

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 3, 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: February 10, 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 nine months ended December 31, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	91,680	(5.5)	1,148	(9.4)	1,261	(8.5)	977	(9.3)
Nine months ended December 31, 2015	97,065	0.1	1,267	(7.0)	1,378	(9.0)	1,077	(13.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	245.74	–
Nine months ended December 31, 2015	270.78	–

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 December 31, 2016	27,405	13,667	49.9	3,436.01
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)	1,100	(21.9)	1,200	(25.0)	900	(27.1)	226.23

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 22.62 yen.

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2016	48,282 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)

Nine months ended December 31, 2016	3,978,224 shares	Nine months ended December 31, 2015	3,978,537 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 December 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	8,742	5,888
Notes and accounts receivable - trade	6,159	9,610
Merchandise and finished goods	2,378	2,422
Work in process	27	19
Raw materials and supplies	219	244
Other	362	238
Allowance for doubtful accounts	(801)	(916)
Total current assets	17,086	17,505
Non-current assets		
Property, plant and equipment		
Land	3,549	3,534
Other, net	2,407	3,302
Total property, plant and equipment	5,957	6,837
Intangible assets	679	679
Investments and other assets		
Other	2,282	2,740
Allowance for doubtful accounts	(377)	(357)
Total investments and other assets	1,905	2,382
Total non-current assets	8,542	9,899
Total assets	25,628	27,405
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,757	4,608
Short-term loans payable	3,301	2,971
Income taxes payable	114	134
Provision for bonuses	82	20
Other	907	842
Total current liabilities	7,163	8,576
Non-current liabilities		
Long-term loans payable	1,917	1,754
Net defined benefit liability	1,694	1,662
Provision for stocks payment	8	8
Asset retirement obligations	51	51
Other	1,577	1,685
Total non-current liabilities	5,249	5,162
Total liabilities	12,413	13,738

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Net assets		
Shareholders' equity		
Capital stock	2,376	2,376
Capital surplus	1,048	1,048
Retained earnings	9,648	10,397
Treasury shares	(95)	(96)
Total shareholders' equity	12,978	13,725
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	258	542
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(222)	(814)
Remeasurements of defined benefit plans	(159)	(145)
Total accumulated other comprehensive income	237	(57)
Total net assets	13,215	13,667
Total liabilities and net assets	25,628	27,405

**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, 2015	Nine months ended December 31, 2016
Net sales	97,065	91,680
Cost of sales	91,319	86,230
Gross profit	5,745	5,450
Selling, general and administrative expenses	4,478	4,302
Operating income	1,267	1,148
Non-operating income		
Interest income	35	34
Dividend income	46	45
Foreign exchange gains	104	3
Other	48	68
Total non-operating income	235	152
Non-operating expenses		
Interest expenses	35	23
Loss on retirement of non-current assets	39	15
Loss on valuation of currency swaps	43	-
Other	6	0
Total non-operating expenses	124	39
Ordinary income	1,378	1,261
Extraordinary income		
Compensation income for damage by rumor	61	52
Total extraordinary income	61	52
Profit before income taxes	1,439	1,313
Income taxes - current	368	324
Income taxes - deferred	(5)	10
Total income taxes	362	335
Profit	1,077	977
Profit attributable to owners of parent	1,077	977

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

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	1,077	977
Other comprehensive income		
Valuation difference on available-for-sale securities	54	283
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	(741)	(592)
Remeasurements of defined benefit plans, net of tax	1	13
Total other comprehensive income	(685)	(294)
Comprehensive income	391	682
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	391	682
Comprehensive income attributable to non-controlling interests	—	—