

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

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

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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 | % |
| Nine months ended December 31, 2022 | 5,770 | (0.4) | 251 | (16.8) | 215 | (6.4) | 168 | (11.4) |
| Nine months ended December 31, 2021 | 5,791 | 34.6 | 301 | – | 229 | – | 190 | – |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended December 31, 2022 | 56.89 | | – | |
| Nine months ended December 31, 2021 | 63.12 | | – | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of December 31, 2022 | 16,906 | 6,857 | 38.4 |
| As of March 31, 2022 | 16,372 | 6,737 | 38.7 |

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 | – | 0.00 | – | 18.00 | 18.00 |
| Year ending March 31, 2023 | – | 0.00 | – | | |
| Year ending March 31, 2023 (Forecast) | | | | 20.00 | 20.00 |

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 | 8,600 | 5.5 | 380 | 1.8 | 320 | 11.2 | 280 | 5.5 | 94.59 |

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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: 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 December 31, 2022 | 3,027,626 shares | As of March 31, 2022 | 3,027,626 shares |
|-------------------------|------------------|----------------------|------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|---------------|----------------------|---------------|
| As of December 31, 2022 | 65,165 shares | As of March 31, 2022 | 56,793 shares |
|-------------------------|---------------|----------------------|---------------|

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

| | | | |
|-------------------------------------|------------------|-------------------------------------|------------------|
| Nine months ended December 31, 2022 | 2,961,002 shares | Nine months ended December 31, 2021 | 3,013,331 shares |
|-------------------------------------|------------------|-------------------------------------|------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|---|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 561 | 615 |
| Notes and accounts receivable - trade | 1,529 | 1,267 |
| Electronically recorded monetary claims - operating | 798 | 414 |
| Merchandise and finished goods | 2,631 | 3,547 |
| Work in process | 873 | 1,071 |
| Raw materials and supplies | 577 | 1,019 |
| Other | 23 | 50 |
| Total current assets | 6,996 | 7,987 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 3,604 | 3,471 |
| Machinery, equipment and vehicles, net | 4,349 | 4,021 |
| Other, net | 383 | 378 |
| Total property, plant and equipment | 8,338 | 7,871 |
| Intangible assets | 18 | 14 |
| Investments and other assets | | |
| Other | 1,021 | 1,034 |
| Allowance for doubtful accounts | (1) | (1) |
| Total investments and other assets | 1,020 | 1,033 |
| Total non-current assets | 9,376 | 8,919 |
| Total assets | 16,372 | 16,906 |

(Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|---|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 699 | 771 |
| Electronically recorded obligations - operating | 285 | 260 |
| Short-term borrowings | 2,350 | 3,050 |
| Current portion of long-term borrowings | 506 | 580 |
| Income taxes payable | 67 | 9 |
| Provision for bonuses | 162 | 50 |
| Other | 710 | 845 |
| Total current liabilities | 4,783 | 5,567 |
| Non-current liabilities | | |
| Long-term borrowings | 4,264 | 3,855 |
| Retirement benefit liability | 584 | 566 |
| Asset retirement obligations | 3 | 4 |
| Other | – | 54 |
| Total non-current liabilities | 4,852 | 4,481 |
| Total liabilities | 9,635 | 10,048 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 3,443 | 3,443 |
| Capital surplus | 402 | 402 |
| Retained earnings | 2,287 | 2,401 |
| Treasury shares | (101) | (117) |
| Total shareholders' equity | 6,031 | 6,130 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 251 | 305 |
| Foreign currency translation adjustment | 99 | 94 |
| Remeasurements of defined benefit plans | (48) | (33) |
| Total accumulated other comprehensive income | 303 | 367 |
| Non-controlling interests | 402 | 360 |
| Total net assets | 6,737 | 6,857 |
| Total liabilities and net assets | 16,372 | 16,906 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|---|--|--|
| Net sales | 5,791 | 5,770 |
| Cost of sales | 4,666 | 4,729 |
| Gross profit | 1,124 | 1,040 |
| Selling, general and administrative expenses | 822 | 789 |
| Operating profit | 301 | 251 |
| Non-operating income | | |
| Interest income | 0 | 0 |
| Dividend income | 16 | 25 |
| Share of profit of entities accounted for using equity method | 3 | – |
| Subsidies for employment adjustment | 8 | 8 |
| Other | 10 | 6 |
| Total non-operating income | 38 | 40 |
| Non-operating expenses | | |
| Interest expenses | 35 | 33 |
| Share of loss of entities accounted for using equity method | – | 0 |
| Loss on suspension of production | 10 | 33 |
| Other | 65 | 9 |
| Total non-operating expenses | 110 | 77 |
| Ordinary profit | 229 | 215 |
| Extraordinary income | | |
| Gain on sale of non-current assets | – | 4 |
| Total extraordinary income | – | 4 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 0 | 8 |
| Total extraordinary losses | 0 | 8 |
| Profit before income taxes | 229 | 211 |
| Income taxes - current | 15 | 9 |
| Income taxes - deferred | 9 | 75 |
| Total income taxes | 25 | 84 |
| Profit | 203 | 126 |
| Profit (loss) attributable to non-controlling interests | 13 | (41) |
| Profit attributable to owners of parent | 190 | 168 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|--|--|--|
| Profit | 203 | 126 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (3) | 53 |
| Remeasurements of defined benefit plans, net of tax | 17 | 14 |
| Share of other comprehensive income of entities accounted for using equity method | 23 | (4) |
| Total other comprehensive income | 36 | 63 |
| Comprehensive income | 240 | 190 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 226 | 232 |
| Comprehensive income attributable to non-controlling interests | 13 | (41) |