

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

May 10, 2016

Company name: Tohto Suisan Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8038 URL <http://www.tohsui.co.jp>
 Representative: President and Representative Director Yoshinari Sekimoto
 Director, General Affairs Dept. and
 Inquiries: Accountants Dept. Koh Ehara TEL 03-3541-5468
 Scheduled date of ordinary general meeting of shareholders: June 28, 2016
 Scheduled date to file Securities Report: June 28, 2016
 Scheduled date to commence dividend payments: June 29, 2016
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	124,360	(1.6)	1,408	(16.2)	1,601	(17.7)	1,234	(22.9)
Year ended March 31, 2015	126,423	0.8	1,679	15.3	1,946	18.3	1,600	26.3

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	31.02	—	9.3	6.0	1.1
Year ended March 31, 2015	40.24	—	13.1	7.3	1.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2016	25,628	13,215	51.6	332.17
As of March 31, 2015	27,585	13,240	48.0	332.79

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2016	3,493	(1,504)	(1,678)	6,253
Year ended March 31, 2015	1,477	(549)	(313)	6,141

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2015	—	—	—	5.00	5.00	201	12.4	1.6
Year ended March 31, 2016	—	—	—	6.00	6.00	241	19.3	1.8
Year ending March 31, 2017 (Forecast)	—	—	—	6.00	6.00		34.1	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
Full year	Millions of yen 120,000	% (3.5)	Millions of yen 1,000	% (29.0)	Millions of yen 1,100	% (31.3)	Millions of yen 700	% (43.3)	Yen 17.59

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2016	40,260,000 shares	As of March 31, 2015	40,260,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2016	475,536 shares	As of March 31, 2015	473,135 shares
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Average number of shares during the period

Year ended March 31, 2016	39,785,166 shares	Year ended March 31, 2015	39,789,536 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	7,741	8,742
Notes and accounts receivable - trade	7,123	6,159
Merchandise and finished goods	3,587	2,378
Work in process	23	27
Raw materials and supplies	356	219
Deferred tax assets	111	80
Other	322	281
Allowance for doubtful accounts	(1,051)	(801)
Total current assets	18,215	17,086
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,824	8,582
Accumulated depreciation	(6,905)	(6,880)
Buildings and structures, net	1,919	1,701
Machinery, equipment and vehicles	3,383	3,267
Accumulated depreciation	(2,706)	(2,644)
Machinery, equipment and vehicles, net	677	622
Land	3,606	3,549
Construction in progress	0	27
Other	641	609
Accumulated depreciation	(575)	(554)
Other, net	66	55
Total property, plant and equipment	6,270	5,957
Intangible assets		
Leasehold right	184	184
Other	714	495
Total intangible assets	899	679
Investments and other assets		
Investment securities	1,689	1,432
Deferred tax assets	34	75
Claims provable in bankruptcy, claims provable in rehabilitation and other	301	423
Other	450	351
Allowance for doubtful accounts	(275)	(377)
Total investments and other assets	2,200	1,905
Total non-current assets	9,370	8,542
Total assets	27,585	25,628

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,167	2,757
Short-term loans payable	3,944	3,301
Income taxes payable	129	114
Provision for bonuses	82	82
Other	883	907
Total current liabilities	8,207	7,163
Non-current liabilities		
Long-term loans payable	2,744	1,917
Deferred tax liabilities	346	282
Long-term guarantee deposited	938	965
Deferred tax liabilities for land revaluation	324	298
Net defined benefit liability	1,686	1,694
Provision for stocks payment	—	8
Asset retirement obligations	85	51
Other	12	30
Total non-current liabilities	6,137	5,249
Total liabilities	14,344	12,413
Net assets		
Shareholders' equity		
Capital stock	2,376	2,376
Capital surplus	1,048	1,048
Retained earnings	8,597	9,648
Treasury shares	(94)	(95)
Total shareholders' equity	11,927	12,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	405	258
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	362	360
Foreign currency translation adjustment	632	(222)
Remeasurements of defined benefit plans	(86)	(159)
Total accumulated other comprehensive income	1,313	237
Total net assets	13,240	13,215
Total liabilities and net assets	27,585	25,628

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	126,423	124,360
Cost of sales	118,971	117,221
Gross profit	7,452	7,139
Selling, general and administrative expenses	5,772	5,731
Operating income	1,679	1,408
Non-operating income		
Interest income	39	46
Dividend income	79	88
Rent income	13	15
Foreign exchange gains	139	148
Other	76	50
Total non-operating income	348	349
Non-operating expenses		
Interest expenses	55	46
Loss on retirement of non-current assets	21	51
Loss on valuation of currency swaps	—	43
Other	5	15
Total non-operating expenses	81	156
Ordinary income	1,946	1,601
Extraordinary income		
Compensation income for damage by rumor	97	61
Total extraordinary income	97	61
Extraordinary losses		
Impairment loss	—	79
Total extraordinary losses	—	79
Profit before income taxes	2,044	1,583
Income taxes - current	452	349
Income taxes - deferred	(9)	(0)
Total income taxes	443	349
Profit	1,600	1,234
Profit attributable to owners of parent	1,600	1,234

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	1,600	1,234
Other comprehensive income		
Valuation difference on available-for-sale securities	164	(146)
Deferred gains or losses on hedges	0	(0)
Revaluation reserve for land	33	16
Foreign currency translation adjustment	227	(854)
Remeasurements of defined benefit plans, net of tax	77	(72)
Total other comprehensive income	502	(1,057)
Comprehensive income	2,103	176
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,103	176
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,376	1,017	7,122	(62)	10,453
Cumulative effects of changes in accounting policies			33		33
Restated balance	2,376	1,017	7,155	(62)	10,486
Changes of items during period					
Dividends of surplus			(159)		(159)
Profit attributable to owners of parent			1,600		1,600
Purchase of treasury shares				(95)	(95)
Disposal of treasury shares		31		63	94
Reversal of revaluation reserve for land					
Net changes of items other than shareholders' equity					
Total changes of items during period	—	31	1,441	(32)	1,440
Balance at end of current period	2,376	1,048	8,597	(94)	11,927

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	240	0	329	405	(163)	811	11,264
Cumulative effects of changes in accounting policies							33
Restated balance	240	0	329	405	(163)	811	11,298
Changes of items during period							
Dividends of surplus							(159)
Profit attributable to owners of parent							1,600
Purchase of treasury shares							(95)
Disposal of treasury shares							94
Reversal of revaluation reserve for land							
Net changes of items other than shareholders' equity	164	0	33	227	77	502	502
Total changes of items during period	164	0	33	227	77	502	1,942
Balance at end of current period	405	0	362	632	(86)	1,313	13,240

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,376	1,048	8,597	(94)	11,927
Cumulative effects of changes in accounting policies					—
Restated balance	2,376	1,048	8,597	(94)	11,927
Changes of items during period					
Dividends of surplus			(201)		(201)
Profit attributable to owners of parent			1,234		1,234
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					
Reversal of revaluation reserve for land			18		18
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,051	(0)	1,050
Balance at end of current period	2,376	1,048	9,648	(95)	12,978

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	405	0	362	632	(86)	1,313	13,240
Cumulative effects of changes in accounting policies							—
Restated balance	405	0	362	632	(86)	1,313	13,240
Changes of items during period							
Dividends of surplus							(201)
Profit attributable to owners of parent							1,234
Purchase of treasury shares							(0)
Disposal of treasury shares							
Reversal of revaluation reserve for land							18
Net changes of items other than shareholders' equity	(146)	(0)	(2)	(854)	(72)	(1,076)	(1,076)
Total changes of items during period	(146)	(0)	(2)	(854)	(72)	(1,076)	(25)
Balance at end of current period	258	0	360	(222)	(159)	237	13,215

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	2,044	1,583
Depreciation	465	468
Impairment loss	—	79
Loss (gain) on valuation of investment securities	—	8
Increase (decrease) in allowance for doubtful accounts	(52)	(96)
Increase (decrease) in provision for bonuses	(0)	0
Increase (decrease) in net defined benefit liability	(149)	8
Increase (decrease) in provision for stocks payment	—	8
Interest and dividend income	(119)	(135)
Interest expenses	55	46
Loss on retirement of property, plant and equipment	2	11
Loss (gain) on sales of property, plant and equipment	—	66
Decrease (increase) in notes and accounts receivable - trade	237	640
Decrease (increase) in inventories	(632)	1,247
Increase (decrease) in notes and accounts payable - trade	(385)	(307)
Increase (decrease) in accrued consumption taxes	104	149
Other, net	371	(18)
Subtotal	1,940	3,761
Interest and dividend income received	118	136
Interest expenses paid	(54)	(44)
Income taxes (paid) refund	(527)	(359)
Net cash provided by (used in) operating activities	1,477	3,493
Cash flows from investing activities		
Payments into time deposits	(1,321)	(2,013)
Proceeds from withdrawal of time deposits	1,625	871
Purchase of property, plant and equipment	(406)	(295)
Purchase of intangible assets	(334)	(60)
Purchase of investment securities	(135)	(0)
Proceeds from sales of investment securities	10	—
Payments of loans receivable	(7)	(7)
Collection of loans receivable	4	4
Other, net	14	(3)
Net cash provided by (used in) investing activities	(549)	(1,504)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(570)	(500)
Proceeds from long-term loans payable	1,900	500
Repayments of long-term loans payable	(1,475)	(1,469)
Purchase of treasury shares	(95)	(0)
Proceeds from sales of treasury shares	63	—
Cash dividends paid	(159)	(201)
Other, net	24	(7)
Net cash provided by (used in) financing activities	(313)	(1,678)
Effect of exchange rate change on cash and cash equivalents	29	(198)
Net increase (decrease) in cash and cash equivalents	643	111
Cash and cash equivalents at beginning of period	5,497	6,141
Cash and cash equivalents at end of period	6,141	6,253