)	866,695
Comprehensive income	(444,255)	1,079,782
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(532,525)	933,116
Comprehensive income attributable to non-controlling interests	88,270	146,665

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,317,600	778,300	18,798,065	(4,566)	20,889,399
Changes during period					
Dividends of surplus			(187,043)		(187,043)
Profit attributable to owners of parent			90,593		90,593
Purchase of treasury shares				(20)	(20)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(96,449)	(20)	(96,469)
Balance at end of period	1,317,600	778,300	18,701,616	(4,587)	20,792,929

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	477,484	114,587	(39,384)	552,688	1,592,203	23,034,291
Changes during period						
Dividends of surplus						(187,043)
Profit attributable to owners of parent						90,593
Purchase of treasury shares						(20)
Net changes in items other than shareholders' equity	(353,564)	(226,714)	(42,836)	(623,116)	43,289	(579,826)
Total changes during period	(353,564)	(226,714)	(42,836)	(623,116)	43,289	(676,296)
Balance at end of period	123,919	(112,126)	(82,220)	(70,427)	1,635,493	22,357,995

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,317,600	778,300	18,701,616	(4,587)	20,792,929
Changes during period					
Dividends of surplus			(107,909)		(107,909)
Profit attributable to owners of parent			106,402		106,402
Purchase of treasury shares					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(1,506)	–	(1,506)
Balance at end of period	1,317,600	778,300	18,700,109	(4,587)	20,791,422

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	123,919	(112,126)	(82,220)	(70,427)	1,635,493	22,357,995
Changes during period						
Dividends of surplus						(107,909)
Profit attributable to owners of parent						106,402
Purchase of treasury shares						–
Net changes in items other than shareholders' equity	248,509	142,052	436,225	826,787	102,467	929,254
Total changes during period	248,509	142,052	436,225	826,787	102,467	927,748
Balance at end of period	372,429	29,926	354,004	756,359	1,737,960	23,285,743

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	633,233	287,690
Depreciation	1,016,290	1,032,348
Impairment losses	51,100	78,177
Increase (decrease) in provisions	(729)	(5,573)
Increase (decrease) in retirement benefit liability	(20,744)	(13,589)
Interest and dividend income	(139,322)	(128,923)
Interest expenses	11,667	11,008
Foreign exchange losses (gains)	(7,634)	6,853
Loss on retirement of non-current assets	178,972	7,540
Decrease (increase) in trade receivables	1,036,269	(931,677)
Decrease (increase) in inventories	(389,287)	(66,606)
Decrease (increase) in dues for sales	(18,378)	1,248
Increase (decrease) in trade payables	(639,508)	878,808
Increase (decrease) in accrued expenses	(122,982)	167,904
Increase (decrease) in accrued consumption taxes	(7,490)	18,994
Other, net	(128,634)	(93,651)
Subtotal	1,452,821	1,250,553
Interest and dividends received	139,322	120,164
Interest paid	(11,667)	(11,008)
Income taxes refund (paid)	(346,177)	(178,573)
Net cash provided by (used in) operating activities	1,234,299	1,181,135
Cash flows from investing activities		
Payments into time deposits	(109,600)	(117,220)
Proceeds from withdrawal of time deposits	23,100	43,800
Purchase of property, plant and equipment	(1,414,173)	(1,159,642)
Proceeds from sale of property, plant and equipment	3,253	803
Purchase of intangible assets	(251,442)	(39,798)
Purchase of investment securities	(24,222)	(21,838)
Other, net	(3,281)	6,195
Net cash provided by (used in) investing activities	(1,776,365)	(1,287,700)
Cash flows from financing activities		
Dividends paid	(187,043)	(107,909)
Dividends paid to non-controlling interests	(44,977)	(44,124)
Repayments of lease obligations	(4,604)	(216,644)
Other, net	(20)	—
Net cash provided by (used in) financing activities	(236,645)	(368,677)
Effect of exchange rate change on cash and cash equivalents	(102,581)	60,068
Net increase (decrease) in cash and cash equivalents	(881,294)	(415,173)
Cash and cash equivalents at beginning of period	9,293,587	8,412,293
Cash and cash equivalents at end of period	8,412,293	7,997,119