

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 10, 2022

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 to file Quarterly Securities Report: February 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

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 | % |
| Nine months ended December 31, 2021 | 19,708 | – | (58) | – | 57 | – | (307) | – |
| Nine months ended December 31, 2020 | 17,992 | (16.8) | (237) | – | (42) | – | (355) | – |

| | Earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2021 | (21.36) | – |
| Nine months ended December 31, 2020 | (24.71) | – |

(Note) We apply ASBJ Statement No.29 Accounting Standard for Revenue Recognition from fiscal year commenced on 1st of April 2021.

Hence, figures related to the 3rd Quarter of FY2021 represent the results after the application with no comparative ratios over the same period the previous year.

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2021 | 30,824 | 23,267 | 70.3 |
| As of March 31, 2021 | 31,399 | 23,285 | 68.6 |

2. Cash dividends

| | Annual dividends per share | | | | |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2021 | – | 0.00 | – | 7.50 | 7.50 |
| Year ending March 31, 2022 | – | 8.00 | – | | |
| Year ending March 31, 2022 (Forecast) | | | | – | – |

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 | – | (200) | – | (100) | – | (600) | – | (41.70) |

(Note) We apply ASBJ Statement No.29 Accounting Standard for Revenue Recognition from fiscal year commenced on 1st of April 2021.

Hence, figures related to the 3rd Quarter of FY2021 represent the results after the application with no comparative ratios over the same period the previous year.

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

| | | | |
|-------------------------|-------------------|----------------------|-------------------|
| As of December 31, 2021 | 14,400,000 shares | As of March 31, 2021 | 14,400,000 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|---------------|----------------------|---------------|
| As of December 31, 2021 | 12,083 shares | As of March 31, 2021 | 12,083 shares |
|-------------------------|---------------|----------------------|---------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2021 | 14,387,917 shares | Nine months ended December 31, 2020 | 14,387,917 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2021 | As of December 31, 2021 |
|--|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 5,430,048 | 4,658,964 |
| Notes and accounts receivable - trade | 7,409,608 | – |
| Notes and accounts receivable - trade, and contract assets | – | 6,827,864 |
| Electronically recorded monetary claims - operating | 759,576 | 960,711 |
| Merchandise and finished goods | 688,736 | 941,119 |
| Work in process | 321,737 | 394,068 |
| Raw materials and supplies | 1,557,689 | 2,066,926 |
| Income taxes receivable | 33,646 | 21,622 |
| Deposits paid | 4,796,113 | 4,085,669 |
| Other | 442,080 | 459,202 |
| Total current assets | 21,439,236 | 20,416,148 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 5,685,003 | 5,865,372 |
| Accumulated depreciation | (3,225,800) | (3,373,772) |
| Buildings and structures, net | 2,459,203 | 2,491,600 |
| Machinery, equipment and vehicles | 15,258,348 | 15,952,883 |
| Accumulated depreciation | (11,780,451) | (12,307,636) |
| Machinery, equipment and vehicles, net | 3,477,897 | 3,645,246 |
| Tools, furniture and fixtures | 6,844,510 | 7,293,915 |
| Accumulated depreciation | (5,880,177) | (6,244,189) |
| Tools, furniture and fixtures, net | 964,333 | 1,049,725 |
| Land | 1,106,558 | 1,106,558 |
| Construction in progress | 608,081 | 610,032 |
| Total property, plant and equipment | 8,616,074 | 8,903,164 |
| Intangible assets | 308,762 | 272,463 |
| Investments and other assets | | |
| Investment securities | 926,116 | 1,103,854 |
| Deferred tax assets | 43,793 | 54,192 |
| Other | 65,440 | 74,906 |
| Total investments and other assets | 1,035,350 | 1,232,953 |
| Total non-current assets | 9,960,186 | 10,408,581 |
| Total assets | 31,399,423 | 30,824,729 |

(Thousands of yen)

| | As of March 31, 2021 | As of December 31, 2021 |
|---|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 3,159,830 | 2,788,911 |
| Electronically recorded obligations - operating | 2,457,126 | 2,555,266 |
| Accrued expenses | 1,104,732 | 758,643 |
| Income taxes payable | 85,464 | 69,258 |
| Provision for product warranties | 26,945 | 39,978 |
| Electronically recorded obligations - non-operating | 253,314 | 263,035 |
| Accounts payable - facilities | 516,273 | 74,286 |
| Other | 181,010 | 579,833 |
| Total current liabilities | 7,784,697 | 7,129,214 |
| Non-current liabilities | | |
| Retirement benefit liability | 68,243 | 39,216 |
| Deferred tax liabilities | 82,666 | 223,642 |
| Other | 178,072 | 164,986 |
| Total non-current liabilities | 328,983 | 427,845 |
| Total liabilities | 8,113,680 | 7,557,059 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,317,600 | 1,317,600 |
| Capital surplus | 778,300 | 778,300 |
| Retained earnings | 18,700,109 | 18,169,837 |
| Treasury shares | (4,587) | (4,587) |
| Total shareholders' equity | 20,791,422 | 20,261,150 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 372,429 | 485,544 |
| Foreign currency translation adjustment | 29,926 | 596,918 |
| Remeasurements of defined benefit plans | 354,004 | 316,523 |
| Total accumulated other comprehensive income | 756,359 | 1,398,986 |
| Non-controlling interests | 1,737,960 | 1,607,532 |
| Total net assets | 23,285,743 | 23,267,670 |
| Total liabilities and net assets | 31,399,423 | 30,824,729 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 |
|--|--|--|
| Net sales | 17,992,495 | 19,708,745 |
| Cost of sales | 16,437,071 | 17,835,005 |
| Gross profit | 1,555,424 | 1,873,739 |
| Selling, general and administrative expenses | 1,792,927 | 1,932,056 |
| Operating loss | (237,502) | (58,316) |
| Non-operating income | | |
| Interest income | 77,346 | 80,640 |
| Dividend income | 17,859 | 22,180 |
| Rental income | 1,676 | 1,739 |
| Commission income | 6,754 | 7,502 |
| Subsidies for employment adjustment | 92,389 | – |
| Other | 17,090 | 28,422 |
| Total non-operating income | 213,115 | 140,486 |
| Non-operating expenses | | |
| Interest expenses | 8,608 | 8,864 |
| Foreign exchange losses | 8,470 | 14,366 |
| Employment payment for persons with disabilities | 550 | – |
| Other | 509 | 1,184 |
| Total non-operating expenses | 18,138 | 24,414 |
| Ordinary profit (loss) | (42,525) | 57,755 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 285 | 55 |
| Total extraordinary income | 285 | 55 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 2 | 40 |
| Loss on retirement of non-current assets | 1,773 | 25,794 |
| Total extraordinary losses | 1,775 | 25,835 |
| Profit (loss) before income taxes | (44,015) | 31,975 |
| Income taxes - current | 61,475 | 203,913 |
| Income taxes - deferred | 175,749 | 73,728 |
| Total income taxes | 237,224 | 277,641 |
| Loss | (281,240) | (245,666) |
| Profit attributable to non-controlling interests | 74,328 | 61,593 |
| Loss attributable to owners of parent | (355,568) | (307,259) |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Nine months ended December 31, 2020 | Nine months ended December 31, 2021 |
|--|--|--|
| Loss | (281,240) | (245,666) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 131,171 | 113,115 |
| Foreign currency translation adjustment | (28,661) | 681,653 |
| Remeasurements of defined benefit plans, net of tax | 4,479 | (37,480) |
| Total other comprehensive income | 106,990 | 757,288 |
| Comprehensive income | (174,249) | 511,622 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (242,997) | 335,367 |
| Comprehensive income attributable to non-controlling interests | 68,747 | 176,254 |