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Consolidated Financial Results for the Six Months Ended July 31, 2021 [Japanese GAAP]

September 9, 2021

Company name: TOHO Co., Ltd.

Stock exchange listing: Tokyo

Code number: 8142

URL: <https://www.to-ho.co.jp>

Representative: Hiroyuki Koga

Representative Director & President

Contact: Toshiaki Sato

Executive Director

Phone: 078-845-2431

Scheduled date of filing quarterly securities report: September 10, 2021

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended July 31, 2021 (February 01, 2021 to July 31, 2021)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended July 31, 2021	89,786	2.4	(1,113)	-	(734)	-	(770)	-
July 31, 2020	87,703	(21.6)	(2,890)	-	(2,347)	-	(2,698)	-

(Note) Comprehensive income: Six months ended July 31, 2021: ¥ (391) million [-%]
Six months ended July 31, 2020: ¥ (3,445) million [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2021	(71.61)		-	
July 31, 2020	(250.82)		-	

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of July 31, 2021	84,448		18,967		21.7	
January 31, 2021	83,162		19,384		22.6	

(Reference) Equity: As of July 31, 2021: ¥ 18,350 million
As of January 31, 2021: ¥ 18,794 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2021	-	0.00	-	0.00	0.00
Fiscal year ending January 31, 2022	-	0.00			
Fiscal year ending January 31, 2022 (Forecast)			-	-	-

(Note) Revision to the forecast for dividends announced most recently: No

(Note) For details, please refer to the "Notice of Dividend of Surplus (Interim Dividend)" (available in Japanese only) announced on September 9, 2021.

(Note) For the forecast of dividends per share for the fiscal year ending January 31, 2022, it remains undetermined at this moment.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2022 (February 01, 2021 to January 31, 2022)

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	190,000	2.0	(500)	-	100	-	0	-	0.00

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended July 31, 2021

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

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at (including treasury shares):

July 31, 2021: 11,012,166 shares

January 31, 2021: 11,012,166 shares

2) Total number of treasury shares at :

July 31, 2021: 255,302 shares

January 31, 2021: 255,179 shares

3) Average number of shares during :

Six months ended July 31, 2021: 10,756,907 shares

Six months ended July 31, 2020: 10,757,125 shares

* This document is exempt from quarterly review conducted by certified public accountants or an audit corporation.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of January 31,2021	As of July 31,2021
Assets		
Current assets		
Cash and deposits	6,988	7,212
Notes and accounts receivable - trade	14,643	16,819
Merchandise and finished goods	10,255	10,578
Raw materials and supplies	33	25
Other	3,387	3,159
Allowance for doubtful accounts	(61)	(71)
Total current assets	35,246	37,724
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,507	9,349
Land	15,738	15,584
Other, net	4,389	4,108
Total property, plant and equipment	29,635	29,041
Intangible assets		
Goodwill	6,654	6,434
Other	897	791
Total intangible assets	7,551	7,225
Investments and other assets		
Investment securities	2,028	1,779
Shares of subsidiaries and associates	434	422
Leasehold deposits	3,807	3,756
Retirement benefit asset	3,263	3,352
Other	1,367	1,301
Allowance for doubtful accounts	(172)	(154)
Total investments and other assets	10,728	10,456
Total non-current assets	47,915	46,724
Total assets	83,162	84,448

(Million yen)

	As of January 31,2021	As of July 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,857	22,550
Short-term borrowings	11,771	12,609
Income taxes payable	408	246
Provision for bonuses	418	426
Other provisions	251	316
Asset retirement obligations	20	15
Other	4,153	4,256
Total current liabilities	37,882	40,423
Non-current liabilities		
Long-term borrowings	22,159	21,458
Provisions	4	3
Retirement benefit liability	431	430
Asset retirement obligations	848	854
Other	2,450	2,310
Total non-current liabilities	25,895	25,057
Total liabilities	63,777	65,480
Net assets		
Shareholders' equity		
Share capital	5,344	5,344
Capital surplus	5,089	5,089
Retained earnings	8,863	8,092
Treasury shares	(639)	(639)
Total shareholders' equity	18,657	17,887
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	417	375
Deferred gains or losses on hedges	-	(0)
Foreign currency translation adjustment	(543)	(124)
Remeasurements of defined benefit plans	262	212
Total accumulated other comprehensive income	136	463
Non-controlling interests	589	617
Total net assets	19,384	18,967
Total liabilities and net assets	83,162	84,448

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended July 31,2020	For the six months ended July 31,2021
Net sales	87,703	89,786
Cost of sales	70,454	72,166
Gross profit	17,248	17,619
Selling, general and administrative expenses	20,139	18,733
Operating loss	(2,890)	(1,113)
Non-operating income		
Interest income	4	0
Dividend income	21	15
Subsidies for employment adjustment	411	278
Other financial revenue	-	8
Other	215	168
Total non-operating income	652	471
Non-operating expenses		
Interest expenses	56	65
Share of loss of entities accounted for using equity method	12	10
Other financial expenses	7	-
Other	34	16
Total non-operating expenses	110	91
Ordinary loss	(2,347)	(734)
Extraordinary income		
Gain on sales of non-current assets	6	15
Gain on sales of investment securities	-	216
Total extraordinary income	6	231
Extraordinary losses		
Loss on sales of non-current assets	-	30
Impairment loss	596	89
Loss on retirement of non-current assets	38	20
Loss on valuation of investment securities	179	-
Loss related to COVID	44	-
Other	23	17
Total extraordinary losses	882	158
Loss before income taxes	(3,224)	(661)
Income taxes	(536)	61
Loss	(2,687)	(722)
Profit attributable to non-controlling interests	10	47
Loss attributable to owners of parent	(2,698)	(770)

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended July 31,2020	For the six months ended July 31,2021
Loss	(2,687)	(722)
Other comprehensive income		
Valuation difference on available-for-sale securities	(324)	(41)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(382)	423
Remeasurements of defined benefit plans, net of tax	(53)	(49)
Total other comprehensive income	(758)	330
Comprehensive income	(3,445)	(391)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,456)	(443)
Comprehensive income attributable to non-controlling interests	10	51

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended July 31,2020	For the six months ended July 31,2021
Cash flows from operating activities		
Loss before income taxes	(3,224)	(661)
Depreciation	1,105	1,089
Impairment loss	596	89
Amortization of goodwill	400	422
Increase (decrease) in provisions	(18)	(33)
Increase (decrease) in retirement benefit liability	(135)	(160)
Interest and dividend income	(25)	(16)
Interest expenses	56	65
Loss (gain) on sales of non-current assets	(6)	15
Loss on retirement of non-current assets	17	20
Decrease (increase) in trade receivables	3,645	(2,122)
Decrease (increase) in inventories	1,009	(288)
Increase (decrease) in trade payables	(4,810)	1,670
Loss (gain) on valuation of investment securities	179	-
Other, net	376	157
Subtotal	(833)	248
Interest and dividends received	25	13
Interest paid	(55)	(64)
Income taxes (paid) refund	(748)	(140)
Other, net	2	(6)
Net cash provided by (used in) operating activities	(1,610)	50
Cash flows from investing activities		
Purchase of non-current assets	(657)	(634)
Proceeds from sales and collection of non current assets	196	455
Purchase of investment securities	(7)	(6)
Proceeds from sales of investment securities	-	406
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(978)	-
Other, net	(184)	(115)
Net cash provided by (used in) investing activities	(1,632)	106
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	200
Proceeds from long-term borrowings	11,039	6,400
Repayments of long-term borrowings	(5,644)	(6,463)
Repayments of lease obligations	(249)	(233)
Purchase of treasury shares	(0)	(0)
Dividends paid	(269)	(0)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	47	-
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(849)	-
Other, net	(29)	(24)
Net cash provided by (used in) financing activities	4,044	(122)
Effect of exchange rate change on cash and cash equivalents	(71)	77
Net increase (decrease) in cash and cash equivalents	730	111
Cash and cash equivalents at beginning of period	6,790	6,839
Cash and cash equivalents at end of period	7,520	6,951