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Consolidated Financial Results for the Six Months Ended July 31, 2022 [Japanese GAAP]

September 9, 2022

Company name: TOHO Co., Ltd.

Stock exchange listing: Tokyo

Code number: 8142

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

Representative: Hiroyuki Koga

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Scheduled date of filing quarterly securities report: September 12, 2022

Scheduled date of commencing dividend payments: October 18, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

Representative Director & President

Executive Director

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

1. Consolidated Financial Results for the Six Months Ended July 31, 2022 (February 01, 2022 to July 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	%
Six months ended July 31, 2022	100,350	11.8	1,240	-	1,439	-	631	-
July 31, 2021	89,786	2.4	(1,113)	-	(734)	-	(770)	-

(Note) Comprehensive income: Six months ended July 31, 2022: ¥ 1,842 million [-%]
Six months ended July 31, 2021: ¥ (391) million [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2022	58.67		-	
July 31, 2021	(71.61)		-	

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of July 31, 2022	86,168		22,015		25.2	
January 31, 2022	82,702		20,237		24.1	

(Reference) Equity: As of July 31, 2022: ¥ 21,689 million
As of January 31, 2022: ¥ 19,923 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, 2022	-	0.00	-	5.00	5.00
Fiscal year ending January 31, 2023	-	10.00			
Fiscal year ending January 31, 2023 (Forecast)			-	10.00	20.00

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

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
Full year	207,000	9.8	2,100	-	2,300	-	900	168.2	83.67

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended July 31, 2022

(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: Yes

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, 2022: 11,012,166 shares

January 31, 2022: 11,012,166 shares

2) Total number of treasury shares at

July 31, 2022: 255,426 shares

January 31, 2022: 255,338 shares

3) Average number of shares during

Six months ended July 31, 2022: 10,756,787 shares

Six months ended July 31, 2021: 10,756,907 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 31,2022	As of July 31,2022
Assets		
Current assets		
Cash and deposits	8,700	7,455
Notes and accounts receivable - trade	15,108	18,257
Merchandise and finished goods	10,814	12,131
Raw materials and supplies	26	31
Other	3,176	3,494
Allowance for doubtful accounts	(75)	(78)
Total current assets	37,750	41,292
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,791	8,655
Land	14,977	14,977
Other, net	3,699	3,662
Total property, plant and equipment	27,468	27,296
Intangible assets		
Goodwill	6,150	6,314
Other	683	611
Total intangible assets	6,833	6,926
Investments and other assets		
Investment securities	1,635	1,624
Shares of subsidiaries and associates	411	399
Leasehold deposits	3,672	3,571
Retirement benefit asset	3,886	4,002
Other	1,191	1,198
Allowance for doubtful accounts	(147)	(144)
Total investments and other assets	10,649	10,652
Total non-current assets	44,951	44,875
Total assets	82,702	86,168

(Million yen)

	As of January 31,2022	As of July 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,556	25,825
Short-term borrowings	11,729	10,781
Income taxes payable	691	559
Provision for bonuses	448	373
Provision for point card certificates	242	-
Provision for product warranties	74	69
Asset retirement obligations	44	24
Other	3,190	4,198
Total current liabilities	39,977	41,831
Non-current liabilities		
Long-term borrowings	18,998	18,721
Provision for place of business closings	1	0
Retirement benefit liability	458	452
Asset retirement obligations	936	962
Other	2,091	2,183
Total non-current liabilities	22,486	22,320
Total liabilities	62,464	64,152
Net assets		
Shareholders' equity		
Share capital	5,344	5,344
Capital surplus	5,100	5,100
Retained earnings	9,198	9,776
Treasury shares	(639)	(639)
Total shareholders' equity	19,004	19,581
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	295	334
Deferred gains or losses on hedges	0	13
Foreign currency translation adjustment	162	1,362
Remeasurements of defined benefit plans	460	397
Total accumulated other comprehensive income	918	2,108
Non-controlling interests	314	326
Total net assets	20,237	22,015
Total liabilities and net assets	82,702	86,168

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 31,2021	For the six months ended July 31,2022
Net sales	89,786	100,350
Cost of sales	72,166	80,364
Gross profit	17,619	19,986
Selling, general and administrative expenses	18,733	18,745
Operating profit (loss)	(1,113)	1,240
Non-operating income		
Interest income	0	0
Dividend income	15	17
Foreign exchange gains	8	75
Subsidies for employment adjustment	278	71
Other	168	120
Total non-operating income	471	285
Non-operating expenses		
Interest expenses	65	65
Share of loss of entities accounted for using equity method	10	7
Other	16	12
Total non-operating expenses	91	86
Ordinary profit (loss)	(734)	1,439
Extraordinary income		
Gain on sale of non-current assets	15	6
Gain on sale of investment securities	216	0
Total extraordinary income	231	6
Extraordinary losses		
Loss on sale of non-current assets	30	-
Impairment losses	89	147
Loss on retirement of non-current assets	20	25
Loss on sale of investment securities	-	18
Loss on store closings	17	30
Total extraordinary losses	158	221
Profit (loss) before income taxes	(661)	1,224
Income taxes	61	584
Profit (loss)	(722)	640
Profit attributable to non-controlling interests	47	9
Profit (loss) attributable to owners of parent	(770)	631

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

(Million yen)

	For the six months ended July 31,2021	For the six months ended July 31,2022
Profit (loss)	(722)	640
Other comprehensive income		
Valuation difference on available-for-sale securities	(41)	39
Deferred gains or losses on hedges	(0)	12
Foreign currency translation adjustment	423	1,214
Remeasurements of defined benefit plans, net of tax	(49)	(63)
Total other comprehensive income	330	1,201
Comprehensive income	(391)	1,842
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(443)	1,820
Comprehensive income attributable to non-controlling interests	51	21

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended July 31,2021	For the six months ended July 31,2022
Cash flows from operating activities		
Profit (loss) before income taxes	(661)	1,224
Depreciation	1,089	1,034
Impairment losses	89	147
Amortization of goodwill	422	442
Increase (decrease) in provisions	(33)	(335)
Increase (decrease) in net defined benefit asset and liability	(160)	(213)
Interest and dividend income	(16)	(18)
Interest expenses	65	65
Loss (gain) on sale of non-current assets	15	(6)
Loss on retirement of non-current assets	20	25
Loss (gain) on sale of investment securities	(216)	18
Decrease (increase) in trade receivables	(2,122)	(2,940)
Decrease (increase) in inventories	(288)	(1,226)
Increase (decrease) in trade payables	1,670	2,189
Foreign exchange losses (gains)	0	(43)
Other, net	373	584
Subtotal	248	948
Interest and dividends received	13	16
Interest paid	(64)	(60)
Income taxes refund (paid)	(140)	(612)
Other, net	(6)	3
Net cash provided by (used in) operating activities	50	296
Cash flows from investing activities		
Purchase of non-current assets	(634)	(433)
Proceeds from sales and collection of non current assets	455	160
Purchase of investment securities	(6)	(5)
Proceeds from sale of investment securities	406	54
Other, net	(115)	(234)
Net cash provided by (used in) investing activities	106	(458)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	200	-
Proceeds from long-term borrowings	6,400	5,500
Repayments of long-term borrowings	(6,463)	(6,724)
Repayments of lease obligations	(233)	(210)
Purchase of treasury shares	(0)	(0)
Dividends paid	(0)	(54)
Other, net	(24)	(10)
Net cash provided by (used in) financing activities	(122)	(1,500)
Effect of exchange rate change on cash and cash equivalents	77	223
Net increase (decrease) in cash and cash equivalents	111	(1,439)
Cash and cash equivalents at beginning of period	6,839	8,596
Cash and cash equivalents at end of period	6,951	7,157