

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 31, 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,
 Inquiries: Accounting Department, Kazushi Kawabe TEL 0595-63-3111
 Corporate Administration Division
 Scheduled date to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	4,290	12.0	518	34.3	545	31.7	372	33.4
Six months ended September 30, 2022	3,830	1.2	386	3.4	414	5.9	279	6.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	33.58		33.17	
Six months ended September 30, 2022	24.54		24.29	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2023	10,151		7,424		72.5	
As of March 31, 2023	9,113		7,052		76.7	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	5.00	–	8.00	13.00
Year ending March 31, 2024	–	5.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	5.00	10.00

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
Full year	8,000	3.5	600	(1.5)	650	(3.5)	430	(9.7)	38.76

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

As of September 30, 2023	2,906,217 shares	As of March 31, 2023	2,906,217 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, 2023	11,093,783 shares	Six months ended September 30, 2022	11,379,497 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	778,284	942,047
Notes and accounts receivable - trade	1,460,668	1,026,622
Electronically recorded monetary claims - operating	1,467,208	1,943,123
Merchandise and finished goods	809,477	1,012,486
Work in process	184,583	228,758
Raw materials and supplies	417,600	572,913
Accounts receivable - other	519,156	922,653
Other	24,990	29,798
Total current assets	5,661,969	6,678,404
Non-current assets		
Property, plant and equipment		
Buildings, net	956,520	928,165
Machinery and equipment, net	238,940	213,072
Land	559,638	559,638
Other, net	181,345	174,599
Total property, plant and equipment	1,936,444	1,875,475
Intangible assets	176,759	150,491
Investments and other assets		
Investment securities	929,979	1,046,651
Other	409,167	401,417
Allowance for doubtful accounts	(555)	(555)
Total investments and other assets	1,338,592	1,447,514
Total non-current assets	3,451,796	3,473,481
Total assets	9,113,766	10,151,885
Liabilities		
Current liabilities		
Notes and accounts payable - trade	388,630	486,045
Electronically recorded obligations - operating	721,135	1,217,325
Short-term borrowings	70,000	70,000
Income taxes payable	115,550	179,306
Provision for bonuses	128,716	118,377
Other	426,935	432,602
Total current liabilities	1,850,968	2,503,657
Non-current liabilities		
Provision for retirement benefits	129,387	104,384
Provision for retirement benefits for directors (and other officers)	4,100	4,100
Other	76,770	114,749
Total non-current liabilities	210,258	223,234
Total liabilities	2,061,226	2,726,891

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,350,000	1,350,000
Capital surplus	832,196	832,196
Retained earnings	5,258,173	5,541,902
Treasury shares	(850,692)	(850,692)
Total shareholders' equity	6,589,677	6,873,407
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	404,333	486,601
Deferred gains or losses on hedges	164	656
Total valuation and translation adjustments	404,497	487,258
Share acquisition rights	58,364	64,328
Total net assets	7,052,539	7,424,993
Total liabilities and net assets	9,113,766	10,151,885

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	3,830,665	4,290,031
Cost of sales	2,561,401	2,875,482
Gross profit	1,269,264	1,414,548
Selling, general and administrative expenses	882,925	895,731
Operating profit	386,338	518,817
Non-operating income		
Interest income	2	2
Dividend income	15,751	14,521
Rental income from real estate	11,626	11,512
Other	3,483	3,266
Total non-operating income	30,863	29,302
Non-operating expenses		
Interest expenses	118	105
Rental costs on real estate	2,790	2,783
Other	276	120
Total non-operating expenses	3,185	3,009
Ordinary profit	414,016	545,110
Extraordinary income		
Gain on sale of non-current assets	499	999
Total extraordinary income	499	999
Extraordinary losses		
Loss on abandonment of non-current assets	31	130
Loss on sale of investment securities	211	–
Total extraordinary losses	242	130
Profit before income taxes	414,273	545,980
Income taxes - current	124,064	163,600
Income taxes - deferred	10,943	9,899
Total income taxes	135,008	173,500
Profit	279,265	372,479

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	414,273	545,980
Depreciation	128,736	119,096
Share-based payment expenses	7,675	5,964
Increase (decrease) in provision for retirement benefits	(22,625)	(25,002)
Increase (decrease) in provision for bonuses	(288)	(10,338)
Interest and dividend income	(15,753)	(14,523)
Interest expenses	118	105
Loss on abandonment of non-current assets	31	130
Loss (gain) on sale of non-current assets	(499)	(999)
Decrease (increase) in trade receivables	(713,773)	(412,218)
Decrease (increase) in inventories	(356,394)	(402,496)
Increase (decrease) in trade payables	340,752	589,223
Increase (decrease) in accrued consumption taxes	3,104	(43,119)
Other, net	(1,050)	26,971
Subtotal	(215,693)	378,772
Interest and dividends received	30,116	14,523
Interest paid	(119)	(108)
Income taxes paid	(135,009)	(99,090)
Net cash provided by (used in) operating activities	(320,705)	294,096
Cash flows from investing activities		
Purchase of property, plant and equipment	(38,503)	(27,955)
Proceeds from sale of property, plant and equipment	500	1,000
Proceeds from sale of investment securities	596	–
Purchase of intangible assets	(15,650)	(15,143)
Proceeds from rental of investment property	11,626	11,512
Proceeds from collection of loans receivable	60	–
Other, net	(4,058)	(3,988)
Net cash provided by (used in) investing activities	(45,429)	(34,575)
Cash flows from financing activities		
Purchase of treasury shares	(201,456)	–
Dividends paid	(57,764)	(88,695)
Repayments of lease liabilities	(4,406)	(7,062)
Net cash provided by (used in) financing activities	(263,627)	(95,757)
Net increase (decrease) in cash and cash equivalents	(629,762)	163,763
Cash and cash equivalents at beginning of period	1,204,439	778,284
Cash and cash equivalents at end of period	574,677	942,047