

Translation

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

August 5, 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: August 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 three months ended June 30, 2020 (from April 1, 2020 to June 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	%
Three months ended June 30, 2020	22,356	(21.9)	48	(42.3)	230	20.1	181	9.1
Three months ended June 30, 2019	28,643	4.4	84	(13.2)	192	(26.0)	165	(26.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	46.02		–	
Three months ended June 30, 2019	43.48		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	29,070	16,330	56.2	4,150.71
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: Yes

The cash dividend forecast for the year ending March 31, 2021 had not been determined as it was difficult to calculate the consolidated financial results forecast. However, the Company announced the forecast based on judgements using information currently available.

For details, please refer to the “Notice Regarding Consolidated Financial Results Forecast and Cash Dividend Forecast” announced today.

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)	228.75

Note: Revision of consolidated financial results forecast most recently announced: Yes

The forecast of the consolidated financial results for the fiscal year ending March 31, 2021 had not been determined as it was difficult to appropriately and reasonably calculate the impact of the spread of the novel coronavirus disease (COVID-19) on the results. However, the Company announced the forecast based on judgements using information currently available.

For details, please refer to the “Notice Regarding Consolidated Financial Results Forecast and Cash Dividend Forecast” announced today.

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 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
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|------------------------------------------------------------------------------------------------|----|
| 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 June 30, 2020	4,026,000 shares	As of March 31, 2020	4,026,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	91,614 shares	As of March 31, 2020	91,550 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	3,934,424 shares	Three months ended June 30, 2019	3,817,236 shares
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* 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 June 30, 2020
Assets		
Current assets		
Cash and deposits	7,385	8,014
Notes and accounts receivable - trade	6,417	5,598
Merchandise and finished goods	2,677	2,928
Work in process	7	11
Raw materials and supplies	49	49
Other	480	598
Allowance for doubtful accounts	(490)	(462)
Total current assets	16,527	16,737
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,726	3,641
Land	3,167	3,157
Other, net	1,035	960
Total property, plant and equipment	7,929	7,758
Intangible assets	2,159	2,083
Investments and other assets		
Other	2,727	2,688
Allowance for doubtful accounts	(247)	(198)
Total investments and other assets	2,480	2,490
Total non-current assets	12,569	12,333
Total assets	29,097	29,070
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,729	2,496
Short-term borrowings	2,581	2,706
Income taxes payable	157	22
Provision for bonuses	70	111
Other	853	846
Total current liabilities	6,393	6,182
Non-current liabilities		
Long-term borrowings	2,903	3,638
Retirement benefit liability	1,065	1,070
Provision for share-based remuneration	30	30
Asset retirement obligations	127	127
Other	1,683	1,689
Total non-current liabilities	5,811	6,557
Total liabilities	12,204	12,740

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	2,376	2,376
Capital surplus	1,085	1,085
Retained earnings	13,620	13,542
Treasury shares	(196)	(196)
Total shareholders' equity	16,885	16,807
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	241	267
Deferred gains or losses on hedges	–	1
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(534)	(1,047)
Remeasurements of defined benefit plans	(60)	(59)
Total accumulated other comprehensive income	6	(477)
Total net assets	16,892	16,330
Total liabilities and net assets	29,097	29,070

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	28,643	22,356
Cost of sales	27,193	21,224
Gross profit	1,449	1,132
Selling, general and administrative expenses	1,364	1,083
Operating profit	84	48
Non-operating income		
Interest income	17	12
Dividend income	56	76
Foreign exchange gains	–	73
Subsidy income	33	–
Gain on valuation of currency swaps	8	–
Other	9	33
Total non-operating income	124	195
Non-operating expenses		
Interest expenses	7	5
Foreign exchange losses	6	–
Other	3	7
Total non-operating expenses	17	13
Ordinary profit	192	230
Extraordinary losses		
Loss on valuation of investment securities	–	29
Total extraordinary losses	–	29
Profit before income taxes	192	201
Income taxes - current	44	15
Income taxes - deferred	(17)	4
Total income taxes	26	19
Profit	165	181
Profit attributable to owners of parent	165	181

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	165	181
Other comprehensive income		
Valuation difference on available-for-sale securities	(80)	25
Deferred gains or losses on hedges	(0)	1
Foreign currency translation adjustment	76	(512)
Remeasurements of defined benefit plans, net of tax	3	1
Total other comprehensive income	(1)	(484)
Comprehensive income	164	(302)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	164	(302)
Comprehensive income attributable to non-controlling interests	—	—