

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 8, 2021

Company name: Tohto Suisan Co., Ltd  
 Stock exchange listing: Tokyo  
 Stock code: 8038 URL <https://www.tohsui.co.jp>  
 Representative: President and Representative Director Koh Ehara  
 Inquiries: Operating Officer, Accounting Dept. Hiroshi Tanaka TEL 03-6633-1005  
 Scheduled date to file Quarterly Securities Report: February 12, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

#### (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                         | %     |
| Nine months ended December 31, 2020 | 79,291          | (11.8) | 1,117            | 41.7  | 1,416           | 45.9  | 1,079                                   | 48.0  |
| Nine months ended December 31, 2019 | 89,900          | 0.4    | 788              | (0.7) | 970             | (9.5) | 728                                     | (1.5) |

|                                     | Earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------|----------------------------|
|                                     | Yen                | Yen                        |
| Nine months ended December 31, 2020 | 274.24             | –                          |
| Nine months ended December 31, 2019 | 188.65             | –                          |

#### (2) Consolidated financial position

|                         | Total assets    | Net assets      | Equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|--------------|----------------------|
|                         | Millions of yen | Millions of yen | %            | Yen                  |
| As of December 31, 2020 | 31,990          | 17,469          | 54.6         | 4,440.01             |
| As of March 31, 2020    | 29,097          | 16,892          | 58.1         | 4,293.44             |

### 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, 2020             | –                          | –               | –               | 65.00           | 65.00 |
| Year ending March 31, 2021            | –                          | –               | –               |                 |       |
| Year ending March 31, 2021 (Forecast) |                            |                 |                 | 65.00           | 65.00 |

Note: Revision of cash dividend forecast most recently announced: No

### 3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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 | 100,000         | (15.2) | 1,000            | (25.6) | 1,200           | (21.9) | 900                                     | (33.8) | 228.74             |

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020  
(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: No
- 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 December 31, 2020 | 4,026,000 shares | As of March 31, 2020 | 4,026,000 shares |
|-------------------------|------------------|----------------------|------------------|

Number of treasury shares at the end of the period

|                         |               |                      |               |
|-------------------------|---------------|----------------------|---------------|
| As of December 31, 2020 | 91,342 shares | As of March 31, 2020 | 91,550 shares |
|-------------------------|---------------|----------------------|---------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                  |                                     |                  |
|-------------------------------------|------------------|-------------------------------------|------------------|
| Nine months ended December 31, 2020 | 3,934,684 shares | Nine months ended December 31, 2019 | 3,864,246 shares |
|-------------------------------------|------------------|-------------------------------------|------------------|

\* Quarterly financial results reports are exempt from quarterly review procedures conducted by certified public accountants or an audit corporation.

\* Proper use of forecasts of financial results, and other special matters

The forward-looking statements, including the earnings forecasts, shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual results may differ substantially due to various factors.

## Quarterly consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

|   | As of March 31, 2020 | As of December 31, 2020 |
|---|----------------------|-------------------------|
| <b>Assets</b>                             |                      |                         |
| Current assets                            |                      |                         |
| Cash and deposits                         | 7,385                | 8,956                   |
| Notes and accounts receivable - trade     | 6,417                | 8,299                   |
| Merchandise and finished goods            | 2,677                | 2,410                   |
| Work in process                           | 7                    | 9                       |
| Raw materials and supplies                | 49                   | 79                      |
| Other                                     | 480                  | 361                     |
| Allowance for doubtful accounts           | (490)                | (417)                   |
| Total current assets                      | 16,527               | 19,700                  |
| Non-current assets                        |                      |                         |
| Property, plant and equipment             |                      |                         |
| Buildings and structures, net             | 3,726                | 3,492                   |
| Land                                      | 3,167                | 3,160                   |
| Other, net                                | 1,035                | 884                     |
| Total property, plant and equipment       | 7,929                | 7,537                   |
| Intangible assets                         | 2,159                | 2,279                   |
| Investments and other assets              |                      |                         |
| Other                                     | 2,727                | 2,645                   |
| Allowance for doubtful accounts           | (247)                | (172)                   |
| Total investments and other assets        | 2,480                | 2,473                   |
| Total non-current assets                  | 12,569               | 12,289                  |
| Total assets                              | 29,097               | 31,990                  |
| <b>Liabilities</b>                        |                      |                         |
| Current liabilities                       |                      |                         |
| Notes and accounts payable - trade        | 2,729                | 4,384                   |
| Short-term borrowings                     | 2,581                | 2,746                   |
| Income taxes payable                      | 157                  | 46                      |
| Provision for bonuses                     | 70                   | 13                      |
| Provision for shareholder benefit program | –                    | 10                      |
| Other                                     | 853                  | 933                     |
| Total current liabilities                 | 6,393                | 8,135                   |
| Non-current liabilities                   |                      |                         |
| Long-term borrowings                      | 2,903                | 3,386                   |
| Retirement benefit liability              | 1,065                | 1,074                   |
| Provision for share-based remuneration    | 30                   | 28                      |
| Asset retirement obligations              | 127                  | 124                     |
| Other                                     | 1,683                | 1,771                   |
| Total non-current liabilities             | 5,811                | 6,384                   |
| Total liabilities                         | 12,204               | 14,520                  |

(Millions of yen)

|   | As of March 31, 2020 | As of December 31, 2020 |
|---|----------------------|-------------------------|
| Net assets  |                      |                         |
| Shareholders' equity                                  |                      |                         |
| Share capital   | 2,376                | 2,376                   |
| Capital surplus                                       | 1,085                | 1,085                   |
| Retained earnings                                     | 13,620               | 14,440                  |
| Treasury shares                                       | (196)                | (196)                   |
| Total shareholders' equity                            | 16,885               | 17,705                  |
| Accumulated other comprehensive income                |                      |                         |
| Valuation difference on available-for-sale securities | 241                  | 334                     |
| Deferred gains or losses on hedges                    | –                    | 0                       |
| Revaluation reserve for land                          | 360                  | 360                     |
| Foreign currency translation adjustment               | (534)                | (874)                   |
| Remeasurements of defined benefit plans               | (60)                 | (56)                    |
| Total accumulated other comprehensive income          | 6                    | (235)                   |
| Total net assets                                      | 16,892               | 17,469                  |
| Total liabilities and net assets                      | 29,097               | 31,990                  |

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

|  | Nine months ended<br>December 31, 2019 | Nine months ended<br>December 31, 2020 |
|--|--|--|
| Net sales                                    | 89,900                                 | 79,291                                 |
| Cost of sales                                | 85,187                                 | 74,867                                 |
| Gross profit                                 | 4,713                                  | 4,424                                  |
| Selling, general and administrative expenses | 3,924                                  | 3,306                                  |
| Operating profit                             | 788                                    | 1,117                                  |
| Non-operating income                         |  |  |
| Interest income                              | 46                                     | 32                                     |
| Dividend income                              | 78                                     | 98                                     |
| Subsidy income                               | 33                                     | 101                                    |
| Foreign exchange gains                       | 3                                      | 32                                     |
| Gain on valuation of currency swaps          | 9                                      | 1                                      |
| Other  | 35                                     | 61                                     |
| Total non-operating income                   | 207                                    | 327                                    |
| Non-operating expenses                       |  |  |
| Interest expenses                            | 21                                     | 19                                     |
| Other  | 4                                      | 9                                      |
| Total non-operating expenses                 | 25                                     | 29                                     |
| Ordinary profit                              | 970                                    | 1,416                                  |
| Extraordinary losses                         |  |  |
| Loss on valuation of investment securities   | -                                      | 29                                     |
| Total extraordinary losses                   | -                                      | 29                                     |
| Profit before income taxes                   | 970                                    | 1,386                                  |
| Income taxes - current                       | 179                                    | 232                                    |
| Income taxes - deferred                      | 61                                     | 74                                     |
| Total income taxes                           | 241                                    | 307                                    |
| Profit                                       | 728                                    | 1,079                                  |
| Profit attributable to owners of parent      | 728                                    | 1,079                                  |

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

|  | Nine months ended<br>December 31, 2019 | Nine months ended<br>December 31, 2020 |
|--|--|--|
| Profit   | 728                                    | 1,079                                  |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | (21)                                   | 92                                     |
| Deferred gains or losses on hedges                             | (1)                                    | 0                                      |
| Foreign currency translation adjustment                        | (2)                                    | (339)                                  |
| Remeasurements of defined benefit plans, net of tax            | 11                                     | 4                                      |
| Total other comprehensive income                               | (12)                                   | (242)                                  |
| Comprehensive income   | 716                                    | 836                                    |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 716                                    | 836                                    |
| Comprehensive income attributable to non-controlling interests | —                                      | —                                      |