

Translation

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

May 9, 2023

Company name: C.I. TAKIRON Corporation
 Stock exchange listing: Tokyo
 Stock code: 4215 URL: <https://www.takiron-ci.co.jp/>
 Representative: Representative Director President Yuji Fukuda
 General Manager Finance & Accounting Dept. Shuji Kondo TEL 03-6711-3714
 Scheduled date of ordinary general meeting of shareholders: June 28, 2023
 Scheduled date to file Securities Report: June 28, 2023
 Scheduled date to commence dividend payments: June 29, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(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	145,725	2.7	5,791	(33.1)	5,923	(34.8)	2,460	(63.1)
Year ended March 31, 2022	141,936	5.6	8,651	1.6	9,084	3.1	6,660	24.9

Note: Comprehensive income Year ended March 31, 2023 ¥3,454 million [(51.5)%]
 Year ended March 31, 2022 ¥7,127 million [(9.2)%]

	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	25.30	–	2.7	4.0	4.0
Year ended March 31, 2022	68.47	–	7.6	6.3	6.1

Reference: Share of profit (loss) of entities accounted for using equity method Year ended March 31, 2023 ¥(53) million
 Year ended March 31, 2022 ¥– million

(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	149,274	92,658	61.1	937.34
As of March 31, 2022	147,061	92,055	61.4	928.28

Reference: Equity As of March 31, 2023 ¥91,186 million
 As of March 31, 2022 ¥90,243 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 end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	5,729	(6,787)	(1,262)	5,603
Year ended March 31, 2022	11,942	(7,516)	(3,166)	7,790

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	–	11.00	–	16.00	27.00	2,631	39.5	2.9
Year ended March 31, 2023	–	11.00	–	4.00	15.00	1,462	59.5	1.6
Year ending March 31, 2024 (Forecast)	–	11.00	–	11.00	22.00		42.9	

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	154,000	5.7	7,800	34.7	8,000	35.1	5,000	103.2	51.41

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: 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, 2023	97,553,655 shares	As of March 31, 2022	97,500,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	271,516 shares	As of March 31, 2022	284,271 shares
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Average number of shares during the period

Year ended March 31, 2023	97,255,529 shares	Year ended March 31, 2022	97,277,626 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	7,790	5,603
Notes and accounts receivable - trade, and contract assets	35,534	33,295
Electronically recorded monetary claims - operating	11,584	13,637
Merchandise and finished goods	14,056	16,561
Work in process	3,237	3,540
Raw materials and supplies	6,591	8,024
Deposits paid	14,008	16,141
Other	1,625	1,330
Allowance for doubtful accounts	(23)	(40)
Total current assets	94,403	98,095
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,870	14,352
Machinery, equipment and vehicles, net	9,781	9,347
Land	12,914	12,609
Leased assets, net	234	240
Construction in progress	1,243	997
Other, net	2,350	2,486
Total property, plant and equipment	41,394	40,033
Intangible assets	2,485	2,755
Investments and other assets		
Investment securities	3,166	3,036
Deferred tax assets	3,026	2,238
Retirement benefit asset	36	458
Other	2,550	2,658
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	8,777	8,389
Total non-current assets	52,657	51,178
Total assets	147,061	149,274

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,789	25,240
Electronically recorded obligations - operating	5,402	5,964
Short-term borrowings	3,914	5,939
Lease liabilities	199	204
Income taxes payable	983	797
Accrued consumption taxes	389	284
Provision for bonuses	2,260	1,810
Provision for bonuses for directors (and other officers)	211	181
Notes payable - facilities	592	477
Other	4,984	5,333
Total current liabilities	44,728	46,233
Non-current liabilities		
Lease liabilities	1,434	1,426
Deferred tax liabilities	706	682
Provision for product warranties	394	699
Provision for share awards	75	95
Retirement benefit liability	5,749	5,576
Asset retirement obligations	158	158
Other	1,757	1,743
Total non-current liabilities	10,277	10,382
Total liabilities	55,005	56,615
Net assets		
Shareholders' equity		
Share capital	15,189	15,204
Capital surplus	30,981	31,034
Retained earnings	43,175	43,003
Treasury shares	(178)	(170)
Total shareholders' equity	89,167	89,071
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	76	94
Deferred gains or losses on hedges	(12)	(10)
Foreign currency translation adjustment	625	1,380
Remeasurements of defined benefit plans	387	650
Total accumulated other comprehensive income	1,076	2,114
Non-controlling interests	1,811	1,471
Total net assets	92,055	92,658
Total liabilities and net assets	147,061	149,274

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	141,936	145,725
Cost of sales	102,113	108,415
Gross profit	39,822	37,310
Selling, general and administrative expenses	31,171	31,518
Operating profit	8,651	5,791
Non-operating income		
Interest income	33	25
Dividend income	102	110
Rental income	152	141
Subsidy income	68	66
Other	384	263
Total non-operating income	741	608
Non-operating expenses		
Interest expenses	51	139
Rental costs	78	73
Share of loss of entities accounted for using equity method	–	53
Foreign exchange losses	21	58
Other	156	151
Total non-operating expenses	307	476
Ordinary profit	9,084	5,923
Extraordinary income		
Gain on sale of non-current assets	57	5
Gain on sale of investment securities	107	81
Gain on sale of golf club membership	–	5
Gain on revision of retirement benefit plan	–	131
Gain on sale of businesses	58	–
Gain on liquidation of subsidiaries and associates	–	185
Total extraordinary income	223	409
Extraordinary losses		
Loss on disposal of non-current assets	64	146
Impairment losses	358	1,345
Loss on sale of investment securities	–	6
Loss on valuation of golf club membership	–	7
Loss on liquidation of business	65	–
Loss on termination of retirement benefit plan	51	–
Provision for product warranties	206	294
Loss on COVID-19	–	140
Total extraordinary losses	747	1,939
Profit before income taxes	8,560	4,393
Income taxes - current	1,927	1,511
Income taxes - deferred	(158)	589
Total income taxes	1,769	2,100
Profit	6,791	2,292
Profit attributable to non-controlling interests	130	(167)
Profit attributable to owners of parent	6,660	2,460

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	6,791	2,292
Other comprehensive income		
Valuation difference on available-for-sale securities	(422)	18
Deferred gains or losses on hedges	(12)	2
Foreign currency translation adjustment	904	878
Remeasurements of defined benefit plans, net of tax	(134)	262
Total other comprehensive income	335	1,161
Comprehensive income	7,127	3,454
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,870	3,499
Comprehensive income attributable to non-controlling interests	256	(44)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,189	30,981	38,757	(86)	84,840
Changes during period					
Issuance of new shares					
Dividends of surplus			(2,242)		(2,242)
Profit attributable to owners of parent			6,660		6,660
Purchase of treasury shares				(134)	(134)
Disposal of treasury shares		0		43	43
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					-
Total changes during period	-	0	4,418	(91)	4,326
Balance at end of period	15,189	30,981	43,175	(178)	89,167

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	499	(0)	(157)	524	866	1,660	87,367
Changes during period							
Issuance of new shares							
Dividends of surplus							(2,242)
Profit attributable to owners of parent							6,660
Purchase of treasury shares							(134)
Disposal of treasury shares							43
Change in ownership interest of parent due to transactions with non-controlling interests							
Net changes in items other than shareholders' equity	(422)	(12)	782	(137)	209	151	361
Total changes during period	(422)	(12)	782	(137)	209	151	4,688
Balance at end of period	76	(12)	625	387	1,076	1,811	92,055

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	15,189	30,981	43,175	(178)	89,167
Changes during period					
Issuance of new shares	15	15			30
Dividends of surplus			(2,632)		(2,632)
Profit attributable to owners of parent			2,460		2,460
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				9	9
Change in ownership interest of parent due to transactions with non-controlling interests		37			37
Net changes in items other than shareholders' equity					
Total changes during period	15	52	(172)	8	(95)
Balance at end of period	15,204	31,034	43,003	(170)	89,071

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	76	(12)	625	387	1,076	1,811	92,055
Changes during period							
Issuance of new shares							30
Dividends of surplus							(2,632)
Profit attributable to owners of parent							2,460
Purchase of treasury shares							(0)
Disposal of treasury shares							9
Change in ownership interest of parent due to transactions with non-controlling interests							37
Net changes in items other than shareholders' equity	18	2	755	263	1,038	(340)	698
Total changes during period	18	2	755	263	1,038	(340)	602
Balance at end of period	94	(10)	1,380	650	2,114	1,471	92,658

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	8,560	4,393
Depreciation	5,244	5,434
Impairment losses	358	1,345
Increase (decrease) in retirement benefit liability	(111)	193
Increase (decrease) in provision for bonuses	84	(450)
Loss (gain) on sale of investment securities	(107)	(75)
Share of loss (profit) of entities accounted for using equity method	–	53
Loss (gain) on disposal of non-current assets	7	140
Interest and dividend income	(136)	(136)
Interest expenses	51	139
Decrease (increase) in trade receivables and contract assets	(724)	466
Decrease (increase) in inventories	(1,030)	(3,967)
Increase (decrease) in trade payables	2,533	(118)
Increase (decrease) in accrued consumption taxes	(779)	(105)
Increase (decrease) in deposits received	(581)	19
Loss (gain) on liquidation of subsidiaries and associates	–	(185)
Loss (gain) on sale of businesses	(58)	–
Increase (decrease) in provision for product warranties	199	305
Other, net	(1,029)	(414)
Subtotal	12,480	7,037
Interest and dividends received	136	136
Interest paid	(60)	(140)
Income taxes refund (paid)	(614)	(1,304)
Net cash provided by (used in) operating activities	11,942	5,729
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,977)	(3,704)
Proceeds from sale of property, plant and equipment	66	18
Purchase of intangible assets	(561)	(1,066)
Purchase of investment securities	(121)	(292)
Proceeds from sale of investment securities	566	480
Proceeds from sale of businesses	72	–
Proceeds from collection of short-term loans receivable	899	–
Decrease (increase) in deposits paid	(4,110)	(2,133)
Proceeds from the liquidation of subsidiaries and associates	–	185
Other, net	(351)	(274)
Net cash provided by (used in) investing activities	(7,516)	(6,787)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(425)	1,717
Repayments of lease liabilities	(126)	(89)
Repayments of long-term borrowings	(161)	–
Purchase of treasury shares	(106)	(0)
Dividends paid	(2,242)	(2,632)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(165)
Dividends paid to non-controlling interests	(105)	(92)
Net cash provided by (used in) financing activities	(3,166)	(1,262)
Effect of exchange rate change on cash and cash equivalents	136	132
Net increase (decrease) in cash and cash equivalents	1,394	(2,186)
Cash and cash equivalents at beginning of period	6,712	7,790
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(317)	–
Cash and cash equivalents at end of period	7,790	5,603