

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 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: November 11, 2022  
 Scheduled date to commence dividend payments: December 5, 2022  
 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, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	72,515	3.0	3,090	(35.5)	3,318	(33.6)	1,862	(46.5)
Six months ended September 30, 2021	70,417	9.7	4,792	30.4	4,998	32.1	3,480	66.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	19.16		-	
Six months ended September 30, 2021	35.76		-	

#### (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, 2022	153,196	93,738	59.9	943.03
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				
Year ended March 31, 2022	-	11.00	-	16.00	27.00
Year ending March 31, 2023	-	11.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	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)	55.53

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2022	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 September 30, 2022	277,416 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)

Six months ended September 30, 2022	97,233,564 shares	Six months ended September 30, 2021	97,330,681 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,790	6,706
Notes and accounts receivable - trade, and contract assets	35,534	33,603
Electronically recorded monetary claims - operating	11,584	12,697
Merchandise and finished goods	14,056	16,018
Work in process	3,237	3,759
Raw materials and supplies	6,591	8,402
Deposits paid	14,008	17,115
Other	1,625	1,645
Allowance for doubtful accounts	(23)	(66)
<b>Total current assets</b>	<b>94,403</b>	<b>99,881</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	14,870	15,143
Machinery, equipment and vehicles, net	9,781	10,696
Land	12,914	12,932
Construction in progress	1,243	542
Other, net	2,584	2,812
<b>Total property, plant and equipment</b>	<b>41,394</b>	<b>42,126</b>
Intangible assets	2,485	2,614
<b>Investments and other assets</b>		
Investment securities	3,166	2,963
Deferred tax assets	3,026	2,883
Other	2,586	2,728
Allowance for doubtful accounts	(2)	(2)
<b>Total investments and other assets</b>	<b>8,777</b>	<b>8,573</b>
<b>Total non-current assets</b>	<b>52,657</b>	<b>53,314</b>
<b>Total assets</b>	<b>147,061</b>	<b>153,196</b>

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,789	27,773
Electronically recorded obligations - operating	5,402	5,883
Short-term borrowings	3,914	5,660
Income taxes payable	983	795
Provision for bonuses	2,260	2,182
Other	6,377	6,523
Total current liabilities	44,728	48,818
Non-current liabilities		
Deferred tax liabilities	706	788
Retirement benefit liability	5,749	5,601
Asset retirement obligations	158	158
Provision for product warranties	394	762
Other	3,267	3,327
Total non-current liabilities	10,277	10,638
Total liabilities	55,005	59,457
<b>Net assets</b>		
Shareholders' equity		
Share capital	15,189	15,204
Capital surplus	30,981	30,996
Retained earnings	43,175	43,478
Treasury shares	(178)	(173)
Total shareholders' equity	89,167	89,505
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	76	(73)
Deferred gains or losses on hedges	(12)	56
Foreign currency translation adjustment	625	1,936
Remeasurements of defined benefit plans	387	309
Total accumulated other comprehensive income	1,076	2,229
Non-controlling interests	1,811	2,004
Total net assets	92,055	93,738
Total liabilities and net assets	147,061	153,196

## 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, 2021	Six months ended September 30, 2022
Net sales	70,417	72,515
Cost of sales	49,994	53,296
Gross profit	20,423	19,218
Selling, general and administrative expenses	15,630	16,127
Operating profit	4,792	3,090
Non-operating income		
Dividend income	61	65
Rental income	78	70
Other	208	212
Total non-operating income	348	348
Non-operating expenses		
Interest expenses	31	31
Rental costs	41	37
Other	69	51
Total non-operating expenses	142	120
Ordinary profit	4,998	3,318
Extraordinary income		
Gain on sale of non-current assets	53	4
Gain on sale of investment securities	92	–
Gain on termination of retirement benefit plan	–	131
Gain on liquidation of subsidiaries and associates	–	185
Total extraordinary income	146	321
Extraordinary losses		
Loss on disposal of non-current assets	14	63
Provision for product warranties	–	391
Loss on COVID-19	–	140
Total extraordinary losses	14	596
Profit before income taxes	5,131	3,044
Income taxes	1,529	1,136
Profit	3,601	1,907
Profit attributable to non-controlling interests	121	45
Profit attributable to owners of parent	3,480	1,862

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

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	3,601	1,907
Other comprehensive income		
Valuation difference on available-for-sale securities	(55)	(150)
Deferred gains or losses on hedges	0	69
Foreign currency translation adjustment	124	1,551
Remeasurements of defined benefit plans, net of tax	(29)	(77)
Total other comprehensive income	39	1,392
Comprehensive income	3,640	3,300
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,505	3,015
Comprehensive income attributable to non-controlling interests	135	284

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	5,131	3,044
Depreciation	2,552	2,607
Increase (decrease) in retirement benefit liability	(239)	(207)
Increase (decrease) in provision for bonuses	54	(78)
Loss (gain) on sale of investment securities	(92)	–
Loss (gain) on disposal of non-current assets	(39)	59
Interest and dividend income	(76)	(79)
Interest expenses	31	31
Decrease (increase) in trade receivables	1,843	1,314
Decrease (increase) in inventories	(782)	(3,633)
Increase (decrease) in trade payables	1,459	2,230
Increase (decrease) in accrued consumption taxes	(884)	(72)
Increase (decrease) in deposits received	(616)	(9)
Loss (gain) on liquidation of subsidiaries and associates	–	(185)
Increase (decrease) in provision for product warranties	–	367
Other, net	(1,685)	(317)
Subtotal	6,654	5,072
Interest and dividends received	76	79
Interest paid	(43)	(33)
Income taxes refund (paid)	222	(671)
Net cash provided by (used in) operating activities	6,910	4,446
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,100)	(1,614)
Proceeds from sale of property, plant and equipment	61	4
Purchase of intangible assets	(214)	(487)
Purchase of investment securities	(9)	(8)
Proceeds from sale of investment securities	435	–
Proceeds from collection of short-term loans receivable	840	–
Decrease (increase) in deposits paid	(3,543)	(3,107)
Proceeds from the liquidation of subsidiaries and associates	–	185
Other, net	(292)	(225)
Net cash provided by (used in) investing activities	(4,822)	(5,253)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	733	1,155
Repayments of lease liabilities	(80)	(28)
Repayments of long-term borrowings	(161)	–
Purchase of treasury shares	(106)	(0)
Dividends paid	(1,169)	(1,559)
Dividends paid to non-controlling interests	(105)	(92)
Net cash provided by (used in) financing activities	(890)	(525)
Effect of exchange rate change on cash and cash equivalents	36	248
Net increase (decrease) in cash and cash equivalents	1,234	(1,083)
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	7,630	6,706