

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 8, 2024

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
 Inquiries: Shuji Kondo TEL 03-6711-3714
 Dept.
 Scheduled date of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	137,581	(5.6)	6,228	7.5	6,501	9.8	5,102	107.4
Year ended March 31, 2023	145,725	2.7	5,791	(33.1)	5,923	(34.8)	2,460	(63.1)

	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, 2024	52.42	—	5.4	4.3	4.5
Year ended March 31, 2023	25.30	—	2.7	4.0	4.0

(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, 2024	156,194	97,046	61.9	993.32
As of March 31, 2023	149,274	92,658	61.1	937.34

(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, 2024	9,309	(6,277)	(2,346)	6,661
Year ended March 31, 2023	5,729	(6,787)	(1,262)	5,603

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, 2023	—	11.00	—	4.00	15.00	1,462	59.5	1.6
Year ended March 31, 2024	—	11.00	—	11.00	22.00	2,146	42.1	2.2
Year ending March 31, 2025 (Forecast)	—	12.00	—	12.00	24.00		41.8	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	145,000	5.4	7,600	22.0	7,600	16.9	5,600	9.7	57.53

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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:

No

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, 2024	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 March 31, 2024	235,111 shares	As of March 31, 2023	271,516 shares
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Average number of shares during the period

Year ended March 31, 2024	97,332,515 shares	Year ended March 31, 2023	97,255,529 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	5,603	6,661
Notes and accounts receivable - trade, and contract assets	33,295	32,215
Electronically recorded monetary claims - operating	13,637	16,284
Merchandise and finished goods	16,561	16,793
Work in process	3,540	3,747
Raw materials and supplies	8,024	6,663
Deposits paid	16,141	19,552
Other	1,330	2,030
Allowance for doubtful accounts	(40)	(24)
Total current assets	98,095	103,921
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,352	13,133
Machinery, equipment and vehicles, net	9,347	9,579
Land	12,609	12,681
Leased assets, net	240	193
Construction in progress	997	1,155
Other, net	2,486	2,643
Total property, plant and equipment	40,033	39,386
Intangible assets	2,755	3,083
Investments and other assets		
Investment securities	3,036	2,058
Deferred tax assets	2,238	2,644
Retirement benefit asset	458	2,196
Other	2,658	2,914
Allowance for doubtful accounts	(2)	(11)
Total investments and other assets	8,389	9,802
Total non-current assets	51,178	52,272
Total assets	149,274	156,194

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,240	23,104
Electronically recorded obligations - operating	5,964	5,457
Short-term borrowings	5,939	6,978
Lease liabilities	204	196
Income taxes payable	797	2,638
Accrued consumption taxes	284	1,020
Provision for bonuses	1,810	2,162
Provision for bonuses for directors (and other officers)	181	237
Notes payable - facilities	477	366
Other	5,333	5,941
Total current liabilities	46,233	48,105
Non-current liabilities		
Lease liabilities	1,426	1,425
Deferred tax liabilities	682	820
Provision for product warranties	699	632
Provision for share awards	95	93
Retirement benefit liability	5,576	5,879
Asset retirement obligations	158	159
Other	1,743	2,031
Total non-current liabilities	10,382	11,042
Total liabilities	56,615	59,147
Net assets		
Shareholders' equity		
Share capital	15,204	15,216
Capital surplus	31,034	31,072
Retained earnings	43,003	46,642
Treasury shares	(170)	(146)
Total shareholders' equity	89,071	92,785
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	94	466
Deferred gains or losses on hedges	(10)	(3)
Foreign currency translation adjustment	1,380	1,790
Remeasurements of defined benefit plans	650	1,673
Total accumulated other comprehensive income	2,114	3,926
Non-controlling interests	1,471	334
Total net assets	92,658	97,046
Total liabilities and net assets	149,274	156,194

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	145,725	137,581
Cost of sales	108,415	100,456
Gross profit	37,310	37,125
Selling, general and administrative expenses	31,518	30,896
Operating profit	5,791	6,228
Non-operating income		
Interest income	25	51
Dividend income	110	74
Share of profit of entities accounted for using equity method	—	46
Rental income	141	141
Subsidy income	66	—
Other	263	477
Total non-operating income	608	790
Non-operating expenses		
Interest expenses	139	298
Rental costs	73	75
Share of loss of entities accounted for using equity method	53	—
Foreign exchange losses	58	23
Other	151	119
Total non-operating expenses	476	517
Ordinary profit	5,923	6,501
Extraordinary income		
Gain on sale of non-current assets	5	5
Gain on bargain purchase	—	517
Gain on sale of investment securities	81	319
Gain on sale of shares of subsidiaries and associates	—	41
Gain on sale of golf club membership	5	14
Gain on revision of retirement benefit plan	131	—
Gain on liquidation of subsidiaries and associates	185	—
Total extraordinary income	409	899
Extraordinary losses		
Loss on disposal of non-current assets	146	49
Impairment losses	1,345	20
Loss on sale of investment securities	6	0
Loss on valuation of investment securities	—	50
Loss on valuation of golf club membership	7	—
Loss on liquidation of business	—	492
Provision for product warranties	294	—
Loss on COVID-19	140	—
Total extraordinary losses	1,939	613
Profit before income taxes	4,393	6,787
Income taxes - current	1,511	3,091
Income taxes - deferred	589	(1,245)
Total income taxes	2,100	1,845
Profit	2,292	4,941
Profit attributable to non-controlling interests	(167)	(160)
Profit attributable to owners of parent	2,460	5,102

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	2,292	4,941
Other comprehensive income		
Valuation difference on available-for-sale securities	18	372
Deferred gains or losses on hedges	2	7
Foreign currency translation adjustment	878	549
Remeasurements of defined benefit plans, net of tax	262	1,020
Total other comprehensive income	1,161	1,950
Comprehensive income	3,454	6,892
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,499	6,913
Comprehensive income attributable to non-controlling interests	(44)	(21)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(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	43,175	(178)	89,167
Changes during period					
Issuance of new shares	15	15			30
Dividends of surplus			(2,632)		(2,632)
Profit attributable to owners of parent			2,460		2,460
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				9	9
Change in ownership interest of parent due to transactions with non-controlling interests		37			37
Net changes in items other than shareholders' equity					
Total changes during period	15	52	(172)	8	(95)
Balance at end of period	15,204	31,034	43,003	(170)	89,071

	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	76	(12)	625	387	1,076	1,811	92,055
Changes during period							
Issuance of new shares							30
Dividends of surplus							(2,632)
Profit attributable to owners of parent							2,460
Purchase of treasury shares							(0)
Disposal of treasury shares							9
Change in ownership interest of parent due to transactions with non-controlling interests							37
Net changes in items other than shareholders' equity	18	2	755	263	1,038	(340)	698
Total changes during period	18	2	755	263	1,038	(340)	602
Balance at end of period	94	(10)	1,380	650	2,114	1,471	92,658

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,204	31,034	43,003	(170)	89,071
Changes during period					
Issuance of new shares	12	12			25
Dividends of surplus			(1,463)		(1,463)
Profit attributable to owners of parent			5,102		5,102
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				23	23
Change in ownership interest of parent due to transactions with non-controlling interests		25			25
Net changes in items other than shareholders' equity					
Total changes during period	12	38	3,639	23	3,713
Balance at end of period	15,216	31,072	46,642	(146)	92,785

	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	94	(10)	1,380	650	2,114	1,471	92,658
Changes during period							
Issuance of new shares							25
Dividends of surplus							(1,463)
Profit attributable to owners of parent							5,102
Purchase of treasury shares							(0)
Disposal of treasury shares							23
Change in ownership interest of parent due to transactions with non-controlling interests							25
Net changes in items other than shareholders' equity	371	7	409	1,022	1,811	(1,136)	674
Total changes during period	371	7	409	1,022	1,811	(1,136)	4,388
Balance at end of period	466	(3)	1,790	1,673	3,926	334	97,046

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,393	6,787
Depreciation	5,434	5,524
Loss on liquidation of business	—	492
Impairment losses	1,345	20
Increase (decrease) in retirement benefit liability	193	199
Increase (decrease) in provision for bonuses	(450)	346
Loss (gain) on sale of investment securities	(75)	(319)
Loss (gain) on valuation of investment securities	—	50
Share of loss (profit) of entities accounted for using equity method	53	(46)
Loss (gain) on disposal of non-current assets	140	44
Gain on bargain purchase	—	(517)
Interest and dividend income	(136)	(125)
Interest expenses	139	298
Decrease (increase) in accounts receivable - trade, and contract assets	466	(1,560)
Decrease (increase) in inventories	(3,967)	1,420
Increase (decrease) in trade payables	(118)	(2,807)
Increase (decrease) in accrued consumption taxes	(105)	736
Increase (decrease) in deposits received	19	126
Loss (gain) on sale of shares of subsidiaries and associates	—	(41)
Loss (gain) on liquidation of subsidiaries and associates	(185)	—
Increase (decrease) in provision for product warranties	305	(67)
Other, net	(414)	452
Subtotal	7,037	11,013
Interest and dividends received	136	125
Interest paid	(140)	(299)
Payment amount of business consolidation loss	—	(394)
Income taxes refund (paid)	(1,304)	(1,135)
Net cash provided by (used in) operating activities	5,729	9,309
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,704)	(3,779)
Proceeds from sale of property, plant and equipment	18	61
Purchase of intangible assets	(1,066)	(1,234)
Purchase of investment securities	(292)	(14)
Proceeds from sale of investment securities	480	1,867
Decrease (increase) in deposits paid	(2,133)	(3,410)
Proceeds from the liquidation of subsidiaries and associates	185	—
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	8
Other, net	(274)	224
Net cash provided by (used in) investing activities	(6,787)	(6,277)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,717	391
Repayments of lease liabilities	(89)	(171)
Purchase of treasury shares	(0)	0
Dividends paid	(2,632)	(1,463)
Purchase of treasury shares of subsidiaries	–	(1,102)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(165)	–
Dividends paid to non-controlling interests	(92)	(1)
Net cash provided by (used in) financing activities	(1,262)	(2,346)
Effect of exchange rate change on cash and cash equivalents	132	217
Net increase (decrease) in cash and cash equivalents	(2,186)	902
Cash and cash equivalents at beginning of period	7,790	5,603
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	–	(240)
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	395
Cash and cash equivalents at end of period	5,603	6,661