

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 9, 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: August 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	28,643	4.4	84	(13.2)	192	(26.0)	165	(26.2)
Three months ended June 30, 2018	27,425	(0.4)	97	(48.3)	259	2.7	224	19.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	43.48	–
Three months ended June 30, 2018	56.51	–

(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, 2019	29,493	15,540	52.7	4,071.08
As of March 31, 2019	29,204	15,626	53.5	4,093.69

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, 2019	–	–	–	65.00	65.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	65.00	65.00

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

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

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, 2019
(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, 2019	4,026,000 shares	As of March 31, 2019	4,026,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	208,764 shares	As of March 31, 2019	208,764 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, 2019	3,817,236 shares	Three months ended June 30, 2018	3,977,381 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, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	7,078	5,528
Notes and accounts receivable - trade	6,779	7,323
Merchandise and finished goods	3,351	3,970
Work in process	4	2
Raw materials and supplies	201	171
Other	345	950
Allowance for doubtful accounts	(658)	(624)
Total current assets	17,102	17,323
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,516	3,763
Land	3,194	3,195
Other, net	1,223	1,143
Total property, plant and equipment	7,934	8,102
Intangible assets	1,591	1,607
Investments and other assets		
Other	2,767	2,685
Allowance for doubtful accounts	(191)	(225)
Total investments and other assets	2,576	2,459
Total non-current assets	12,102	12,169
Total assets	29,204	29,493
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,189	3,657
Short-term borrowings	2,939	2,859
Income taxes payable	72	46
Provision for bonuses	90	179
Other	845	931
Total current liabilities	7,137	7,675
Non-current liabilities		
Long-term borrowings	3,587	3,362
Retirement benefit liability	1,130	1,096
Provision for share-based remuneration	28	28
Asset retirement obligations	84	123
Other	1,609	1,666
Total non-current liabilities	6,440	6,277
Total liabilities	13,577	13,953

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Net assets		
Shareholders' equity		
Share capital	2,376	2,376
Capital surplus	1,048	1,048
Retained earnings	12,512	12,427
Treasury shares	(462)	(462)
Total shareholders' equity	15,474	15,389
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	490	410
Deferred gains or losses on hedges	1	0
Revaluation reserve for land	360	360
Foreign currency translation adjustment	(675)	(599)
Remeasurements of defined benefit plans	(24)	(20)
Total accumulated other comprehensive income	152	151
Total net assets	15,626	15,540
Total liabilities and net assets	29,204	29,493

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, 2018	Three months ended June 30, 2019
Net sales	27,425	28,643
Cost of sales	26,177	27,193
Gross profit	1,248	1,449
Selling, general and administrative expenses	1,150	1,364
Operating profit	97	84
Non-operating income		
Interest income	10	17
Dividend income	100	56
Subsidy income	–	33
Gain on valuation of currency swaps	–	8
Foreign exchange gains	56	–
Other	15	9
Total non-operating income	183	124
Non-operating expenses		
Interest expenses	7	7
Foreign exchange losses	–	6
Loss on valuation of currency swaps	8	–
Other	4	3
Total non-operating expenses	20	17
Ordinary profit	259	192
Profit before income taxes	259	192
Income taxes - current	38	44
Income taxes - deferred	(3)	(17)
Total income taxes	34	26
Profit	224	165
Profit attributable to owners of parent	224	165

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	224	165
Other comprehensive income		
Valuation difference on available-for-sale securities	21	(80)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(467)	76
Remeasurements of defined benefit plans, net of tax	9	3
Total other comprehensive income	(436)	(1)
Comprehensive income	(211)	164
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(211)	164
Comprehensive income attributable to non-controlling interests	—	—