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August 2, 2022

## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (under Japanese GAAP)

Company name: **TAKARA STANDARD CO., LTD.**  
 Stock listing: Tokyo Stock Exchange  
 Stock code: 7981  
 URL: <https://www.takara-standard.co.jp/>  
 Representative: Takeo Watanabe, President  
 Inquiries: Kaoru Umeda, Executive Officer in charge of Accounting Department, Administration Division  
 URL: [https://forms.takara-standard.co.jp/webapp/form/22048\\_aqgb\\_6/index.do](https://forms.takara-standard.co.jp/webapp/form/22048_aqgb_6/index.do)

Scheduled date to file quarterly securities report: August 9, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

#### (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	%
Three months ended								
June 30, 2022	54,354	9.0	3,224	(13.4)	3,498	(11.1)	2,289	(15.7)
June 30, 2021	49,856	13.6	3,724	178.4	3,936	156.3	2,717	168.7

Note: Comprehensive income  
 Three months ended June 30, 2022: ¥2,416 million [6.9%]  
 Three months ended June 30, 2021: ¥2,261 million [(3.2)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	31.30	–
June 30, 2021	37.15	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2022	280,497	181,491	64.7	2,481.51
March 31, 2022	276,838	181,415	65.5	2,480.47

Reference: Equity  
 As of June 30, 2022: ¥181,491 million                      As of March 31, 2022: ¥181,415 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, 2022	–	20.00	–	32.00	52.00
Fiscal year ending March 31, 2023	–				
Fiscal year ending March 31, 2023 (Forecasts)		26.00	–	26.00	52.00

(Note) Revisions to the forecast of dividends most recently announced: None

Breakdown of year-end dividend for the fiscal year ended March 31, 2022: Ordinary dividend of ¥26.00, and commemorative dividend of ¥6.00 (110th anniversary commemorative dividend)

## 3. Consolidated earnings forecasts for the fiscal 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		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2022	104,700	3.0	5,700	(26.1)	5,900	(26.1)	3,800	(30.0)	51.96
Full year	217,600	2.8	12,300	(14.8)	12,700	(14.5)	8,200	(24.8)	112.12

(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

- Changes in accounting policies due to revisions to accounting standards and other regulations: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- 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 June 30, 2022	73,937,194 shares
As of March 31, 2022	73,937,194 shares

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

As of June 30, 2022	799,517 shares
As of March 31, 2022	799,457 shares

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

Three months ended June 30, 2022	73,137,717 shares
Three months ended June 30, 2021	73,137,797 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, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	88,607	86,780
Notes receivable - trade	5,366	5,383
Accounts receivable - trade	30,392	33,814
Electronically recorded monetary claims - operating	27,490	26,753
Merchandise and finished goods	10,574	12,061
Work in process	3,045	3,527
Raw materials and supplies	4,642	5,034
Other	357	1,250
Allowance for doubtful accounts	(18)	(18)
Total current assets	170,456	174,586
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,104	24,745
Land	37,389	37,065
Other, net	19,957	20,480
Total property, plant and equipment	82,451	82,291
Intangible assets	1,700	1,575
Investments and other assets		
Investment securities	13,411	13,429
Other	8,827	8,622
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	22,230	22,043
Total non-current assets	106,382	105,910
Total assets	276,838	280,497

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,194	19,522
Electronically recorded obligations - operating	27,683	29,486
Short-term borrowings	9,700	9,700
Income taxes payable	3,204	1,038
Other	14,811	17,530
Total current liabilities	73,593	77,278
Non-current liabilities		
Retirement benefit liability	18,362	18,261
Other	3,467	3,465
Total non-current liabilities	21,829	21,727
Total liabilities	95,422	99,005
<b>Net assets</b>		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,736	30,736
Retained earnings	120,753	120,662
Treasury shares	(934)	(934)
Total shareholders' equity	176,912	176,821
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,231	5,240
Revaluation reserve for land	1,897	1,937
Remeasurements of defined benefit plans	(2,624)	(2,506)
Total accumulated other comprehensive income	4,503	4,670
Total net assets	181,415	181,491
<b>Total liabilities and net assets</b>	<b>276,838</b>	<b>280,497</b>

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

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	49,856	54,354
Cost of sales	31,489	35,403
Gross profit	18,367	18,950
Selling, general and administrative expenses	14,642	15,726
Operating profit	3,724	3,224
Non-operating income		
Interest income	0	1
Dividend income	211	234
Other	19	66
Total non-operating income	232	302
Non-operating expenses		
Interest expenses	16	13
Product safety costs	–	5
Other	4	10
Total non-operating expenses	20	28
Ordinary profit	3,936	3,498
Extraordinary income		
Gain on sale of non-current assets	54	98
Gain on sale of investment securities	11	–
Total extraordinary income	66	98
Extraordinary losses		
Loss on retirement of non-current assets	75	129
Loss on sale of non-current assets	2	80
Loss on valuation of investment securities	3	7
Impairment losses	–	29
110th anniversary expenses	–	60
Total extraordinary losses	80	307
Profit before income taxes	3,921	3,289
Income taxes	1,204	1,000
Profit	2,717	2,289
Profit attributable to owners of parent	2,717	2,289

**Quarterly consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	2,717	2,289
Other comprehensive income		
Valuation difference on available-for-sale securities	(573)	9
Deferred gains or losses on hedges	1	–
Remeasurements of defined benefit plans, net of tax	115	117
Total other comprehensive income	(455)	127
Comprehensive income	2,261	2,416
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,261	2,416
Comprehensive income attributable to non-controlling interests	–	–

(Significant subsequent events)

(Purchase and retirement of treasury shares)

At a meeting of the Board of Directors held on August 2, 2022, the Company resolved on matters relating to the purchase of its treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied by replacing certain terms under the provisions of Article 165, paragraph (3) of the same Act. The Company also resolved on the retirement of treasury shares pursuant to the provisions of Article 178 of the Companies Act.

1. Reasons for purchase and retirement of treasury shares

In the “Medium Term Management Plan 2023” that was announced on June 29, 2021, the Company set “improvement of capital efficiency and further enhancement of shareholder return by using ROIC, etc.” as one of its priority issues of management. After comprehensively considering the Company’s financial position and the trends of the stock market, etc., the Company will conduct a purchase and retirement of treasury shares as one initiative toward addressing the aforementioned management issue.

2. Details of matters relating to purchase

(1) Class of shares to be purchased	Common stock of the Company
(2) Total number of shares to be purchased	2,400,000 shares (maximum) (3.28% of total number of issued shares excluding treasury shares)
(3) Total amount for share purchase	¥3,600 million (maximum)
(4) Purchase period	August 3, 2022 to February 24, 2023
(5) Method of purchase	Open market purchase at the Tokyo Stock Exchange including Off-Auction Own Share Repurchase Trading (ToSTNet-3)

3. Details of matters relating to retirement

(1) Class of shares to be retired	Common stock of the Company
(2) Total number of shares to be retired	790,000 shares of the currently held treasury shares of the Company plus the total number of shares of treasury shares purchased by the method stated in “2.” above
(3) Scheduled date of retirement	March 15, 2023

(Reference)

Total number of shares issued and number of treasury shares as of June 30, 2022

Total number of shares issued (excluding treasury shares) 73,137,677 shares

Number of treasury shares 799,517 shares