

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 10, 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 of ordinary general meeting of shareholders: June 28, 2022  
 Scheduled date to file Securities Report: June 28, 2022  
 Scheduled date to commence dividend payments: June 29, 2022  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	141,936	5.6	8,651	1.6	9,084	3.1	6,660	24.9
Year ended March 31, 2021	134,470	(3.6)	8,511	15.4	8,807	15.7	5,332	(59.3)

	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, 2022	68.47	–	7.6	6.3	6.1
Year ended March 31, 2021	54.77	–	6.4	6.1	6.3

(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, 2022	147,061	92,055	61.4	928.28
As of March 31, 2021	142,743	87,367	60.0	880.28

(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, 2022	11,942	(7,516)	(3,166)	7,790
Year ended March 31, 2021	4,365	(2,191)	(4,292)	6,712

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, 2021	–	10.00	–	12.00	22.00	2,144	40.2	2.5
Year ended March 31, 2022	–	11.00	–	16.00	27.00	2,631	39.5	2.9
Year ending March 31, 2023 (Forecast)	–	11.00	–	11.00	22.00		39.7	

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 year ended March 31, 2022

(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: Yes

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, 2022	97,500,000 shares	As of March 31, 2021	97,500,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	284,271 shares	As of March 31, 2021	135,887 shares
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Average number of shares during the period

Year ended March 31, 2022	97,277,626 shares	Year ended March 31, 2021	97,360,573 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	6,712	7,790
Notes and accounts receivable - trade	37,092	–
Notes and accounts receivable - trade, and contract assets	–	35,534
Electronically recorded monetary claims - operating	9,093	11,584
Merchandise and finished goods	13,337	14,056
Work in process	3,694	3,237
Raw materials and supplies	5,800	6,591
Deposits paid	9,897	14,008
Other	2,994	1,625
Allowance for doubtful accounts	(38)	(23)
Total current assets	88,584	94,403
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,235	14,870
Machinery, equipment and vehicles, net	10,248	9,781
Land	12,904	12,914
Leased assets, net	247	234
Construction in progress	873	1,243
Other, net	2,437	2,350
Total property, plant and equipment	41,947	41,394
Intangible assets	2,661	2,485
Investments and other assets		
Investment securities	4,052	3,166
Deferred tax assets	2,776	3,026
Retirement benefit asset	24	36
Other	2,699	2,550
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	9,550	8,777
Total non-current assets	54,158	52,657
Total assets	142,743	147,061

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	24,392	25,789
Electronically recorded obligations - operating	4,120	5,402
Short-term borrowings	4,034	3,914
Lease liabilities	285	199
Income taxes payable	978	983
Accrued consumption taxes	1,202	389
Provision for bonuses	2,178	2,260
Provision for bonuses for directors (and other officers)	180	211
Notes payable - facilities	207	592
Other	7,258	4,984
Total current liabilities	44,839	44,728
Non-current liabilities		
Long-term borrowings	404	–
Lease liabilities	1,478	1,434
Deferred tax liabilities	762	706
Provision for product warranties	195	394
Provision for share awards	60	75
Retirement benefit liability	5,758	5,749
Asset retirement obligations	158	158
Other	1,717	1,757
Total non-current liabilities	10,535	10,277
Total liabilities	55,375	55,005
<b>Net assets</b>		
Shareholders' equity		
Share capital	15,189	15,189
Capital surplus	30,981	30,981
Retained earnings	38,757	43,175
Treasury shares	(86)	(178)
Total shareholders' equity	84,840	89,167
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	499	76
Deferred gains or losses on hedges	(0)	(12)
Foreign currency translation adjustment	(157)	625
Remeasurements of defined benefit plans	524	387
Total accumulated other comprehensive income	866	1,076
Non-controlling interests	1,660	1,811
Total net assets	87,367	92,055
Total liabilities and net assets	142,743	147,061

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	134,470	141,936
Cost of sales	95,456	102,113
Gross profit	39,013	39,822
Selling, general and administrative expenses	30,502	31,171
Operating profit	8,511	8,651
Non-operating income		
Interest income	23	33
Dividend income	109	102
Rental income	146	152
Subsidy income	68	68
Other	330	384
Total non-operating income	679	741
Non-operating expenses		
Interest expenses	59	51
Sales discounts	55	–
Rental costs	89	78
Foreign exchange losses	28	21
Other	150	156
Total non-operating expenses	382	307
Ordinary profit	8,807	9,084
Extraordinary income		
Gain on sale of non-current assets	9	57
Gain on sale of investment securities	305	107
Gain on sale of businesses	–	58
Total extraordinary income	315	223
Extraordinary losses		
Loss on disposal of non-current assets	86	64
Impairment losses	469	358
Loss on sale of investment securities	1	–
Loss on valuation of investment securities	363	–
Loss on valuation of golf club membership	0	–
Loss on liquidation of business	305	65
Loss on termination of retirement benefit plan	–	51
Provision for product warranties	195	206
Total extraordinary losses	1,422	747
Profit before income taxes	7,700	8,560
Income taxes - current	1,841	1,927
Income taxes - deferred	348	(158)
Total income taxes	2,189	1,769
Profit	5,510	6,791
Profit attributable to non-controlling interests	178	130
Profit attributable to owners of parent	5,332	6,660

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	5,510	6,791
Other comprehensive income		
Valuation difference on available-for-sale securities	1,030	(422)
Deferred gains or losses on hedges	3	(12)
Foreign currency translation adjustment	401	904
Remeasurements of defined benefit plans, net of tax	900	(134)
Total other comprehensive income	2,335	335
Comprehensive income	7,846	7,127
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,645	6,870
Comprehensive income attributable to non-controlling interests	200	256

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,189	30,981	36,738	(100)	82,808
Changes during period					
Dividends of surplus			(3,314)		(3,314)
Profit attributable to owners of parent			5,332		5,332
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				13	13
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	2,018	13	2,032
Balance at end of period	15,189	30,981	38,757	(86)	84,840

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(530)	(3)	(536)	(376)	(1,446)	1,478	82,840
Changes during period							
Dividends of surplus							(3,314)
Profit attributable to owners of parent							5,332
Purchase of treasury shares							(0)
Disposal of treasury shares							13
Net changes in items other than shareholders' equity	1,029	3	379	901	2,312	181	2,494
Total changes during period	1,029	3	379	901	2,312	181	4,526
Balance at end of period	499	(0)	(157)	524	866	1,660	87,367

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	15,189	30,981	38,757	(86)	84,840
Changes during period					
Dividends of surplus			(2,242)		(2,242)
Profit attributable to owners of parent			6,660		6,660
Purchase of treasury shares				(134)	(134)
Disposal of treasury shares		0		43	43
Net changes in items other than shareholders' equity					–
Total changes during period	–	0	4,418	(91)	4,326
Balance at end of period	15,189	30,981	43,175	(178)	89,167

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	499	(0)	(157)	524	866	1,660	87,367
Changes during period							
Dividends of surplus							(2,242)
Profit attributable to owners of parent							6,660
Purchase of treasury shares							(134)
Disposal of treasury shares							43
Net changes in items other than shareholders' equity	(422)	(12)	782	(137)	209	151	361
Total changes during period	(422)	(12)	782	(137)	209	151	4,688
Balance at end of period	76	(12)	625	387	1,076	1,811	92,055



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	7,700	8,560
Depreciation	5,378	5,244
Impairment losses	469	358
Increase (decrease) in retirement benefit liability	(2,201)	(111)
Increase (decrease) in provision for bonuses	(36)	84
Loss (gain) on sale of investment securities	(303)	(107)
Loss (gain) on valuation of investment securities	363	–
Loss (gain) on disposal of non-current assets	76	7
Interest and dividend income	(133)	(136)
Interest expenses	59	51
Decrease (increase) in trade receivables	(834)	–
Decrease (increase) in trade receivables and contract assets	–	(724)
Decrease (increase) in inventories	(12)	(1,030)
Increase (decrease) in trade payables	(1,415)	2,533
Increase (decrease) in accrued consumption taxes	518	(779)
Increase (decrease) in deposits received	524	(581)
Loss (gain) on sale of businesses	–	(58)
Increase (decrease) in provision for product warranties	195	199
Other, net	1,444	(1,029)
Subtotal	11,793	12,480
Interest and dividends received	133	136
Interest paid	(48)	(60)
Income taxes refund (paid)	(7,512)	(614)
Net cash provided by (used in) operating activities	4,365	11,942
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,817)	(3,977)
Proceeds from sale of property, plant and equipment	18	66
Purchase of intangible assets	(427)	(561)
Purchase of investment securities	(13)	(121)
Proceeds from sale of investment securities	551	566
Proceeds from sale of businesses	–	72
Proceeds from collection of short-term loans receivable	–	899
Decrease (increase) in deposits paid	2,322	(4,110)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	25	–
Other, net	149	(351)
Net cash provided by (used in) investing activities	(2,191)	(7,516)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,108)	(425)
Proceeds from long-term borrowings	375	–
Repayments of lease liabilities	(198)	(126)
Repayments of long-term borrowings	–	(161)
Purchase of treasury shares	(0)	(106)
Dividends paid	(3,314)	(2,242)
Dividends paid to non-controlling interests	(46)	(105)
Net cash provided by (used in) financing activities	(4,292)	(3,166)
Effect of exchange rate change on cash and cash equivalents	83	136
Net increase (decrease) in cash and cash equivalents	(2,034)	1,394
Cash and cash equivalents at beginning of period	8,746	6,712
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	–	(317)
Cash and cash equivalents at end of period	6,712	7,790