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May 14, 2021

## Summary of Consolidated Financial Results for the Year Ended March 31, 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](https://forms.takara-standard.co.jp/webapp/form/22048_aqgb_6/index.do)

Scheduled date of Annual General Meeting of Shareholders: June 29, 2021

Scheduled date to commence dividend payments: June 30, 2021

Scheduled date to file annual securities report: June 29, 2021

Preparation of supplementary material on financial results: None

Holding of financial results presentation meeting: None

(Million yen with fractional amounts discarded, unless otherwise noted)

### 1. Consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

#### (1) Consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	192,172	(4.6)	10,961	(13.2)	11,392	(13.1)	7,588	(12.2)
March 31, 2020	201,521	4.3	12,631	7.0	13,109	7.1	8,647	3.9

Note: Comprehensive income  
 Fiscal year ended March 31, 2021: ¥11,056 million [55.3%]  
 Fiscal year ended March 31, 2020: ¥7,117 million [4.7%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit on total assets	Operating profit on net sales
	Yen	Yen	%	%	%
March 31, 2021	103.76	–	4.4	4.4	5.7
March 31, 2020	118.24	–	5.3	5.2	6.3

Reference: Equity in earnings (losses) of associates  
 Fiscal year ended March 31, 2021: ¥– million      Fiscal year ended March 31, 2020: ¥– million

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2021	258,652	175,310	67.8	2,396.98
March 31, 2020	256,569	166,741	65.0	2,279.81

Reference: Equity  
 As of March 31, 2021: ¥175,310 million      As of March 31, 2020: ¥166,741 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	7,953	(5,380)	(2,486)	74,719
March 31, 2020	17,061	(5,021)	(2,412)	74,633

### 2. Dividends

	Annual dividends					Total dividend payments	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2020	–	17.00	–	17.00	34.00	2,486	28.8	1.5
Fiscal year ended March 31, 2021	–	17.00	–	17.00	34.00	2,486	32.8	1.5
Fiscal year ending March 31, 2022 (Forecasts)	–	20.00	–	20.00	40.00		37.5	

### 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) From the beginning of the fiscal year ending March 31, 2022, in order to apply “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and related standards, the consolidated earnings forecasts stated above are the amounts after the application of said accounting standards, and the year-on-year changes presented are calculated assuming that the said accounting standards were applied in the fiscal year ended March 31, 2021.

#### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) 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: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common stock)

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

As of March 31, 2021	73,937,194 shares
As of March 31, 2020	73,937,194 shares

- Number of treasury shares at the end of the period

As of March 31, 2021	799,397 shares
As of March 31, 2020	798,868 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2021	73,138,076 shares
Fiscal year ended March 31, 2020	73,138,414 shares

\* **Financial results reports are exempt from audit 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.

**Consolidated Financial Statements**  
**(1) Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	74,633	74,719
Notes and accounts receivable - trade	50,010	39,405
Electronically recorded monetary claims - operating	9,182	19,308
Merchandise and finished goods	9,154	8,744
Work in process	2,041	2,730
Raw materials and supplies	3,912	3,632
Other	268	261
Allowance for doubtful accounts	(17)	(16)
<b>Total current assets</b>	<b>149,186</b>	<b>148,785</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	91,973	92,405
Accumulated depreciation	(65,103)	(66,221)
Buildings and structures, net	26,869	26,184
Machinery, equipment and vehicles	44,567	45,383
Accumulated depreciation	(35,651)	(36,366)
Machinery, equipment and vehicles, net	8,916	9,016
Tools, furniture and fixtures	28,447	28,732
Accumulated depreciation	(21,087)	(20,934)
Tools, furniture and fixtures, net	7,359	7,798
Land	40,260	39,558
Construction in progress	929	683
<b>Total property, plant and equipment</b>	<b>84,335</b>	<b>83,240</b>
Intangible assets	1,797	1,937
Investments and other assets		
Investment securities	12,078	16,816
Long-term loans receivable	9	312
Deferred tax assets	6,751	5,144
Other	2,431	2,434
Allowance for doubtful accounts	(22)	(19)
<b>Total investments and other assets</b>	<b>21,249</b>	<b>24,688</b>
<b>Total non-current assets</b>	<b>107,382</b>	<b>109,867</b>
<b>Total assets</b>	<b>256,569</b>	<b>258,652</b>

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	21,274	17,116
Electronically recorded obligations - operating	16,935	20,620
Short-term borrowings	9,700	9,700
Income taxes payable	2,758	1,542
Other	14,045	13,979
Total current liabilities	64,713	62,958
Non-current liabilities		
Deferred tax liabilities for land revaluation	1,590	1,569
Retirement benefit liability	23,196	18,524
Other	327	290
Total non-current liabilities	25,114	20,384
Total liabilities	89,828	83,342
<b>Net assets</b>		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,736	30,736
Retained earnings	109,310	114,296
Treasury shares	(933)	(934)
Total shareholders' equity	165,469	170,455
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,882	7,173
Deferred gains or losses on hedges	(8)	(3)
Revaluation reserve for land	497	613
Remeasurements of defined benefit plans	(3,099)	(2,928)
Total accumulated other comprehensive income	1,271	4,854
Total net assets	166,741	175,310
<b>Total liabilities and net assets</b>	<b>256,569</b>	<b>258,652</b>

**(2) Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	201,521	192,172
Cost of sales	128,570	121,706
Gross profit	72,951	70,465
Selling, general and administrative expenses	60,320	59,504
Operating profit	12,631	10,961
Non-operating income		
Interest income	6	3
Dividend income	433	418
Other	123	99
Total non-operating income	563	521
Non-operating expenses		
Interest expenses	63	63
Other	21	26
Total non-operating expenses	84	90
Ordinary profit	13,109	11,392
Extraordinary income		
Gain on sale of non-current assets	136	28
Gain on sale of investment securities	16	17
Total extraordinary income	152	45
Extraordinary losses		
Loss on retirement of non-current assets	345	308
Loss on sale of non-current assets	70	35
Loss on sale of investment securities	8	–
Impairment losses	127	131
Disaster relief aid expense	49	–
Total extraordinary losses	600	476
Profit before income taxes	12,662	10,961
Income taxes - current	4,486	3,313
Income taxes - deferred	(472)	59
Total income taxes	4,014	3,372
Profit	8,647	7,588
Profit attributable to owners of parent	8,647	7,588

**Consolidated statements of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	8,647	7,588
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	(1,757)	3,291
Deferred gains or losses on hedges, net of tax	6	4
Remeasurements of defined benefit plans, net of tax	220	170
Total other comprehensive income	(1,530)	3,467
Comprehensive income	7,117	11,056
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,117	11,056
Comprehensive income attributable to non- controlling interests	—	—

**(3) Consolidated statements of changes in equity**

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,356	30,736	102,970	(933)	159,131
Changes during period					
Dividends of surplus			(2,413)		(2,413)
Profit attributable to owners of parent			8,647		8,647
Purchase of treasury shares				(0)	(0)
Reversal of revaluation reserve for land			104		104
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,339	(0)	6,338
Balance at end of period	26,356	30,736	109,310	(933)	165,469

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,639	(14)	602	(3,319)	2,907	162,038
Changes during period						
Dividends of surplus						(2,413)
Profit attributable to owners of parent						8,647
Purchase of treasury shares						(0)
Reversal of revaluation reserve for land						104
Net changes in items other than shareholders' equity	(1,757)	6	(104)	220	(1,635)	(1,635)
Total changes during period	(1,757)	6	(104)	220	(1,635)	4,703
Balance at end of period	3,882	(8)	497	(3,099)	1,271	166,741

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,356	30,736	109,310	(933)	165,469
Changes during period					
Dividends of surplus			(2,486)		(2,486)
Profit attributable to owners of parent			7,588		7,588
Purchase of treasury shares				(0)	(0)
Reversal of revaluation reserve for land			(116)		(116)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	4,986	(0)	4,985
Balance at end of period	26,356	30,736	114,296	(934)	170,455

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,882	(8)	497	(3,099)	1,271	166,741
Changes during period						
Dividends of surplus						(2,486)
Profit attributable to owners of parent						7,588
Purchase of treasury shares						(0)
Reversal of revaluation reserve for land						(116)
Net changes in items other than shareholders' equity	3,291	4	116	170	3,583	3,583
Total changes during period	3,291	4	116	170	3,583	8,568
Balance at end of period	7,173	(3)	613	(2,928)	4,854	175,310

#### (4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	12,662	10,961
Depreciation	5,764	6,046
Impairment losses	127	131
Increase (decrease) in allowance for doubtful accounts	5	(2)
Increase (decrease) in retirement benefit liability	337	(4,426)
Interest and dividend income	(439)	(421)
Interest expenses	63	63
Loss (gain) on sale of investment securities	(7)	(16)
Loss (gain) on sale of property, plant and equipment	(74)	0
Loss on retirement of property, plant and equipment	345	308
Decrease (increase) in trade receivables	481	360
Decrease (increase) in inventories	(718)	1
Increase (decrease) in trade payables	1,741	(809)
Other, net	563	(73)
Subtotal	20,851	12,125
Interest and dividends received	439	422
Interest paid	(63)	(63)
Income taxes paid	(4,166)	(4,529)
Net cash provided by (used in) operating activities	17,061	7,953
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(130)	(25)
Proceeds from sale of investment securities	73	44
Purchase of property, plant and equipment	(4,636)	(4,777)
Proceeds from sale of property, plant and equipment	657	661
Purchase of intangible assets	(808)	(914)
Loan advances	(0)	(309)
Proceeds from collection of loans receivable	4	7
Other, net	(180)	(67)
Net cash provided by (used in) investing activities	(5,021)	(5,380)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,412)	(2,485)
Net cash provided by (used in) financing activities	(2,412)	(2,486)
Net increase (decrease) in cash and cash equivalents	9,626	86
Cash and cash equivalents at beginning of period	65,007	74,633
Cash and cash equivalents at end of period	74,633	74,719