

Translation

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

May 15, 2023

Company name: Titan Kogyo, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4098 URL <http://www.titankogyo.co.jp>
 Representative: President Yasuo Inoue
 Inquiries: Director Atsushi Nishida TEL 0836-31-4155
 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: Yes
 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	8,070	(1.0)	385	3.3	341	18.5	322	21.7
Year ended March 31, 2022	8,149	29.7	373	–	287	–	265	–

	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	109.05	–	5.0	2.1	4.8
Year ended March 31, 2022	88.14	–	4.3	1.8	4.6

(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	16,756	7,099	39.9	2,254.19
As of March 31, 2022	16,372	6,737	38.7	2,132.33

(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	(204)	(180)	216	382
Year ended March 31, 2022	687	(3,453)	2,740	551

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	–	0.00	–	18.00	18.00	53	20.4	0.9
Year ended March 31, 2023	–	0.00	–	20.00	20.00	59	18.3	0.9
Year ending March 31, 2024 (Forecast)	–	0.00	–	20.00	20.00		39.5	

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
Six months ending September 30, 2023	4,300	10.4	50	(76.9)	40	(78.4)	10	(93.7)	3.38
Full year	9,800	21.4	300	(22.1)	270	(20.8)	150	(53.6)	50.64

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	3,027,626 shares	As of March 31, 2022	3,027,626 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	65,272 shares	As of March 31, 2022	56,793 shares
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Average number of shares during the period

Year ended March 31, 2023	2,961,348 shares	Year ended March 31, 2022	3,010,855 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	561	402
Notes and accounts receivable - trade	1,529	1,463
Electronically recorded monetary claims - operating	798	439
Merchandise and finished goods	2,631	3,277
Work in process	873	1,158
Raw materials and supplies	577	1,106
Other	23	28
Total current assets	6,996	7,875
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,604	3,426
Machinery, equipment and vehicles, net	4,349	3,851
Land	231	231
Construction in progress	10	9
Other, net	141	111
Total property, plant and equipment	8,338	7,630
Intangible assets	18	12
Investments and other assets		
Investment securities	826	945
Deferred tax assets	50	164
Other	144	129
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	1,020	1,237
Total non-current assets	9,376	8,881
Total assets	16,372	16,756

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	699	660
Electronically recorded obligations - operating	285	295
Short-term borrowings	2,350	3,150
Current portion of long-term borrowings	506	552
Income taxes payable	67	31
Provision for bonuses	162	162
Provision for business restructuring	–	35
Asset retirement obligations	–	14
Other	710	460
Total current liabilities	4,783	5,363
Non-current liabilities		
Long-term borrowings	4,264	3,711
Retirement benefit liability	584	578
Asset retirement obligations	3	4
Total non-current liabilities	4,852	4,293
Total liabilities	9,635	9,656
Net assets		
Shareholders' equity		
Share capital	3,443	3,443
Capital surplus	402	402
Retained earnings	2,287	2,556
Treasury shares	(101)	(117)
Total shareholders' equity	6,031	6,284
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	251	333
Foreign currency translation adjustment	99	102
Remeasurements of defined benefit plans	(48)	(43)
Total accumulated other comprehensive income	303	393
Non-controlling interests	402	422
Total net assets	6,737	7,099
Total liabilities and net assets	16,372	16,756

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	8,149	8,070
Cost of sales	6,675	6,620
Gross profit	1,474	1,450
Selling, general and administrative expenses	1,101	1,064
Operating profit	373	385
Non-operating income		
Interest income	0	0
Dividend income	16	25
Share of profit of entities accounted for using equity method	3	–
Insurance claim income	–	23
Subsidies for employment adjustment	8	8
Other	11	9
Total non-operating income	40	67
Non-operating expenses		
Interest expenses	46	43
Share of loss of entities accounted for using equity method	–	1
Loss on suspension of production	10	33
Loss on disaster	–	20
Other	70	12
Total non-operating expenses	126	112
Ordinary profit	287	341
Extraordinary income		
Gain on sale of non-current assets	–	4
Gain on sale of investment securities	2	–
Total extraordinary income	2	4
Extraordinary losses		
Loss on retirement of non-current assets	6	18
Impairment losses	–	52
Business restructuring expenses	–	35
Total extraordinary losses	6	106
Profit before income taxes	283	239
Income taxes - current	44	33
Income taxes - deferred	(46)	(137)
Total income taxes	(2)	(103)
Profit	286	342
Profit attributable to non-controlling interests	20	19
Profit attributable to owners of parent	265	322

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	286	342
Other comprehensive income		
Valuation difference on available-for-sale securities	38	82
Remeasurements of defined benefit plans, net of tax	22	4
Share of other comprehensive income of entities accounted for using equity method	46	3
Total other comprehensive income	108	89
Comprehensive income	394	432
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	373	412
Comprehensive income attributable to non-controlling interests	20	19

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	3,443	402	2,053	(32)	5,866
Changes during period					
Dividends of surplus			(30)		(30)
Profit (loss) attributable to owners of parent			265		265
Purchase of treasury shares				(76)	(76)
Disposal of treasury shares		(0)		7	6
Transfer of loss on disposal of treasury shares		0	(0)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	234	(69)	165
Balance at end of period	3,443	402	2,287	(101)	6,031

	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	213	52	(71)	194	381	6,442
Changes during period						
Dividends of surplus						(30)
Profit (loss) attributable to owners of parent						265
Purchase of treasury shares						(76)
Disposal of treasury shares						6
Transfer of loss on disposal of treasury shares						–
Net changes in items other than shareholders' equity	38	46	22	108	20	129
Total changes during period	38	46	22	108	20	294
Balance at end of period	251	99	(48)	303	402	6,737

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	3,443	402	2,287	(101)	6,031
Changes during period					
Dividends of surplus			(53)		(53)
Profit (loss) attributable to owners of parent			322		322
Purchase of treasury shares				(23)	(23)
Disposal of treasury shares		(0)		7	7
Transfer of loss on disposal of treasury shares		0	(0)		-
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	268	(15)	253
Balance at end of period	3,443	402	2,556	(117)	6,284

	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	251	99	(48)	303	402	6,737
Changes during period						
Dividends of surplus						(53)
Profit (loss) attributable to owners of parent						322
Purchase of treasury shares						(23)
Disposal of treasury shares						7
Transfer of loss on disposal of treasury shares						-
Net changes in items other than shareholders' equity	82	3	4	89	19	109
Total changes during period	82	3	4	89	19	362
Balance at end of period	333	102	(43)	393	422	7,099

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	283	239
Depreciation	853	857
Impairment losses	–	52
Increase (decrease) in retirement benefit liability	(35)	(10)
Retirement benefit expenses	23	(3)
Increase (decrease) in provision for bonuses	0	(0)
Increase (decrease) in provision for business restructuring	–	35
Interest and dividend income	(16)	(26)
Interest expenses	46	43
Share of loss (profit) of entities accounted for using equity method	(3)	1
Loss (gain) on sale of investment securities	(2)	–
Decrease (increase) in trade receivables	(612)	426
Decrease (increase) in inventories	(719)	(1,459)
Increase (decrease) in trade payables	567	(213)
Other, net	318	(65)
Subtotal	702	(122)
Interest and dividends received	35	26
Interest paid	(42)	(44)
Income taxes paid	(8)	(64)
Net cash provided by (used in) operating activities	687	(204)
Cash flows from investing activities		
Payments into time deposits	(10)	(20)
Proceeds from withdrawal of time deposits	10	10
Purchase of property, plant and equipment	(3,452)	(185)
Proceeds from sale of property, plant and equipment	–	13
Purchase of investment securities	(0)	–
Proceeds from sale of investment securities	5	–
Proceeds from collection of loans receivable	1	2
Other, net	(6)	–
Net cash provided by (used in) investing activities	(3,453)	(180)
Cash flows from financing activities		
Proceeds from short-term borrowings	–	800
Repayments of short-term borrowings	(300)	–
Proceeds from long-term borrowings	3,600	–
Repayments of long-term borrowings	(452)	(506)
Purchase of treasury shares	(76)	(23)
Dividends paid	(30)	(53)
Net cash provided by (used in) financing activities	2,740	216
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	(25)	(168)
Cash and cash equivalents at beginning of period	576	551
Cash and cash equivalents at end of period	551	382