

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 4, 2022

Company name: C.I. TAKIRON Corporation
 Stock exchange listing: Tokyo
 Stock code: 4215 URL <https://www.takiron-ci.co.jp/>
 Representative: Representative Director President Kazuya Saito
 General Manager Finance & Accounting
 Inquiries: Shuji Kondo TEL 03-6711-3714
 Dept.
 Scheduled date to file Quarterly Securities Report: August 9, 2022
 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, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	35,312	(1.5)	1,445	(51.3)	1,570	(49.1)	768	(64.5)
Three months ended June 30, 2021	35,852	12.9	2,966	61.9	3,084	61.3	2,165	84.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	7.90	–
Three months ended June 30, 2021	22.24	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	149,344	92,061	60.4	928.03
As of March 31, 2022	147,061	92,055	61.4	928.28

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, 2022	–	11.00	–	16.00	27.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		11.00	–	11.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	150,000	5.7	8,200	(5.2)	8,400	(7.5)	5,400	(18.9)	55.55

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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 June 30, 2022	97,500,000 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 June 30, 2022	284,271 shares	As of March 31, 2022	284,271 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, 2022	97,215,729 shares	Three months ended June 30, 2021	97,369,654 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	7,790	7,987
Notes and accounts receivable - trade, and contract assets	35,534	34,069
Electronically recorded monetary claims - operating	11,584	12,691
Merchandise and finished goods	14,056	14,767
Work in process	3,237	3,659
Raw materials and supplies	6,591	7,733
Deposits paid	14,008	13,734
Other	1,625	1,989
Allowance for doubtful accounts	(23)	(66)
Total current assets	94,403	96,567
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,870	14,993
Machinery, equipment and vehicles, net	9,781	10,100
Land	12,914	12,925
Construction in progress	1,243	1,159
Other, net	2,584	2,677
Total property, plant and equipment	41,394	41,856
Intangible assets	2,485	2,479
Investments and other assets		
Investment securities	3,166	2,983
Deferred tax assets	3,026	2,961
Other	2,586	2,499
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	8,777	8,440
Total non-current assets	52,657	52,776
Total assets	147,061	149,344

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,789	27,417
Electronically recorded obligations - operating	5,402	6,117
Short-term borrowings	3,914	3,899
Income taxes payable	983	479
Provision for bonuses	2,260	1,143
Other	6,377	7,672
Total current liabilities	44,728	46,730
Non-current liabilities		
Deferred tax liabilities	706	750
Retirement benefit liability	5,749	5,555
Asset retirement obligations	158	158
Provision for product warranties	394	762
Other	3,267	3,324
Total non-current liabilities	10,277	10,552
Total liabilities	55,005	57,282
Net assets		
Shareholders' equity		
Share capital	15,189	15,189
Capital surplus	30,981	30,981
Retained earnings	43,175	42,384
Treasury shares	(178)	(178)
Total shareholders' equity	89,167	88,376
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	76	(59)
Deferred gains or losses on hedges	(12)	23
Foreign currency translation adjustment	625	1,559
Remeasurements of defined benefit plans	387	319
Total accumulated other comprehensive income	1,076	1,842
Non-controlling interests	1,811	1,843
Total net assets	92,055	92,061
Total liabilities and net assets	147,061	149,344

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, 2021	Three months ended June 30, 2022
Net sales	35,852	35,312
Cost of sales	25,003	25,784
Gross profit	10,848	9,528
Selling, general and administrative expenses	7,882	8,082
Operating profit	2,966	1,445
Non-operating income		
Dividend income	58	56
Rental income	39	34
Other	88	89
Total non-operating income	186	181
Non-operating expenses		
Interest expenses	11	8
Rental costs	20	18
Other	35	29
Total non-operating expenses	67	56
Ordinary profit	3,084	1,570
Extraordinary income		
Gain on sale of non-current assets	53	0
Gain on termination of retirement benefit plan	–	131
Gain on liquidation of subsidiaries and associates	–	185
Total extraordinary income	53	317
Extraordinary losses		
Loss on disposal of non-current assets	5	25
Provision for product warranties	–	391
Loss on COVID-19	–	138
Total extraordinary losses	5	555
Profit before income taxes	3,132	1,332
Income taxes	898	592
Profit	2,233	740
Profit (loss) attributable to non-controlling interests	68	(27)
Profit attributable to owners of parent	2,165	768

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	2,233	740
Other comprehensive income		
Valuation difference on available-for-sale securities	(75)	(135)
Deferred gains or losses on hedges	(0)	36
Foreign currency translation adjustment	52	1,085
Remeasurements of defined benefit plans, net of tax	(14)	(68)
Total other comprehensive income	(38)	917
Comprehensive income	2,195	1,658
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,127	1,534
Comprehensive income attributable to non-controlling interests	67	123