

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

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 29, 2023
 Scheduled date to file Securities Report: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	31,785	17.8	823	–	849	784.7	(718)	–
Year ended March 31, 2022	26,988	–	(92)	–	95	–	(801)	–

	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, 2023	(52.78)	–	(3.7)	2.8	2.6
Year ended March 31, 2022	(55.68)	–	(3.7)	0.3	(0.3)

(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, 2023	29,168	19,149	59.4	1,844.51
As of March 31, 2022	31,640	23,349	68.4	1,503.91

(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, 2023	3,503	(908)	(3,985)	5,214
Year ended March 31, 2022	(180)	(991)	(622)	6,487

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, 2022	–	8.00	–	0.00	8.00	115	(14.4)	0.5
Year ended March 31, 2023	–	8.00	–	8.00	16.00	190	(30.3)	1.0
Year ending March 31, 2024 (Forecast)	–	9.00	–	9.00	18.00		30.7	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	33,000	3.8	900	9.3	1,000	17.8	550	-	58.59

Note: The average number of shares outstanding during fiscal year ended 31 March 2024, which is the basis for calculating "Earnings per share," is the number of shares issued as of March 31, 2023 (excluding treasury stock).

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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, 2023	14,400,000 shares	As of March 31, 2022	14,400,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	5,012,107 shares	As of March 31, 2022	12,083 shares
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Average number of shares during the period

Year ended March 31, 2023	13,618,679 shares	Year ended March 31, 2022	14,387,917 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	8,272,842	6,913,007
Notes and accounts receivable - trade, and contract assets	7,516,177	5,491,375
Electronically recorded monetary claims - operating	808,526	1,050,852
Merchandise and finished goods	986,997	1,146,948
Work in process	424,826	526,493
Raw materials and supplies	2,199,556	2,468,420
Income taxes refund receivable	23,954	36,911
Other	453,196	516,285
Total current assets	20,686,077	18,150,294
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,022,832	6,220,265
Accumulated depreciation	(3,409,284)	(3,596,905)
Buildings and structures, net	2,613,547	2,623,360
Machinery, equipment and vehicles	16,218,769	17,477,738
Accumulated depreciation	(12,506,801)	(13,198,453)
Machinery, equipment and vehicles, net	3,711,967	4,279,284
Tools, furniture and fixtures	7,261,655	7,166,564
Accumulated depreciation	(6,117,451)	(5,994,143)
Tools, furniture and fixtures, net	1,144,204	1,172,421
Land	1,106,558	1,106,558
Construction in progress	692,680	225,941
Total property, plant and equipment	9,268,959	9,407,566
Intangible assets	243,959	202,887
Investments and other assets		
Investment securities	1,237,087	1,285,929
Deferred tax assets	53,704	57,219
Retirement benefit asset	78,423	–
Other	72,578	79,448
Allowance for doubtful accounts	–	(15,000)
Total investments and other assets	1,441,794	1,407,597
Total non-current assets	10,954,713	11,018,051
Total assets	31,640,791	29,168,346

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,082,362	3,177,749
Electronically recorded obligations - operating	2,335,075	2,717,481
Accrued expenses	941,239	1,428,910
Income taxes payable	97,162	87,438
Provision for product warranties	35,036	35,632
Provision for loss on special claims	–	449,525
Notes payable - facilities	–	4,577
Electronically recorded obligations - non-operating	125,764	281,926
Accounts payable - facilities	427,694	209,694
Other	282,459	371,083
Total current liabilities	7,326,794	8,764,019
Non-current liabilities		
Retirement benefit liability	17,349	129,014
Deferred tax liabilities	753,895	931,826
Other	193,248	194,152
Total non-current liabilities	964,493	1,254,993
Total liabilities	8,291,287	10,019,013
Net assets		
Shareholders' equity		
Share capital	1,317,600	1,317,600
Capital surplus	778,300	778,300
Retained earnings	17,676,048	16,842,178
Treasury shares	(4,587)	(3,704,603)
Total shareholders' equity	19,767,361	15,233,474
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	571,101	577,438
Foreign currency translation adjustment	931,966	1,371,318
Remeasurements of defined benefit plans	367,668	133,877
Total accumulated other comprehensive income	1,870,736	2,082,634
Non-controlling interests	1,711,406	1,833,223
Total net assets	23,349,504	19,149,332
Total liabilities and net assets	31,640,791	29,168,346

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

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	26,988,673	31,785,486
Cost of sales	24,441,057	28,033,056
Gross profit	2,547,616	3,752,430
Selling, general and administrative expenses	2,640,431	2,929,087
Operating profit (loss)	(92,815)	823,342
Non-operating income		
Interest income	102,355	88,267
Dividend income	37,402	56,551
Foreign exchange gains	–	33,264
Rental income	2,368	2,618
Commission income	9,625	9,827
Subsidies for employment adjustment	17,671	9,693
Other	40,641	47,437
Total non-operating income	210,064	247,659
Non-operating expenses		
Interest expenses	12,323	15,834
Foreign exchange losses	7,749	–
Vehicle Referral system incentive fee	264	188
Commission for purchase of treasury shares	–	198,510
Other	927	7,316
Total non-operating expenses	21,264	221,848
Ordinary profit	95,985	849,153
Extraordinary income		
Gain on sale of non-current assets	4,760	329
Total extraordinary income	4,760	329
Extraordinary losses		
Loss on sale of non-current assets	249	–
Loss on retirement of non-current assets	48,978	27,104
Loss on special claims	–	922,996
Total extraordinary losses	49,228	950,101
Profit (loss) before income taxes	51,517	(100,617)
Income taxes - current	216,883	262,476
Income taxes - deferred	543,690	222,743
Total income taxes	760,574	485,220
Loss	(709,057)	(585,837)
Profit attributable to non-controlling interests	91,991	132,929
Loss attributable to owners of parent	(801,048)	(718,766)

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Loss	(709,057)	(585,837)
Other comprehensive income		
Valuation difference on available-for-sale securities	198,671	6,337
Foreign currency translation adjustment	1,090,265	541,940
Remeasurements of defined benefit plans, net of tax	13,576	(233,790)
Total other comprehensive income	1,302,513	314,487
Comprehensive income	593,455	(271,350)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	313,239	(506,868)
Comprehensive income attributable to non-controlling interests	280,216	235,518

Consolidated statements of changes in equity

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)
Purchase of treasury shares					–
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)
Purchase of treasury shares						–
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

Fiscal year ended March 31, 2023

(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	17,676,048	(4,587)	19,767,361
Changes during period					
Dividends of surplus			(115,103)		(115,103)
Profit (loss) attributable to owners of parent			(718,766)		(718,766)
Purchase of treasury shares				(3,700,016)	(3,700,016)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(833,870)	(3,700,016)	(4,533,887)
Balance at end of period	1,317,600	778,300	16,842,178	(3,704,603)	15,233,474

	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	571,101	931,966	367,668	1,870,736	1,711,406	23,349,504
Changes during period						
Dividends of surplus						(115,103)
Profit (loss) attributable to owners of parent						(718,766)
Purchase of treasury shares						(3,700,016)
Net changes in items other than shareholders' equity	6,337	439,351	(233,790)	211,898	121,817	333,715
Total changes during period	6,337	439,351	(233,790)	211,898	121,817	(4,200,171)
Balance at end of period	577,438	1,371,318	133,877	2,082,634	1,833,223	19,149,332

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	51,517	(100,617)
Depreciation	1,133,262	1,292,062
Commission for purchase of treasury shares	–	198,510
Increase (decrease) in provisions	8,091	465,121
Increase (decrease) in retirement benefit liability	(52,109)	(122,843)
Decrease (increase) in retirement benefit asset	(78,423)	78,423
Interest and dividend income	(139,757)	(144,818)
Interest expenses	12,323	15,834
Foreign exchange losses (gains)	8,897	976
Loss on retirement of non-current assets	48,978	27,104
Decrease (increase) in trade receivables	54,399	1,906,405
Decrease (increase) in inventories	(851,973)	(407,125)
Decrease (increase) in dies for sales	354	(238,638)
Increase (decrease) in trade payables	(310,849)	424,640
Increase (decrease) in accrued expenses	(162,699)	235,090
Increase (decrease) in accrued consumption taxes	(15,923)	73,766
Other, net	175,352	(43,051)
Subtotal	(118,560)	3,660,840
Interest and dividends received	151,297	144,875
Interest paid	(12,323)	(15,834)
Income taxes refund (paid)	(201,256)	(286,689)
Net cash provided by (used in) operating activities	(180,843)	3,503,192
Cash flows from investing activities		
Payments into time deposits	(31,200)	(18,000)
Proceeds from withdrawal of time deposits	728,000	200,686
Purchase of property, plant and equipment	(1,648,259)	(1,015,751)
Proceeds from sale of property, plant and equipment	8,635	330
Purchase of intangible assets	(18,711)	(33,019)
Purchase of investment securities	(30,420)	(43,208)
Other, net	553	165
Net cash provided by (used in) investing activities	(991,401)	(908,798)
Cash flows from financing activities		
Dividends paid	(223,012)	(115,103)
Dividends paid to non-controlling interests	(306,682)	(113,701)
Repayments of lease liabilities	(92,641)	(33,881)
Purchase of treasury shares	–	(3,722,988)
Net cash provided by (used in) financing activities	(622,336)	(3,985,675)
Effect of exchange rate change on cash and cash equivalents	284,739	118,270
Net increase (decrease) in cash and cash equivalents	(1,509,842)	(1,273,010)
Cash and cash equivalents at beginning of period	7,997,119	6,487,277
Cash and cash equivalents at end of period	6,487,277	5,214,267