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Consolidated Financial Results for the Year Ended January 31, 2022 [Japanese GAAP]

March 10, 2022

Company name: TOHO Co.,Ltd.

Stock exchange listing: Tokyo

Code number: 8142

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

Representative: Hiroyuki Koga

Contact: Toshiaki Sato

Phone: 078-845-2431

Representative Director & President
Executive Director

Scheduled date of Annual General Meeting of Shareholders: April 19, 2022

Scheduled date of commencing dividend payments: April 20, 2022

Scheduled date of filing annual securities report: April 20, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the fiscal year ended January 31, 2022 (February 01, 2021 to January 31, 2022)

(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	%
Fiscal year ended								
January 31, 2022	188,567	1.3	(446)	-	178	-	335	-
January 31, 2021	186,217	(19.5)	(3,141)	-	(2,063)	-	(3,591)	-

(Note) Comprehensive income: Fiscal year ended January 31, 2022: ¥ 1,196 million [-%]
Fiscal year ended January 31, 2021: ¥ (4,128) million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
January 31, 2022	31.20	-	1.7	0.2	(0.2)
January 31, 2021	(333.85)	-	(16.9)	(2.4)	(1.7)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended January 31, 2022: ¥ (21) million
Fiscal year ended January 31, 2021: ¥ (26) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
January 31, 2022	82,702	20,237	24.1	1,852.14
January 31, 2021	83,162	19,384	22.6	1,747.20

(Reference) Equity: As of January 31, 2022: ¥ 19,923 million
As of January 31, 2021: ¥ 18,794 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
January 31, 2022	3,547	2,078	(4,003)	8,596
January 31, 2021	139	(2,474)	2,453	6,839

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
January 31, 2021	-	0.00	-	0.00	0.00	-	-	-
January 31, 2022	-	0.00	-	5.00	5.00	53	16.0	0.3
Fiscal year ending January 31, 2023 (Forecast)	-	-	-	5.00	-		-	

(Note) For details, please refer to the "Notice Concerning Dividends from Surplus (Year-end Dividend)" (available in Japanese only) announced today.

3. Consolidated Financial Results Forecast for the fiscal year ending January 31, 2023 (February 01, 2022 to January 31, 2023)

(% 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
Six months ended July 31, 2022	94,800	5.6	(700)	-	(600)	-	(800)	-	(74.37)
Full year	200,000	6.1	500	-	650	264.7	100	(70.2)	9.30

* Notes:

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)
Exclusion: - (Company name:)

(2) 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

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

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

January 31, 2022: 11,012,166 shares

January 31, 2021: 11,012,166 shares

2) Total number of treasury shares at:

January 31, 2022: 255,338 shares

January 31, 2021: 255,179 shares

3) Average number of shares during:

Fiscal Year ended January 31, 2022: 10,756,873 shares

Fiscal Year ended January 31, 2021: 10,757,069 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2022 (February 01, 2021 to January 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2022	67,703	6.4	81	-	391	(56.5)	593	(30.9)
January 31, 2021	63,647	(25.3)	(175)	-	900	58.3	858	120.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
January 31, 2022	55.21	-
January 31, 2021	79.85	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
January 31, 2022	69,480	20,397	29.4	1,896.27
January 31, 2021	69,161	19,813	28.6	1,841.88

(Reference) Equity: As of January 31, 2022: ¥ 20,397 million
As of January 31, 2021: ¥ 19,813 million

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

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of January 31,2021	As of January 31,2022
Assets		
Current assets		
Cash and deposits	6,988	8,700
Notes and accounts receivable - trade	14,643	15,108
Inventories	10,289	10,841
Other	3,387	3,176
Allowance for doubtful accounts	(61)	(75)
Total current assets	35,246	37,750
Non-current assets		
Property, plant and equipment		
Buildings and structures	26,183	25,537
Accumulated depreciation	(16,675)	(16,745)
Buildings and structures, net	9,507	8,791
Machinery, equipment and vehicles	5,785	6,238
Accumulated depreciation	(4,263)	(4,491)
Machinery, equipment and vehicles, net	1,522	1,747
Tools, furniture and fixtures	4,167	4,205
Accumulated depreciation	(3,282)	(3,465)
Tools, furniture and fixtures, net	885	739
Land	15,738	14,977
Construction in progress	429	1
Leased assets	5,182	5,180
Accumulated depreciation	(3,631)	(3,969)
Leased assets, net	1,551	1,210
Total property, plant and equipment	29,635	27,468
Intangible assets		
Goodwill	6,654	6,150
Software	715	552
Other	181	130
Total intangible assets	7,551	6,833
Investments and other assets		
Investment securities	2,028	1,635
Shares of subsidiaries and associates	434	411
Leasehold deposits	3,807	3,672
Deferred tax assets	664	722
Retirement benefit asset	3,263	3,886
Other	702	468
Allowance for doubtful accounts	(172)	(147)
Total investments and other assets	10,728	10,649
Total non-current assets	47,915	44,951
Total assets	83,162	82,702

(Million yen)

	As of January 31,2021	As of January 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,857	23,556
Short-term borrowings	11,771	11,729
Income taxes payable	408	691
Provision for bonuses	418	448
Provision for point card certificates	199	242
Provision for product warranties	52	74
Asset retirement obligations	20	44
Other	4,153	3,190
Total current liabilities	37,882	39,977
Non-current liabilities		
Long-term borrowings	22,159	18,998
Provision for place of business closings	4	1
Deferred tax liabilities	720	641
Asset retirement obligations	848	936
Retirement benefit liability	431	458
Lease obligations	1,161	930
Other	567	519
Total non-current liabilities	25,895	22,486
Total liabilities	63,777	62,464
Net assets		
Shareholders' equity		
Share capital	5,344	5,344
Capital surplus	5,089	5,100
Retained earnings	8,863	9,198
Treasury shares	(639)	(639)
Total shareholders' equity	18,657	19,004
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	417	295
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	(543)	162
Remeasurements of defined benefit plans	262	460
Total accumulated other comprehensive income	136	918
Non-controlling interests	589	314
Total net assets	19,384	20,237
Total liabilities and net assets	83,162	82,702

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended January 31,2021	For the fiscal year ended January 31,2022
Net sales	186,217	188,567
Cost of sales	149,813	151,476
Gross profit	36,404	37,090
Selling, general and administrative expenses		
Freight and packing costs	4,806	4,676
Promotion expenses	1,395	1,275
Provision of allowance for doubtful accounts	18	9
Retirement benefit expenses	49	63
Employees' salaries	14,886	14,213
Employees' bonuses	1,415	953
Provision for bonuses	418	444
Welfare expenses	2,787	2,496
Travel and transportation expenses	993	1,034
Utilities expenses	1,506	1,473
Lease	952	912
Depreciation	2,119	2,093
Rent expenses on land and buildings	3,452	3,392
Other	4,744	4,497
Total selling, general and administrative expenses	39,546	37,537
Operating loss	(3,141)	(446)
Non-operating income		
Interest income	6	1
Dividend income	27	23
Subsidies for employment adjustment	948	493
Other financial revenue	-	13
Other	315	291
Total non-operating income	1,299	823
Non-operating expenses		
Interest expenses	115	129
Other financial expenses	12	-
Share of loss of entities accounted for using equity method	26	21
Other	66	47
Total non-operating expenses	221	198
Ordinary profit (loss)	(2,063)	178

(Million yen)

	For the fiscal year ended January 31,2021	For the fiscal year ended January 31,2022
Extraordinary income		
Gain on sale of non-current assets	13	1,067
Gain on sale of investment securities	1	269
Total extraordinary income	15	1,336
Extraordinary losses		
Loss on sale of non-current assets	19	52
Loss on retirement of non-current assets	237	32
Loss on store closings	179	22
Impairment losses	646	255
Loss on sale of investment securities	-	3
Loss on valuation of investment securities	178	-
Loss related to COVID	52	-
Other	3	-
Total extraordinary losses	1,318	366
Profit (loss) before income taxes	(3,367)	1,147
Income taxes - current	610	904
Income taxes - deferred	(461)	(161)
Total income taxes	149	742
Profit (loss)	(3,516)	405
Profit attributable to non-controlling interests	74	69
Profit (loss) attributable to owners of parent	(3,591)	335

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended January 31,2021	For the fiscal year ended January 31,2022
Profit (loss)	(3,516)	405
Other comprehensive income		
Valuation difference on available-for-sale securities	(154)	(121)
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	(361)	712
Remeasurements of defined benefit plans, net of tax	(96)	200
Total other comprehensive income	(611)	791
Comprehensive income	(4,128)	1,196
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,193)	1,117
Comprehensive income attributable to non-controlling interests	65	78

Consolidated Statements of Changes in Net Assets

For the fiscal year ended January 31, 2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,344	5,089	13,273	(638)	23,068
Changes during period					
Dividends of surplus			(268)		(268)
Profit (loss) attributable to owners of parent			(3,591)		(3,591)
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		(549)			(549)
Transfer from retained earnings to capital surplus		549	(549)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(4,410)	(0)	(4,410)
Balance at end of period	5,344	5,089	8,863	(639)	18,657

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	568	(1)	(185)	357	738	806	24,613
Changes during period							
Dividends of surplus							(268)
Profit (loss) attributable to owners of parent							(3,591)
Purchase of treasury shares							(0)
Purchase of shares of consolidated subsidiaries							(549)
Transfer from retained earnings to capital surplus							-
Net changes in items other than shareholders' equity	(150)	1	(358)	(95)	(602)	(216)	(818)
Total changes during period	(150)	1	(358)	(95)	(602)	(216)	(5,229)
Balance at end of period	417	-	(543)	262	136	589	19,384

For the fiscal year ended January 31,2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,344	5,089	8,863	(639)	18,657
Changes during period					
Dividends of surplus					-
Profit (loss) attributable to owners of parent			335		335
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		11			11
Net changes in items other than shareholders' equity					
Total changes during period	-	11	335	(0)	346
Balance at end of period	5,344	5,100	9,198	(639)	19,004

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	417	-	(543)	262	136	589	19,384
Changes during period							
Dividends of surplus						(24)	(24)
Profit (loss) attributable to owners of parent							335
Purchase of treasury shares							(0)
Purchase of shares of consolidated subsidiaries							11
Net changes in items other than shareholders' equity	(122)	0	705	198	782	(250)	531
Total changes during period	(122)	0	705	198	782	(275)	853
Balance at end of period	295	0	162	460	918	314	20,237

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended January 31,2021	For the fiscal year ended January 31,2022
Cash flows from operating activities		
Profit (loss) before income taxes	(3,367)	1,147
Depreciation	2,227	2,197
Amortization of goodwill	822	860
Impairment losses	646	255
Loss on retirement of non-current assets	197	32
Increase (decrease) in allowance for doubtful accounts	(8)	(16)
Increase (decrease) in provision for place business closings	152	(3)
Increase (decrease) in provision for bonuses	(69)	26
Increase (decrease) in provision for product warranties	4	21
Increase (decrease) in provision for point card certificates	2	43
Loss (gain) on valuation of investment securities	178	-
Increase (decrease) in retirement benefit liability	(463)	(307)
Interest and dividend income	(34)	(24)
Interest expenses	115	129
Share of loss (profit) of entities accounted for using equity method	26	21
Other financial revenue and expenses	2	(1)
Loss (gain) on sale of non-current assets	6	(1,014)
Loss (gain) on sale of investment securities	(1)	(265)
Decrease (increase) in trade receivables	4,268	(375)
Decrease (increase) in inventories	2,050	(508)
Decrease (increase) in other account receivables	550	124
Increase (decrease) in trade payables	(6,524)	2,661
Increase (decrease) in other obligations	473	(767)
Increase (decrease) in accrued consumption taxes	67	(9)
Other, net	56	(26)
Subtotal	1,380	4,200
Income taxes refund (paid)	(1,166)	(556)
Interest and dividends received	34	24
Interest paid	(115)	(121)
Dividends received from entities accounted for using equity method	7	1
Other financial revenue received and expenses paid	(1)	-
Net cash provided by (used in) operating activities	139	3,547

(Million yen)

	For the fiscal year ended January 31,2021	For the fiscal year ended January 31,2022
Cash flows from investing activities		
Payments into time deposits	(454)	(182)
Proceeds from withdrawal of time deposits	456	230
Purchase of non-current assets	(1,999)	(1,015)
Proceeds from sales and collection of non current assets	511	2,595
Purchase of investment securities	(14)	(13)
Proceeds from sale of investment securities	2	486
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(978)	-
Other, net	1	(22)
Net cash provided by (used in) investing activities	(2,474)	2,078
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	300	(300)
Proceeds from long-term borrowings	16,690	9,650
Repayments of long-term borrowings	(12,943)	(12,553)
Repayments of lease obligations	(490)	(454)
Purchase of treasury shares	(0)	(0)
Dividends paid	(270)	(2)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(849)	(318)
Other, net	17	(24)
Net cash provided by (used in) financing activities	2,453	(4,003)
Effect of exchange rate change on cash and cash equivalents	(69)	133
Net increase (decrease) in cash and cash equivalents	49	1,757
Cash and cash equivalents at beginning of period	6,790	6,839
Cash and cash equivalents at end of period	6,839	8,596