

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 10, 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 to file Quarterly Securities Report: August 10, 2023  
 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	1,931	(13.8)	(39)	–	(37)	–	(26)	–
Three months ended June 30, 2022	2,239	18.8	185	28.4	190	94.7	136	125.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	(8.95)		–	
Three months ended June 30, 2022	45.97		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	16,554	7,104	40.4
As of March 31, 2023	16,756	7,099	39.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	0.00	–	20.00	20.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	20.00	20.00

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 three months ended June 30, 2023  
 (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: No
- 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 June 30, 2023	3,027,626 shares	As of March 31, 2023	3,027,626 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	65,278 shares	As of March 31, 2023	65,272 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	2,962,349 shares	Three months ended June 30, 2022	2,960,247 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	402	596
Notes and accounts receivable - trade	1,463	1,322
Electronically recorded monetary claims - operating	439	283
Merchandise and finished goods	3,277	3,335
Work in process	1,158	1,149
Raw materials and supplies	1,106	1,037
Other	28	37
Total current assets	7,875	7,762
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,426	3,386
Machinery, equipment and vehicles, net	3,851	3,713
Other, net	352	347
Total property, plant and equipment	7,630	7,447
Intangible assets	12	11
Investments and other assets		
Other	1,238	1,333
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	1,237	1,332
Total non-current assets	8,881	8,791
Total assets	16,756	16,554

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	660	694
Electronically recorded obligations - operating	295	271
Short-term borrowings	3,150	3,250
Current portion of long-term borrowings	552	505
Income taxes payable	31	10
Provision for bonuses	162	49
Provision for business restructuring	35	34
Asset retirement obligations	14	14
Other	460	472
Total current liabilities	5,363	5,301
Non-current liabilities		
Long-term borrowings	3,711	3,569
Retirement benefit liability	578	573
Asset retirement obligations	4	4
Total non-current liabilities	4,293	4,147
Total liabilities	9,656	9,449
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,443	3,443
Capital surplus	402	402
Retained earnings	2,556	2,470
Treasury shares	(117)	(117)
Total shareholders' equity	6,284	6,198
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	333	410
Foreign currency translation adjustment	102	112
Remeasurements of defined benefit plans	(43)	(40)
Total accumulated other comprehensive income	393	482
Non-controlling interests	422	422
Total net assets	7,099	7,104
Total liabilities and net assets	16,756	16,554

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	2,239	1,931
Cost of sales	1,785	1,700
Gross profit	454	230
Selling, general and administrative expenses	268	270
Operating profit (loss)	185	(39)
Non-operating income		
Interest income	0	0
Dividend income	15	13
Share of profit of entities accounted for using equity method	1	0
Other	2	3
Total non-operating income	19	17
Non-operating expenses		
Interest expenses	10	10
Other	3	3
Total non-operating expenses	14	14
Ordinary profit (loss)	190	(37)
Profit (loss) before income taxes	190	(37)
Income taxes - current	5	0
Income taxes - deferred	37	(11)
Total income taxes	43	(11)
Profit (loss)	147	(25)
Profit attributable to non-controlling interests	10	0
Profit (loss) attributable to owners of parent	136	(26)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	147	(25)
Other comprehensive income		
Valuation difference on available-for-sale securities	21	76
Remeasurements of defined benefit plans, net of tax	4	2
Share of other comprehensive income of entities accounted for using equity method	21	10
Total other comprehensive income	48	89
Comprehensive income	195	63
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	184	63
Comprehensive income attributable to non-controlling interests	10	0