

Translation

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

May 13, 2022

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 of ordinary general meeting of shareholders: June 29, 2022  
 Scheduled date to file Securities Report: June 29, 2022  
 Scheduled date to commence dividend payments: June 30, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(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	8,149	29.7	373	–	287	–	265	–
Year ended March 31, 2021	6,284	(28.3)	(64)	–	(150)	–	(178)	–

	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	88.14	–	4.3	1.8	4.6
Year ended March 31, 2021	(59.31)	–	(2.9)	(1.1)	(1.0)

#### (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, 2022	16,372	6,737	38.7	2,132.33
As of March 31, 2021	15,704	6,442	38.6	2,012.64

#### (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	687	(3,453)	2,740	551
Year ended March 31, 2021	(149)	(770)	597	576

### 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	–	0.00	–	10.00	10.00	30	–	0.5
Year ended March 31, 2022	–	0.00	–	18.00	18.00	53	20.4	0.9
Year ending March 31, 2023 (Forecast)	–	0.00	–	20.00	20.00		19.7	

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
Six months ending September 30, 2022	4,170	11.0	240	7.5	230	47.2	140	18.2	47.33
Full year	9,400	15.3	510	36.7	480	66.8	300	13.1	101.42

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	3,027,626 shares	As of March 31, 2021	3,027,626 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	56,793 shares	As of March 31, 2021	16,163 shares
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Average number of shares during the period

Year ended March 31, 2022	3,010,855 shares	Year ended March 31, 2021	3,010,014 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	586	561
Notes and accounts receivable - trade	1,081	1,529
Electronically recorded monetary claims - operating	634	798
Merchandise and finished goods	2,167	2,631
Work in process	701	873
Raw materials and supplies	493	577
Other	241	23
Total current assets	5,907	6,996
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,781	3,604
Machinery, equipment and vehicles, net	4,686	4,349
Land	231	231
Construction in progress	6	10
Other, net	191	141
Total property, plant and equipment	8,897	8,338
Intangible assets	15	18
Investments and other assets		
Investment securities	721	826
Deferred tax assets	21	50
Other	142	144
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	883	1,020
Total non-current assets	9,797	9,376
Total assets	15,704	16,372

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	469	699
Electronically recorded obligations - operating	150	285
Short-term borrowings	2,650	2,350
Current portion of long-term borrowings	452	506
Income taxes payable	23	67
Provision for bonuses	161	162
Other	3,559	710
Total current liabilities	7,467	4,783
Non-current liabilities		
Long-term borrowings	1,171	4,264
Retirement benefit liability	619	584
Asset retirement obligations	3	3
Total non-current liabilities	1,794	4,852
Total liabilities	9,262	9,635
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,443	3,443
Capital surplus	402	402
Retained earnings	2,053	2,287
Treasury shares	(32)	(101)
Total shareholders' equity	5,866	6,031
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	213	251
Foreign currency translation adjustment	52	99
Remeasurements of defined benefit plans	(71)	(48)
Total accumulated other comprehensive income	194	303
Non-controlling interests	381	402
Total net assets	6,442	6,737
Total liabilities and net assets	15,704	16,372

**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	6,284	8,149
Cost of sales	5,296	6,675
Gross profit	988	1,474
Selling, general and administrative expenses	1,052	1,101
Operating profit (loss)	(64)	373
Non-operating income		
Interest income	0	0
Dividend income	12	16
Share of profit of entities accounted for using equity method	12	3
Subsidies for employment adjustment	178	8
Other	44	11
Total non-operating income	248	40
Non-operating expenses		
Interest expenses	38	46
Commission for syndicated loans	–	50
Other	296	29
Total non-operating expenses	334	126
Ordinary profit (loss)	(150)	287
Extraordinary income		
Gain on sale of investment securities	–	2
Total extraordinary income	–	2
Extraordinary losses		
Loss on retirement of non-current assets	7	6
Total extraordinary losses	7	6
Profit (loss) before income taxes	(157)	283
Income taxes - current	3	44
Income taxes - deferred	0	(46)
Total income taxes	3	(2)
Profit (loss)	(161)	286
Profit attributable to non-controlling interests	16	20
Profit (loss) attributable to owners of parent	(178)	265

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit (loss)	(161)	286
Other comprehensive income		
Valuation difference on available-for-sale securities	68	38
Remeasurements of defined benefit plans, net of tax	29	22
Share of other comprehensive income of entities accounted for using equity method	30	46
Total other comprehensive income	128	108
Comprehensive income	(33)	394
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(49)	373
Comprehensive income attributable to non-controlling interests	16	20

## 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	3,443	402	2,323	(40)	6,128
Changes during period					
Dividends of surplus			(90)		(90)
Profit attributable to owners of parent			(178)		(178)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(1)		8	7
Transfer of loss on disposal of treasury shares		1	(1)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(269)	8	(261)
Balance at end of period	3,443	402	2,053	(32)	5,866

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	144	22	(100)	66	364	6,559
Changes during period						
Dividends of surplus						(90)
Profit attributable to owners of parent						(178)
Purchase of treasury shares						(0)
Disposal of treasury shares						7
Transfer of loss on disposal of treasury shares						–
Net changes in items other than shareholders' equity	68	30	29	128	16	145
Total changes during period	68	30	29	128	16	(116)
Balance at end of period	213	52	(71)	194	381	6,442

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	3,443	402	2,053	(32)	5,866
Changes during period					
Dividends of surplus			(30)		(30)
Profit attributable to owners of parent			265		265
Purchase of treasury shares				(76)	(76)
Disposal of treasury shares		(0)		7	6
Transfer of loss on disposal of treasury shares		0	(0)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	234	(69)	165
Balance at end of period	3,443	402	2,287	(101)	6,031

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	213	52	(71)	194	381	6,442
Changes during period						
Dividends of surplus						(30)
Profit attributable to owners of parent						265
Purchase of treasury shares						(76)
Disposal of treasury shares						6
Transfer of loss on disposal of treasury shares						-
Net changes in items other than shareholders' equity	38	46	22	108	20	129
Total changes during period	38	46	22	108	20	294
Balance at end of period	251	99	(48)	303	402	6,737



## 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 (loss) before income taxes	(157)	283
Depreciation	751	853
Increase (decrease) in retirement benefit liability	(60)	(35)
Retirement benefit expenses	23	23
Increase (decrease) in provision for bonuses	10	0
Interest and dividend income	(13)	(16)
Interest expenses	38	46
Share of loss (profit) of entities accounted for using equity method	(12)	(3)
Loss (gain) on sale of investment securities	–	(2)
Decrease (increase) in trade receivables	77	(612)
Decrease (increase) in inventories	(254)	(719)
Increase (decrease) in trade payables	(151)	567
Other, net	(330)	318
Subtotal	(79)	702
Interest and dividends received	13	35
Interest paid	(37)	(42)
Income taxes paid	(45)	(8)
Net cash provided by (used in) operating activities	(149)	687
Cash flows from investing activities		
Payments into time deposits	(10)	(10)
Proceeds from withdrawal of time deposits	10	10
Purchase of property, plant and equipment	(731)	(3,452)
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	–	5
Proceeds from collection of loans receivable	–	1
Other, net	(38)	(6)
Net cash provided by (used in) investing activities	(770)	(3,453)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,250	–
Repayments of short-term borrowings	–	(300)
Proceeds from long-term borrowings	–	3,600
Repayments of long-term borrowings	(559)	(452)
Purchase of treasury shares	(0)	(76)
Dividends paid	(90)	(30)
Other, net	(1)	–
Net cash provided by (used in) financing activities	597	2,740
Effect of exchange rate change on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	(322)	(25)
Cash and cash equivalents at beginning of period	898	576
Cash and cash equivalents at end of period	576	551