

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

November 2, 2016

Company name: Tohto Suisan Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 8038 URL <http://www.tohsui.co.jp>  
 Representative: President and Representative Director Yoshinari Sekimoto  
 Director, General Affairs Dept. and  
 Inquiries: Accountants Dept. Koh Ehara TEL 03-3541-5468  
 Scheduled date to file Quarterly Securities Report: November 10, 2016  
 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, 2016 (from April 1, 2016 to September 30, 2016)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2016	56,687	(6.3)	527	31.5	595	21.1	464	16.6
Six months ended September 30, 2015	60,492	0.7	401	(42.3)	491	(34.4)	398	(38.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2016	116.78	–
Six months ended September 30, 2015	100.13	–

The Company has conducted a 1-for-10 reverse split on common share as of October 1, 2016. Accordingly, earnings per share have been calculated as if this reverse split on common share was conducted at the beginning of the previous fiscal year.

#### (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, 2016	25,035	13,058	52.2	3,282.50
As of March 31, 2016	25,628	13,215	51.6	3,321.73

The Company has conducted a 1-for-10 reverse split on common share as of October 1, 2016. Accordingly, net assets per share have been calculated as if this reverse split on common share was conducted at the beginning of the previous fiscal year.

### 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, 2016	–	–	–	6.00	6.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	–	–	60.00	60.00

The Company has conducted a 1-for-10 reverse split on common share as of October 1, 2016. The expected year-end dividend and full-year dividend per share for the fiscal year ending March 31, 2017 take into account the reverse stock split. Without taking into account the reverse stock split, the expected year-end dividend and full-year dividend for the fiscal year ending March 31, 2017 will be 6 yen.

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		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	(3.5)	1,000	(29.0)	1,100	(31.3)	700	(43.3)	175.95

The earnings per share estimate in the forecast for the fiscal year ending March 31, 2017 takes into account the effect of the reverse stock split. Without taking into account the reverse stock split, the estimated earnings per share for the fiscal year ending March 31, 2017 will be 17.59 yen.

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2016  
(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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: Yes
- 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, 2016	4,026,000 shares	As of March 31, 2016	4,026,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	47,801 shares	As of March 31, 2016	47,553 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2016	3,978,335 shares	Six months ended September 30, 2015	3,978,573 shares
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The Company has conducted a 1-for-10 reverse split on common share as of October 1, 2016. Accordingly, total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares during the period have been calculated as if this reverse split on common share was conducted at the beginning of the previous fiscal year.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	8,742	6,132
Notes and accounts receivable - trade	6,159	7,088
Merchandise and finished goods	2,378	3,129
Work in process	27	24
Raw materials and supplies	219	208
Other	362	273
Allowance for doubtful accounts	(801)	(753)
Total current assets	17,086	16,104
Non-current assets		
Property, plant and equipment		
Land	3,549	3,538
Other, net	2,407	2,644
Total property, plant and equipment	5,957	6,183
Intangible assets	679	697
Investments and other assets		
Other	2,282	2,415
Allowance for doubtful accounts	(377)	(366)
Total investments and other assets	1,905	2,049
Total non-current assets	8,542	8,931
Total assets	25,628	25,035
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,757	3,183
Short-term loans payable	3,301	3,046
Income taxes payable	114	68
Provision for bonuses	82	82
Other	907	772
Total current liabilities	7,163	7,154
Non-current liabilities		
Long-term loans payable	1,917	1,503
Net defined benefit liability	1,694	1,671
Provision for stocks payment	8	8
Asset retirement obligations	51	51
Other	1,577	1,587
Total non-current liabilities	5,249	4,822
Total liabilities	12,413	11,976

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Net assets		
Shareholders' equity		
Capital stock	2,376	2,376
Capital surplus	1,048	1,048
Retained earnings	9,648	9,872
Treasury shares	(95)	(95)
Total shareholders' equity	12,978	13,200
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	258	310
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(222)	(663)
Remeasurements of defined benefit plans	(159)	(150)
Total accumulated other comprehensive income	237	(142)
Total net assets	13,215	13,058
Total liabilities and net assets	25,628	25,035

**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, 2015	Six months ended September 30, 2016
Net sales	60,492	56,687
Cost of sales	57,163	53,404
Gross profit	3,329	3,283
Selling, general and administrative expenses	2,928	2,755
Operating income	401	527
Non-operating income		
Interest income	25	26
Dividend income	32	25
Gain on sales of non-current assets	–	28
Foreign exchange gains	40	9
Other	35	24
Total non-operating income	134	114
Non-operating expenses		
Interest expenses	25	16
Loss on valuation of currency swaps	10	18
Loss on retirement of non-current assets	1	10
Other	6	0
Total non-operating expenses	44	46
Ordinary income	491	595
Extraordinary income		
Compensation income for damage by rumor	59	–
Total extraordinary income	59	–
Profit before income taxes	551	595
Income taxes - current	189	147
Income taxes - deferred	(36)	(17)
Total income taxes	153	130
Profit	398	464
Profit attributable to owners of parent	398	464

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

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	398	464
Other comprehensive income		
Valuation difference on available-for-sale securities	(8)	52
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	(260)	(441)
Remeasurements of defined benefit plans, net of tax	0	9
Total other comprehensive income	(268)	(379)
Comprehensive income	129	85
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	129	85
Comprehensive income attributable to non-controlling interests	—	—