

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 6, 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: February 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 nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(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, 2019	89,900	0.4	788	(0.7)	970	(9.5)	728	(1.5)
Nine months ended December 31, 2018	89,552	(1.3)	793	(19.3)	1,071	7.5	740	30.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	188.65		–	
Nine months ended December 31, 2018	188.86		–	

(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, 2019	31,971	16,395	51.3	4,167.04
As of March 31, 2019	29,204	15,626	53.5	4,093.69

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, 2019	–	–	–	65.00	65.00
Year ending March 31, 2020	–	–	–		
Year ending March 31, 2020 (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, 2020 (from April 1, 2019 to March 31, 2020)

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	120,000	3.1	1,200	(11.9)	1,400	(18.0)	1,000	(27.6)	257.70

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, 2019  
(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, 2019	4,026,000 shares	As of March 31, 2019	4,026,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	91,500 shares	As of March 31, 2019	208,764 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2019	3,864,246 shares	Nine months ended December 31, 2018	3,918,421 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, 2019	As of December 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	7,078	5,759
Notes and accounts receivable - trade	6,779	9,984
Merchandise and finished goods	3,351	3,431
Work in process	4	12
Raw materials and supplies	201	63
Other	345	463
Allowance for doubtful accounts	(658)	(670)
Total current assets	17,102	19,044
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,516	3,746
Land	3,194	3,193
Other, net	1,223	1,105
Total property, plant and equipment	7,934	8,045
Intangible assets	1,591	2,064
Investments and other assets		
Other	2,767	3,041
Allowance for doubtful accounts	(191)	(223)
Total investments and other assets	2,576	2,818
Total non-current assets	12,102	12,927
Total assets	29,204	31,971
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,189	5,762
Short-term borrowings	2,939	2,739
Income taxes payable	72	95
Provision for bonuses	90	18
Provision for shareholder benefit program	–	5
Other	845	889
Total current liabilities	7,137	9,511
Non-current liabilities		
Long-term borrowings	3,587	3,107
Retirement benefit liability	1,130	1,082
Provision for share-based remuneration	28	23
Asset retirement obligations	84	127
Other	1,609	1,723
Total non-current liabilities	6,440	6,065
Total liabilities	13,577	15,576

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Net assets		
Shareholders' equity		
Share capital	2,376	2,376
Capital surplus	1,048	1,085
Retained earnings	12,512	12,990
Treasury shares	(462)	(196)
Total shareholders' equity	15,474	16,255
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	490	469
Deferred gains or losses on hedges	1	0
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(675)	(677)
Remeasurements of defined benefit plans	(24)	(12)
Total accumulated other comprehensive income	152	139
Total net assets	15,626	16,395
Total liabilities and net assets	29,204	31,971

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	89,552	89,900
Cost of sales	84,838	85,187
Gross profit	4,713	4,713
Selling, general and administrative expenses	3,919	3,924
Operating profit	793	788
Non-operating income		
Interest income	34	46
Dividend income	118	78
Subsidy income	–	33
Gain on valuation of currency swaps	5	9
Foreign exchange gains	36	3
Compensation income	56	–
Other	89	35
Total non-operating income	342	207
Non-operating expenses		
Interest expenses	24	21
Extra retirement payments	18	–
Other	21	4
Total non-operating expenses	64	25
Ordinary profit	1,071	970
Profit before income taxes	1,071	970
Income taxes - current	162	179
Income taxes - deferred	169	61
Total income taxes	331	241
Profit	740	728
Profit attributable to owners of parent	740	728

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

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	740	728
Other comprehensive income		
Valuation difference on available-for-sale securities	(132)	(21)
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	(173)	(2)
Remeasurements of defined benefit plans, net of tax	27	11
Total other comprehensive income	(277)	(12)
Comprehensive income	462	716
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	462	716
Comprehensive income attributable to non-controlling interests	—	—