

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 7, 2020

Company name: Tohto Suisan Co., Ltd
 Stock exchange listing: Tokyo
 Stock code: 8038 URL <https://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 17, 2020
 Scheduled date to file Securities Report: June 17, 2020
 Scheduled date to commence dividend payments: June 18, 2020
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	117,857	1.3	1,344	(1.3)	1,535	(10.0)	1,359	(1.6)
Year ended March 31, 2019	116,382	(0.7)	1,362	(3.2)	1,707	15.1	1,381	41.1

	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, 2020	350.28	–	8.4	5.3	1.1
Year ended March 31, 2019	354.81	–	8.9	5.9	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, 2020	29,097	16,892	58.1	4,293.44
As of March 31, 2019	29,204	15,626	53.5	4,093.69

(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, 2020	2,296	(259)	(1,017)	6,049
Year ended March 31, 2019	1,923	(1,896)	344	5,012

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, 2019	–	–	–	65.00	65.00	251	18.3	1.6
Year ended March 31, 2020	–	–	–	65.00	65.00	258	18.6	1.5
Year ending March 31, 2021 (Forecast)	–	–	–	–	–	–	–	–

Note: The cash dividend forecast for the year ending March 31, 2021 has not yet been determined as it is difficult to calculate the consolidated financial results forecast at this time. The Company will promptly disclose the cash dividend forecast when it becomes possible to do so.

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

The forecast of the consolidated financial results for the year ending March 31, 2021 has not yet been determined as it is difficult to appropriately and reasonably calculate the impact of the spread of the novel coronavirus disease (COVID-19) on the results at this time. The Company will promptly disclose the forecast when it becomes possible to do so.

4. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2020
(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, 2020	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 March 31, 2020	91,550 shares	As of March 31, 2019	208,764 shares
Average number of shares during the period			
Year ended March 31, 2020	3,880,450 shares	Year ended March 31, 2019	3,895,077 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

1. 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. However, the consolidated financial results forecast has not yet been determined as it is difficult to calculate it at this time.
2. From the standpoint of preventing the spread of COVID-19, the Company has decided not to hold a financial results meeting.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	7,078	7,385
Notes and accounts receivable - trade	6,779	6,417
Merchandise and finished goods	3,351	2,677
Work in process	4	7
Raw materials and supplies	201	49
Other	345	480
Allowance for doubtful accounts	(658)	(490)
Total current assets	17,102	16,527
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,854	10,318
Accumulated depreciation	(6,337)	(6,591)
Buildings and structures, net	3,516	3,726
Machinery, equipment and vehicles	3,246	3,314
Accumulated depreciation	(2,355)	(2,540)
Machinery, equipment and vehicles, net	891	774
Land	3,194	3,167
Construction in progress	172	40
Other	543	641
Accumulated depreciation	(383)	(420)
Other, net	160	221
Total property, plant and equipment	7,934	7,929
Intangible assets		
Leasehold interests in land	184	184
Fishery right	1,346	1,924
Other	60	50
Total intangible assets	1,591	2,159
Investments and other assets		
Investment securities	2,004	1,969
Deferred tax assets	74	60
Distressed receivables	205	241
Other	483	457
Allowance for doubtful accounts	(191)	(247)
Total investments and other assets	2,576	2,480
Total non-current assets	12,102	12,569
Total assets	29,204	29,097

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,189	2,729
Short-term borrowings	2,939	2,581
Income taxes payable	72	157
Provision for bonuses	90	70
Other	845	853
Total current liabilities	7,137	6,393
Non-current liabilities		
Long-term borrowings	3,587	2,903
Deferred tax liabilities	372	357
Long-term guarantee deposits	919	916
Deferred tax liabilities for land revaluation	298	298
Retirement benefit liability	1,130	1,065
Provision for share-based remuneration	28	30
Asset retirement obligations	84	127
Other	19	111
Total non-current liabilities	6,440	5,811
Total liabilities	13,577	12,204
Net assets		
Shareholders' equity		
Share capital	2,376	2,376
Capital surplus	1,048	1,085
Retained earnings	12,512	13,620
Treasury shares	(462)	(196)
Total shareholders' equity	15,474	16,885
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	490	241
Deferred gains or losses on hedges	1	–
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(675)	(534)
Remeasurements of defined benefit plans	(24)	(60)
Total accumulated other comprehensive income	152	6
Total net assets	15,626	16,892
Total liabilities and net assets	29,204	29,097

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	116,382	117,857
Cost of sales	110,006	111,424
Gross profit	6,376	6,433
Selling, general and administrative expenses	5,013	5,089
Operating profit	1,362	1,344
Non-operating income		
Interest income	51	65
Dividend income	119	79
Subsidy income	–	33
Rental income	18	16
Gain on valuation of currency swaps	–	7
Foreign exchange gains	93	–
Compensation income	58	–
Other	86	29
Total non-operating income	428	232
Non-operating expenses		
Interest expenses	31	27
Foreign exchange losses	–	6
Loss on retirement of non-current assets	11	0
Extra retirement payments	18	–
Loss on valuation of currency swaps	7	–
Other	14	7
Total non-operating expenses	83	41
Ordinary profit	1,707	1,535
Extraordinary income		
Gain on sales of non-current assets	–	196
Total extraordinary income	–	196
Profit before income taxes	1,707	1,732
Income taxes - current	242	273
Income taxes - deferred	82	99
Total income taxes	325	373
Profit	1,381	1,359
Profit attributable to owners of parent	1,381	1,359

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	1,381	1,359
Other comprehensive income		
Valuation difference on available-for-sale securities	(114)	(249)
Deferred gains or losses on hedges	1	(1)
Foreign currency translation adjustment	(517)	140
Remeasurements of defined benefit plans, net of tax	(9)	(36)
Total other comprehensive income	(640)	(145)
Comprehensive income	741	1,213
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	741	1,213
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,376	1,048	11,391	(97)	14,719
Changes during period					
Dividends of surplus			(261)		(261)
Profit attributable to owners of parent			1,381		1,381
Purchase of treasury shares				(365)	(365)
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,120	(365)	755
Balance at end of 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 period	605	0	360	(157)	(15)	792	15,512
Changes during period							
Dividends of surplus							(261)
Profit attributable to owners of parent							1,381
Purchase of treasury shares							(365)
Disposal of treasury shares							
Net changes in items other than shareholders' equity	(114)	1	–	(517)	(9)	(640)	(640)
Total changes during period	(114)	1	–	(517)	(9)	(640)	114
Balance at end of period	490	1	360	(675)	(24)	152	15,626

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,376	1,048	12,512	(462)	15,474
Changes during period					
Dividends of surplus			(251)		(251)
Profit attributable to owners of parent			1,359		1,359
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		36		266	303
Net changes in items other than shareholders' equity					
Total changes during period	–	36	1,108	266	1,411
Balance at end of period	2,376	1,085	13,620	(196)	16,885

	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 period	490	1	360	(675)	(24)	152	15,626
Changes during period							
Dividends of surplus							(251)
Profit attributable to owners of parent							1,359
Purchase of treasury shares							(0)
Disposal of treasury shares							303
Net changes in items other than shareholders' equity	(249)	(1)	–	140	(36)	(145)	(145)
Total changes during period	(249)	(1)	–	140	(36)	(145)	1,265
Balance at end of period	241	–	360	(534)	(60)	6	16,892

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	1,707	1,732
Depreciation	482	514
Increase (decrease) in provision for bonuses	11	(19)
Increase (decrease) in allowance for doubtful accounts	(171)	(103)
Increase (decrease) in retirement benefit liability	(237)	(64)
Increase (decrease) in provision for share-based remuneration	5	2
Interest and dividend income	(171)	(145)
Interest expenses	31	27
Loss (gain) on sales of property, plant and equipment	(29)	(196)
Subsidy income	–	(33)
Decrease (increase) in trade receivables	6	330
Decrease (increase) in inventories	(379)	838
Increase (decrease) in trade payables	419	(475)
Increase (decrease) in accrued consumption taxes	286	(53)
Other, net	(48)	57
Subtotal	1,913	2,408
Interest and dividends received	172	147
Interest paid	(31)	(26)
Subsidies received	–	33
Income taxes (paid) refund	(130)	(266)
Net cash provided by (used in) operating activities	1,923	2,296
Cash flows from investing activities		
Payments into time deposits	(1,577)	(1,235)
Proceeds from withdrawal of time deposits	937	2,023
Proceeds from sales of property, plant and equipment and intangible assets	30	226
Purchase of property, plant and equipment	(1,251)	(375)
Purchase of intangible assets	(125)	(584)
Purchase of investment securities	(58)	(314)
Loan advances	(109)	(2)
Proceeds from sales of short-term and long-term investment securities	2	–
Collection of loans receivable	279	6
Other, net	(24)	(2)
Net cash provided by (used in) investing activities	(1,896)	(259)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(795)	(60)
Proceeds from long-term borrowings	3,100	200
Repayments of long-term borrowings	(1,323)	(1,181)
Purchase of treasury shares	(365)	(0)
Proceeds from disposal of treasury shares	–	303
Dividends paid	(261)	(250)
Other, net	(10)	(28)
Net cash provided by (used in) financing activities	344	(1,017)
Effect of exchange rate change on cash and cash equivalents	(106)	17
Net increase (decrease) in cash and cash equivalents	264	1,037
Cash and cash equivalents at beginning of period	4,747	5,012
Cash and cash equivalents at end of period	5,012	6,049