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November 4, 2020

Summary of Consolidated Financial Results for the Six Months Ended September 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: November 12, 2020
 Scheduled date to commence dividend payments: November 30, 2020
 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 six months ended September 30, 2020 (from April 1, 2020 to September 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	%
Six months ended								
September 30, 2020	90,344	(10.6)	3,605	(56.6)	3,854	(55.1)	2,513	(57.2)
September 30, 2019	101,067	8.8	8,307	51.4	8,574	49.5	5,868	54.7

Note: Comprehensive income
 Six months ended September 30, 2020: ¥4,457 million [(18.1)%]
 Six months ended September 30, 2019: ¥5,440 million [58.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2020	34.37	–
September 30, 2019	80.24	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2020	250,047	169,955	68.0	2,323.76
March 31, 2020	256,569	166,741	65.0	2,279.81

Reference: Equity
 As of September 30, 2020: ¥169,955 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	–	17.00			
Fiscal year ending March 31, 2021 (Forecasts)			–	17.00	34.00

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

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
Full year	188,000	(6.7)	6,800	(46.2)	7,300	(44.3)	4,700	(45.7)	64.26

(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 September 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 September 30, 2020	799,095 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)

Six months ended September 30, 2020	73,138,232 shares
Six months ended September 30, 2019	73,138,477 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 September 30, 2020
Assets		
Current assets		
Cash and deposits	74,633	68,474
Notes and accounts receivable - trade	50,010	45,710
Electronically recorded monetary claims - operating	9,182	9,926
Merchandise and finished goods	9,154	9,152
Work in process	2,041	2,971
Raw materials and supplies	3,912	3,749
Other	268	1,469
Allowance for doubtful accounts	(17)	(15)
Total current assets	149,186	141,438
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,869	26,373
Land	40,260	39,763
Other, net	17,204	17,353
Total property, plant and equipment	84,335	83,491
Intangible assets	1,797	1,946
Investments and other assets		
Investment securities	12,078	14,579
Other	9,192	8,613
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	21,249	23,171
Total non-current assets	107,382	108,608
Total assets	256,569	250,047

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,274	19,316
Electronically recorded obligations - operating	16,935	16,249
Short-term borrowings	9,700	9,700
Income taxes payable	2,758	1,472
Other	14,045	13,223
Total current liabilities	64,713	59,961
Non-current liabilities		
Retirement benefit liability	23,196	18,255
Other	1,917	1,874
Total non-current liabilities	25,114	20,130
Total liabilities	89,828	80,092
Net assets		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,736	30,736
Retained earnings	109,310	110,463
Treasury shares	(933)	(934)
Total shareholders' equity	165,469	166,622
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,882	5,610
Deferred gains or losses on hedges	(8)	(7)
Revaluation reserve for land	497	614
Remeasurements of defined benefit plans	(3,099)	(2,885)
Total accumulated other comprehensive income	1,271	3,332
Total net assets	166,741	169,955
Total liabilities and net assets	256,569	250,047

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

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	101,067	90,344
Cost of sales	63,511	57,909
Gross profit	37,555	32,435
Selling, general and administrative expenses	29,248	28,829
Operating profit	8,307	3,605
Non-operating income		
Interest income	3	2
Dividend income	250	239
Other	56	47
Total non-operating income	309	289
Non-operating expenses		
Interest expenses	31	31
Other	10	8
Total non-operating expenses	42	40
Ordinary profit	8,574	3,854
Extraordinary income		
Gain on sales of non-current assets	136	17
Total extraordinary income	136	17
Extraordinary losses		
Loss on retirement of non-current assets	126	139
Loss on sales of non-current assets	21	0
Loss on sales of investment securities	8	-
Impairment loss	-	88
Total extraordinary losses	156	228
Profit before income taxes	8,554	3,643
Income taxes	2,686	1,129
Profit	5,868	2,513
Profit attributable to owners of parent	5,868	2,513

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	5,868	2,513
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	(472)	1,728
Deferred gains or losses on hedges, net of tax	1	1
Revaluation reserve for land	(167)	-
Remeasurements of defined benefit plans, net of tax	209	214
Total other comprehensive income	(428)	1,943
Comprehensive income	5,440	4,457
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,440	4,457
Comprehensive income attributable to non- controlling interests	-	-