

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 6, 2019

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 12, 2019  
 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, 2019 (from April 1, 2019 to September 30, 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	%
Six months ended September 30, 2019	56,338	1.3	188	(51.3)	311	(47.1)	221	(48.9)
Six months ended September 30, 2018	55,621	(0.9)	388	(28.4)	589	(0.5)	433	2.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	57.75	–
Six months ended September 30, 2018	109.31	–

(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, 2019	29,241	15,867	54.3	4,032.93
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	Yen	Yen	Yen	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)	260.82

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, 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 September 30, 2019	4,026,000 shares	As of March 31, 2019	4,026,000 shares
--------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2019	91,546 shares	As of March 31, 2019	208,764 shares
--------------------------	---------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2019	3,834,134 shares	Six months ended September 30, 2018	3,961,741 shares
-------------------------------------	------------------	-------------------------------------	------------------

\* 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 September 30, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,078	5,501
Notes and accounts receivable - trade	6,779	6,910
Merchandise and finished goods	3,351	3,929
Work in process	4	28
Raw materials and supplies	201	129
Other	345	522
Allowance for doubtful accounts	(658)	(665)
<b>Total current assets</b>	<b>17,102</b>	<b>16,356</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	3,516	3,791
Land	3,194	3,195
Other, net	1,223	1,126
<b>Total property, plant and equipment</b>	<b>7,934</b>	<b>8,113</b>
Intangible assets	1,591	2,039
<b>Investments and other assets</b>		
Other	2,767	2,956
Allowance for doubtful accounts	(191)	(224)
<b>Total investments and other assets</b>	<b>2,576</b>	<b>2,732</b>
<b>Total non-current assets</b>	<b>12,102</b>	<b>12,885</b>
<b>Total assets</b>	<b>29,204</b>	<b>29,241</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,189	3,499
Short-term borrowings	2,939	2,750
Income taxes payable	72	62
Provision for bonuses	90	72
Provision for shareholder benefit program	–	16
Other	845	756
<b>Total current liabilities</b>	<b>7,137</b>	<b>7,156</b>
<b>Non-current liabilities</b>		
Long-term borrowings	3,587	3,309
Retirement benefit liability	1,130	1,079
Provision for share-based remuneration	28	24
Asset retirement obligations	84	127
Other	1,609	1,676
<b>Total non-current liabilities</b>	<b>6,440</b>	<b>6,217</b>
<b>Total liabilities</b>	<b>13,577</b>	<b>13,374</b>

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Net assets		
Shareholders' equity		
Share capital	2,376	2,376
Capital surplus	1,048	1,085
Retained earnings	12,512	12,482
Treasury shares	(462)	(196)
Total shareholders' equity	15,474	15,747
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	490	397
Deferred gains or losses on hedges	1	(0)
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(675)	(621)
Remeasurements of defined benefit plans	(24)	(16)
Total accumulated other comprehensive income	152	119
Total net assets	15,626	15,867
Total liabilities and net assets	29,204	29,241

**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, 2018	Six months ended September 30, 2019
Net sales	55,621	56,338
Cost of sales	52,818	53,461
Gross profit	2,802	2,877
Selling, general and administrative expenses	2,414	2,688
Operating profit	388	188
Non-operating income		
Interest income	20	32
Dividend income	102	57
Subsidy income	–	33
Gain on valuation of currency swaps	0	11
Foreign exchange gains	53	–
Other	67	20
Total non-operating income	245	156
Non-operating expenses		
Interest expenses	16	14
Foreign exchange losses	–	14
Extra retirement payments	18	–
Other	9	4
Total non-operating expenses	44	33
Ordinary profit	589	311
Profit before income taxes	589	311
Income taxes - current	119	66
Income taxes - deferred	36	24
Total income taxes	155	90
Profit	433	221
Profit attributable to owners of parent	433	221

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

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	433	221
Other comprehensive income		
Valuation difference on available-for-sale securities	47	(93)
Deferred gains or losses on hedges	0	(1)
Foreign currency translation adjustment	(405)	54
Remeasurements of defined benefit plans, net of tax	18	7
Total other comprehensive income	(339)	(32)
Comprehensive income	93	188
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	93	188
Comprehensive income attributable to non-controlling interests	—	—