

# Consolidated Financial Results for the Nine Months Ended November 30, 2021 [Japanese GAAP]



January 11, 2022

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

Contact: Kazuhito Yokoyama, Section Leader, Corporate Planning

Phone: +81-52-587-7111

Scheduled date of commencing dividend payments: –

Scheduled date for filing of quarterly securities report: January 13, 2022

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 Nine Months Ended November 30, 2021 (March 1, 2021 to November 30, 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	%
Nine months ended November 30, 2021	43,271	14.8	(923)	–	(751)	–	(989)	–
Nine months ended November 30, 2020	37,696	(19.8)	(543)	–	(399)	–	(710)	–

(Note) Comprehensive income: Nine months ended November 30, 2021: ¥(867) million [–%]

Nine months ended November 30, 2020: ¥(823) million [–%]

	Earnings per share	Diluted earnings per share
	yen	yen
Nine months ended November 30, 2021	(107.06)	–
Nine months ended November 30, 2020	(76.22)	–

(Note) Though dilutive shares exist, diluted earnings per share are not provided, as net loss per share was recorded.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of November 30, 2021	47,430	30,209	63.2	3,255.99
As of February 28, 2021	44,673	31,404	69.8	3,357.62

(Reference) Equity: As of November 30, 2021: ¥29,977 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	–	10.00	–		
Fiscal year ending February 28, 2022 (Forecast)				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	56,450	12.8	(1,810)	–	(1,610)	–	(1,850)	–	(200.52)

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

**\*Notes**

(1) Significant changes of subsidiaries during the period under review (affecting specified subsidiaries resulting in changes in scope of consolidation): 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):

November 30, 2021	9,500,000 shares
February 28, 2021	9,600,000 shares

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

November 30, 2021	293,038 shares
February 28, 2021	315,891 shares

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

Nine months ended November 30, 2021	9,241,230 shares
Nine months ended November 30, 2020	9,326,354 shares

\* These consolidated quarterly financial results are outside the scope of the quarterly review by certified public accountants or audit firms.

\* 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.

1. Qualitative Information on Financial Results for the Period under Review .....	2
(1) Qualitative Information on Results of Operations.....	2
(2) Qualitative Information on Financial Position .....	2
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements .....	3
2. Consolidated Financial Statements and Primary Notes .....	4
(1) Consolidated Balance Sheets .....	4
(2) Consolidated Statements of Income and Comprehensive Income .....	6
(3) Notes to Quarterly Consolidated Financial Statements.....	8
(Notes on Going Concern Assumption) .....	8
(Notes in Case of Significant Changes in Shareholders' Equity).....	8
(Additional Information).....	8

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

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

During the nine months ended November 30, 2021, due to real GDP turning negative from July to September for the first time in two quarters and remaining concerns about the resurgence of the coronavirus disease (COVID-19) despite the lifting of the state of emergency declared in October, personal consumption of clothing remains low.

In the current year, the Company has been working on four priority measures, “recovery of the existing wholesale business,” “strengthening of the retail business,” “planning and proposal of distinctive product lines,” and “collaboration with different industries.”

As a result, for the nine months ended November 30, 2021, the Company registered net sales of ¥43,271 million (14.8% increase from the previous corresponding period). On the other hand, in terms of profit and loss, the Company registered an operating loss of ¥923 million (an operating loss of ¥543 million in the previous corresponding period), an ordinary loss of ¥751 million (an ordinary loss of ¥399 million in the previous corresponding period) and loss attributable to owners of parent of ¥989 million (a loss of ¥710 million in the previous corresponding period). This was primarily due to a decline in gross profit caused by the rise of raw material prices, further depreciation of the yen, rising sea freight rates, and relocation of production to China, as well as an increase in logistics costs associated with increased sales.

Considering this situation, the Company will endeavor to reduce fixed costs by reducing rent expenses through the reduction in Head Office space and the relocation of Tokyo Branch Office. Moreover, the Company will further accelerate the promotion of priority measures and work to restore the revenue base.

### (2) Qualitative Information on Financial Position

#### 1) Assets

Current assets increased by ¥3,077 million compared with the end of the previous fiscal year, to ¥21,908 million, due primarily to increases of ¥2,574 million in notes and accounts receivable - trade and ¥521 million in inventories.

Non-current assets decreased by ¥320 million compared with the end of the previous fiscal year, to ¥25,522 million, due primarily to decreases of ¥160 million in investment securities and ¥84 million in long-term guarantee deposit.

As a result, total assets increased by ¥2,757 million compared with the end of the previous fiscal year, to ¥47,430 million.

#### 2) Liabilities

Liabilities increased by ¥3,951 million compared with the end of the previous fiscal year, to ¥17,220 million, due primarily to an increase of ¥3,860 million in borrowings.

### 3) Net assets

Net assets decreased by ¥1,194 million compared with the end of the previous fiscal year, to ¥30,209 million, due primarily to a decrease of ¥1,377 million in retained earnings.

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

The financial results forecast has not changed since its earlier announcement on December 17, 2021.

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2021	As of November 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	3,877	3,530
Notes and accounts receivable - trade	10,083	12,658
Inventories	4,023	4,545
Other	857	1,187
Allowance for doubtful accounts	(11)	(14)
Total current assets	18,830	21,908
Non-current assets		
Property, plant and equipment		
Land	16,803	16,803
Other, net	3,909	3,862
Total property, plant and equipment	20,713	20,666
Intangible assets	76	70
Investments and other assets		
Investment securities	3,736	3,576
Other	1,395	1,288
Allowance for doubtful accounts	(78)	(80)
Total investments and other assets	5,053	4,785
Total non-current assets	25,843	25,522
Total assets	44,673	47,430

(Millions of yen)

	As of February 28, 2021	As of November 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,932	4,243
Short-term borrowings	40	4,500
Current portion of long-term borrowings	800	1,975
Income taxes payable	100	77
Provisions	114	201
Other	2,007	2,599
Total current liabilities	7,994	13,597
Non-current liabilities		
Long-term borrowings	3,275	1,500
Retirement benefit liability	29	74
Provision for retirement benefits for directors (and other officers)	157	157
Asset retirement obligations	207	205
Other	1,605	1,686
Total non-current liabilities	5,274	3,623
Total liabilities	13,269	17,220
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,622	3,622
Capital surplus	4,148	4,148
Retained earnings	22,725	21,347
Treasury shares	(646)	(585)
Total shareholders' equity	29,849	28,532
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,231	1,137
Deferred gains or losses on hedges	107	257
Revaluation reserve for land	0	0
Foreign currency translation adjustment	(50)	17
Remeasurements of defined benefit plans	34	32
Total accumulated other comprehensive income	1,323	1,444
Share acquisition rights	231	231
Total net assets	31,404	30,209
Total liabilities and net assets	44,673	47,430



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

(Millions of yen)

	For the nine months ended November 30, 2020	For the nine months ended November 30, 2021
Net sales	37,696	43,271
Cost of sales	30,023	35,234
Gross profit	7,672	8,037
Provision for sales returns	(1)	5
Gross profit - net	7,673	8,032
Selling, general and administrative expenses	8,217	8,956
Operating loss	(543)	(923)
Non-operating income		
Interest income	7	8
Dividend income	71	60
Subsidies for employment adjustment	88	32
Other	69	115
Total non-operating income	236	216
Non-operating expenses		
Interest expenses	30	26
Foreign exchange losses	36	—
Commission expenses	14	13
Other	10	3
Total non-operating expenses	92	43
Ordinary loss	(399)	(751)
Extraordinary income		
Gain on sales of investment securities	56	—
Gain on sales of non-current assets	—	0
Total extraordinary income	56	0
Extraordinary losses		
Impairment loss	117	93
Loss on valuation of investment securities	100	17
Other	11	0
Total extraordinary losses	229	110
Loss before income taxes	(572)	(861)
Income taxes	137	127
Loss	(710)	(989)
Loss attributable to owners of parent	(710)	(989)

# Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the nine months ended November 30, 2020	For the nine months ended November 30, 2021
Loss	(710)	(989)
Other comprehensive income		
Valuation difference on available-for-sale securities	123	(94)
Deferred gains or losses on hedges	(224)	149
Foreign currency translation adjustment	(11)	68
Remeasurements of defined benefit plans, net of tax	(0)	(2)
Total other comprehensive income	(112)	121
Comprehensive income	(823)	(867)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(823)	(867)

(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.