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Consolidated Financial Results for the Six Months Ended July 31, 2020 [Japanese GAAP]

September 07, 2020

Company name: TOHO Co., Ltd.
Stock exchange listing: Tokyo, Fukuoka
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 filing quarterly securities report: September 10, 2020
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, 2020 (February 01, 2020 to July 31, 2020)

(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, 2020	87,703	(21.6)	(2,890)	-	(2,347)	-	(2,698)	-
July 31, 2019	111,819	6.3	465	(24.0)	532	(15.7)	190	(64.4)

(Note) Comprehensive income: Six months ended July 31, 2020: ¥ (3,445) million [-%]
Six months ended July 31, 2019: ¥ 9 million [(96.0)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended July 31, 2020	(250.82)	-
July 31, 2019	17.69	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of July 31, 2020	85,759	20,066	22.8
January 31, 2020	90,745	24,613	26.2

(Reference) Equity: As of July 31, 2020: ¥ 19,532 million
As of January 31, 2020: ¥ 23,807 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, 2020	-	25.00	-	25.00	50.00
Fiscal year ending January 31, 2021	-	0.00			
Fiscal year ending January 31, 2021 (Forecast)			-	-	-

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2021 (February 01, 2020 to January 31, 2021)

(% 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	-	-	-	-	-	-	-	-	-

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

(Note) At this point, it is difficult to assess the impact of the coronavirus outbreak on our group and to reasonably make any business forecast. Accordingly, our forecast of consolidated results for the fiscal year ending January 31, 2021 is undetermined and will be announced as soon as the details become available.

* Notes:

(1) Changes in significant subsidiaries during the six months ended July 31, 2020

(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 the end of the period (including treasury shares):

July 31, 2020: 11,012,166 shares

January 31, 2020: 11,012,166 shares

2) Total number of treasury shares at the end of the period:

July 31, 2020: 255,097 shares

January 31, 2020: 254,968 shares

3) Average number of shares during the period:

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

Six months ended July 31, 2019: 10,757,290 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of January 31,2020	As of July 31,2020
Assets		
Current assets		
Cash and deposits	6,940	7,856
Notes and accounts receivable - trade	18,761	15,270
Merchandise and finished goods	12,181	11,305
Raw materials and supplies	39	37
Other	3,691	3,551
Allowance for doubtful accounts	(86)	(46)
Total current assets	41,529	37,975
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,316	9,587
Land	15,649	15,649
Other, net	3,991	3,737
Total property, plant and equipment	29,957	28,974
Intangible assets		
Goodwill	7,072	7,063
Other	1,119	1,015
Total intangible assets	8,191	8,079
Investments and other assets		
Investment securities	2,426	1,768
Shares of subsidiaries and associates	468	448
Leasehold deposits	4,091	4,022
Retirement benefit asset	3,108	3,185
Other	1,127	1,478
Allowance for doubtful accounts	(155)	(172)
Total investments and other assets	11,066	10,731
Total non-current assets	49,216	47,784
Total assets	90,745	85,759

(Million yen)

	As of January 31,2020	As of July 31,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,333	22,581
Short-term borrowings	9,594	11,371
Income taxes payable	795	280
Provision for bonuses	489	480
Other provisions	262	256
Asset retirement obligations	-	19
Other	3,499	3,728
Total current liabilities	41,973	38,718
Non-current liabilities		
Long-term borrowings	20,291	23,908
Provisions	6	9
Retirement benefit liability	600	624
Asset retirement obligations	778	790
Other	2,481	1,640
Total non-current liabilities	24,158	26,973
Total liabilities	66,132	65,692
Net assets		
Shareholders' equity		
Share capital	5,344	5,344
Capital surplus	5,089	4,539
Retained earnings	13,273	10,306
Treasury shares	(638)	(639)
Total shareholders' equity	23,068	19,551
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	568	246
Deferred gains or losses on hedges	(1)	(0)
Foreign currency translation adjustment	(185)	(566)
Remeasurements of defined benefit plans	357	301
Total accumulated other comprehensive income	738	(19)
Non-controlling interests	806	534
Total net assets	24,613	20,066
Total liabilities and net assets	90,745	85,759

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 31,2019	For the six months ended July 31,2020
Net sales	111,819	87,703
Cost of sales	90,660	70,454
Gross profit	21,159	17,248
Selling, general and administrative expenses	20,693	20,139
Operating profit (loss)	465	(2,890)
Non-operating income		
Interest income	2	4
Dividend income	27	21
Share of profit of entities accounted for using equity method	14	-
Subsidies for employment adjustment	-	411
Other	111	215
Total non-operating income	156	652
Non-operating expenses		
Interest expenses	54	56
Share of loss of entities accounted for using equity method	-	12
Other financial expenses	4	7
Other	30	34
Total non-operating expenses	89	110
Ordinary profit (loss)	532	(2,347)
Extraordinary income		
Gain on sales of non-current assets	3	6
Gain on bargain purchase	241	-
Total extraordinary income	244	6
Extraordinary losses		
Loss on sales of non-current assets	2	-
Impairment loss	-	596
Loss on retirement of non-current assets	36	38
Loss on valuation of investment securities	-	179
Loss on step acquisitions	95	-
Loss related to COVID	-	44
Other	-	23
Total extraordinary losses	134	882
Profit (loss) before income taxes	643	(3,224)
Income taxes	436	(536)
Profit (loss)	206	(2,687)
Profit attributable to non-controlling interests	16	10
Profit (loss) attributable to owners of parent	190	(2,698)

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

(Million yen)

	For the six months ended July 31,2019	For the six months ended July 31,2020
Profit (loss)	206	(2,687)
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	(324)
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(119)	(382)
Remeasurements of defined benefit plans, net of tax	(72)	(53)
Total other comprehensive income	(197)	(758)
Comprehensive income	9	(3,445)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3)	(3,456)
Comprehensive income attributable to non-controlling interests	12	10

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended July 31,2019	For the six months ended July 31,2020
Cash flows from operating activities		
Profit (loss) before income taxes	643	(3,224)
Depreciation	1,095	1,105
Impairment loss	-	596
Amortization of goodwill	404	400
Increase (decrease) in provision	2	(18)
Increase (decrease) in retirement benefit liability	(141)	(135)
Loss (gain) on step acquisitions	95	-
Gain on bargain purchase	(241)	-
Interest and dividend income	(30)	(25)
Interest expenses	54	56
Loss (gain) on sales of non-current assets	(0)	(6)
Loss on retirement of non-current assets	9	17
Decrease (increase) in trade receivables	(1,349)	3,645
Decrease (increase) in inventories	(347)	1,009
Increase (decrease) in trade payables	745	(4,810)
Loss (gain) on valuation of investment securities	-	179
Other, net	(91)	376
Subtotal	848	(833)
Interest and dividends received	30	25
Interest paid	(53)	(55)
Income taxes (paid) refund	(493)	(748)
Other, net	11	2
Net cash provided by (used in) operating activities	343	(1,610)
Cash flows from investing activities		
Purchase of non-current assets	(1,488)	(657)
Proceeds from sales and collection of non current assets	161	196
Purchase of investment securities	(8)	(7)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(978)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	740	-
Other, net	(15)	(184)
Net cash provided by (used in) investing activities	(611)	(1,632)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,000	-
Proceeds from long-term borrowings	5,850	11,039
Repayments of long-term borrowings	(5,418)	(5,644)
Repayments of lease obligations	(201)	(249)
Purchase of treasury shares	(0)	(0)
Dividends paid	(269)	(269)
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	(28)	(29)
Net cash provided by (used in) financing activities	933	4,044
Effect of exchange rate change on cash and cash equivalents	(25)	(71)
Net increase (decrease) in cash and cash equivalents	640	730
Cash and cash equivalents at beginning of period	7,245	6,790
Cash and cash equivalents at end of period	7,886	7,520