

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 8, 2021

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 to file Quarterly Securities Report: November 12, 2021
 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 six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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	%
Six months ended September 30, 2021	37,316	–	560	14.1	621	(13.2)	484	(9.1)
Six months ended September 30, 2020	48,437	(14.0)	491	160.2	715	129.6	532	140.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	123.22		–	
Six months ended September 30, 2020	135.42		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	30,656	19,096	62.3	4,867.90
As of March 31, 2021	30,068	18,263	60.7	4,641.76

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	–	–	80.00	80.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	80.00	80.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	80,000	–	1,500	4.2	1,600	(8.0)	1,300	(14.7)	330.66

Note 1: Revision of consolidated financial results forecast most recently announced: No

Note 2: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the fiscal year, and the figures for the forecast of consolidated financial results for the year ending March 31, 2022 are the figures after applying the accounting standard and relevant ASBJ regulations. As a result of this change, because net sales decreased significantly compared with the previous fiscal year, the year-on-year change is not shown.

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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: 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 September 30, 2021	4,026,000 shares	As of March 31, 2021	4,026,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	103,059 shares	As of March 31, 2021	91,328 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	3,931,556 shares	Six months ended September 30, 2020	3,934,641 shares
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* Quarterly financial results reports are exempt from quarterly review procedures conducted by certified public accountants or an audit corporation.

* 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, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	10,287	8,406
Notes and accounts receivable - trade	5,270	6,063
Merchandise and finished goods	1,772	2,689
Work in process	8	4
Raw materials and supplies	94	80
Other	404	503
Allowance for doubtful accounts	(364)	(373)
Total current assets	17,472	17,373
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,447	3,379
Land	3,163	3,175
Other, net	851	922
Total property, plant and equipment	7,461	7,477
Intangible assets	2,438	3,017
Investments and other assets		
Other	2,867	2,958
Allowance for doubtful accounts	(171)	(169)
Total investments and other assets	2,695	2,788
Total non-current assets	12,596	13,283
Total assets	30,068	30,656
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,368	2,669
Short-term borrowings	2,346	2,547
Income taxes payable	69	64
Provision for bonuses	54	65
Provision for shareholder benefit program	2	10
Other	1,114	877
Total current liabilities	5,955	6,235
Non-current liabilities		
Long-term borrowings	3,127	2,596
Retirement benefit liability	867	814
Provision for share awards for directors	–	4
Provision for share awards	33	28
Asset retirement obligations	124	125
Other	1,695	1,756
Total non-current liabilities	5,848	5,325
Total liabilities	11,804	11,560

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	2,376	2,376
Capital surplus	1,085	1,085
Retained earnings	14,885	15,051
Treasury shares	(196)	(260)
Total shareholders' equity	18,149	18,252
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	486	576
Deferred gains or losses on hedges	(10)	(0)
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(741)	(111)
Remeasurements of defined benefit plans	19	18
Total accumulated other comprehensive income	114	844
Total net assets	18,263	19,096
Total liabilities and net assets	30,068	30,656

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	48,437	37,316
Cost of sales	45,763	34,407
Gross profit	2,673	2,908
Selling, general and administrative expenses	2,182	2,347
Operating profit	491	560
Non-operating income		
Interest income	23	11
Dividend income	77	45
Subsidy income	51	32
Foreign exchange gains	53	–
Gain on valuation of currency swaps	0	–
Other	38	43
Total non-operating income	245	132
Non-operating expenses		
Interest expenses	13	11
Foreign exchange losses	–	56
Other	7	4
Total non-operating expenses	20	72
Ordinary profit	715	621
Extraordinary income		
Gain on sale of investment securities	–	7
Total extraordinary income	–	7
Extraordinary losses		
Loss on valuation of investment securities	29	–
Total extraordinary losses	29	–
Profit before income taxes	686	628
Income taxes - current	121	111
Income taxes - deferred	32	31
Total income taxes	153	143
Profit	532	484
Profit attributable to owners of parent	532	484

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	532	484
Other comprehensive income		
Valuation difference on available-for-sale securities	75	89
Deferred gains or losses on hedges	1	10
Foreign currency translation adjustment	(355)	630
Remeasurements of defined benefit plans, net of tax	2	(0)
Total other comprehensive income	(276)	730
Comprehensive income	256	1,214
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	256	1,214
Comprehensive income attributable to non-controlling interests	—	—