

# Consolidated Financial Results for the Three Months Ended May 31, 2021 [Japanese GAAP]



July 12, 2021

Company name: Takihyo Co., Ltd.  
 Code number: 9982  
 URL: <https://www.takihyo.co.jp>  
 Stock exchange listing: Tokyo Stock Exchange (First Section), Nagoya Stock Exchange (First Section)  
 Representative: Kazuo Taki, Representative Director, CEO  
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 Scheduled date of commencing dividend payments: –  
 Scheduled date for filing of quarterly securities report: July 14, 2021  
 Availability of supplementary briefing material on quarterly results: None  
 Schedule of quarterly results briefing session: None

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Financial Results for the Three Months Ended May 31, 2021 (March 1, 2021 to May 31, 2021)

(1) Consolidated Results of Operations (cumulative) (% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended May 31, 2021	14,650	25.0	124	–	195	–	132	–
Three months ended May 31, 2020	11,718	(26.1)	(173)	–	(142)	–	(249)	–

(Note) Comprehensive income: Three months ended May 31, 2021: ¥306 million [–%]  
 Three months ended May 31, 2020: ¥(146) million [–%]

	Earnings per share	Diluted earnings per share
	yen	yen
Three months ended May 31, 2021	14.32	14.13
Three months ended May 31, 2020	(26.75)	–

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of May 31, 2021	46,158	31,555	67.9	3,386.24
As of February 28, 2021	44,673	31,404	69.8	3,357.62

(Reference) Equity: As of May 31, 2021: ¥31,323 million  
 As of February 28, 2021: ¥31,172 million

## 2. Dividends

	Annual Dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Year end	Total
	yen	yen	yen	yen	yen
Fiscal year ended February 28, 2021	–	10.00	–	10.00	20.00
Fiscal year ending February 28, 2022	–				
Fiscal year ending February 28, 2022 (Forecast)		10.00	–	10.00	20.00

(Note) Revision of dividends forecast from recently announced figures: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2022 (March 1, 2021 to February 28, 2022)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	55,000	9.9	220	–	320	–	200	–	21.76

(Note) Revision of forecast results from recently announced figures: None

**\*Notes**

- (1) Significant changes of subsidiaries during the period under review: No
- (2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and restatements
- 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Any changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Restatements: No

- (4) Total number of issued shares (common stock)

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

May 31, 2021	9,500,000 shares
February 28, 2021	9,600,000 shares

- 2) Total number of treasury shares at the end of the period:

May 31, 2021	249,791 shares
February 28, 2021	315,891 shares

- 3) Average number of shares during the period (cumulative):

Three months ended May 31, 2021	9,265,859 shares
Three months ended May 31, 2020	9,326,733 shares

\* Summary of consolidated quarterly financial results is outside the scope of the quarterly review of certified public accountant or audit firm

\* Explanation of the proper use of performance forecast and other notes

(Note on the forward-looking statements)

The earnings projections and other forward-looking statements herein are based on available information and certain assumptions deemed reasonable at the time of the release of this document, and do not constitute a promise by the Company to achieve those projections. In addition, actual results may differ significantly from the projections due to various factors.

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## 1. Qualitative Information on Financial Results for the Period under Review

### (1) Qualitative Information on Results of Operations

During the three months ended May 31, 2021, due to the continued impact of shorter operating hours of commercial facilities and self-restraint from going out following declarations of the state of emergency, with no end to the coronavirus disease (COVID-19) in sight, the overall situation of the clothing market was below the level of 2019, before the coronavirus pandemic, except for major specialty retail chains located in suburban areas that feature low prices, high functionality and regular items.

Under these circumstances, the Company has been working with “recovery of the existing wholesale business,” “strengthening of the retail business,” “planning and proposal of distinctive product lines,” and “collaboration with different industries” as priority measures for the current fiscal year. Specifically, the Company has been achieving results mainly in the total casual clothing project for women and men, which is collaborated with major general merchandise stores, EC sales of self-developed products, and the coordination project using influencers with major specialty retail chains. The Company understands that it is necessary to further strengthen its efforts and develop products that allow for an appeal of sense of values. On the other hand, due to the expanding sales of medical isolation gowns by the affiliated company and the incorporation of logistics work from other companies, the overall Group registered net sales of ¥14,650 million (25.0% increase from the previous corresponding period), the operating profit of ¥124 million (operating loss of ¥173 million in the previous corresponding period), ordinary profit of ¥195 million (ordinary loss of ¥142 million in the previous corresponding period) and profit attributable to owners of parent of ¥132 million (loss of ¥249 million in the previous corresponding period).

### (2) Qualitative Information on Financial Position

#### 1) Assets

Current assets increased by ¥1,482 million compared with the end of the previous fiscal year, to ¥20,313 million, due primarily to increases of ¥810 million in cash and deposits and ¥752 million in notes and accounts receivable - trade.

Non-current assets increased by ¥2 million compared with the end of the previous fiscal year, to ¥25,845 million, due primarily to increases of ¥21 million in property, plant and equipment and ¥76 million in investment securities despite a decrease of ¥102 million in long-term guarantee deposit.

As a result, total assets increased by ¥1,485 million compared with the end of the previous fiscal year, to ¥46,158 million.

#### 2) Liabilities

Liabilities increased by ¥1,334 million compared with the end of the previous fiscal year, to ¥14,603 million, due primarily to an increase of ¥2,760 million in borrowings despite a decrease of ¥1,725 million in notes and accounts payable - trade.

#### 3) Net assets

Net assets increased by ¥150 million compared with the end of the previous fiscal year, to ¥31,555 million, due primarily to an increase of ¥174 million in accumulated other comprehensive income.

### (3) Explanation of Consolidated Forecast and Other Forward-looking Statements

The financial results forecast has not changed since its earlier announcement on April 14, 2021.

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2021	As of May 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	3,877	4,688
Notes and accounts receivable - trade	10,083	10,836
Inventories	4,023	3,657
Other	857	1,143
Allowance for doubtful accounts	(11)	(12)
Total current assets	18,830	20,313
Non-current assets		
Property, plant and equipment		
Land	16,803	16,803
Other, net	3,909	3,931
Total property, plant and equipment	20,713	20,735
Intangible assets	76	76
Investments and other assets		
Investment securities	3,736	3,813
Other	1,395	1,299
Allowance for doubtful accounts	(78)	(79)
Total investments and other assets	5,053	5,033
Total non-current assets	25,843	25,845
Total assets	44,673	46,158

(Millions of yen)

	As of February 28, 2021	As of May 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,932	3,207
Short-term borrowings	40	3,000
Current portion of long-term borrowings	800	800
Income taxes payable	100	73
Provisions	114	204
Other	2,007	2,151
Total current liabilities	7,994	9,436
Non-current liabilities		
Long-term borrowings	3,275	3,075
Retirement benefit liability	29	45
Provision for retirement benefits for directors (and other officers)	157	157
Asset retirement obligations	207	207
Other	1,605	1,681
Total non-current liabilities	5,274	5,167
<b>Total liabilities</b>	<b>13,269</b>	<b>14,603</b>
Net assets		
Shareholders' equity		
Share capital	3,622	3,622
Capital surplus	4,148	4,148
Retained earnings	22,725	22,561
Treasury shares	(646)	(506)
Total shareholders' equity	29,849	29,826
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,231	1,295
Deferred gains or losses on hedges	107	166
Revaluation reserve for land	0	0
Foreign currency translation adjustment	(50)	1
Remeasurements of defined benefit plans	34	33
Total accumulated other comprehensive income	1,323	1,497
Share acquisition rights	231	231
Total net assets	31,404	31,555
<b>Total liabilities and net assets</b>	<b>44,673</b>	<b>46,158</b>

(2) Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

	(Millions of yen)	
	For the three months ended May 31, 2020	For the three months ended May 31, 2021
Net sales	11,718	14,650
Cost of sales	9,151	11,560
Gross profit	2,566	3,089
Provision for sales returns	(5)	1
Gross profit - net	2,571	3,088
Selling, general and administrative expenses	2,745	2,963
Operating profit (loss)	(173)	124
Non-operating income		
Interest income	1	1
Dividend income	18	14
Dividend income of insurance	9	13
Foreign exchange gains	-	24
Other	24	33
Total non-operating income	54	87
Non-operating expenses		
Interest expenses	12	9
Commission expenses	5	5
Other	6	1
Total non-operating expenses	23	16
Ordinary profit (loss)	(142)	195
Extraordinary losses		
Loss on valuation of investment securities	32	-
Impairment loss	42	-
Loss on retirement of non-current assets	2	-
Total extraordinary losses	78	-
Profit (loss) before income taxes	(221)	195
Income taxes	28	63
Profit (loss)	(249)	132
Profit (loss) attributable to owners of parent	(249)	132



Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the three months ended May 31, 2020	For the three months ended May 31, 2021
Profit (loss)	(249)	132
Other comprehensive income		
Valuation difference on available-for-sale securities	25	64
Deferred gains or losses on hedges	91	59
Foreign currency translation adjustment	(14)	51
Remeasurements of defined benefit plans, net of tax	(0)	(0)
Total other comprehensive income	103	174
Comprehensive income	(146)	306
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(146)	306

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Additional Information)

(Accounting estimates with regard to COVID-19)

There are no significant changes to the content described in (Additional Information) (Accounting estimates with regard to COVID-19) in the annual securities report for the fiscal year ended February 28, 2021.