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November 1, 2023

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (under Japanese GAAP)

Company name: **TAKARA STANDARD CO., LTD.**  
 Stock listing: Tokyo Stock Exchange  
 Stock code: 7981  
 URL: <https://www.takara-standard.co.jp/>  
 Representative: Takeo Watanabe, President  
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Scheduled date to file quarterly securities report: November 14, 2023  
 Scheduled date to commence dividend payments: November 30, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 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, 2023 (from April 1, 2023 to September 30, 2023)

#### (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, 2023	114,696	4.2	5,306	(12.8)	5,499	(13.9)	4,430	6.7
September 30, 2022	110,096	8.4	6,086	(21.1)	6,390	(19.9)	4,150	(23.5)

Note: Comprehensive income  
 Six months ended September 30, 2023: ¥5,114 million [12.0%]  
 Six months ended September 30, 2022: ¥4,564 million [(21.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	63.37	—
September 30, 2022	57.32	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2023	269,793	182,382	67.6	2,642.46
March 31, 2023	279,878	181,516	64.9	2,579.88

Reference: Equity  
 As of September 30, 2023: ¥182,382 million      As of March 31, 2023: ¥181,516 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, 2023	–	26.00	–	26.00	52.00
Fiscal year ending March 31, 2024	–	27.00			
Fiscal year ending March 31, 2024 (Forecasts)			–	27.00	54.00

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

## 3. Consolidated earnings forecasts for the fiscal 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 attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	235,300	3.5	14,100	28.9	14,500	26.2	9,500	12.9	135.02

(Note) Revisions to the consolidated earnings forecasts most recently announced: None

### \* 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, 2023	70,368,194 shares
As of March 31, 2023	70,368,194 shares

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

As of September 30, 2023	1,348,276 shares
As of March 31, 2023	9,747 shares

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

Six months ended September 30, 2023	69,912,226 shares
Six months ended September 30, 2022	72,410,947 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, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	80,376	62,022
Notes receivable - trade	4,545	3,901
Accounts receivable - trade	33,376	35,721
Electronically recorded monetary claims - operating	30,824	32,763
Merchandise and finished goods	13,602	14,715
Work in process	4,245	4,559
Raw materials and supplies	6,400	7,239
Other	410	1,749
Allowance for doubtful accounts	(5)	(6)
Total current assets	173,775	162,666
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,490	23,945
Land	36,765	36,533
Other, net	22,113	23,598
Total property, plant and equipment	83,369	84,078
Intangible assets	1,651	1,826
Investments and other assets		
Investment securities	12,057	12,284
Other	9,033	8,949
Allowance for doubtful accounts	(9)	(11)
Total investments and other assets	21,081	21,221
Total non-current assets	106,102	107,127
Total assets	279,878	269,793

TAKARA STANDARD CO., LTD. (7981)  
Summary of consolidated financial results for the six months ended September 30, 2023

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,953	18,428
Electronically recorded obligations - operating	31,937	21,251
Short-term borrowings	8,100	7,650
Income taxes payable	1,970	2,643
Other	14,140	15,018
Total current liabilities	76,102	64,992
Non-current liabilities		
Retirement benefit liability	18,767	18,911
Other	3,492	3,506
Total non-current liabilities	22,259	22,418
Total liabilities	98,361	87,410
Net assets		
Shareholders' equity		
Share capital	26,356	26,356
Capital surplus	30,734	30,734
Retained earnings	120,322	122,895
Treasury shares	(12)	(2,431)
Total shareholders' equity	177,402	177,556
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,784	5,220
Revaluation reserve for land	1,969	1,998
Remeasurements of defined benefit plans	(2,639)	(2,392)
Total accumulated other comprehensive income	4,114	4,826
Total net assets	181,516	182,382
Total liabilities and net assets	279,878	269,793

**(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, 2022	Six months ended September 30, 2023
Net sales	110,096	114,696
Cost of sales	72,338	76,260
Gross profit	37,758	38,435
Selling, general and administrative expenses	31,672	33,128
Operating profit	6,086	5,306
Non-operating income		
Interest income	3	2
Dividend income	265	200
Other	86	40
Total non-operating income	355	243
Non-operating expenses		
Interest expenses	26	22
Product safety costs	10	14
Other	14	13
Total non-operating expenses	51	50
Ordinary profit	6,390	5,499
Extraordinary income		
Gain on sale of non-current assets	117	45
Gain on sale of investment securities	-	1,146
Total extraordinary income	117	1,192
Extraordinary losses		
Loss on retirement of non-current assets	243	135
Loss on sale of non-current assets	141	115
Loss on valuation of investment securities	7	-
Impairment losses	34	9
110th anniversary expenses	68	-
Total extraordinary losses	495	260
Profit before income taxes	6,012	6,431
Income taxes	1,862	2,001
Profit	4,150	4,430
Profit attributable to owners of parent	4,150	4,430

**Quarterly consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	4,150	4,430
Other comprehensive income		
Valuation difference on available-for-sale securities	177	436
Remeasurements of defined benefit plans, net of tax	236	247
Total other comprehensive income	413	683
Comprehensive income	4,564	5,114
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,564	5,114
Comprehensive income attributable to non-controlling interests	-	-

**(3) Quarterly consolidated statements of cash flows**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,012	6,431
Depreciation	3,317	3,484
Impairment losses	34	9
Increase (decrease) in allowance for doubtful accounts	1	3
Increase (decrease) in retirement benefit liability	147	500
Interest and dividend income	(268)	(203)
Interest expenses	26	22
Loss (gain) on sale of investment securities	-	(1,146)
Loss (gain) on valuation of investment securities	7	-
Loss (gain) on sale of property, plant and equipment	23	68
Loss on retirement of property, plant and equipment	243	135
Decrease (increase) in trade receivables	(5,684)	(3,666)
Decrease (increase) in inventories	(3,739)	(2,266)
Increase (decrease) in trade payables	5,195	(12,886)
Other, net	(2,445)	(999)
<b>Subtotal</b>	<b>2,871</b>	<b>(10,514)</b>
Interest and dividends received	268	203
Interest paid	(24)	(21)
Income taxes paid	(2,405)	(1,163)
<b>Net cash provided by (used in) operating activities</b>	<b>710</b>	<b>(11,496)</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(16)	(8)
Proceeds from sale of investment securities	1	1,554
Purchase of property, plant and equipment	(4,059)	(3,903)
Proceeds from sale of property, plant and equipment	742	348
Purchase of intangible assets	(140)	(151)
Proceeds from collection of loans receivable	59	47
Other, net	(66)	(48)
<b>Net cash provided by (used in) investing activities</b>	<b>(3,478)</b>	<b>(2,162)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(1,600)	(450)
Purchase of treasury shares	(2,873)	(2,418)
Dividends paid	(2,336)	(1,827)
<b>Net cash provided by (used in) financing activities</b>	<b>(6,810)</b>	<b>(4,696)</b>
Net increase (decrease) in cash and cash equivalents	(9,578)	(18,354)
Cash and cash equivalents at beginning of period	88,607	80,376
Cash and cash equivalents at end of period	79,029	62,022