

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

April 28, 2023

Company name: Takakita Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6325 URL <https://www.takakita-net.co.jp>
 Representative: Representative Director and President Mitsuo Matsumoto
 Assistant General Manager, Accounting
 Inquiries: Department, Corporate Administration Kazushi Kawabe TEL 0595-63-3111
 Division
 Scheduled date of ordinary general meeting of shareholders: June 22, 2023
 Scheduled date to file Securities Report: June 22, 2023
 Scheduled date to commence dividend payments: June 23, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	7,730	10.0	609	15.0	673	13.5	476	19.0
Year ended March 31, 2022	7,026	8.0	529	32.5	593	30.3	400	24.0

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	42.34	41.88	6.9	7.6	7.9
Year ended March 31, 2022	34.75	34.43	6.0	7.1	7.5

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	9,113	7,052	76.7	630.46
As of March 31, 2022	8,647	6,899	79.2	595.88

(3) Non-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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	(15)	(85)	(325)	778
Year ended March 31, 2022	702	(200)	(158)	1,204

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	—	5.00	—	5.00	10.00	114	28.8	1.7
Year ended March 31, 2023	—	5.00	—	8.00	13.00	144	30.7	2.1
Year ending March 31, 2024 (Forecast)	—	5.00	—	5.00	10.00		25.8	

3. Forecast of non-consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	4,500	17.5	450	16.5	475	14.7	320	14.6	28.84
Full year	8,000	3.5	600	(1.5)	650	(3.5)	430	(9.7)	38.76

4. Notes

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(2) Number of issued shares (common shares)

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

As of March 31, 2023	14,000,000 shares	As of March 31, 2022	14,000,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	2,906,217 shares	As of March 31, 2022	2,506,217 shares
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Average number of shares during the period

Year ended March 31, 2023	11,247,629 shares	Year ended March 31, 2022	11,516,480 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,204,439	778,284
Notes receivable - trade	110,987	77,025
Electronically recorded monetary claims - operating	1,137,763	1,467,208
Accounts receivable - trade	996,795	1,383,642
Merchandise and finished goods	781,851	809,477
Work in process	139,389	184,583
Raw materials and supplies	321,661	417,600
Prepaid expenses	11,812	11,393
Accounts receivable - other	365,848	519,156
Advance payments to suppliers	2,709	12,680
Other	1,371	917
Total current assets	5,074,629	5,661,969
Non-current assets		
Property, plant and equipment		
Buildings	1,998,404	2,002,792
Accumulated depreciation	(987,793)	(1,046,271)
Buildings, net	1,010,610	956,520
Structures	354,505	366,776
Accumulated depreciation	(269,594)	(284,954)
Structures, net	84,910	81,821
Machinery and equipment	2,396,030	2,412,270
Accumulated depreciation	(2,096,247)	(2,173,329)
Machinery and equipment, net	299,783	238,940
Vehicles	90,264	88,849
Accumulated depreciation	(86,860)	(85,669)
Vehicles, net	3,403	3,179
Tools, furniture and fixtures	758,230	780,077
Accumulated depreciation	(702,437)	(740,355)
Tools, furniture and fixtures, net	55,792	39,722
Land	559,638	559,638
Leased assets	36,357	72,567
Accumulated depreciation	(6,782)	(17,822)
Leased assets, net	29,574	54,744
Construction in progress	–	1,878
Total property, plant and equipment	2,043,713	1,936,444
Intangible assets		
Software	209,475	164,915
Software in progress	–	11,844
Total intangible assets	209,475	176,759

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Investments and other assets		
Investment securities	956,791	929,979
Investments in capital	7,260	7,260
Investments in capital of subsidiaries and associates	152,512	152,512
Long-term prepaid expenses	10,038	7,498
Guarantee deposits	1,042	1,057
Leasehold deposits	5,340	5,208
Investment property	175,180	175,180
Other	12,202	60,449
Allowance for doubtful accounts	(666)	(555)
Total investments and other assets	1,319,702	1,338,592
Total non-current assets	3,572,891	3,451,796
Total assets	8,647,520	9,113,766

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes payable - trade	5,264	6,372
Electronically recorded obligations - operating	502,242	721,135
Accounts payable - trade	354,762	382,257
Short-term borrowings	70,000	70,000
Accounts payable - other	54,712	54,425
Accrued expenses	162,286	176,730
Income taxes payable	151,283	115,550
Accrued consumption taxes	13,865	53,234
Contract liabilities	38,218	102,145
Deposits received	9,229	9,778
Provision for bonuses	113,945	128,716
Notes payable - facilities	–	1,052
Electronically recorded obligations-facilities	24,337	15,958
Lease liabilities	6,882	13,608
Total current liabilities	1,507,029	1,850,968
Non-current liabilities		
Long-term guarantee deposits	11,088	11,088
Lease liabilities	22,691	41,135
Provision for retirement benefits	175,923	129,387
Provision for retirement benefits for directors (and other officers)	4,100	4,100
Deferred tax liabilities	27,062	24,546
Total non-current liabilities	240,866	210,258
Total liabilities	1,747,896	2,061,226
Net assets		
Shareholders' equity		
Share capital	1,350,000	1,350,000
Capital surplus		
Legal capital surplus	825,877	825,877
Other capital surplus	6,319	6,319
Total capital surplus	832,196	832,196
Retained earnings		
Legal retained earnings	204,500	204,500
Other retained earnings		
General reserve	4,200,000	4,500,000
Retained earnings brought forward	490,388	553,673
Total retained earnings	4,894,888	5,258,173
Treasury shares	(649,492)	(850,692)
Total shareholders' equity	6,427,592	6,589,677
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	420,717	404,333
Deferred gains or losses on hedges	625	164
Total valuation and translation adjustments	421,342	404,497
Share acquisition rights	50,689	58,364
Total net assets	6,899,624	7,052,539
Total liabilities and net assets	8,647,520	9,113,766

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales		
Net sales of finished goods	6,584,508	7,315,050
Net sales of goods	441,565	415,722
Total net sales	7,026,073	7,730,772
Cost of sales		
Beginning merchandise inventory	33,443	46,582
Beginning finished goods inventory	631,868	735,268
Cost of purchased goods	395,628	350,975
Cost of products manufactured	4,531,670	5,019,105
Total	5,592,610	6,151,932
Ending merchandise inventory	46,582	45,570
Ending finished goods inventory	735,268	763,906
Transfer to other account	3,693	3,784
Transfer from other account	21,830	18,860
Total cost of sales	4,828,896	5,357,531
Gross profit	2,197,177	2,373,240
Selling, general and administrative expenses	1,667,410	1,764,186
Operating profit	529,766	609,054
Non-operating income		
Interest income	4	4
Dividend income	38,604	35,893
Rental income from real estate	23,385	23,252
Insurance claim income	452	43
Miscellaneous income	7,907	8,621
Other	–	1,455
Total non-operating income	70,354	69,271
Non-operating expenses		
Interest expenses	245	228
Donations	62	67
Rental costs on real estate	4,198	4,394
Loss on cancellation of leases	2,000	–
Other	287	308
Total non-operating expenses	6,793	4,998
Ordinary profit	593,327	673,327
Extraordinary income		
Gain on sale of non-current assets	542	649
Total extraordinary income	542	649
Extraordinary losses		
Loss on abandonment of non-current assets	142	40
Impairment losses	2,502	–
Loss on sale of investment securities	–	211
Total extraordinary losses	2,644	252
Profit before income taxes	591,225	673,725
Income taxes - current	177,608	190,196
Income taxes - deferred	13,475	7,306
Total income taxes	191,083	197,502
Profit	400,142	476,223

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
			Profit from Disposition of Treasury Shares			General reserve	Retained earnings brought forward			
Balance at beginning of period	1,350,000	825,877	4,155	830,032	204,500	4,000,000	405,484	4,609,984	(612,725)	6,177,291
Cumulative effects of changes in accounting policies							(25)	(25)		(25)
Restated balance	1,350,000	825,877	4,155	830,032	204,500	4,000,000	405,459	4,609,959	(612,725)	6,177,266
Changes during period										
Provision of general reserve						200,000	(200,000)	-		-
Dividends of surplus							(115,212)	(115,212)		(115,212)
Profit							400,142	400,142		400,142
Purchase of treasury shares									(39,267)	(39,267)
Exercise of share acquisition rights			2,164	2,164					2,500	4,664
Net changes in items other than shareholders' equity										
Total changes during period	-	-	2,164	2,164	-	200,000	84,929	284,929	(36,767)	250,326
Balance at end of period	1,350,000	825,877	6,319	832,196	204,500	4,200,000	490,388	4,894,888	(649,492)	6,427,592

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	409,173	129	409,303	44,981	6,631,575
Cumulative effects of changes in accounting policies					(25)
Restated balance	409,173	129	409,303	44,981	6,631,550
Changes during period					
Provision of general reserve					-
Dividends of surplus					(115,212)
Profit					400,142
Purchase of treasury shares					(39,267)
Exercise of share acquisition rights				(4,654)	10
Net changes in items other than shareholders' equity	11,543	495	12,039	10,362	22,401
Total changes during period	11,543	495	12,039	5,708	268,073
Balance at end of period	420,717	625	421,342	50,689	6,899,624

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
			Profit from Disposition of Treasury Shares			General reserve	Retained earnings brought forward			
Balance at beginning of period	1,350,000	825,877	6,319	832,196	204,500	4,200,000	490,388	4,894,888	(649,492)	6,427,592
Changes during period										
Provision of general reserve						300,000	(300,000)	-		-
Dividends of surplus							(112,937)	(112,937)		(112,937)
Profit							476,223	476,223		476,223
Purchase of treasury shares									(201,200)	(201,200)
Exercise of share acquisition rights										-
Net changes in items other than shareholders' equity										
Total changes during period	-	-	-	-	-	300,000	63,285	363,285	(201,200)	162,085
Balance at end of period	1,350,000	825,877	6,319	832,196	204,500	4,500,000	553,673	5,258,173	(850,692)	6,589,677

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	420,717	625	421,342	50,689	6,899,624
Changes during period					
Provision of general reserve					-
Dividends of surplus					(112,937)
Profit					476,223
Purchase of treasury shares					(201,200)
Exercise of share acquisition rights					-
Net changes in items other than shareholders' equity	(16,383)	(461)	(16,844)	7,675	(9,169)
Total changes during period	(16,383)	(461)	(16,844)	7,675	152,915
Balance at end of period	404,333	164	404,497	58,364	7,052,539

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	591,225	673,725
Depreciation	243,604	269,790
Impairment losses	2,502	–
Share-based payment expenses	10,362	7,675
Increase (decrease) in provision for retirement benefits	(61,053)	(46,535)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(600)	–
Increase (decrease) in provision for bonuses	7,181	14,771
Interest and dividend income	(38,609)	(35,897)
Interest expenses	245	228
Loss on abandonment of property, plant and equipment	142	40
Loss (gain) on sale of property, plant and equipment	(542)	(649)
Loss on cancellation of leases	2,000	–
Decrease (increase) in trade receivables	(21,018)	(835,098)
Decrease (increase) in inventories	(145,446)	(168,759)
Increase (decrease) in trade payables	230,427	237,525
Increase (decrease) in accrued consumption taxes	(58,280)	39,369
Other, net	(27,672)	3,671
Subtotal	734,467	159,854
Interest and dividends received	35,568	50,261
Interest paid	(244)	(227)
Income taxes paid	(67,701)	(225,145)
Net cash provided by (used in) operating activities	702,090	(15,257)
Cash flows from investing activities		
Purchase of property, plant and equipment	(101,492)	(79,314)
Proceeds from sale of property, plant and equipment	542	650
Purchase of intangible assets	(116,109)	(24,690)
Proceeds from rental of investment property	23,385	23,252
Proceeds from collection of loans receivable	120	111
Proceeds from sale of investment securities	–	596
Other, net	(7,070)	(5,624)
Net cash provided by (used in) investing activities	(200,624)	(85,019)
Cash flows from financing activities		
Purchase of treasury shares	(39,463)	(201,456)
Dividends paid	(114,931)	(113,382)
Repayments of lease liabilities	(4,300)	(11,039)
Other, net	10	–
Net cash provided by (used in) financing activities	(158,685)	(325,877)
Net increase (decrease) in cash and cash equivalents	342,780	(426,155)
Cash and cash equivalents at beginning of period	861,659	1,204,439
Cash and cash equivalents at end of period	1,204,439	778,284