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February 1, 2022

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (under Japanese GAAP)

Company name: **TAKARA STANDARD CO., LTD.**
 Stock listing: First Section of the Tokyo Stock Exchange
 Stock code: 7981
 URL: <https://www.takara-standard.co.jp/>
 Representative: Takeo Watanabe, President
 Inquiries: Kaoru Umeda, Executive Officer and General Manager of Accounting Department,
 Administration Division
 URL: https://forms.takara-standard.co.jp/webapp/form/22048_aqgb_6/index.do

Scheduled date to file quarterly securities report: February 10, 2022

Scheduled date to commence dividend payments: –

Preparation of supplementary material on quarterly financial results: None

Holding of quarterly financial results presentation meeting: None

(Million yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2021	160,760	11.7	13,551	49.4	13,965	47.4	9,256	46.5
December 31, 2020	143,918	–	9,071	(26.9)	9,473	(26.3)	6,316	(27.5)

Note: Comprehensive income
 Nine months ended December 31, 2021: ¥8,950 million [(0.8)%]
 Nine months ended December 31, 2020: ¥9,026 million [(5.4)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	126.56	–
December 31, 2020	86.37	–

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related standards from the beginning of the first quarter ended June 30, 2021, and the consolidated operating results for the nine months ended December 31, 2020 are retrospectively restated. However, in accordance with the transitional treatment, the percentage of year-on-year change of net sales for the nine months ended December 31, 2020, is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
December 31, 2021	274,425	181,554	66.2	2,482.36
March 31, 2021	258,652	175,310	67.8	2,396.98

Reference: Equity

As of December 31, 2021: ¥181,554 million

As of March 31, 2021: ¥175,310 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	17.00	–	17.00	34.00
Fiscal year ending March 31, 2022	–	20.00	–		
Fiscal year ending March 31, 2022 (Forecasts)				32.00	52.00

(Note) Revisions to the forecast of dividends most recently announced: Yes

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	202,300	5.8	14,000	27.7	14,400	26.4	9,400	23.9	128.52

(Note) Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None

(4) Number of issued shares (common stock)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2021	73,937,194 shares
As of March 31, 2021	73,937,194 shares

- b. Number of treasury shares at the end of the period

As of December 31, 2021	799,397 shares
As of March 31, 2021	799,397 shares

- c. Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	73,137,797 shares
Nine months ended December 31, 2020	73,138,162 shares

* **Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.**

* **Proper use of earnings forecasts, and other special matters**

Forward-looking statements provided in this document, including earnings forecasts, are based on the information currently available to the Company and certain assumptions considered reasonable. Such statements are included without any guarantee as to their future achievement. Actual business and other results may differ materially from the forecasts depending on various factors.

Quarterly Consolidated Financial Statements
(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	74,719	79,033
Notes and accounts receivable - trade	39,405	39,753
Electronically recorded monetary claims - operating	19,308	30,523
Merchandise and finished goods	8,744	9,441
Work in process	2,730	2,977
Raw materials and supplies	3,632	4,156
Other	261	1,241
Allowance for doubtful accounts	(16)	(20)
Total current assets	148,785	167,105
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,184	25,475
Land	39,558	38,516
Other, net	17,498	18,147
Total property, plant and equipment	83,240	82,140
Intangible assets	1,937	1,767
Investments and other assets		
Investment securities	16,816	15,878
Other	7,891	7,552
Allowance for doubtful accounts	(19)	(17)
Total investments and other assets	24,688	23,413
Total non-current assets	109,867	107,320
Total assets	258,652	274,425

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,116	18,905
Electronically recorded obligations - operating	20,620	27,516
Short-term borrowings	9,700	9,700
Income taxes payable	1,542	2,339
Other	13,979	14,189
Total current liabilities	62,958	72,651
Non-current liabilities		
Retirement benefit liability	18,524	18,443
Other	1,859	1,776
Total non-current liabilities	20,384	20,220
Total liabilities	83,342	92,871
Net assets		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,736	30,736
Retained earnings	114,296	120,977
Treasury shares	(934)	(934)
Total shareholders' equity	170,455	177,136
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,173	6,516
Deferred gains or losses on hedges	(3)	-
Revaluation reserve for land	613	482
Remeasurements of defined benefit plans	(2,928)	(2,581)
Total accumulated other comprehensive income	4,854	4,418
Total net assets	175,310	181,554
Total liabilities and net assets	258,652	274,425

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income
Quarterly consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	143,918	160,760
Cost of sales	91,624	102,067
Gross profit	52,294	58,693
Selling, general and administrative expenses	43,223	45,141
Operating profit	9,071	13,551
Non-operating income		
Interest income	2	2
Dividend income	399	423
Other	68	81
Total non-operating income	470	507
Non-operating expenses		
Interest expenses	47	45
Product safety costs	-	34
Other	19	13
Total non-operating expenses	67	93
Ordinary profit	9,473	13,965
Extraordinary income		
Gain on sale of non-current assets	23	132
Gain on sale of investment securities	-	11
Total extraordinary income	23	143
Extraordinary losses		
Loss on retirement of non-current assets	208	242
Loss on sale of non-current assets	32	355
Loss on valuation of investment securities	-	3
Impairment losses	88	107
Total extraordinary losses	330	708
Profit before income taxes	9,167	13,401
Income taxes	2,850	4,144
Profit	6,316	9,256
Profit attributable to owners of parent	6,316	9,256

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	6,316	9,256
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	2,385	(657)
Deferred gains or losses on hedges, net of tax	2	3
Remeasurements of defined benefit plans, net of tax	321	347
Total other comprehensive income	2,709	(306)
Comprehensive income	9,026	8,950
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,026	8,950
Comprehensive income attributable to non-controlling interests	—	—