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Consolidated Financial Results for the Six Months Ended July 31, 2023 [Japanese GAAP]

September 11, 2023

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
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 Scheduled date of filing quarterly securities report: September 12, 2023
 Scheduled date of commencing dividend payments: October 18, 2023
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Six Months Ended July 31, 2023 (February 1, 2023 to July 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	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 July 31, 2023	119,028	18.6	3,682	196.7	3,777	162.4	1,776	181.3
July 31, 2022	100,351	11.8	1,241	-	1,440	-	631	-

(Note) Comprehensive income: Six months ended July 31, 2023: ¥ 2,583 million [40.2%]
 Six months ended July 31, 2022: ¥ 1,842 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended July 31, 2023	165.06	-
July 31, 2022	58.67	-

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity attributable to owners of the parent
	Millions of yen	Millions of yen	%
As of July 31, 2023	91,315	25,019	27.0
January 31, 2023	87,352	22,753	25.7

(Reference) Equity attributable to owners of the parent: As of July 31, 2023: ¥ 24,667 million
 As of January 31, 2023: ¥ 22,409 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, 2023	-	10.00	-	25.00	35.00
Fiscal year ending January 31, 2024	-	35.00			
Fiscal year ending January 31, 2024 (Forecast)			-	35.00	70.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2024(February 1, 2023 to January 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	239,000	10.9	6,500	78.1	6,500	67.6	2,900	188.1	269.60

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended July 31, 2023

(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, 2023: 11,012,166 shares

January 31, 2023: 11,012,166 shares

2) Number of treasury shares at

July 31, 2023: 255,576 shares

January 31, 2023: 255,523 shares

3) Average number of shares outstanding during

Six months ended July 31, 2023: 10,756,606 shares

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

(Millions of yen)

	As of January 31, 2023	As of July 31, 2023
Assets		
Current assets		
Cash and deposits	8,163	8,439
Notes and accounts receivable - trade, and contract assets	18,294	19,855
Merchandise and finished goods	12,552	13,760
Raw materials and supplies	36	25
Other	3,530	4,363
Allowance for doubtful accounts	(98)	(87)
Total current assets	42,477	46,355
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,477	8,422
Land	14,947	14,907
Other, net	3,527	3,576
Total property, plant and equipment	26,951	26,905
Intangible assets		
Goodwill	4,719	4,548
Other	628	873
Total intangible assets	5,347	5,422
Investments and other assets		
Investment securities	1,759	2,087
Leasehold deposits	3,518	3,444
Retirement benefit asset	4,678	4,786
Other	2,755	2,496
Allowance for doubtful accounts	(133)	(181)
Total investments and other assets	12,576	12,633
Total non-current assets	44,875	44,960
Total assets	87,352	91,315

(Millions of yen)

	As of January 31, 2023	As of July 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,301	28,897
Short-term borrowings	11,180	9,402
Income taxes payable	1,183	943
Provision for bonuses	915	582
Provision for product warranties	55	54
Provision for loss on business liquidation	1,544	1,929
Asset retirement obligations	-	13
Other	4,149	4,336
Total current liabilities	45,328	46,156
Non-current liabilities		
Long-term borrowings	15,647	16,089
Retirement benefit liability	467	466
Asset retirement obligations	974	970
Other	2,184	2,615
Total non-current liabilities	19,272	20,140
Total liabilities	64,600	66,296
Net assets		
Shareholders' equity		
Share capital	5,345	5,345
Capital surplus	5,101	5,061
Retained earnings	10,044	11,551
Treasury shares	(640)	(640)
Total shareholders' equity	19,849	21,316
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	462	678
Deferred gains or losses on hedges	(10)	20
Foreign currency translation adjustment	1,390	1,995
Remeasurements of defined benefit plans	718	657
Total accumulated other comprehensive income	2,560	3,351
Non-controlling interests	343	352
Total net assets	22,753	25,019
Total liabilities and net assets	87,352	91,315

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

(Millions of yen)

	For the six months ended July 31, 2022	For the six months ended July 31, 2023
Net sales	100,351	119,028
Cost of sales	80,365	94,716
Gross profit	19,986	24,312
Selling, general and administrative expenses	18,745	20,630
Operating profit	1,241	3,682
Non-operating income		
Interest income	1	7
Dividend income	18	24
Foreign exchange gains	75	32
Subsidies for employment adjustment	71	14
Other	120	112
Total non-operating income	285	189
Non-operating expenses		
Interest expenses	66	67
Share of loss of entities accounted for using equity method	8	-
Other	13	27
Total non-operating expenses	86	94
Ordinary profit	1,440	3,777
Extraordinary income		
Gain on sale of non-current assets	6	25
Gain on sale of investment securities	0	-
Total extraordinary income	6	25
Extraordinary losses		
Loss on sale of non-current assets	-	1
Impairment losses	147	19
Loss on retirement of non-current assets	25	28
Loss on sale of investment securities	19	-
Loss on store closings	30	-
Provision for loss on business liquidation	-	385
Total extraordinary losses	221	433
Profit before income taxes	1,225	3,368
Income taxes	584	1,578
Profit	640	1,790
Profit attributable to non-controlling interests	9	15
Profit attributable to owners of parent	631	1,776

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

(Millions of yen)

	For the six months ended July 31, 2022	For the six months ended July 31, 2023
Profit	640	1,790
Other comprehensive income		
Valuation difference on available-for-sale securities	39	216
Deferred gains or losses on hedges	12	31
Foreign currency translation adjustment	1,214	613
Remeasurements of defined benefit plans, net of tax	(64)	(67)
Total other comprehensive income	1,202	793
Comprehensive income	1,842	2,583
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,820	2,567
Comprehensive income attributable to non-controlling interests	22	16

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended July 31, 2022	For the six months ended July 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,225	3,368
Depreciation	1,035	976
Impairment losses	147	19
Amortization of goodwill	443	404
Increase (decrease) in provisions	(336)	114
Increase (decrease) in net defined benefit asset and liability	(214)	(206)
Interest and dividend income	(18)	(31)
Interest expenses	66	67
Loss (gain) on sale of non-current assets	(6)	(24)
Loss on retirement of non-current assets	25	28
Loss (gain) on sale of investment securities	19	-
Decrease (increase) in trade receivables	(2,940)	(1,440)
Decrease (increase) in inventories	(1,226)	(1,136)
Increase (decrease) in trade payables	2,189	2,549
Foreign exchange losses (gains)	(44)	(13)
Other, net	584	(794)
Subtotal	948	3,883
Interest and dividends received	17	31
Interest paid	(61)	(63)
Income taxes refund (paid)	(612)	(1,092)
Other, net	4	-
Net cash provided by (used in) operating activities	296	2,758
Cash flows from investing activities		
Purchase of non-current assets	(433)	(989)
Proceeds from sales and collection of non current assets	161	197
Purchase of investment securities	(6)	(7)
Proceeds from sale of investment securities	54	-
Purchase of shares of subsidiaries and associates	-	(40)
Other, net	(235)	203
Net cash provided by (used in) investing activities	(459)	(635)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(500)
Proceeds from long-term borrowings	5,500	5,700
Repayments of long-term borrowings	(6,725)	(6,537)
Repayments of lease liabilities	(211)	(229)
Purchase of treasury shares	(0)	(0)
Dividends paid	(54)	(269)
Other, net	(10)	(7)
Net cash provided by (used in) financing activities	(1,500)	(1,842)
Effect of exchange rate change on cash and cash equivalents	223	167
Net increase (decrease) in cash and cash equivalents	(1,439)	448
Cash and cash equivalents at beginning of period	8,597	7,512
Cash and cash equivalents at end of period	7,158	7,960