

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

November 9, 2018

Company name: Tohto Suisan Co., Ltd
 Stock exchange listing: Tokyo
 Stock code: 8038 URL <http://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, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

(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, 2018	55,621	(0.9)	388	(28.4)	589	(0.5)	433	2.9
Six months ended September 30, 2017	56,141	(1.0)	541	2.7	592	(0.5)	421	(9.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	109.31	–
Six months ended September 30, 2017	105.86	–

(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, 2018	30,082	15,174	50.4	3,893.50
As of March 31, 2018	28,696	15,512	54.1	3,900.06

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, 2018	–	–	–	65.00	65.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	–	–	60.00	60.00

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

* Details of year-end dividends for the year ended March 31, 2018

Ordinary dividends 60 yen
 Commemorative dividends 5 yen

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	(1.9)	800	(43.1)	1,100	(25.8)	800	(18.3)	201.93

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

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2018
(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, 2018	4,026,000 shares	As of March 31, 2018	4,026,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	128,651 shares	As of March 31, 2018	48,599 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, 2018	3,961,741 shares	Six months ended September 30, 2017	3,977,558 shares
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* 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, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	6,321	6,915
Notes and accounts receivable - trade	6,781	7,669
Merchandise and finished goods	3,004	3,500
Work in process	5	8
Raw materials and supplies	205	121
Other	959	417
Allowance for doubtful accounts	(792)	(708)
Total current assets	16,486	17,925
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,419	3,449
Land	3,206	3,196
Other, net	1,393	1,261
Total property, plant and equipment	8,019	7,907
Intangible assets	1,582	1,515
Investments and other assets		
Other	2,825	2,938
Allowance for doubtful accounts	(216)	(204)
Total investments and other assets	2,608	2,734
Total non-current assets	12,210	12,157
Total assets	28,696	30,082
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,798	3,548
Short-term loans payable	3,504	3,093
Income taxes payable	28	52
Provision for bonuses	78	79
Other	1,714	948
Total current liabilities	8,124	7,722
Non-current liabilities		
Long-term loans payable	2,041	4,111
Net defined benefit liability	1,367	1,340
Provision for stocks payment	22	20
Asset retirement obligations	45	45
Other	1,583	1,668
Total non-current liabilities	5,059	7,186
Total liabilities	13,184	14,908

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Net assets		
Shareholders' equity		
Capital stock	2,376	2,376
Capital surplus	1,048	1,048
Retained earnings	11,391	11,563
Treasury shares	(97)	(267)
Total shareholders' equity	14,719	14,720
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	605	652
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(157)	(562)
Remeasurements of defined benefit plans	(15)	3
Total accumulated other comprehensive income	792	453
Total net assets	15,512	15,174
Total liabilities and net assets	28,696	30,082

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, 2017	Six months ended September 30, 2018
Net sales	56,141	55,621
Cost of sales	52,938	52,818
Gross profit	3,202	2,802
Selling, general and administrative expenses	2,660	2,414
Operating profit	541	388
Non-operating income		
Interest income	15	20
Dividend income	41	102
Foreign exchange gains	–	53
Other	32	68
Total non-operating income	89	245
Non-operating expenses		
Interest expenses	12	16
Extra retirement payments	–	18
Foreign exchange losses	20	–
Other	5	9
Total non-operating expenses	38	44
Ordinary profit	592	589
Profit before income taxes	592	589
Income taxes - current	132	119
Income taxes - deferred	38	36
Total income taxes	171	155
Profit	421	433
Profit attributable to owners of parent	421	433

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	421	433
Other comprehensive income		
Valuation difference on available-for-sale securities	23	47
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	(9)	(405)
Remeasurements of defined benefit plans, net of tax	29	18
Total other comprehensive income	43	(339)
Comprehensive income	465	93
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	465	93
Comprehensive income attributable to non-controlling interests	—	—