

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

November 9, 2020

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: November 13, 2020
 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 six months ended September 30, 2020 (from April 1, 2020 to September 30, 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	%
Six months ended September 30, 2020	48,437	(14.0)	491	160.2	715	129.6	532	140.6
Six months ended September 30, 2019	56,338	1.3	188	(51.3)	311	(47.1)	221	(48.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	135.42		–	
Six months ended September 30, 2019	57.75		–	

(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, 2020	29,731	16,890	56.8	4,292.55
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				
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 six months ended September 30, 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 September 30, 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 September 30, 2020	91,120 shares	As of March 31, 2020	91,550 shares
--------------------------	---------------	----------------------	---------------

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

Six months ended September 30, 2020	3,934,641 shares	Six months ended September 30, 2019	3,834,134 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 September 30, 2020
Assets		
Current assets		
Cash and deposits	7,385	9,725
Notes and accounts receivable - trade	6,417	5,833
Merchandise and finished goods	2,677	1,838
Work in process	7	3
Raw materials and supplies	49	56
Other	480	475
Allowance for doubtful accounts	(490)	(422)
Total current assets	16,527	17,510
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,726	3,543
Land	3,167	3,160
Other, net	1,035	927
Total property, plant and equipment	7,929	7,630
Intangible assets	2,159	2,164
Investments and other assets		
Other	2,727	2,622
Allowance for doubtful accounts	(247)	(196)
Total investments and other assets	2,480	2,425
Total non-current assets	12,569	12,221
Total assets	29,097	29,731
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,729	2,555
Short-term borrowings	2,581	2,751
Income taxes payable	157	49
Provision for bonuses	70	63
Provision for shareholder benefit program	–	23
Other	853	827
Total current liabilities	6,393	6,271
Non-current liabilities		
Long-term borrowings	2,903	3,638
Retirement benefit liability	1,065	1,073
Provision for share-based remuneration	30	28
Asset retirement obligations	127	124
Other	1,683	1,705
Total non-current liabilities	5,811	6,569
Total liabilities	12,204	12,840

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Net assets		
Shareholders' equity		
Share capital	2,376	2,376
Capital surplus	1,085	1,085
Retained earnings	13,620	13,894
Treasury shares	(196)	(195)
Total shareholders' equity	16,885	17,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	241	317
Deferred gains or losses on hedges	–	1
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(534)	(890)
Remeasurements of defined benefit plans	(60)	(57)
Total accumulated other comprehensive income	6	(269)
Total net assets	16,892	16,890
Total liabilities and net assets	29,097	29,731

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, 2019	Six months ended September 30, 2020
Net sales	56,338	48,437
Cost of sales	53,461	45,763
Gross profit	2,877	2,673
Selling, general and administrative expenses	2,688	2,182
Operating profit	188	491
Non-operating income		
Interest income	32	23
Dividend income	57	77
Foreign exchange gains	–	53
Gain on valuation of currency swaps	11	0
Subsidy income	33	–
Other	20	90
Total non-operating income	156	245
Non-operating expenses		
Interest expenses	14	13
Foreign exchange losses	14	–
Other	4	7
Total non-operating expenses	33	20
Ordinary profit	311	715
Extraordinary losses		
Loss on valuation of investment securities	–	29
Total extraordinary losses	–	29
Profit before income taxes	311	686
Income taxes - current	66	121
Income taxes - deferred	24	32
Total income taxes	90	153
Profit	221	532
Profit attributable to owners of parent	221	532

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	221	532
Other comprehensive income		
Valuation difference on available-for-sale securities	(93)	75
Deferred gains or losses on hedges	(1)	1
Foreign currency translation adjustment	54	(355)
Remeasurements of defined benefit plans, net of tax	7	2
Total other comprehensive income	(32)	(276)
Comprehensive income	188	256
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	188	256
Comprehensive income attributable to non-controlling interests	—	—