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August 3, 2020

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (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 7, 2020
 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, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	44,092	(9.0)	1,337	(59.5)	1,535	(56.4)	1,011	(57.4)
June 30, 2019	48,442	5.1	3,299	20.4	3,520	19.4	2,375	19.6

Note: Comprehensive income
 Three months ended June 30, 2020: ¥2,337 million [15.5%]
 Three months ended June 30, 2019: ¥2,024 million [(9.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2020	13.83	–
June 30, 2019	32.49	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2020	251,595	167,835	66.7	2,294.77
March 31, 2020	256,569	166,741	65.0	2,279.81

Reference: Equity
 As of June 30, 2020: ¥167,835 million As of March 31, 2020: ¥166,741 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, 2020	–	17.00	–	17.00	34.00
Fiscal year ending March 31, 2021	–				
Fiscal year ending March 31, 2021 (Forecasts)		17.00	–	17.00	34.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2020	91,000	(10.0)	2,800	(66.3)	3,000	(65.0)	1,900	(67.6)	25.98
Full year	188,000	(6.7)	6,000	(52.5)	6,500	(50.4)	4,100	(52.6)	56.06

(Note) Revisions to the consolidated earnings forecasts most recently announced: Yes

* 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: None
 - 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 June 30, 2020	73,937,194 shares
As of March 31, 2020	73,937,194 shares

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

As of June 30, 2020	798,868 shares
As of March 31, 2020	798,868 shares

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

Three months ended June 30, 2020	73,138,326 shares
Three months ended June 30, 2019	73,138,528 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, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	74,633	71,265
Notes and accounts receivable - trade	50,010	45,686
Electronically recorded monetary claims - operating	9,182	9,031
Merchandise and finished goods	9,154	9,448
Work in process	2,041	2,899
Raw materials and supplies	3,912	4,080
Other	268	1,215
Allowance for doubtful accounts	(17)	(15)
Total current assets	149,186	143,613
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,869	26,561
Land	40,260	40,240
Other, net	17,204	16,987
Total property, plant and equipment	84,335	83,789
Intangible assets	1,797	1,748
Investments and other assets		
Investment securities	12,078	13,836
Other	9,192	8,628
Allowance for doubtful accounts	(22)	(20)
Total investments and other assets	21,249	22,444
Total non-current assets	107,382	107,982
Total assets	256,569	251,595

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,274	19,997
Electronically recorded obligations - operating	16,935	18,163
Short-term borrowings	9,700	9,700
Income taxes payable	2,758	457
Other	14,045	15,273
Total current liabilities	64,713	63,591
Non-current liabilities		
Retirement benefit liability	23,196	18,282
Other	1,917	1,886
Total non-current liabilities	25,114	20,168
Total liabilities	89,828	83,759
Net assets		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,736	30,736
Retained earnings	109,310	109,043
Treasury shares	(933)	(933)
Total shareholders' equity	165,469	165,202
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,882	5,099
Deferred gains or losses on hedges	(8)	(7)
Revaluation reserve for land	497	532
Remeasurements of defined benefit plans	(3,099)	(2,992)
Total accumulated other comprehensive income	1,271	2,632
Total net assets	166,741	167,835
Total liabilities and net assets	256,569	251,595

(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, 2019	Three months ended June 30, 2020
Net sales	48,442	44,092
Cost of sales	30,656	28,447
Gross profit	17,785	15,644
Selling, general and administrative expenses	14,486	14,306
Operating profit	3,299	1,337
Non-operating income		
Interest income	1	1
Dividend income	207	196
Other	31	20
Total non-operating income	240	218
Non-operating expenses		
Interest expenses	15	15
Other	3	4
Total non-operating expenses	19	20
Ordinary profit	3,520	1,535
Extraordinary income	-	-
Extraordinary losses		
Loss on retirement of non-current assets	44	63
Loss on sales of non-current assets	10	0
Total extraordinary losses	55	64
Profit before income taxes	3,465	1,471
Income taxes	1,089	459
Profit	2,375	1,011
Profit attributable to owners of parent	2,375	1,011

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	2,375	1,011
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	(455)	1,217
Deferred gains or losses on hedges, net of tax	0	1
Remeasurements of defined benefit plans, net of tax	103	107
Total other comprehensive income	(351)	1,326
Comprehensive income	2,024	2,337
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,024	2,337
Comprehensive income attributable to non- controlling interests	—	—