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August 3, 2021

Summary of Consolidated Financial Results for the Three Months Ended June 30, 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: August 11, 2021

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, 2021 (from April 1, 2021 to June 30, 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	%
Three months ended								
June 30, 2021	49,856	13.6	3,724	178.4	3,936	156.3	2,717	168.7
June 30, 2020	43,883	–	1,337	(59.5)	1,535	(56.4)	1,011	(57.4)

Note: Comprehensive income
 Three months ended June 30, 2021: ¥2,261 million [(3.2)%]
 Three months ended June 30, 2020: ¥2,337 million [15.5%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	37.15	–
June 30, 2020	13.83	–

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 three months ended June 30, 2020 are retrospectively restated. However, in accordance with the transitional treatment, the percentage of year-on-year change of net sales for the three months ended June 30, 2020, is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2021	264,569	176,328	66.6	2,410.91
March 31, 2021	258,652	175,310	67.8	2,396.98

Reference: Equity

As of June 30, 2021: ¥176,328 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	–				
Fiscal year ending March 31, 2022 (Forecasts)		20.00	–	20.00	40.00

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

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
Six months ending September 30, 2021	92,000	2.3	4,600	27.6	4,800	24.5	3,100	23.3	42.39
Full year	194,300	1.6	11,600	5.8	12,000	5.3	7,800	2.8	106.65

(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: 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)

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

As of June 30, 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 June 30, 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)

Three months ended June 30, 2021	73,137,797 shares
Three months ended June 30, 2020	73,138,326 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 June 30, 2021
Assets		
Current assets		
Cash and deposits	74,719	78,598
Notes and accounts receivable - trade	39,405	36,098
Electronically recorded monetary claims - operating	19,308	23,816
Merchandise and finished goods	8,744	9,716
Work in process	2,730	2,823
Raw materials and supplies	3,632	3,800
Other	261	1,095
Allowance for doubtful accounts	(16)	(17)
Total current assets	148,785	155,931
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,184	25,804
Land	39,558	39,345
Other, net	17,498	17,593
Total property, plant and equipment	83,240	82,744
Intangible assets	1,937	1,933
Investments and other assets		
Investment securities	16,816	15,985
Other	7,891	7,990
Allowance for doubtful accounts	(19)	(17)
Total investments and other assets	24,688	23,959
Total non-current assets	109,867	108,637
Total assets	258,652	264,569

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,116	18,010
Electronically recorded obligations - operating	20,620	22,859
Short-term borrowings	9,700	9,700
Income taxes payable	1,542	1,297
Other	13,979	16,059
Total current liabilities	62,958	67,926
Non-current liabilities		
Retirement benefit liability	18,524	18,457
Other	1,859	1,857
Total non-current liabilities	20,384	20,314
Total liabilities	83,342	88,241
Net assets		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,736	30,736
Retained earnings	114,296	115,746
Treasury shares	(934)	(934)
Total shareholders' equity	170,455	171,905
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,173	6,600
Deferred gains or losses on hedges	(3)	(1)
Revaluation reserve for land	613	637
Remeasurements of defined benefit plans	(2,928)	(2,812)
Total accumulated other comprehensive income	4,854	4,423
Total net assets	175,310	176,328
Total liabilities and net assets	258,652	264,569

(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, 2020	Three months ended June 30, 2021
Net sales	43,883	49,856
Cost of sales	28,447	31,489
Gross profit	15,435	18,367
Selling, general and administrative expenses	14,097	14,642
Operating profit	1,337	3,724
Non-operating income		
Interest income	1	0
Dividend income	196	211
Other	20	19
Total non-operating income	218	232
Non-operating expenses		
Interest expenses	15	16
Other	4	4
Total non-operating expenses	20	20
Ordinary profit	1,535	3,936
Extraordinary income		
Gain on sale of non-current assets	-	54
Gain on sale of investment securities	-	11
Total extraordinary income	-	66
Extraordinary losses		
Loss on retirement of non-current assets	63	75
Loss on sale of non-current assets	0	2
Loss on valuation of investment securities	-	3
Total extraordinary losses	64	80
Profit before income taxes	1,471	3,921
Income taxes	459	1,204
Profit	1,011	2,717
Profit attributable to owners of parent	1,011	2,717

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	1,011	2,717
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	1,217	(573)
Deferred gains or losses on hedges, net of tax	1	1
Remeasurements of defined benefit plans, net of tax	107	115
Total other comprehensive income	1,326	(455)
Comprehensive income	2,337	2,261
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,337	2,261
Comprehensive income attributable to non- controlling interests	—	—