

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 27, 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
 Inquiries: Division Manager, Atsushi Nakabou TEL 0595-63-3111
 Corporate Administration Division
 Scheduled date to file Quarterly Securities Report: November 5, 2021
 Scheduled date to commence dividend payments: December 1, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Non-consolidated operating results (cumulative)

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	%
Six months ended September 30, 2021	3,785	19.7	373	141.9	391	129.9	263	137.6
Six months ended September 30, 2020	3,162	(16.4)	154	(59.5)	170	(57.2)	110	(56.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	22.84		22.64	
Six months ended September 30, 2020	9.61		9.53	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	8,747	6,814	77.3
As of March 31, 2021	8,164	6,631	80.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	5.00	–	5.00	10.00
Year ending March 31, 2022	–	5.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	5.00	10.00

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
Full year	6,800	4.6	400	0.0	435	(4.5)	290	(10.2)	25.14

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) 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:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(3) Number of issued shares (common shares)

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

As of September 30, 2021	14,000,000 shares	As of March 31, 2021	14,000,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	2,506,217 shares	As of March 31, 2021	2,451,205 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	11,535,934 shares	Six months ended September 30, 2020	11,537,475 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	861,659	1,168,219
Notes and accounts receivable - trade	1,100,848	1,004,640
Electronically recorded monetary claims - operating	954,966	1,177,444
Merchandise and finished goods	665,311	663,152
Work in process	141,932	162,427
Raw materials and supplies	290,211	346,736
Accounts receivable - other	529,537	583,530
Other	34,229	17,601
Total current assets	4,578,696	5,123,754
Non-current assets		
Property, plant and equipment		
Buildings, net	1,048,873	1,035,945
Machinery and equipment, net	371,566	333,757
Land	562,140	562,140
Other, net	160,014	179,923
Total property, plant and equipment	2,142,594	2,111,767
Intangible assets	145,438	204,609
Investments and other assets		
Investment securities	933,264	943,446
Other	365,366	364,771
Allowance for doubtful accounts	(786)	(726)
Total investments and other assets	1,297,844	1,307,491
Total non-current assets	3,585,877	3,623,868
Total assets	8,164,574	8,747,622
Liabilities		
Current liabilities		
Notes and accounts payable - trade	298,209	285,935
Electronically recorded obligations - operating	352,963	684,498
Short-term borrowings	70,000	70,000
Income taxes payable	36,333	131,310
Provision for bonuses	106,763	111,466
Other	412,597	395,481
Total current liabilities	1,276,867	1,678,692
Non-current liabilities		
Provision for retirement benefits	236,977	206,575
Provision for retirement benefits for directors (and other officers)	4,700	4,100
Other	14,452	43,868
Total non-current liabilities	256,130	254,544
Total liabilities	1,532,998	1,933,236

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	1,350,000	1,350,000
Capital surplus	830,032	832,196
Retained earnings	4,609,984	4,815,644
Treasury shares	(612,725)	(649,492)
Total shareholders' equity	6,177,291	6,348,348
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	409,173	415,348
Deferred gains or losses on hedges	129	–
Total valuation and translation adjustments	409,303	415,348
Share acquisition rights	44,981	50,689
Total net assets	6,631,575	6,814,385
Total liabilities and net assets	8,164,574	8,747,622

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	3,162,660	3,785,608
Cost of sales	2,220,244	2,558,607
Gross profit	942,416	1,227,000
Selling, general and administrative expenses	787,996	853,479
Operating profit	154,420	373,520
Non-operating income		
Interest income	5	2
Dividend income	6,257	7,219
Rental income from real estate	11,626	11,759
Other	2,406	3,786
Total non-operating income	20,295	22,767
Non-operating expenses		
Interest expenses	120	126
Rental costs on real estate	2,737	2,677
Sales discounts	1,713	–
Loss on cancellation of leases	–	2,000
Other	26	357
Total non-operating expenses	4,597	5,161
Ordinary profit	170,117	391,126
Extraordinary income		
Gain on sale of non-current assets	8	269
Total extraordinary income	8	269
Extraordinary losses		
Loss on abandonment of non-current assets	14	–
Total extraordinary losses	14	–
Profit before income taxes	170,112	391,396
Income taxes - current	44,113	117,106
Income taxes - deferred	15,132	10,860
Total income taxes	59,246	127,966
Profit	110,866	263,429

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	170,112	391,396
Depreciation	138,546	115,485
Share-based payment expenses	11,000	10,362
Increase (decrease) in provision for retirement benefits	(33,477)	(30,402)
Increase (decrease) in provision for bonuses	1,025	4,703
Interest and dividend income	(6,263)	(7,221)
Interest expenses	120	126
Loss on abandonment of non-current assets	14	–
Loss (gain) on sale of non-current assets	(8)	(269)
Loss on cancellation of leases	–	2,000
Decrease (increase) in trade receivables	(169,155)	(217,445)
Decrease (increase) in inventories	31,796	(74,861)
Increase (decrease) in trade payables	147,071	334,053
Increase (decrease) in accrued consumption taxes	(59,238)	(42,199)
Other, net	2,492	(2,301)
Subtotal	234,034	483,424
Interest and dividends received	6,264	18,544
Interest paid	(121)	(125)
Income taxes paid	(49,265)	(23,404)
Net cash provided by (used in) operating activities	190,911	478,439
Cash flows from investing activities		
Purchase of property, plant and equipment	(91,451)	(49,672)
Proceeds from sale of property, plant and equipment	117	269
Purchase of intangible assets	(35,699)	(32,681)
Proceeds from rental of investment property	11,626	11,759
Proceeds from collection of loans receivable	50	60
Other, net	(4,009)	(3,480)
Net cash provided by (used in) investing activities	(119,367)	(73,745)
Cash flows from financing activities		
Purchase of treasury shares	(30)	(39,463)
Dividends paid	(57,931)	(57,755)
Repayments of lease obligations	(620)	(929)
Other, net	20	10
Net cash provided by (used in) financing activities	(58,562)	(98,138)
Effect of exchange rate change on cash and cash equivalents	–	4
Net increase (decrease) in cash and cash equivalents	12,981	306,560
Cash and cash equivalents at beginning of period	851,558	861,659
Cash and cash equivalents at end of period	864,540	1,168,219