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May 9, 2024

Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (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: Masaru Komori, President
 Inquiries: Kaoru Umeda, Executive Officer in charge of Accounting Department, Administration Division
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Scheduled date of Annual General Meeting of Shareholders: June 26, 2024

Scheduled date to commence dividend payments: June 27, 2024

Scheduled date to file annual securities report: June 26, 2024

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation meeting: None

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

1. Consolidated financial results for the fiscal 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2024	234,738	3.2	12,427	13.6	12,792	11.3	9,500	12.9
March 31, 2023	227,423	7.5	10,940	(24.2)	11,490	(22.7)	8,417	(22.8)

Note: Comprehensive income
 Fiscal year ended March 31, 2024: ¥13,165 million [65.5%]
 Fiscal year ended March 31, 2023: ¥7,955 million [(9.7)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit on total assets	Operating profit on net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	137.30	–	5.2	4.7	5.3
March 31, 2023	117.79	–	4.6	4.1	4.8

Reference: Equity in earnings (losses) of associates
 Fiscal year ended March 31, 2024: ¥– million Fiscal year ended March 31, 2023: ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2024	268,675	187,398	69.7	2,742.27
March 31, 2023	279,878	181,516	64.9	2,579.88

Reference: Equity
 As of March 31, 2024: ¥187,398 million As of March 31, 2023: ¥181,516 million

(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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	(1,314)	(11,666)	(7,730)	59,665
March 31, 2023	6,604	(5,386)	(9,448)	80,376

2. Dividends

	Annual dividends					Total dividend payments	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	–	26.00	–	26.00	52.00	3,674	44.1	2.1
Fiscal year ended March 31, 2024	–	27.00	–	27.00	54.00	3,708	39.3	2.0
Fiscal year ending March 31, 2025 (Forecasts)	–	28.00	–	28.00	56.00		39.5	

3. Consolidated earnings forecasts for the fiscal 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		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2024	116,600	1.7	6,400	20.6	6,500	18.2	4,200	(5.2)	61.46
Full year	239,100	1.9	14,500	16.7	14,700	14.9	9,700	2.1	141.94

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) 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

(3) Number of issued shares (common stock)

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

As of March 31, 2024	68,347,094 shares
As of March 31, 2023	70,368,194 shares

- Number of treasury shares at the end of the period

As of March 31, 2024	9,904 shares
As of March 31, 2023	9,747 shares

- Average number of outstanding shares during the period

Fiscal year ended March 31, 2024	69,198,775 shares
Fiscal year ended March 31, 2023	71,459,796 shares

* **Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.**

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

(Cautions concerning the use of earnings forecasts)

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.

Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	80,376	59,665
Notes receivable - trade	4,545	3,758
Accounts receivable - trade	33,376	33,324
Electronically recorded monetary claims - operating	30,824	34,009
Merchandise and finished goods	13,602	11,640
Work in process	4,245	4,888
Raw materials and supplies	6,400	7,316
Other	410	374
Allowance for doubtful accounts	(5)	(6)
Total current assets	173,775	154,972
Non-current assets		
Property, plant and equipment		
Buildings and structures	91,278	91,450
Accumulated depreciation	(66,787)	(67,785)
Buildings and structures, net	24,490	23,665
Machinery, equipment and vehicles	49,374	52,381
Accumulated depreciation	(38,397)	(39,815)
Machinery, equipment and vehicles, net	10,976	12,566
Tools, furniture and fixtures	31,454	32,293
Accumulated depreciation	(22,789)	(23,445)
Tools, furniture and fixtures, net	8,664	8,847
Land	36,765	41,933
Construction in progress	2,472	2,696
Total property, plant and equipment	83,369	89,709
Intangible assets	1,651	2,254
Investments and other assets		
Investment securities	12,057	13,928
Long-term loans receivable	91	4
Deferred tax assets	6,412	5,184
Other	2,529	2,629
Allowance for doubtful accounts	(9)	(7)
Total investments and other assets	21,081	21,739
Total non-current assets	106,102	113,703
Total assets	279,878	268,675

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,953	16,116
Electronically recorded obligations - operating	31,937	18,382
Short-term borrowings	8,100	7,650
Income taxes payable	1,970	3,263
Other	14,140	15,838
Total current liabilities	76,102	61,251
Non-current liabilities		
Deferred tax liabilities for land revaluation	2,758	2,757
Retirement benefit liability	18,767	16,488
Other	734	779
Total non-current liabilities	22,259	20,025
Total liabilities	98,361	81,276
Net assets		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,734	30,734
Retained earnings	120,322	122,517
Treasury shares	(12)	(17)
Total shareholders' equity	177,402	179,592
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,784	6,464
Revaluation reserve for land	1,969	1,997
Remeasurements of defined benefit plans	(2,639)	(654)
Total accumulated other comprehensive income	4,114	7,806
Total net assets	181,516	187,398
Total liabilities and net assets	279,878	268,675

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	227,423	234,738
Cost of sales	151,395	155,149
Gross profit	76,027	79,588
Selling, general and administrative expenses	65,087	67,161
Operating profit	10,940	12,427
Non-operating income		
Interest income	5	3
Dividend income	461	373
Other	186	122
Total non-operating income	653	499
Non-operating expenses		
Interest expenses	48	43
Product safety costs	23	36
Non-deductible consumption tax	-	26
Other	31	28
Total non-operating expenses	103	134
Ordinary profit	11,490	12,792
Extraordinary income		
Gain on sale of non-current assets	180	92
Gain on sale of investment securities	1,479	1,329
Gain on sale of businesses	-	330
Total extraordinary income	1,659	1,752
Extraordinary losses		
Loss on retirement of non-current assets	435	525
Loss on sale of non-current assets	177	141
Loss on valuation of investment securities	7	-
Impairment losses	61	17
Disaster relief aid expenses	-	13
110th anniversary expenses	251	-
Total extraordinary losses	933	698
Profit before income taxes	12,216	13,845
Income taxes - current	3,798	4,730
Income taxes - deferred	0	(385)
Total income taxes	3,798	4,344
Profit	8,417	9,500
Profit attributable to owners of parent	8,417	9,500

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	8,417	9,500
Other comprehensive income		
Valuation difference on available-for-sale securities	(446)	1,679
Remeasurements of defined benefit plans, net of tax	(14)	1,984
Total other comprehensive income	(461)	3,664
Comprehensive income	7,955	13,165
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,955	13,165
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated statement 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	26,356	30,736	120,753	(934)	176,912
Changes during period					
Dividends of surplus			(4,185)		(4,185)
Profit attributable to owners of parent			8,417		8,417
Purchase of treasury shares				(3,669)	(3,669)
Cancellation of treasury shares		(1)	(4,590)	4,591	-
Reversal of revaluation reserve for land			(72)		(72)
Net changes in items other than shareholders' equity					
Total changes during period	-	(1)	(430)	922	489
Balance at end of period	26,356	30,734	120,322	(12)	177,402

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,231	1,897	(2,624)	4,503	181,415
Changes during period					
Dividends of surplus					(4,185)
Profit attributable to owners of parent					8,417
Purchase of treasury shares					(3,669)
Cancellation of treasury shares					-
Reversal of revaluation reserve for land					(72)
Net changes in items other than shareholders' equity	(446)	72	(14)	(388)	(388)
Total changes during period	(446)	72	(14)	(388)	100
Balance at end of period	4,784	1,969	(2,639)	4,114	181,516

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	26,356	30,734	120,322	(12)	177,402
Changes during period					
Dividends of surplus			(3,692)		(3,692)
Profit attributable to owners of parent			9,500		9,500
Purchase of treasury shares				(3,590)	(3,590)
Cancellation of treasury shares			(3,585)	3,585	-
Reversal of revaluation reserve for land			(27)		(27)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,195	(5)	2,190
Balance at end of period	26,356	30,734	122,517	(17)	179,592

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,784	1,969	(2,639)	4,114	181,516
Changes during period					
Dividends of surplus					(3,692)
Profit attributable to owners of parent					9,500
Purchase of treasury shares					(3,590)
Cancellation of treasury shares					-
Reversal of revaluation reserve for land					(27)
Net changes in items other than shareholders' equity	1,679	27	1,984	3,692	3,692
Total changes during period	1,679	27	1,984	3,692	5,882
Balance at end of period	6,464	1,997	(654)	7,806	187,398

(4) Consolidated statement 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	12,216	13,845
Depreciation	6,729	7,192
Impairment losses	61	17
Increase (decrease) in allowance for doubtful accounts	(11)	(1)
Increase (decrease) in retirement benefit liability	383	581
Interest and dividend income	(466)	(377)
Interest expenses	48	43
Loss (gain) on sale of investment securities	(1,477)	(1,329)
Loss (gain) on valuation of investment securities	7	-
Loss (gain) on sale of property, plant and equipment	(3)	46
Loss on retirement of property, plant and equipment	435	525
Loss (gain) on sale of businesses	-	(330)
Decrease (increase) in trade receivables	(5,481)	(2,266)
Decrease (increase) in inventories	(5,986)	402
Increase (decrease) in trade payables	5,803	(18,022)
Other, net	(1,042)	1,500
Subtotal	11,214	1,828
Interest and dividends received	466	377
Interest paid	(46)	(45)
Income taxes paid	(5,030)	(3,474)
Net cash provided by (used in) operating activities	6,604	(1,314)
Cash flows from investing activities		
Purchase of investment securities	(24)	(16)
Proceeds from sale of investment securities	2,205	1,891
Purchase of property, plant and equipment	(8,239)	(13,298)
Proceeds from sale of property, plant and equipment	1,140	685
Purchase of intangible assets	(385)	(1,155)
Proceeds from collection of loans receivable	116	87
Proceeds from sale of businesses	-	330
Other, net	(200)	(189)
Net cash provided by (used in) investing activities	(5,386)	(11,666)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,600)	(450)
Purchase of treasury shares	(3,669)	(3,590)
Dividends paid	(4,179)	(3,689)
Net cash provided by (used in) financing activities	(9,448)	(7,730)
Net increase (decrease) in cash and cash equivalents	(8,230)	(20,711)
Cash and cash equivalents at beginning of period	88,607	80,376
Cash and cash equivalents at end of period	80,376	59,665