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November 6, 2024

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (under Japanese GAAP)

Company name: **TAKARA STANDARD CO., LTD.**
 Stock listing: Tokyo Stock Exchange
 Stock code: 7981
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Scheduled date to file semi-annual securities report: November 13, 2024

Scheduled date to commence dividend payments: November 29, 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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	%
Six months ended								
September 30, 2024	115,957	1.1	5,957	12.3	6,138	11.6	3,883	(12.3)
September 30, 2023	114,696	4.2	5,306	(12.8)	5,499	(13.9)	4,430	6.7

Note: Comprehensive income
 Six months ended September 30, 2024: ¥4,080 million [(20.2)%]
 Six months ended September 30, 2023: ¥5,114 million [12.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	56.83	—
September 30, 2023	63.37	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2024	271,749	189,633	69.8	2,774.98
March 31, 2024	268,675	187,398	69.7	2,742.27

Reference: Equity

As of September 30, 2024: ¥189,633 million

As of March 31, 2024: ¥187,398 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, 2024	—	27.00	—	27.00	54.00
Fiscal year ending March 31, 2025	—	28.00			
Fiscal year ending March 31, 2025 (Forecasts)			—	28.00	56.00

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

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
Full year	239,100	1.9	14,500	16.7	14,700	14.9	9,700	2.1	141.94

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

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting for preparing semi-annual 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: Yes
- 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)

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

As of September 30, 2024	68,347,094 shares
As of March 31, 2024	68,347,094 shares

- Number of treasury shares at the end of the period

As of September 30, 2024	10,084 shares
As of March 31, 2024	9,904 shares

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

Six months ended September 30, 2024	68,337,110 shares
Six months ended September 30, 2023	69,912,226 shares

* **Semi-annual financial results reports are exempt from review 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.

Semi-annual Consolidated Financial Statements

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	59,665	61,776
Notes receivable - trade	3,758	2,842
Accounts receivable - trade	33,324	34,735
Electronically recorded monetary claims - operating	34,009	33,908
Merchandise and finished goods	11,640	11,203
Work in process	4,888	4,358
Raw materials and supplies	7,316	6,872
Other	374	1,395
Allowance for doubtful accounts	(6)	(7)
Total current assets	154,972	157,086
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,665	23,321
Land	41,933	41,692
Other, net	24,110	25,919
Total property, plant and equipment	89,709	90,932
Intangible assets	2,254	2,155
Investments and other assets		
Investment securities	13,928	13,746
Other	7,818	7,835
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	21,739	21,574
Total non-current assets	113,703	114,662
Total assets	268,675	271,749

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	16,116	18,269
Electronically recorded obligations - operating	18,382	18,710
Short-term borrowings	7,650	7,650
Income taxes payable	3,263	2,335
Other	15,838	15,037
Total current liabilities	61,251	62,003
Non-current liabilities		
Retirement benefit liability	16,488	16,573
Other	3,536	3,538
Total non-current liabilities	20,025	20,112
Total liabilities	81,276	82,115
Net assets		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,734	30,734
Retained earnings	122,517	124,544
Treasury shares	(17)	(17)
Total shareholders' equity	179,592	181,618
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,464	6,479
Revaluation reserve for land	1,997	2,008
Remeasurements of defined benefit plans	(654)	(473)
Total accumulated other comprehensive income	7,806	8,015
Total net assets	187,398	189,633
Total liabilities and net assets	268,675	271,749

(2) Semi-annual consolidated statements of income and consolidated statements of comprehensive income
Semi-annual consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	114,696	115,957
Cost of sales	76,260	76,307
Gross profit	38,435	39,650
Selling, general and administrative expenses	33,128	33,692
Operating profit	5,306	5,957
Non-operating income		
Interest income	2	10
Dividend income	200	195
Other	40	56
Total non-operating income	243	263
Non-operating expenses		
Interest expenses	22	28
Product safety costs	14	16
Non-deductible consumption tax	—	22
Other	13	15
Total non-operating expenses	50	82
Ordinary profit	5,499	6,138
Extraordinary income		
Gain on sale of non-current assets	45	106
Gain on sale of investment securities	1,146	—
Total extraordinary income	1,192	106
Extraordinary losses		
Loss on retirement of non-current assets	135	323
Loss on sale of non-current assets	115	22
Loss on valuation of investment securities	—	214
Impairment losses	9	13
Total extraordinary losses	260	573
Profit before income taxes	6,431	5,671
Income taxes	2,001	1,787
Profit	4,430	3,883
Profit attributable to owners of parent	4,430	3,883

Semi-annual consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	4,430	3,883
Other comprehensive income		
Valuation difference on available-for-sale securities	436	15
Remeasurements of defined benefit plans, net of tax	247	181
Total other comprehensive income	683	196
Comprehensive income	5,114	4,080
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,114	4,080
Comprehensive income attributable to non-controlling interests	—	—

(3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	6,431	5,671
Depreciation	3,484	3,708
Impairment losses	9	13
Increase (decrease) in allowance for doubtful accounts	3	–
Increase (decrease) in retirement benefit liability	500	345
Interest and dividend income	(203)	(206)
Interest expenses	22	28
Loss (gain) on sale of investment securities	(1,146)	–
Loss (gain) on valuation of investment securities	–	214
Loss (gain) on sale of property, plant and equipment	68	(89)
Loss on retirement of property, plant and equipment	135	323
Decrease (increase) in trade receivables	(3,666)	(214)
Decrease (increase) in inventories	(2,266)	1,411
Increase (decrease) in trade payables	(12,886)	3,005
Other, net	(999)	(2,766)
Subtotal	(10,514)	11,445
Interest and dividends received	203	203
Interest paid	(21)	(32)
Income taxes paid	(1,163)	(2,420)
Net cash provided by (used in) operating activities	(11,496)	9,196
Cash flows from investing activities		
Purchase of investment securities	(8)	(8)
Proceeds from sale of investment securities	1,554	–
Purchase of property, plant and equipment	(3,903)	(5,330)
Proceeds from sale of property, plant and equipment	348	570
Purchase of intangible assets	(151)	(461)
Proceeds from collection of loans receivable	47	4
Other, net	(48)	(15)
Net cash provided by (used in) investing activities	(2,162)	(5,241)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(450)	–
Purchase of treasury shares	(2,418)	(0)
Dividends paid	(1,827)	(1,843)
Net cash provided by (used in) financing activities	(4,696)	(1,843)
Net increase (decrease) in cash and cash equivalents	(18,354)	2,111
Cash and cash equivalents at beginning of period	80,376	59,665
Cash and cash equivalents at end of period	62,022	61,776