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February 2, 2021

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 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: February 10, 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended								
December 31, 2020	144,658	(6.6)	9,071	(26.9)	9,473	(26.3)	6,316	(27.5)
December 31, 2019	154,837	5.5	12,410	21.4	12,846	20.9	8,711	19.0

Note: Comprehensive income
 Nine months ended December 31, 2020: ¥9,026 million [(5.4)%]
 Nine months ended December 31, 2019: ¥9,537 million [66.4%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2020	86.37	–
December 31, 2019	119.11	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2020	255,516	173,280	67.8	2,369.23
March 31, 2020	256,569	166,741	65.0	2,279.81

Reference: Equity
 As of December 31, 2020: ¥173,280 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	190,000	(5.7)	9,800	(22.4)	10,300	(21.4)	6,700	(22.5)	91.61

(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 December 31, 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 December 31, 2020	799,173 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)

Nine months ended December 31, 2020	73,138,162 shares
Nine months ended December 31, 2019	73,138,444 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 December 31, 2020
Assets		
Current assets		
Cash and deposits	74,633	67,528
Notes and accounts receivable - trade	50,010	48,482
Electronically recorded monetary claims - operating	9,182	15,410
Merchandise and finished goods	9,154	8,309
Work in process	2,041	3,124
Raw materials and supplies	3,912	3,808
Other	268	1,170
Allowance for doubtful accounts	(17)	(18)
Total current assets	149,186	147,815
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,869	26,000
Land	40,260	39,583
Other, net	17,204	17,075
Total property, plant and equipment	84,335	82,659
Intangible assets	1,797	1,955
Investments and other assets		
Investment securities	12,078	15,535
Other	9,192	7,572
Allowance for doubtful accounts	(22)	(22)
Total investments and other assets	21,249	23,085
Total non-current assets	107,382	107,700
Total assets	256,569	255,516

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,274	18,882
Electronically recorded obligations - operating	16,935	20,292
Short-term borrowings	9,700	9,700
Income taxes payable	2,758	223
Other	14,045	12,919
Total current liabilities	64,713	62,018
Non-current liabilities		
Retirement benefit liability	23,196	18,354
Other	1,917	1,862
Total non-current liabilities	25,114	20,216
Total liabilities	89,828	82,235
Net assets		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,736	30,736
Retained earnings	109,310	113,024
Treasury shares	(933)	(934)
Total shareholders' equity	165,469	169,183
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,882	6,267
Deferred gains or losses on hedges	(8)	(5)
Revaluation reserve for land	497	613
Remeasurements of defined benefit plans	(3,099)	(2,778)
Total accumulated other comprehensive income	1,271	4,097
Total net assets	166,741	173,280
Total liabilities and net assets	256,569	255,516

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

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	154,837	144,658
Cost of sales	98,025	91,624
Gross profit	56,811	53,034
Selling, general and administrative expenses	44,401	43,963
Operating profit	12,410	9,071
Non-operating income		
Interest income	4	2
Dividend income	414	399
Other	81	68
Total non-operating income	500	470
Non-operating expenses		
Interest expenses	47	47
Other	16	19
Total non-operating expenses	64	67
Ordinary profit	12,846	9,473
Extraordinary income		
Gain on sales of non-current assets	136	23
Gain on sales of investment securities	16	-
Total extraordinary income	152	23
Extraordinary losses		
Loss on retirement of non-current assets	171	208
Loss on sales of non-current assets	70	32
Loss on sales of investment securities	8	-
Impairment loss	-	88
Disaster relief aid expense	49	-
Total extraordinary losses	299	330
Profit before income taxes	12,699	9,167
Income taxes	3,988	2,850
Profit	8,711	6,316
Profit attributable to owners of parent	8,711	6,316

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	8,711	6,316
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	503	2,385
Deferred gains or losses on hedges, net of tax	5	2
Remeasurements of defined benefit plans, net of tax	317	321
Total other comprehensive income	825	2,709
Comprehensive income	9,537	9,026
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,537	9,026
Comprehensive income attributable to non- controlling interests	—	—