

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 5, 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: February 13, 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	89,552	(1.3)	793	(19.3)	1,071	7.5	740	30.9
Nine months ended December 31, 2017	90,742	(1.0)	983	(14.4)	997	(20.9)	565	(42.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	188.86	–
Nine months ended December 31, 2017	142.09	–

(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, 2018	32,968	15,347	46.6	4,020.50
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)	204.16

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2018	208,676 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)

Nine months ended December 31, 2018	3,918,421 shares	Nine months ended December 31, 2017	3,977,529 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 December 31, 2018
Assets		
Current assets		
Cash and deposits	6,321	6,593
Notes and accounts receivable - trade	6,781	10,010
Merchandise and finished goods	3,004	4,289
Work in process	5	9
Raw materials and supplies	205	249
Other	959	453
Allowance for doubtful accounts	(792)	(847)
Total current assets	16,486	20,759
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,419	3,546
Land	3,206	3,202
Other, net	1,393	1,223
Total property, plant and equipment	8,019	7,972
Intangible assets	1,582	1,686
Investments and other assets		
Other	2,825	2,755
Allowance for doubtful accounts	(216)	(205)
Total investments and other assets	2,608	2,550
Total non-current assets	12,210	12,209
Total assets	28,696	32,968
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,798	6,704
Short-term loans payable	3,504	3,076
Income taxes payable	28	21
Provision for bonuses	78	23
Other	1,714	904
Total current liabilities	8,124	10,730
Non-current liabilities		
Long-term loans payable	2,041	3,826
Net defined benefit liability	1,367	1,301
Provision for stocks payment	22	20
Asset retirement obligations	45	83
Other	1,583	1,657
Total non-current liabilities	5,059	6,890
Total liabilities	13,184	17,620

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	2,376	2,376
Capital surplus	1,048	1,048
Retained earnings	11,391	11,870
Treasury shares	(97)	(462)
Total shareholders' equity	14,719	14,832
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	605	472
Deferred gains or losses on hedges	0	(0)
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(157)	(330)
Remeasurements of defined benefit plans	(15)	12
Total accumulated other comprehensive income	792	514
Total net assets	15,512	15,347
Total liabilities and net assets	28,696	32,968

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, 2017	Nine months ended December 31, 2018
Net sales	90,742	89,552
Cost of sales	85,592	84,838
Gross profit	5,149	4,713
Selling, general and administrative expenses	4,166	3,919
Operating profit	983	793
Non-operating income		
Interest income	24	34
Dividend income	55	118
Compensation income	–	56
Foreign exchange gains	–	36
Other	43	95
Total non-operating income	123	342
Non-operating expenses		
Interest expenses	18	24
Extra retirement payments	–	18
Foreign exchange losses	80	–
Other	10	21
Total non-operating expenses	109	64
Ordinary profit	997	1,071
Extraordinary losses		
Impairment loss	209	–
Total extraordinary losses	209	–
Profit before income taxes	787	1,071
Income taxes - current	221	162
Income taxes - deferred	0	169
Total income taxes	222	331
Profit	565	740
Profit attributable to owners of parent	565	740

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	565	740
Other comprehensive income		
Valuation difference on available-for-sale securities	126	(132)
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	238	(173)
Remeasurements of defined benefit plans, net of tax	44	27
Total other comprehensive income	409	(277)
Comprehensive income	974	462
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	974	462
Comprehensive income attributable to non-controlling interests	—	—