

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

November 14, 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: November 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(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	3,546	(9.0)	(277)	–	(277)	–	(192)	–
Six months ended September 30, 2022	3,895	3.7	216	(3.1)	184	18.3	159	34.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	(64.84)		–	
Six months ended September 30, 2022	53.71		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	16,444	6,971	39.9
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	–	0.00			
Year ending March 31, 2024 (Forecast)			–	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
Full year	8,250	2.2	10	(97.4)	60	(82.4)	60	(81.4)	20.24

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: 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 September 30, 2023	3,027,626 shares	As of March 31, 2023	3,027,626 shares
--------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2023	60,181 shares	As of March 31, 2023	65,272 shares
--------------------------	---------------	----------------------	---------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	2,964,473 shares	Six months ended September 30, 2022	2,960,272 shares
-------------------------------------	------------------	-------------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	402	569
Notes and accounts receivable - trade	1,463	1,357
Electronically recorded monetary claims - operating	439	220
Merchandise and finished goods	3,277	3,173
Work in process	1,158	1,306
Raw materials and supplies	1,106	995
Other	28	48
Total current assets	7,875	7,670
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,426	3,345
Machinery, equipment and vehicles, net	3,851	3,653
Other, net	352	335
Total property, plant and equipment	7,630	7,334
Intangible assets	12	10
Investments and other assets		
Other	1,238	1,431
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	1,237	1,429
Total non-current assets	8,881	8,774
Total assets	16,756	16,444

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	660	489
Electronically recorded obligations - operating	295	308
Short-term borrowings	3,150	3,300
Current portion of long-term borrowings	552	579
Income taxes payable	31	20
Provision for bonuses	162	159
Provision for business restructuring	35	34
Asset retirement obligations	14	13
Other	460	639
Total current liabilities	5,363	5,544
Non-current liabilities		
Long-term borrowings	3,711	3,397
Retirement benefit liability	578	527
Asset retirement obligations	4	4
Total non-current liabilities	4,293	3,928
Total liabilities	9,656	9,473
Net assets		
Shareholders' equity		
Share capital	3,443	3,443
Capital surplus	402	402
Retained earnings	2,556	2,302
Treasury shares	(117)	(108)
Total shareholders' equity	6,284	6,040
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	333	433
Foreign currency translation adjustment	102	122
Remeasurements of defined benefit plans	(43)	(37)
Total accumulated other comprehensive income	393	518
Non-controlling interests	422	412
Total net assets	7,099	6,971
Total liabilities and net assets	16,756	16,444

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	3,895	3,546
Cost of sales	3,145	3,263
Gross profit	749	282
Selling, general and administrative expenses	533	559
Operating profit (loss)	216	(277)
Non-operating income		
Interest income	0	0
Dividend income	15	13
Share of profit of entities accounted for using equity method	–	5
Subsidies for employment adjustment	7	–
Other	3	8
Total non-operating income	26	27
Non-operating expenses		
Interest expenses	21	21
Share of loss of entities accounted for using equity method	4	–
Loss on suspension of production	25	–
Other	5	6
Total non-operating expenses	57	28
Ordinary profit (loss)	184	(277)
Extraordinary income		
Gain on sale of non-current assets	4	–
Total extraordinary income	4	–
Extraordinary losses		
Loss on retirement of non-current assets	8	1
Total extraordinary losses	8	1
Profit (loss) before income taxes	180	(279)
Income taxes - current	42	2
Income taxes - deferred	7	(79)
Total income taxes	49	(77)
Profit (loss)	131	(201)
Loss attributable to non-controlling interests	(27)	(9)
Profit (loss) attributable to owners of parent	159	(192)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit (loss)	131	(201)
Other comprehensive income		
Valuation difference on available-for-sale securities	35	99
Remeasurements of defined benefit plans, net of tax	9	5
Share of other comprehensive income of entities accounted for using equity method	21	20
Total other comprehensive income	66	125
Comprehensive income	198	(76)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	225	(66)
Comprehensive income attributable to non-controlling interests	(27)	(9)