

Translation

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

November 14, 2022

Company name: Takashima & Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8007 URL <https://www.tak.co.jp/en/index.html>
 Representative: President Koichi Takashima
 Inquiries: Accounting Unit Manager Koki Sakai TEL +81-3-5217-7297
 Scheduled date to file Quarterly Securities Report: November 14, 2022
 Scheduled date to commence dividend payments: December 12, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	38,817	2.8	596	(30.5)	694	(27.9)	509	(26.4)
Six months ended September 30, 2021	37,752	(4.8)	858	58.7	963	82.4	692	71.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	113.77	–
Six months ended September 30, 2021	153.37	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	50,169	18,932	37.7	4,222.68
As of March 31, 2022	45,176	18,477	40.9	4,129.61

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	–	0.00	–	130.00	130.00
Year ending March 31, 2023	–	70.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	70.00	140.00

3. Forecast of 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 attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	82,000	10.7	1,800	16.3	1,900	3.2	1,400	8.0	312.62

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) 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	4,500,973 shares	As of March 31, 2022	4,500,973 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	17,462 shares	As of March 31, 2022	26,677 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	4,478,274 shares	Six months ended September 30, 2021	4,512,867 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	7,305	6,148
Notes and accounts receivable - trade, and contract assets	22,292	26,470
Merchandise and finished goods	4,091	5,444
Work in process	118	117
Raw materials and supplies	1,215	1,516
Costs on construction contracts in progress	7	43
Other	440	473
Allowance for doubtful accounts	(47)	(54)
Total current assets	35,423	40,160
Non-current assets		
Property, plant and equipment	4,252	4,517
Intangible assets	514	613
Investments and other assets		
Investment securities	2,992	2,768
Retirement benefit asset	298	305
Other	1,872	1,975
Allowance for doubtful accounts	(176)	(170)
Total investments and other assets	4,986	4,877
Total non-current assets	9,753	10,009
Total assets	45,176	50,169

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,123	19,593
Electronically recorded obligations - operating	3,864	2,403
Short-term borrowings	926	1,257
Income taxes payable	384	324
Provision for bonuses	427	390
Provision for bonuses for directors (and other officers)	35	21
Other	1,262	1,661
Total current liabilities	21,024	25,653
Non-current liabilities		
Long-term borrowings	3,360	3,240
Retirement benefit liability	68	76
Other	2,246	2,267
Total non-current liabilities	5,675	5,583
Total liabilities	26,699	31,237
Net assets		
Shareholders' equity		
Share capital	3,801	3,801
Capital surplus	1,725	1,728
Retained earnings	11,792	11,720
Treasury shares	(56)	(37)
Total shareholders' equity	17,262	17,212
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	738	630
Revaluation reserve for land	417	417
Foreign currency translation adjustment	36	649
Remeasurements of defined benefit plans	21	22
Total accumulated other comprehensive income	1,214	1,719
Total net assets	18,477	18,932
Total liabilities and net assets	45,176	50,169

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	37,752	38,817
Cost of sales	33,504	34,449
Gross profit	4,248	4,368
Selling, general and administrative expenses	3,389	3,771
Operating profit	858	596
Non-operating income		
Interest income	19	12
Dividend income	66	86
Share of profit of entities accounted for using equity method	–	7
Reversal of allowance for doubtful accounts	–	1
Other	63	66
Total non-operating income	150	173
Non-operating expenses		
Interest expenses	11	19
Foreign exchange losses	9	40
Share of loss of entities accounted for using equity method	7	–
Leave allowance of non-current assets	12	9
Other	3	6
Total non-operating expenses	44	75
Ordinary profit	963	694
Extraordinary income		
Gain on sale of investment securities	–	110
Total extraordinary income	–	110
Extraordinary losses		
Loss on retirement of non-current assets	–	23
Loss on tax purpose reduction entry of non-current assets	–	7
Total extraordinary losses	–	30
Profit before income taxes	963	775
Income taxes - current	343	245
Income taxes for prior periods	–	63
Income taxes - deferred	(72)	(43)
Total income taxes	271	265
Profit	692	509
Profit attributable to owners of parent	692	509

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	692	509
Other comprehensive income		
Valuation difference on available-for-sale securities	(109)	(108)
Foreign currency translation adjustment	154	613
Remeasurements of defined benefit plans, net of tax	(25)	0
Total other comprehensive income	19	504
Comprehensive income	711	1,014
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	711	1,014

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	963	775
Depreciation	194	261
Loss (gain) on sale of investment securities	–	(110)
Increase (decrease) in allowance for doubtful accounts	(2)	(1)
Increase (decrease) in provision for bonuses	114	(44)
Increase (decrease) in net defined benefit asset and liability	(44)	(0)
Increase (decrease) in provision for bonuses for directors (and other officers)	(9)	(13)
Interest and dividend income	(86)	(98)
Interest expenses	11	19
Decrease (increase) in accounts receivable - other	(51)	0
Decrease (increase) in trade receivables	(2,095)	(3,887)
Decrease (increase) in inventories	(987)	(1,344)
Increase (decrease) in trade payables	241	3,841
Increase (decrease) in advances received	564	320
Increase (decrease) in accrued consumption taxes	(66)	(54)
Increase (decrease) in accounts payable - other, and accrued expenses	30	60
Other, net	96	92
Subtotal	(1,125)	(184)
Interest and dividends received	86	95
Interest paid	(11)	(19)
Income taxes paid	(297)	(378)
Extra retirement payments	(11)	–
Net cash provided by (used in) operating activities	(1,359)	(487)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from investing activities		
Payments into time deposits	0	(0)
Purchase of property, plant and equipment	(95)	(316)
Proceeds from sale of property, plant and equipment	0	–
Purchase of intangible assets	(154)	(152)
Purchase of investment securities	(3)	(4)
Proceeds from sale of investment securities	–	190
Loan advances	(7)	–
Proceeds from collection of loans receivable	1	1
Other, net	(18)	(18)
Net cash provided by (used in) investing activities	(278)	(300)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	31	241
Repayments of long-term borrowings	(139)	(120)
Purchase of treasury shares	–	(1)
Dividends paid	(270)	(581)
Other, net	(46)	(95)
Net cash provided by (used in) financing activities	(424)	(556)
Effect of exchange rate change on cash and cash equivalents	108	186
Net increase (decrease) in cash and cash equivalents	(1,954)	(1,157)
Cash and cash equivalents at beginning of period	5,880	7,301
Cash and cash equivalents at end of period	3,926	6,144