

Translation

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Summary of Consolidated Financial Results for the Six Months Ended February 28, 2022 (Based on Japanese GAAP)

April 13, 2022

Company name: TOUMEI CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4439 URL <https://www.toumei.co.jp/>
 Representative: CEO Fumihiko Yamamoto
 Director
 Inquiries: General Manager of Administrative Division Makoto Sekiyama TEL 059(330)2151
 Scheduled date to file Quarterly Securities Report: April 13, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended February 28, 2022 (from September 1, 2021 to February 28, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	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 February 28, 2022	8,040	34.1	(154)	–	(109)	–	(107)	–
Six months ended February 28, 2021	5,995	5.8	221	(47.6)	245	(50.1)	158	(52.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended February 28, 2022	(14.69)	–
Six months ended February 28, 2021	21.57	21.03

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2022	8,533	4,692	55.0
As of August 31, 2021	7,790	4,882	62.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2021	–	0.00	–	11.00	11.00
Year ending August 31, 2022	–	0.00			
Year ending August 31, 2022 (Forecast)			–	12.00	12.00

3. Forecast of consolidated financial results for the year ending August 31, 2022 (from September 1, 2021 to August 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	16,208	24.4	88	(77.6)	156	(65.5)	62	(77.3)	8.56

4. Notes

- (1) Changes in significant subsidiaries during the six months ended February 28, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of February 28, 2022	7,341,900 shares	As of August 31, 2021	7,341,900 shares
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Number of treasury shares at the end of the period

As of February 28, 2022	407 shares	As of August 31, 2021	377 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended February 28, 2022	7,341,500 shares	Six months ended February 28, 2021	7,333,528 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	2,985,268	2,453,838
Notes and accounts receivable - trade	3,746,212	4,710,867
Merchandise and finished goods	4,769	7,016
Raw materials and supplies	118,849	101,882
Other	169,688	371,032
Allowance for doubtful accounts	(22,167)	(28,078)
Total current assets	7,002,620	7,616,560
Non-current assets		
Property, plant and equipment	329,587	207,545
Intangible assets	16,221	12,760
Investments and other assets		
Investment securities	23,766	22,500
Deferred tax assets	52,367	102,644
Other	403,421	608,734
Allowance for doubtful accounts	(37,136)	(37,136)
Total investments and other assets	442,418	696,742
Total non-current assets	788,226	917,048
Total assets	7,790,846	8,533,609
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,438,503	1,721,839
Short-term borrowings	100,000	700,000
Accounts payable - other	313,120	366,107
Income taxes payable	66,542	60,081
Provision for bonuses	56,779	66,226
Provision for sales promotion expenses	1,148	707
Other	76,175	70,197
Total current liabilities	2,052,269	2,985,158
Non-current liabilities		
Long-term borrowings	800,000	800,000
Asset retirement obligations	50,754	50,843
Other	5,520	4,818
Total non-current liabilities	856,275	855,661
Total liabilities	2,908,544	3,840,820

	(Thousands of yen)	
	As of August 31, 2021	As of February 28, 2022
Net assets		
Shareholders' equity		
Share capital	607,690	607,690
Capital surplus	597,690	597,690
Retained earnings	3,661,087	3,472,493
Treasury shares	(415)	(451)
Total shareholders' equity	4,866,051	4,677,421
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,251	15,367
Total accumulated other comprehensive income	16,251	15,367
Total net assets	4,882,302	4,692,788
Total liabilities and net assets	7,790,846	8,533,609

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended February 28, 2021	Six months ended February 28, 2022
Net sales	5,995,211	8,040,333
Cost of sales	4,045,572	6,292,513
Gross profit	1,949,639	1,747,820
Selling, general and administrative expenses	1,727,839	1,902,099
Operating profit (loss)	221,799	(154,278)
Non-operating income		
Interest income	1,340	855
Dividend income	48	—
Gain on settlement of liabilities	21,749	43,045
Other	4,851	3,338
Total non-operating income	27,990	47,239
Non-operating expenses		
Interest expenses	3,724	2,553
Other	453	9
Total non-operating expenses	4,177	2,563
Ordinary profit (loss)	245,612	(109,602)
Extraordinary income		
Gain on sale of non-current assets	—	50,810
Total extraordinary income	—	50,810
Extraordinary losses		
Loss on retirement of non-current assets	—	2,275
Loss on cancellation of contract	—	47,072
Loss on cancellation of rental contracts	1,675	—
Total extraordinary losses	1,675	49,347
Profit (loss) before income taxes	243,937	(108,139)
Income taxes	85,776	(302)
Profit (loss)	158,161	(107,837)
Profit (loss) attributable to owners of parent	158,161	(107,837)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended February 28, 2021	Six months ended February 28, 2022
Profit (loss)	158,161	(107,837)
Other comprehensive income		
Valuation difference on available-for-sale securities	4,786	(883)
Total other comprehensive income	4,786	(883)
Comprehensive income	162,948	(108,720)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	162,948	(108,720)