

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Non-Consolidated Financial Results
for the Year Ended March 31, 2021
(Based on Japanese GAAP)**

April 28, 2021

Company name: Takakita Co., Ltd.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6325 URL <http://www.takakita-net.co.jp>
 Representative: Representative Director and President Mitsuo Matsumoto
 Division Manager, Atsushi Nakabou TEL 0595-63-3111
 Corporate Administration Division
 Inquiries: Atsushi Nakabou TEL 0595-63-3111
 Scheduled date of ordinary general meeting of shareholders: June 21, 2021
 Scheduled date to file Securities Report: June 21, 2021
 Scheduled date to commence dividend payments: June 22, 2021
 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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	6,503	1.1	399	5.5	455	8.2	322	22.9
Year ended March 31, 2020	6,432	(10.0)	378	(40.1)	420	(38.4)	262	(39.2)

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	27.96	27.74	5.1	5.7	6.1
Year ended March 31, 2020	22.78	22.61	4.3	5.2	5.9

(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, 2021	8,164	6,631	80.7	570.33
As of March 31, 2020	7,697	6,217	80.2	535.54

(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, 2021	399	(272)	(117)	861
Year ended March 31, 2020	534	(284)	(274)	851

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, 2020	–	5.00	–	5.00	10.00	115	43.9	1.9
Year ended March 31, 2021	–	5.00	–	5.00	10.00	115	35.8	1.8
Year ending March 31, 2022 (Forecast)	–	5.00	–	5.00	10.00		39.8	

3. Forecast of non-consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	4,000	26.5	360	133.1	375	120.4	240	116.5	20.78
Full year	6,800	4.6	400	0.0	435	(4.5)	290	(10.2)	25.11

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, 2021	14,000,000 shares	As of March 31, 2020	14,000,000 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2021	2,451,205 shares	As of March 31, 2020	2,471,074 shares
----------------------	------------------	----------------------	------------------

Average number of shares during the period

Year ended March 31, 2021	11,542,711 shares	Year ended March 31, 2020	11,528,926 shares
---------------------------	-------------------	---------------------------	-------------------

Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	851,558	861,659
Notes receivable - trade	160,454	96,602
Electronically recorded monetary claims - operating	556,240	954,966
Accounts receivable - trade	846,490	1,004,245
Merchandise and finished goods	856,033	665,311
Work in process	140,592	141,932
Raw materials and supplies	355,145	290,211
Prepaid expenses	9,995	11,422
Accounts receivable - other	488,536	529,537
Advance payments to suppliers	88	22,040
Other	737	766
Total current assets	4,265,872	4,578,696
Non-current assets		
Property, plant and equipment		
Buildings	1,858,221	1,978,226
Accumulated depreciation	(872,433)	(929,353)
Buildings, net	985,787	1,048,873
Structures	350,455	350,105
Accumulated depreciation	(239,158)	(254,274)
Structures, net	111,296	95,830
Machinery and equipment	2,471,280	2,400,426
Accumulated depreciation	(2,021,849)	(2,028,859)
Machinery and equipment, net	449,430	371,566
Vehicles	94,869	90,895
Accumulated depreciation	(88,301)	(86,862)
Vehicles, net	6,567	4,032
Tools, furniture and fixtures	690,853	734,700
Accumulated depreciation	(637,982)	(681,056)
Tools, furniture and fixtures, net	52,870	53,643
Land	562,248	562,140
Construction in progress	15,124	3,300
Leased assets	4,448	3,207
Total property, plant and equipment	2,187,775	2,142,594
Intangible assets		
Software	27,839	111,818
Software in progress	107,165	33,620
Total intangible assets	135,004	145,438

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Investments and other assets		
Investment securities	659,755	933,264
Investments in capital	7,260	7,260
Investments in capital of subsidiaries and associates	152,512	152,512
Long-term prepaid expenses	4,875	12,579
Guarantee deposits	992	992
Leasehold deposits	5,890	5,757
Deferred tax assets	93,655	–
Investment property	175,180	175,180
Other	9,838	11,083
Allowance for doubtful accounts	(766)	(786)
Total investments and other assets	1,109,196	1,297,844
Total non-current assets	3,431,976	3,585,877
Total assets	7,697,849	8,164,574

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes payable - trade	3,264	5,172
Electronically recorded obligations - operating	323,231	352,963
Accounts payable - trade	186,183	293,037
Short-term borrowings	70,000	70,000
Accounts payable - other	51,173	48,938
Accrued expenses	148,945	162,034
Income taxes payable	61,995	36,333
Accrued consumption taxes	89,008	72,446
Advances received	1,478	41,180
Deposits received	23,826	16,344
Provision for bonuses	99,965	106,763
Notes payable - facilities	3,465	308
Electronically recorded obligations-facilities	81,665	70,103
Lease obligations	1,241	1,241
Other	103	–
Total current liabilities	1,145,546	1,276,867
Non-current liabilities		
Long-term guarantee deposits	11,088	11,088
Lease obligations	3,207	1,966
Provision for retirement benefits	314,355	236,977
Provision for retirement benefits for directors (and other officers)	6,340	4,700
Deferred tax liabilities	–	1,397
Total non-current liabilities	334,991	256,130
Total liabilities	1,480,538	1,532,998
Net assets		
Shareholders' equity		
Share capital	1,350,000	1,350,000
Capital surplus		
Legal capital surplus	825,877	825,877
Other capital surplus	–	4,155
Total capital surplus	825,877	830,032
Retained earnings		
Legal retained earnings	204,500	204,500
Other retained earnings		
General reserve	3,850,000	4,000,000
Retained earnings brought forward	348,081	405,484
Total retained earnings	4,402,581	4,609,984
Treasury shares	(617,636)	(612,725)
Total shareholders' equity	5,960,822	6,177,291
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	213,444	409,173
Deferred gains or losses on hedges	(71)	129
Total valuation and translation adjustments	213,372	409,303
Share acquisition rights	43,116	44,981
Total net assets	6,217,311	6,631,575
Total liabilities and net assets	7,697,849	8,164,574

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales		
Net sales of finished goods	5,958,542	6,054,373
Net sales of goods	473,729	449,510
Total net sales	6,432,271	6,503,884
Cost of sales		
Beginning merchandise inventory	70,620	51,837
Beginning finished goods inventory	1,028,598	804,195
Cost of purchased goods	381,726	383,268
Cost of products manufactured	3,853,944	3,963,906
Total	5,334,890	5,203,208
Ending merchandise inventory	51,837	33,443
Ending finished goods inventory	804,195	631,868
Transfer to other account	4,357	10,042
Transfer from other account	17,184	10,357
Total cost of sales	4,491,684	4,538,212
Gross profit	1,940,586	1,965,672
Selling, general and administrative expenses	1,561,715	1,565,809
Operating profit	378,870	399,862
Non-operating income		
Interest income	24	7
Dividend income	20,410	34,344
Rental income from real estate	23,486	23,252
Insurance claim income	5,430	485
Miscellaneous income	4,804	5,382
Total non-operating income	54,156	63,472
Non-operating expenses		
Interest expenses	311	243
Donations	381	62
Rental costs on real estate	4,243	4,123
Sales discounts	2,900	3,274
Loss on cancellation of leases	3,842	–
Provision of allowance for doubtful accounts	341	–
Other	134	231
Total non-operating expenses	12,153	7,934
Ordinary profit	420,873	455,400
Extraordinary income		
Gain on sale of non-current assets	69	–
Total extraordinary income	69	–
Extraordinary losses		
Loss on abandonment of non-current assets	502	–
Loss on retirement of non-current assets	–	28,831
Loss on valuation of investment securities	12,682	2,769
Total extraordinary losses	13,184	31,601
Profit before income taxes	407,758	423,798
Income taxes - current	126,525	86,590
Income taxes - deferred	18,587	14,416
Total income taxes	145,112	101,007
Profit	262,645	322,791

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(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		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	1,350,000	825,877	–	825,877	204,500	3,550,000	500,724	4,255,224	(617,636)	5,813,465
Changes during period										
Provision of general reserve						300,000	(300,000)	–		–
Dividends of surplus							(115,289)	(115,289)		(115,289)
Profit							262,645	262,645		262,645
Purchase of treasury shares									–	–
Exercise of share acquisition rights										
Net changes in items other than shareholders' equity										
Total changes during period	–	–	–	–	–	300,000	(152,643)	147,356	–	147,356
Balance at end of period	1,350,000	825,877	–	825,877	204,500	3,850,000	348,081	4,402,581	(617,636)	5,960,822

	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	281,914	(204)	281,710	32,291	6,127,467
Changes during period					
Provision of general reserve					–
Dividends of surplus					(115,289)
Profit					262,645
Purchase of treasury shares					–
Exercise of share acquisition rights					
Net changes in items other than shareholders' equity	(68,470)	132	(68,337)	10,825	(57,512)
Total changes during period	(68,470)	132	(68,337)	10,825	89,843
Balance at end of period	213,444	(71)	213,372	43,116	6,217,311

Fiscal year ended March 31, 2021

(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		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	1,350,000	825,877	–	825,877	204,500	3,850,000	348,081	4,402,581	(617,636)	5,960,822
Changes during period										
Provision of general reserve						150,000	(150,000)	–		–
Dividends of surplus							(115,388)	(115,388)		(115,388)
Profit							322,791	322,791		322,791
Purchase of treasury shares									(88)	(88)
Exercise of share acquisition rights			4,155	4,155					5,000	9,155
Net changes in items other than shareholders' equity										
Total changes during period	–	–	4,155	4,155	–	150,000	57,402	207,402	4,911	216,468
Balance at end 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

	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	213,444	(71)	213,372	43,116	6,217,311
Changes during period					
Provision of general reserve					–
Dividends of surplus					(115,388)
Profit					322,791
Purchase of treasury shares					(88)
Exercise of share acquisition rights				(9,135)	20
Net changes in items other than shareholders' equity	195,729	201	195,930	11,000	206,930
Total changes during period	195,729	201	195,930	1,865	414,264
Balance at end of period	409,173	129	409,303	44,981	6,631,575

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	407,758	423,798
Depreciation	257,501	280,457
Loss (gain) on valuation of investment securities	12,682	2,769
Share-based payment expenses	10,825	11,000
Increase (decrease) in provision for retirement benefits	(73,213)	(77,377)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1,350)	(1,640)
Increase (decrease) in provision for bonuses	(23,641)	6,798
Interest and dividend income	(20,435)	(34,352)
Interest expenses	311	243
Loss on abandonment of property, plant and equipment	502	–
Loss (gain) on sale of property, plant and equipment	(69)	–
Loss on retirement of property, plant and equipment	–	28,831
Decrease (increase) in trade receivables	235,684	(488,795)
Loss on cancellation of leases	3,842	–
Decrease (increase) in inventories	170,727	254,315
Increase (decrease) in trade payables	(375,710)	116,542
Increase (decrease) in accrued consumption taxes	65,643	(16,562)
Other, net	(46,147)	(17,971)
Subtotal	624,909	488,058
Interest and dividends received	20,435	23,030
Interest paid	(304)	(244)
Income taxes paid	(110,466)	(111,618)
Net cash provided by (used in) operating activities	534,574	399,225
Cash flows from investing activities		
Purchase of property, plant and equipment	(237,941)	(261,521)
Proceeds from sale of property, plant and equipment	69	117
Purchase of intangible assets	(64,823)	(28,699)
Proceeds from rental of investment property	23,486	23,252
Loan advances	(874)	–
Proceeds from collection of loans receivable	533	110
Other, net	(5,277)	(5,344)
Net cash provided by (used in) investing activities	(284,828)	(272,086)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(100,000)	–
Repayments of long-term borrowings	(58,240)	–
Purchase of treasury shares	–	(88)
Dividends paid	(115,355)	(115,728)
Repayments of lease obligations	(1,241)	(1,241)
Other, net	–	20
Net cash provided by (used in) financing activities	(274,836)	(117,039)
Net increase (decrease) in cash and cash equivalents	(25,090)	10,100
Cash and cash equivalents at beginning of period	876,649	851,558
Cash and cash equivalents at end of period	851,558	861,659