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Consolidated Financial Results for the Year Ended January 31, 2024 [Japanese GAAP]

March 11, 2024

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: +81-78-845-2431
 Scheduled date of Annual General Meeting of Shareholders: April 23, 2024
 Scheduled date of commencing dividend payments: April 24, 2024
 Scheduled date of filing annual securities report: April 24, 2024
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes

(Amounts are rounded to the nearest million yen.)

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

(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	%
Fiscal year ended January 31, 2024	244,930	13.6	7,819	114.2	7,971	105.6	3,605	258.1
January 31, 2023	215,573	14.3	3,650	-	3,877	-	1,007	200.0

(Note) Comprehensive income: Fiscal year ended January 31, 2024: ¥ 5,504 million [104.9%]
 Fiscal year ended January 31, 2023: ¥ 2,687 million [124.5%]

	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, 2024	335.15	-	14.5	9.1	3.2
January 31, 2023	93.59	-	4.8	4.6	1.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended January 31, 2024: ¥ - million
 Fiscal year ended January 31, 2023: ¥ (10) million

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity attributable to owners of the parent	Equity attributable to owners of the parent per share
As of	Millions of yen	Millions of yen	%	Yen
January 31, 2024	88,297	27,564	30.8	2,528.40
January 31, 2023	87,352	22,753	25.7	2,083.28

(Reference) Equity attributable to owners of the parent As of January 31, 2024: ¥ 27,197 million
 As of January 31, 2023: ¥ 22,409 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
January 31, 2024	9,303	(1,251)	(6,520)	9,216
January 31, 2023	4,110	(931)	(4,477)	7,512

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	Millions of yen	%	%
January 31, 2023	-	10.00	-	25.00	35.00	376	37.4	1.8
January 31, 2024	-	35.00	-	55.00	90.00	968	26.9	3.9
Fiscal year ending January 31, 2025 (Forecast)	-	55.00	-	55.00	110.00		29.6	

(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, 2025 (February 1, 2024 to January 31, 2025)

(% 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
Six months ending July 31, 2024	121,000	1.7	3,500	(4.9)	3,500	(7.3)	2,000	12.6	185.93
Full year	246,000	0.4	7,300	(6.6)	7,300	(8.4)	4,000	11.0	371.87

* Notes:

(1) Changes in significant subsidiaries during the period under review (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: Yes

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, 2024: 11,012,166 shares

January 31, 2023: 11,012,166 shares

2) Total number of treasury shares at:

January 31, 2024: 255,653 shares

January 31, 2023: 255,523 shares

3) Average number of shares during:

Fiscal Year ended January 31, 2024: 10,756,573 shares

Fiscal Year ended January 31, 2023: 10,756,728 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2024 (February 1, 2023 to January 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2024	35,083	14.6	1	(99.8)	1,788	122.4	566	-
January 31, 2023	30,610	(54.8)	259	215.5	804	105.2	(3,445)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
January 31, 2024	52.61	-
January 31, 2023	(320.22)	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2024	75,976	17,192	22.6	1,598.25
January 31, 2023	70,524	16,893	24.0	1,570.46

(Reference) Equity: As of January 31, 2024: ¥ 17,192 million
As of January 31, 2023: ¥ 16,893 million

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

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of January 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	8,163	9,650
Notes and accounts receivable - trade, and contract assets	18,294	19,282
Inventories	12,588	12,967
Other	3,530	3,744
Allowance for doubtful accounts	(98)	(117)
Total current assets	42,477	45,526
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,671	25,665
Accumulated depreciation	(17,194)	(17,941)
Buildings and structures, net	8,477	7,724
Machinery, equipment and vehicles	6,477	6,579
Accumulated depreciation	(4,961)	(5,188)
Machinery, equipment and vehicles, net	1,516	1,392
Tools, furniture and fixtures	4,312	4,313
Accumulated depreciation	(3,643)	(3,637)
Tools, furniture and fixtures, net	670	676
Land	14,947	14,451
Construction in progress	29	226
Leased assets	4,509	4,762
Accumulated depreciation	(3,197)	(3,552)
Leased assets, net	1,312	1,210
Total property, plant and equipment	26,951	25,679
Intangible assets		
Goodwill	4,719	2,800
Software	456	767
Other	172	198
Total intangible assets	5,347	3,765
Investments and other assets		
Investment securities	1,759	2,694
Leasehold deposits	3,518	3,330
Deferred tax assets	2,331	1,016
Retirement benefit asset	4,678	5,986
Other	425	502
Allowance for doubtful accounts	(133)	(200)
Total investments and other assets	12,576	13,328
Total non-current assets	44,875	42,772
Total assets	87,352	88,297

(Million yen)

	As of January 31, 2023	As of January 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,301	28,063
Short-term borrowings	11,180	8,387
Income taxes payable	1,183	1,110
Provision for bonuses	915	981
Provision for product warranties	55	36
Asset retirement obligations	-	613
Provision for loss on business liquidation	1,544	405
Other	4,149	4,881
Total current liabilities	45,328	44,476
Non-current liabilities		
Long-term borrowings	15,647	13,040
Deferred tax liabilities	732	471
Asset retirement obligations	974	909
Retirement benefit liability	467	474
Lease liabilities	959	915
Other	493	448
Total non-current liabilities	19,272	16,257
Total liabilities	64,600	60,734
Net assets		
Shareholders' equity		
Share capital	5,345	5,345
Capital surplus	5,101	5,061
Retained earnings	10,044	13,004
Treasury shares	(640)	(640)
Total shareholders' equity	19,849	22,769
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	462	1,086
Deferred gains or losses on hedges	(10)	4
Foreign currency translation adjustment	1,390	2,007
Remeasurements of defined benefit plans	718	1,331
Total accumulated other comprehensive income	2,560	4,428
Non-controlling interests	343	367
Total net assets	22,753	27,564
Total liabilities and net assets	87,352	88,297

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Net sales	215,573	244,930
Cost of sales	172,423	194,958
Gross profit	43,150	49,972
Selling, general and administrative expenses		
Freight and packing costs	5,174	5,858
Promotion expenses	1,056	1,063
Provision of allowance for doubtful accounts	44	98
Retirement benefit expenses	(40)	(67)
Employees' salaries	13,913	14,480
Employees' bonuses	1,978	2,500
Provision for bonuses	908	962
Welfare expenses	2,711	2,843
Travel and transportation expenses	1,111	1,163
Utilities expenses	2,004	1,951
Lease	906	947
Depreciation	1,952	1,898
Rent expenses on land and buildings	3,297	3,396
Other	4,488	5,061
Total selling, general and administrative expenses	39,500	42,153
Operating profit	3,650	7,819
Non-operating income		
Interest income	5	14
Dividend income	26	36
Foreign exchange gains	72	92
Subsidies for employment adjustment	121	19
Other	189	203
Total non-operating income	413	364
Non-operating expenses		
Interest expenses	129	127
Share of loss of entities accounted for using equity method	10	-
Other	48	85
Total non-operating expenses	186	212
Ordinary profit	3,877	7,971

(Million yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Extraordinary income		
Gain on sale of non-current assets	14	66
Gain on sale of investment securities	1	-
Reversal of provision for loss on business liquidation	-	1,544
Total extraordinary income	15	1,610
Extraordinary losses		
Loss on sale of non-current assets	-	5
Loss on retirement of non-current assets	100	83
Loss on store closings	33	-
Impairment losses	1,471	1,609
Provision for loss on business liquidation	1,544	405
Loss on liquidation of business	-	1,551
Loss on sale of investment securities	31	-
Loss on valuation of investment securities	11	-
Total extraordinary losses	3,190	3,653
Profit before income taxes	702	5,928
Income taxes - current	1,377	1,808
Income taxes - deferred	(1,706)	485
Total income taxes	(329)	2,292
Profit	1,031	3,636
Profit attributable to non-controlling interests	25	31
Profit attributable to owners of parent	1,007	3,605

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Profit	1,031	3,636
Other comprehensive income		
Valuation difference on available-for-sale securities	167	625
Deferred gains or losses on hedges	(11)	14
Foreign currency translation adjustment	1,240	623
Remeasurements of defined benefit plans, net of tax	259	606
Total other comprehensive income	1,655	1,869
Comprehensive income	2,687	5,504
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,648	5,473
Comprehensive income attributable to non-controlling interests	39	31

Consolidated Statements of Changes in Equity

For the fiscal year ended January 31, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the year	5,345	5,101	9,199	(640)	19,004
Changes during the year					
Dividends of surplus			(161)		(161)
Profit attributable to owners of parent			1,007		1,007
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during the year	-	-	845	(0)	845
Balance at end of the year	5,345	5,101	10,044	(640)	19,849

	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 the year	295	1	162	461	919	315	20,238
Changes during the year							
Dividends of surplus						(10)	(171)
Profit attributable to owners of parent							1,007
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	167	(11)	1,228	257	1,641	39	1,680
Total changes during the year	167	(11)	1,228	257	1,641	29	2,515
Balance at end of the year	462	(10)	1,390	718	2,560	343	22,753

For the fiscal year ended January 31, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the year	5,345	5,101	10,044	(640)	19,849
Changes during the year					
Dividends of surplus			(645)		(645)
Profit attributable to owners of parent			3,605		3,605
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		(40)			(40)
Net changes in items other than shareholders' equity					
Total changes during the year	-	(40)	2,960	(0)	2,919
Balance at end of the year	5,345	5,061	13,004	(640)	22,769

	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 the year	462	(10)	1,390	718	2,560	343	22,753
Changes during the year							
Dividends of surplus						(7)	(653)
Profit attributable to owners of parent							3,605
Purchase of treasury shares							(0)
Purchase of shares of consolidated subsidiaries							(40)
Net changes in items other than shareholders' equity	624	14	617	613	1,868	31	1,899
Total changes during the year	624	14	617	613	1,868	23	4,811
Balance at end of the year	1,086	4	2,007	1,331	4,428	367	27,564

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Cash flows from operating activities		
Profit before income taxes	702	5,928
Depreciation	2,060	2,007
Amortization of goodwill	886	785
Impairment losses	1,471	1,609
Loss on retirement of non-current assets	100	20
Loss on liquidation of business	-	1,551
Increase (decrease) in allowance for doubtful accounts	6	78
Increase (decrease) in provision for place business closings	(2)	(2)
Increase (decrease) in provision for bonuses	459	64
Increase (decrease) in provision for product warranties	(19)	(11)
Increase (decrease) in provision for point card certificates	(243)	-
Increase (decrease) in provision for loss on business liquidation	1,544	(1,139)
Loss (gain) on valuation of investment securities	11	-
Increase (decrease) in retirement benefit liability	(409)	(427)
Interest and dividend income	(31)	(50)
Interest expenses	129	127
Share of loss (profit) of entities accounted for using equity method	10	-
Foreign exchange losses (gains)	(33)	(15)
Loss (gain) on sale of non-current assets	(14)	(62)
Loss (gain) on sale of investment securities	30	-
Decrease (increase) in trade receivables	(2,986)	(872)
Decrease (increase) in inventories	(1,659)	(324)
Decrease (increase) in other account receivables	(103)	(370)
Increase (decrease) in trade payables	2,665	1,714
Increase (decrease) in other obligations	586	348
Increase (decrease) in accrued consumption taxes	137	339
Other, net	(61)	(105)
Subtotal	5,238	11,195
Income taxes refund (paid)	(1,041)	(1,828)
Interest and dividends received	31	56
Interest paid	(121)	(120)
Dividends received from entities accounted for using equity method	4	-
Net cash provided by (used in) operating activities	4,110	9,303

(Million yen)

	For the fiscal year ended January 31, 2023	For the fiscal year ended January 31, 2024
Cash flows from investing activities		
Payments into time deposits	(549)	(374)
Proceeds from withdrawal of time deposits	6	642
Purchase of non-current assets	(1,109)	(2,008)
Proceeds from sales and collection of non current assets	308	572
Purchase of investment securities	(11)	(14)
Proceeds from sale of investment securities	93	-
Purchase of shares of subsidiaries and associates	-	(40)
Proceeds from sale of shares of subsidiaries and associates	398	-
Other, net	(68)	(29)
Net cash provided by (used in) investing activities	(931)	(1,251)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	500	(500)
Proceeds from long-term borrowings	8,200	6,800
Repayments of long-term borrowings	(12,601)	(11,700)
Repayments of lease liabilities	(405)	(468)
Purchase of treasury shares	(0)	(0)
Dividends paid	(161)	(644)
Other, net	(10)	(7)
Net cash provided by (used in) financing activities	(4,477)	(6,520)
Effect of exchange rate change on cash and cash equivalents	213	172
Net increase (decrease) in cash and cash equivalents	(1,085)	1,704
Cash and cash equivalents at beginning of the year	8,597	7,512
Cash and cash equivalents at end of the year	7,512	9,216