

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 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: August 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 three months ended June 30, 2017 (from April 1, 2017 to June 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	%
Three months ended June 30, 2017	27,524	0.1	188	(14.8)	252	(5.8)	187	(24.0)
Three months ended June 30, 2016	27,505	(6.8)	221	34.4	268	22.9	246	103.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	47.18		–	
Three months ended June 30, 2016	62.05		–	

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 June 30, 2017	26,189	14,321	54.7	3,600.53
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 three months ended June 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 June 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 June 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)

Three months ended June 30, 2017	3,977,576 shares	Three months ended June 30, 2016	3,978,427 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 June 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	6,800	6,230
Notes and accounts receivable - trade	6,562	6,360
Merchandise and finished goods	2,371	2,971
Work in process	18	32
Raw materials and supplies	262	138
Other	336	401
Allowance for doubtful accounts	(769)	(729)
Total current assets	15,582	15,405
Non-current assets		
Property, plant and equipment		
Land	3,548	3,545
Other, net	3,307	3,340
Total property, plant and equipment	6,856	6,885
Intangible assets	1,220	1,385
Investments and other assets		
Other	2,850	2,863
Allowance for doubtful accounts	(359)	(351)
Total investments and other assets	2,490	2,512
Total non-current assets	10,568	10,783
Total assets	26,150	26,189
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,592	2,990
Short-term loans payable	2,894	2,883
Income taxes payable	129	57
Provision for bonuses	79	164
Other	818	881
Total current liabilities	6,515	6,976
Non-current liabilities		
Long-term loans payable	1,715	1,491
Net defined benefit liability	1,687	1,652
Provision for stocks payment	15	15
Asset retirement obligations	46	46
Other	1,688	1,685
Total non-current liabilities	5,154	4,891
Total liabilities	11,669	11,868

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Net assets		
Shareholders' equity		
Capital stock	2,376	2,376
Capital surplus	1,048	1,048
Retained earnings	10,653	10,599
Treasury shares	(96)	(96)
Total shareholders' equity	13,981	13,927
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	553	571
Deferred gains or losses on hedges	0	–
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(337)	(473)
Remeasurements of defined benefit plans	(78)	(64)
Total accumulated other comprehensive income	498	393
Total net assets	14,480	14,321
Total liabilities and net assets	26,150	26,189

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	27,505	27,524
Cost of sales	25,916	25,984
Gross profit	1,589	1,540
Selling, general and administrative expenses	1,368	1,351
Operating profit	221	188
Non-operating income		
Interest income	14	12
Dividend income	30	39
Foreign exchange gains	–	15
Gain on valuation of currency swaps	9	–
Other	10	10
Total non-operating income	65	79
Non-operating expenses		
Interest expenses	8	6
Loss on valuation of currency swaps	–	4
Loss on retirement of non-current assets	5	3
Foreign exchange losses	4	–
Other	0	0
Total non-operating expenses	18	14
Ordinary profit	268	252
Profit before income taxes	268	252
Income taxes - current	35	66
Income taxes - deferred	(13)	(1)
Total income taxes	21	65
Profit	246	187
Profit attributable to owners of parent	246	187

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

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	246	187
Other comprehensive income		
Valuation difference on available-for-sale securities	0	17
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(22)	(135)
Remeasurements of defined benefit plans, net of tax	4	13
Total other comprehensive income	(16)	(105)
Comprehensive income	230	82
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	230	82
Comprehensive income attributable to non-controlling interests	—	—