

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 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 of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: –
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	26,988	–	(92)	–	95	–	(801)	–
Year ended March 31, 2021	25,996	(10.0)	122	(83.0)	373	(56.8)	106	17.5

	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, 2022	(55.68)	–	(3.7)	0.3	(0.3)
Year ended March 31, 2021	7.40	–	0.5	1.2	0.5

(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 current fiscal year 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	31,640	23,349	68.4	1,503.91
As of March 31, 2021	31,399	23,285	68.6	1,497.63

(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, 2022	(180)	(991)	(622)	6,487
Year ended March 31, 2021	1,181	(1,287)	(368)	7,997

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, 2021	–	0.00	–	7.50	7.50	107	101.4	0.5
Year ended March 31, 2022	–	8.00	–	0.00	8.00	115	(14.4)	0.5
Year ending March 31, 2023 (Forecast)	–	8.00	–	8.00	16.00		76.7	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	29,000	7.5	300	–	500	420.9	300	–	20.85

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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:

Yes

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, 2022	14,400,000 shares	As of March 31, 2021	14,400,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	12,083 shares	As of March 31, 2021	12,083 shares
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Average number of shares during the period

Year ended March 31, 2022	14,387,917 shares	Year ended March 31, 2021	14,387,917 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	5,430,048	8,272,842
Notes and accounts receivable - trade	7,409,608	–
Notes and accounts receivable - trade, and contract assets	–	7,516,177
Electronically recorded monetary claims - operating	759,576	808,526
Merchandise and finished goods	688,736	986,997
Work in process	321,737	424,826
Raw materials and supplies	1,557,689	2,199,556
Income taxes refund receivable	33,646	23,954
Deposits paid	4,796,113	–
Other	442,080	453,196
Total current assets	21,439,236	20,686,077
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,685,003	6,022,832
Accumulated depreciation	(3,225,800)	(3,409,284)
Buildings and structures, net	2,459,203	2,613,547
Machinery, equipment and vehicles	15,258,348	16,218,769
Accumulated depreciation	(11,780,451)	(12,506,801)
Machinery, equipment and vehicles, net	3,477,897	3,711,967
Tools, furniture and fixtures	6,844,510	7,261,655
Accumulated depreciation	(5,880,177)	(6,117,451)
Tools, furniture and fixtures, net	964,333	1,144,204
Land	1,106,558	1,106,558
Construction in progress	608,081	692,680
Total property, plant and equipment	8,616,074	9,268,959
Intangible assets	308,762	243,959
Investments and other assets		
Investment securities	926,116	1,237,087
Deferred tax assets	43,793	53,704
Retirement benefit asset	–	78,423
Other	65,440	72,578
Total investments and other assets	1,035,350	1,441,794
Total non-current assets	9,960,186	10,954,713
Total assets	31,399,423	31,640,791

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,159,830	3,082,362
Electronically recorded obligations - operating	2,457,126	2,335,075
Accrued expenses	1,104,732	941,239
Income taxes payable	85,464	97,162
Provision for product warranties	26,945	35,036
Electronically recorded obligations - non-operating	253,314	125,764
Accounts payable - facilities	516,273	427,694
Other	181,010	282,459
Total current liabilities	7,784,697	7,326,794
Non-current liabilities		
Retirement benefit liability	68,243	17,349
Deferred tax liabilities	82,666	753,895
Other	178,072	193,248
Total non-current liabilities	328,983	964,493
Total liabilities	8,113,680	8,291,287
Net assets		
Shareholders' equity		
Share capital	1,317,600	1,317,600
Capital surplus	778,300	778,300
Retained earnings	18,700,109	17,676,048
Treasury shares	(4,587)	(4,587)
Total shareholders' equity	20,791,422	19,767,361
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	372,429	571,101
Foreign currency translation adjustment	29,926	931,966
Remeasurements of defined benefit plans	354,004	367,668
Total accumulated other comprehensive income	756,359	1,870,736
Non-controlling interests	1,737,960	1,711,406
Total net assets	23,285,743	23,349,504
Total liabilities and net assets	31,399,423	31,640,791

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

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	25,996,144	26,988,673
Cost of sales	23,431,039	24,441,057
Gross profit	2,565,105	2,547,616
Selling, general and administrative expenses	2,443,040	2,640,431
Operating profit (loss)	122,064	(92,815)
Non-operating income		
Interest income	105,995	102,355
Dividend income	22,928	37,402
Rental income	2,215	2,368
Commission income	9,061	9,625
Subsidies for employment adjustment	92,389	17,671
Insurance claim income	18,045	–
Other	17,852	40,641
Total non-operating income	268,486	210,064
Non-operating expenses		
Interest expenses	11,008	12,323
Foreign exchange losses	2,709	7,749
Employment payment for persons with disabilities	550	–
Vehicle Referral system incentive fee	278	264
Other	2,759	927
Total non-operating expenses	17,304	21,264
Ordinary profit	373,246	95,985
Extraordinary income		
Gain on sale of non-current assets	161	4,760
Total extraordinary income	161	4,760
Extraordinary losses		
Loss on sale of non-current assets	–	249
Loss on retirement of non-current assets	7,540	48,978
Impairment losses	78,177	–
Total extraordinary losses	85,717	49,228
Profit before income taxes	287,690	51,517
Income taxes - current	118,490	216,883
Income taxes - deferred	(43,886)	543,690
Total income taxes	74,604	760,574
Profit (loss)	213,086	(709,057)
Profit attributable to non-controlling interests	106,683	91,991
Profit (loss) attributable to owners of parent	106,402	(801,048)

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	213,086	(709,057)
Other comprehensive income		
Valuation difference on available-for-sale securities	248,509	198,671
Foreign currency translation adjustment	182,034	1,090,265
Remeasurements of defined benefit plans, net of tax	436,151	13,576
Total other comprehensive income	866,695	1,302,513
Comprehensive income	1,079,782	593,455
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	933,116	313,239
Comprehensive income attributable to non-controlling interests	146,665	280,216

Consolidated statements of changes in equity

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 (loss) attributable to owners of parent			106,402		106,402
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 (loss) attributable to owners of parent						106,402
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

Fiscal year ended March 31, 2022

(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	18,700,109	(4,587)	20,791,422
Changes during period					
Dividends of surplus			(223,012)		(223,012)
Profit (loss) attributable to owners of parent			(801,048)		(801,048)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(1,024,061)	-	(1,024,061)
Balance at end of period	1,317,600	778,300	17,676,048	(4,587)	19,767,361

	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	372,429	29,926	354,004	756,359	1,737,960	23,285,743
Changes during period						
Dividends of surplus						(223,012)
Profit (loss) attributable to owners of parent						(801,048)
Net changes in items other than shareholders' equity	198,671	902,040	13,664	1,114,376	(26,553)	1,087,822
Total changes during period	198,671	902,040	13,664	1,114,376	(26,553)	63,760
Balance at end of period	571,101	931,966	367,668	1,870,736	1,711,406	23,349,504

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	287,690	51,517
Depreciation	1,032,348	1,133,262
Impairment losses	78,177	–
Increase (decrease) in provisions	(5,573)	8,091
Increase (decrease) in retirement benefit liability	(13,589)	(52,109)
Decrease (increase) in retirement benefit asset	–	(78,423)
Interest and dividend income	(128,923)	(139,757)
Interest expenses	11,008	12,323
Foreign exchange losses (gains)	6,853	8,897
Loss on retirement of non-current assets	7,540	48,978
Decrease (increase) in trade receivables	(931,677)	54,399
Decrease (increase) in inventories	(66,606)	(851,973)
Decrease (increase) in dies for sales	1,248	354
Increase (decrease) in trade payables	878,808	(310,849)
Increase (decrease) in accrued expenses	167,904	(162,699)
Increase (decrease) in accrued consumption taxes	18,994	(15,923)
Other, net	(93,651)	175,352
Subtotal	1,250,553	(118,560)
Interest and dividends received	120,164	151,297
Interest paid	(11,008)	(12,323)
Income taxes refund (paid)	(178,573)	(201,256)
Net cash provided by (used in) operating activities	1,181,135	(180,843)
Cash flows from investing activities		
Payments into time deposits	(117,220)	(31,200)
Proceeds from withdrawal of time deposits	43,800	728,000
Purchase of property, plant and equipment	(1,159,642)	(1,648,259)
Proceeds from sale of property, plant and equipment	803	8,635
Purchase of intangible assets	(39,798)	(18,711)
Purchase of investment securities	(21,838)	(30,420)
Other, net	6,195	553
Net cash provided by (used in) investing activities	(1,287,700)	(991,401)
Cash flows from financing activities		
Dividends paid	(107,909)	(223,012)
Dividends paid to non-controlling interests	(44,124)	(306,682)
Repayments of lease liabilities	(216,644)	(92,641)
Net cash provided by (used in) financing activities	(368,677)	(622,336)
Effect of exchange rate change on cash and cash equivalents	60,068	284,739
Net increase (decrease) in cash and cash equivalents	(415,173)	(1,509,842)
Cash and cash equivalents at beginning of period	8,412,293	7,997,119
Cash and cash equivalents at end of period	7,997,119	6,487,277