

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 31, 2022

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 4, 2022
 Scheduled date to commence dividend payments: December 1, 2022
 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, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	3,830	1.2	386	3.4	414	5.9	279	6.0
Six months ended September 30, 2021	3,785	19.7	373	141.9	391	129.9	263	137.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	24.54		24.29	
Six months ended September 30, 2021	22.84		22.64	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	8,865	6,845	76.6
As of March 31, 2022	8,647	6,899	79.2

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, 2022	–	5.00	–	5.00	10.00
Year ending March 31, 2023	–	5.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	5.00	10.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	7,200	2.5	400	(24.5)	450	(24.2)	300	(25.0)	26.67

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: No

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, 2022	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 September 30, 2022	2,906,217 shares	As of March 31, 2022	2,506,217 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, 2022	11,379,497 shares	Six months ended September 30, 2021	11,535,934 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	1,204,439	574,677
Notes and accounts receivable - trade	1,107,782	891,553
Electronically recorded monetary claims - operating	1,137,763	1,669,245
Merchandise and finished goods	781,851	887,942
Work in process	139,389	192,141
Raw materials and supplies	321,661	519,212
Accounts receivable - other	365,848	722,334
Other	15,892	28,973
Total current assets	5,074,629	5,486,081
Non-current assets		
Property, plant and equipment		
Buildings, net	1,010,610	982,072
Machinery and equipment, net	299,783	268,194
Land	559,638	559,638
Other, net	173,679	182,080
Total property, plant and equipment	2,043,713	1,991,985
Intangible assets	209,475	187,671
Investments and other assets		
Investment securities	956,791	836,659
Other	363,577	363,448
Allowance for doubtful accounts	(666)	(606)
Total investments and other assets	1,319,702	1,199,501
Total non-current assets	3,572,891	3,379,158
Total assets	8,647,520	8,865,239
Liabilities		
Current liabilities		
Notes and accounts payable - trade	360,026	441,801
Electronically recorded obligations - operating	502,242	776,524
Short-term borrowings	70,000	70,000
Income taxes payable	151,283	138,480
Provision for bonuses	113,945	113,656
Other	309,529	279,197
Total current liabilities	1,507,029	1,819,660
Non-current liabilities		
Provision for retirement benefits	175,923	153,298
Provision for retirement benefits for directors (and other officers)	4,100	4,100
Other	60,841	42,928
Total non-current liabilities	240,866	200,326
Total liabilities	1,747,896	2,019,987

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	1,350,000	1,350,000
Capital surplus	832,196	832,196
Retained earnings	4,894,888	5,116,685
Treasury shares	(649,492)	(850,692)
Total shareholders' equity	6,427,592	6,448,189
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	420,717	338,348
Deferred gains or losses on hedges	625	349
Total valuation and translation adjustments	421,342	338,698
Share acquisition rights	50,689	58,364
Total net assets	6,899,624	6,845,252
Total liabilities and net assets	8,647,520	8,865,239

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	3,785,608	3,830,665
Cost of sales	2,558,607	2,561,401
Gross profit	1,227,000	1,269,264
Selling, general and administrative expenses	853,479	882,925
Operating profit	373,520	386,338
Non-operating income		
Interest income	2	2
Dividend income	7,219	15,751
Rental income from real estate	11,759	11,626
Other	3,786	3,483
Total non-operating income	22,767	30,863
Non-operating expenses		
Interest expenses	126	118
Rental costs on real estate	2,677	2,790
Loss on cancellation of leases	2,000	–
Other	357	276
Total non-operating expenses	5,161	3,185
Ordinary profit	391,126	414,016
Extraordinary income		
Gain on sale of non-current assets	269	499
Total extraordinary income	269	499
Extraordinary losses		
Loss on abandonment of non-current assets	–	31
Loss on sale of investment securities	–	211
Total extraordinary losses	–	242
Profit before income taxes	391,396	414,273
Income taxes - current	117,106	124,064
Income taxes - deferred	10,860	10,943
Total income taxes	127,966	135,008
Profit	263,429	279,265

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	391,396	414,273
Depreciation	115,485	128,736
Share-based payment expenses	10,362	7,675
Increase (decrease) in provision for retirement benefits	(30,402)	(22,625)
Increase (decrease) in provision for bonuses	4,703	(288)
Interest and dividend income	(7,221)	(15,753)
Interest expenses	126	118
Loss on abandonment of non-current assets	–	31
Loss (gain) on sale of non-current assets	(269)	(499)
Loss on cancellation of leases	2,000	–
Decrease (increase) in trade receivables	(217,445)	(713,773)
Decrease (increase) in inventories	(74,861)	(356,394)
Increase (decrease) in trade payables	334,053	340,752
Increase (decrease) in accrued consumption taxes	(42,199)	3,104
Other, net	(2,301)	(1,050)
Subtotal	483,424	(215,693)
Interest and dividends received	18,544	30,116
Interest paid	(125)	(119)
Income taxes paid	(23,404)	(135,009)
Net cash provided by (used in) operating activities	478,439	(320,705)
Cash flows from investing activities		
Purchase of property, plant and equipment	(49,672)	(38,503)
Proceeds from sale of property, plant and equipment	269	500
Proceeds from sale of investment securities	–	596
Purchase of intangible assets	(32,681)	(15,650)
Proceeds from rental of investment property	11,759	11,626
Proceeds from collection of loans receivable	60	60
Other, net	(3,480)	(4,058)
Net cash provided by (used in) investing activities	(73,745)	(45,429)
Cash flows from financing activities		
Purchase of treasury shares	(39,463)	(201,456)
Dividends paid	(57,755)	(57,764)
Repayments of lease liabilities	(929)	(4,406)
Other, net	10	–
Net cash provided by (used in) financing activities	(98,138)	(263,627)
Effect of exchange rate change on cash and cash equivalents	4	–
Net increase (decrease) in cash and cash equivalents	306,560	(629,762)
Cash and cash equivalents at beginning of period	861,659	1,204,439
Cash and cash equivalents at end of period	1,168,219	574,677