

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2019  
(Based on Japanese GAAP)**

May 7, 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 of ordinary general meeting of shareholders: June 19, 2019  
 Scheduled date to file Securities Report: June 19, 2019  
 Scheduled date to commence dividend payments: June 20, 2019  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

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	%
Year ended March 31, 2019	116,382	(0.7)	1,362	(3.2)	1,707	15.1	1,381	41.1
Year ended March 31, 2018	117,195	(1.7)	1,407	4.6	1,483	(2.2)	979	(21.4)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	354.81	—	8.9	5.9	1.2
Year ended March 31, 2018	246.32	—	6.5	5.4	1.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	29,204	15,626	53.5	4,093.69
As of March 31, 2018	28,696	15,512	54.1	3,900.06

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	1,923	(1,896)	344	5,012
Year ended March 31, 2018	573	(1,545)	681	4,747

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2018	—	—	—	65.00	65.00	261	26.4	1.7
Year ended March 31, 2019	—	—	—	65.00	65.00	251	18.3	1.6
Year ending March 31, 2020 (Forecast)	—	—	—	65.00	65.00		24.8	

\* 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, 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)	261.97

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2019	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 March 31, 2019	208,764 shares	As of March 31, 2018	48,599 shares
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Average number of shares during the period

Year ended March 31, 2019	3,895,077 shares	Year ended March 31, 2018	3,977,500 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.

(Means of access to materials on the financial results meeting)

The Company plans to hold a financial results meeting for institutional investors and analysts on Thursday, June 6, 2019. The materials distributed at this financial results meeting shall be promptly posted on the Company's website after the meeting is held.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	6,321	7,078
Notes and accounts receivable - trade	6,781	6,779
Merchandise and finished goods	3,004	3,351
Work in process	5	4
Raw materials and supplies	205	201
Other	959	345
Allowance for doubtful accounts	(792)	(658)
Total current assets	16,486	17,102
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,151	9,854
Accumulated depreciation	(6,731)	(6,337)
Buildings and structures, net	3,419	3,516
Machinery, equipment and vehicles	3,866	3,246
Accumulated depreciation	(2,815)	(2,355)
Machinery, equipment and vehicles, net	1,050	891
Land	3,206	3,194
Construction in progress	277	172
Other	553	543
Accumulated depreciation	(488)	(383)
Other, net	64	160
Total property, plant and equipment	8,019	7,934
Intangible assets		
Leasehold right	184	184
Other	1,397	1,406
Total intangible assets	1,582	1,591
Investments and other assets		
Investment securities	2,122	2,004
Deferred tax assets	48	74
Claims provable in bankruptcy, claims provable in rehabilitation and other	239	205
Other	414	483
Allowance for doubtful accounts	(216)	(191)
Total investments and other assets	2,608	2,576
Total non-current assets	12,210	12,102
Total assets	28,696	29,204

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,798	3,189
Short-term loans payable	3,504	2,939
Income taxes payable	28	72
Provision for bonuses	78	90
Other	1,714	845
Total current liabilities	8,124	7,137
Non-current liabilities		
Long-term loans payable	2,041	3,587
Deferred tax liabilities	311	372
Long-term guarantee deposited	951	919
Deferred tax liabilities for land revaluation	298	298
Retirement benefit liability	1,367	1,130
Provision for stocks payment	22	28
Asset retirement obligations	45	84
Other	20	19
Total non-current liabilities	5,059	6,440
Total liabilities	13,184	13,577
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,376	2,376
Capital surplus	1,048	1,048
Retained earnings	11,391	12,512
Treasury shares	(97)	(462)
Total shareholders' equity	14,719	15,474
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	605	490
Deferred gains or losses on hedges	0	1
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(157)	(675)
Remeasurements of defined benefit plans	(15)	(24)
Total accumulated other comprehensive income	792	152
Total net assets	15,512	15,626
Total liabilities and net assets	28,696	29,204

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	117,195	116,382
Cost of sales	110,351	110,006
Gross profit	6,844	6,376
Selling, general and administrative expenses	5,437	5,013
Operating profit	1,407	1,362
Non-operating income		
Interest income	35	51
Dividend income	56	119
Foreign exchange gains	–	93
Compensation income	–	58
Rent income	17	18
Other	59	86
Total non-operating income	168	428
Non-operating expenses		
Interest expenses	26	31
Extra retirement payments	–	18
Loss on retirement of non-current assets	23	11
Loss on valuation of currency swaps	18	7
Other	23	14
Total non-operating expenses	92	83
Ordinary profit	1,483	1,707
Extraordinary income		
Compensation income for damage by rumor	1	–
Total extraordinary income	1	–
Extraordinary losses		
Impairment loss	209	–
Total extraordinary losses	209	–
Profit before income taxes	1,274	1,707
Income taxes - current	217	242
Income taxes - deferred	77	82
Total income taxes	295	325
Profit	979	1,381
Profit attributable to owners of parent	979	1,381

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	979	1,381
Other comprehensive income		
Valuation difference on available-for-sale securities	51	(114)
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	179	(517)
Remeasurements of defined benefit plans, net of tax	63	(9)
Total other comprehensive income	294	(640)
Comprehensive income	1,273	741
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,273	741
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,376	1,048	10,653	(96)	13,981
Changes of items during period					
Dividends of surplus			(241)		(241)
Profit attributable to owners of parent			979		979
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	738	(0)	737
Balance at end of current period	2,376	1,048	11,391	(97)	14,719

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	553	0	360	(337)	(78)	498	14,480
Changes of items during period							
Dividends of surplus							(241)
Profit attributable to owners of parent							979
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	51	0	–	179	63	294	294
Total changes of items during period	51	0	–	179	63	294	1,031
Balance at end of current period	605	0	360	(157)	(15)	792	15,512

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,376	1,048	11,391	(97)	14,719
Changes of items during period					
Dividends of surplus			(261)		(261)
Profit attributable to owners of parent			1,381		1,381
Purchase of treasury shares				(365)	(365)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	1,120	(365)	755
Balance at end of current period	2,376	1,048	12,512	(462)	15,474

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	605	0	360	(157)	(15)	792	15,512
Changes of items during period							
Dividends of surplus							(261)
Profit attributable to owners of parent							1,381
Purchase of treasury shares							(365)
Net changes of items other than shareholders' equity	(114)	1	–	(517)	(9)	(640)	(640)
Total changes of items during period	(114)	1	–	(517)	(9)	(640)	114
Balance at end of current period	490	1	360	(675)	(24)	152	15,626



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	1,274	1,707
Depreciation	310	482
Impairment loss	209	–
Increase (decrease) in allowance for doubtful accounts	13	(171)
Increase (decrease) in provision for bonuses	(0)	11
Increase (decrease) in retirement benefit liability	(319)	(237)
Increase (decrease) in provision for stocks payment	6	5
Interest and dividend income	(91)	(171)
Interest expenses	26	31
Loss (gain) on sales of property, plant and equipment	(2)	(29)
Decrease (increase) in notes and accounts receivable - trade	(205)	6
Decrease (increase) in inventories	(546)	(379)
Increase (decrease) in notes and accounts payable - trade	154	419
Increase (decrease) in accrued consumption taxes	4	286
Other, net	115	(48)
Subtotal	949	1,913
Interest and dividend income received	93	172
Interest expenses paid	(26)	(31)
Income taxes (paid) refund	(442)	(130)
Net cash provided by (used in) operating activities	573	1,923
Cash flows from investing activities		
Payments into time deposits	(674)	(1,577)
Proceeds from withdrawal of time deposits	944	937
Proceeds from sales of property, plant and equipment and intangible assets	324	30
Purchase of property, plant and equipment	(1,422)	(1,251)
Purchase of intangible assets	(335)	(125)
Purchase of investment securities	(106)	(58)
Payments of loans receivable	(280)	(109)
Proceeds from sales of short-term and long-term investment securities	–	2
Collection of loans receivable	11	279
Other, net	(7)	(24)
Net cash provided by (used in) investing activities	(1,545)	(1,896)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	600	(795)
Proceeds from long-term loans payable	1,250	3,100
Repayments of long-term loans payable	(914)	(1,323)
Purchase of treasury shares	(0)	(365)
Cash dividends paid	(241)	(261)
Other, net	(11)	(10)
Net cash provided by (used in) financing activities	681	344
Effect of exchange rate change on cash and cash equivalents	10	(106)
Net increase (decrease) in cash and cash equivalents	(280)	264
Cash and cash equivalents at beginning of period	5,027	4,747
Cash and cash equivalents at end of period	4,747	5,012