

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

November 2, 2017

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 9, 2017
 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, 2017 (from April 1, 2017 to September 30, 2017)

(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, 2017	56,141	(1.0)	541	2.7	592	(0.5)	421	(9.4)
Six months ended September 30, 2016	56,687	(6.3)	527	31.5	595	21.1	464	16.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	105.86		–	
Six months ended September 30, 2016	116.78		–	

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, 2017	27,819	14,703	52.9	3,696.66
As of March 31, 2017	26,150	14,480	55.4	3,640.44

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, 2017	–	–	–	60.00	60.00
Year ending March 31, 2018	–	–	–	60.00	60.00
Year ending March 31, 2018 (Forecast)	–	–	–	60.00	60.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	115,000	(3.5)	1,200	(10.8)	1,300	(14.3)	1,000	(19.8)	251.41

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, 2017
(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, 2017	4,026,000 shares	As of March 31, 2017	4,026,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2017	48,467 shares	As of March 31, 2017	48,405 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, 2017	3,977,558 shares	Six months ended September 30, 2016	3,978,335 shares
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The Company has conducted a 1-for-10 reverse split on common share as of October 1, 2016. Accordingly, average number of shares during the period has been calculated as if this reverse split on common share was conducted at the beginning of the previous fiscal year.

* 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, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	6,800	4,919
Notes and accounts receivable - trade	6,562	8,059
Merchandise and finished goods	2,371	3,309
Work in process	18	33
Raw materials and supplies	262	164
Other	336	319
Allowance for doubtful accounts	(769)	(736)
Total current assets	15,582	16,069
Non-current assets		
Property, plant and equipment		
Land	3,548	3,553
Other, net	3,307	4,118
Total property, plant and equipment	6,856	7,672
Intangible assets	1,220	1,489
Investments and other assets		
Other	2,850	2,936
Allowance for doubtful accounts	(359)	(348)
Total investments and other assets	2,490	2,587
Total non-current assets	10,568	11,749
Total assets	26,150	27,819
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,592	3,843
Short-term loans payable	2,894	3,013
Income taxes payable	129	48
Provision for bonuses	79	80
Other	818	830
Total current liabilities	6,515	7,816
Non-current liabilities		
Long-term loans payable	1,715	1,837
Net defined benefit liability	1,687	1,680
Provision for stocks payment	15	15
Asset retirement obligations	46	46
Other	1,688	1,718
Total non-current liabilities	5,154	5,299
Total liabilities	11,669	13,115

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Net assets		
Shareholders' equity		
Capital stock	2,376	2,376
Capital surplus	1,048	1,048
Retained earnings	10,653	10,833
Treasury shares	(96)	(96)
Total shareholders' equity	13,981	14,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	553	577
Deferred gains or losses on hedges	0	—
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(337)	(346)
Remeasurements of defined benefit plans	(78)	(49)
Total accumulated other comprehensive income	498	542
Total net assets	14,480	14,703
Total liabilities and net assets	26,150	27,819

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, 2016	Six months ended September 30, 2017
Net sales	56,687	56,141
Cost of sales	53,404	52,938
Gross profit	3,283	3,202
Selling, general and administrative expenses	2,755	2,660
Operating profit	527	541
Non-operating income		
Interest income	26	15
Dividend income	25	41
Gain on sales of non-current assets	28	–
Foreign exchange gains	9	–
Other	24	32
Total non-operating income	114	89
Non-operating expenses		
Interest expenses	16	12
Foreign exchange losses	–	20
Loss on retirement of non-current assets	10	5
Loss on valuation of currency swaps	18	–
Other	0	0
Total non-operating expenses	46	38
Ordinary profit	595	592
Profit before income taxes	595	592
Income taxes - current	147	132
Income taxes - deferred	(17)	38
Total income taxes	130	171
Profit	464	421
Profit attributable to owners of parent	464	421

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	464	421
Other comprehensive income		
Valuation difference on available-for-sale securities	52	23
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(441)	(9)
Remeasurements of defined benefit plans, net of tax	9	29
Total other comprehensive income	(379)	43
Comprehensive income	85	465
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	85	465
Comprehensive income attributable to non-controlling interests	—	—