

Translation

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

November 2, 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 Shuji Kondo  
 Inquiries: Dept. TEL 03-6711-3714  
 Scheduled date to file Quarterly Securities Report: November 10, 2023  
 Scheduled date to commence dividend payments: December 5, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	67,943	(6.3)	2,393	(22.5)	2,588	(22.0)	1,888	1.4
Six months ended September 30, 2022	72,515	3.0	3,090	(35.5)	3,318	(33.6)	1,862	(46.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	19.41	—
Six months ended September 30, 2022	19.16	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	151,916	95,041	61.6	960.72
As of March 31, 2023	149,274	92,658	61.1	937.34

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	—	11.00	—	4.00	15.00
Year ending March 31, 2024	—	11.00			
Year ending March 31, 2024 (Forecast)			—	11.00	22.00

### 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
Full year	146,000	0.2	6,200	7.1	6,300	6.4	5,000	103.2	51.37

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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: Yes
- (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 September 30, 2023	97,597,530 shares	As of March 31, 2023	97,553,655 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	234,876 shares	As of March 31, 2023	271,516 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	97,306,770 shares	Six months ended September 30, 2022	97,233,564 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	5,603	6,868
Notes and accounts receivable - trade, and contract assets	33,295	30,844
Electronically recorded monetary claims - operating	13,637	15,618
Merchandise and finished goods	16,561	16,963
Work in process	3,540	4,065
Raw materials and supplies	8,024	7,526
Deposits paid	16,141	17,825
Other	1,330	1,487
Allowance for doubtful accounts	(40)	(20)
<b>Total current assets</b>	<b>98,095</b>	<b>101,179</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	14,352	14,338
Machinery, equipment and vehicles, net	9,347	9,743
Land	12,609	12,622
Construction in progress	997	963
Other, net	2,726	2,788
<b>Total property, plant and equipment</b>	<b>40,033</b>	<b>40,457</b>
Intangible assets	2,755	2,939
<b>Investments and other assets</b>		
Investment securities	3,036	1,460
Deferred tax assets	2,238	2,536
Other	3,116	3,347
Allowance for doubtful accounts	(2)	(4)
<b>Total investments and other assets</b>	<b>8,389</b>	<b>7,340</b>
<b>Total non-current assets</b>	<b>51,178</b>	<b>50,737</b>
<b>Total assets</b>	<b>149,274</b>	<b>151,916</b>

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,240	23,768
Electronically recorded obligations - operating	5,964	6,379
Short-term borrowings	5,939	5,931
Income taxes payable	797	1,612
Provision for bonuses	1,810	1,942
Other	6,479	6,658
Total current liabilities	46,233	46,291
Non-current liabilities		
Deferred tax liabilities	682	743
Retirement benefit liability	5,576	5,724
Asset retirement obligations	158	159
Provision for product warranties	699	673
Other	3,264	3,283
Total non-current liabilities	10,382	10,583
Total liabilities	56,615	56,875
<b>Net assets</b>		
Shareholders' equity		
Share capital	15,204	15,216
Capital surplus	31,034	31,046
Retained earnings	43,003	44,501
Treasury shares	(170)	(146)
Total shareholders' equity	89,071	90,618
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	94	180
Deferred gains or losses on hedges	(10)	0
Foreign currency translation adjustment	1,380	2,131
Remeasurements of defined benefit plans	650	606
Total accumulated other comprehensive income	2,114	2,919
Non-controlling interests	1,471	1,503
Total net assets	92,658	95,041
Total liabilities and net assets	149,274	151,916

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	72,515	67,943
Cost of sales	53,296	50,144
Gross profit	19,218	17,799
Selling, general and administrative expenses	16,127	15,405
Operating profit	3,090	2,393
Non-operating income		
Dividend income	65	57
Share of profit of entities accounted for using equity method	–	36
Rental income	70	70
Other	212	285
Total non-operating income	348	450
Non-operating expenses		
Interest expenses	31	143
Rental costs	37	38
Other	51	73
Total non-operating expenses	120	255
Ordinary profit	3,318	2,588
Extraordinary income		
Gain on sale of non-current assets	4	1
Gain on sale of investment securities	–	302
Gain on sale of golf club membership	–	14
Gain on termination of retirement benefit plan	131	–
Gain on liquidation of subsidiaries and associates	185	–
Total extraordinary income	321	318
Extraordinary losses		
Loss on disposal of non-current assets	63	11
Loss on sale of investment securities	–	0
Loss on valuation of investment securities	–	50
Provision for product warranties	391	–
Loss on COVID-19	140	–
Total extraordinary losses	596	61
Profit before income taxes	3,044	2,845
Income taxes	1,136	1,055
Profit	1,907	1,789
Profit(loss)attributable to non-controlling interests	45	(98)
Profit attributable to owners of parent	1,862	1,888

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,907	1,789
Other comprehensive income		
Valuation difference on available-for-sale securities	(150)	86
Deferred gains or losses on hedges	69	10
Foreign currency translation adjustment	1,551	885
Remeasurements of defined benefit plans, net of tax	(77)	(46)
Total other comprehensive income	1,392	936
Comprehensive income	3,300	2,725
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,015	2,692
Comprehensive income attributable to non-controlling interests	284	33

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,044	2,845
Depreciation	2,607	2,634
Increase (decrease) in retirement benefit liability	(207)	112
Increase (decrease) in provision for bonuses	(78)	131
Loss (gain) on sale of investment securities	–	(302)
Loss (gain) on valuation of investment securities	–	50
Share of loss (profit) of entities accounted for using equity method	–	(36)
Loss (gain) on disposal of non-current assets	59	10
Interest and dividend income	(79)	(70)
Interest expenses	31	143
Decrease (increase) in trade receivables	1,314	707
Decrease (increase) in inventories	(3,633)	157
Increase (decrease) in trade payables	2,230	(1,195)
Increase (decrease) in accrued consumption taxes	(72)	430
Increase (decrease) in deposits received	(9)	91
Loss (gain) on liquidation of subsidiaries and associates	(185)	–
Increase (decrease) in provision for product warranties	367	(26)
Other, net	(317)	(509)
Subtotal	5,072	5,176
Interest and dividends received	79	70
Interest paid	(33)	(147)
Income taxes refund (paid)	(671)	(516)
Net cash provided by (used in) operating activities	4,446	4,582
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,614)	(1,990)
Proceeds from sale of property, plant and equipment	4	56
Purchase of intangible assets	(487)	(593)
Purchase of investment securities	(8)	(10)
Proceeds from sale of investment securities	–	1,761
Decrease (increase) in deposits paid	(3,107)	(1,683)
Proceeds from the liquidation of subsidiaries and associates	185	–
Other, net	(225)	68
Net cash provided by (used in) investing activities	(5,253)	(2,392)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,155	(603)
Repayments of lease liabilities	(28)	(80)
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,559)	(390)
Dividends paid to non-controlling interests	(92)	(1)
Net cash provided by (used in) financing activities	(525)	(1,076)
Effect of exchange rate change on cash and cash equivalents	248	150
Net increase (decrease) in cash and cash equivalents	(1,083)	1,264
Cash and cash equivalents at beginning of period	7,790	5,603
Cash and cash equivalents at end of period	6,706	6,868