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Consolidated Financial Results for the Year Ended January 31, 2021 [Japanese GAAP]

March 11, 2021

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: 078-845-2431

Scheduled date of Annual General Meeting of Shareholders: April 20, 2021
Scheduled date of commencing dividend payments: —
Scheduled date of filing annual securities report: April 21, 2021
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended January 31, 2021 (February 01, 2020 to January 31, 2021)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2021	186,217	(19.5)	(3,141)	-	(2,063)	-	(3,591)	-
January 31, 2020	231,266	6.2	1,433	(12.5)	1,518	(13.4)	474	(44.1)

(Note) Comprehensive income: Fiscal year ended January 31, 2021: ¥ (4,128) million [-%]
Fiscal year ended January 31, 2020: ¥ 533 million [-%]

	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, 2021	(333.85)	-	(16.9)	(2.4)	(1.7)
January 31, 2020	44.15	-	2.0	1.7	0.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended January 31, 2021: ¥ (26) million
Fiscal year ended January 31, 2020: ¥ 7 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
January 31, 2021	83,162	19,384	22.6	1,747.20
January 31, 2020	90,745	24,613	26.2	2,213.16

(Reference) Equity: As of January 31, 2021: ¥ 18,794 million
As of January 31, 2020: ¥ 23,807 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	Million yen	Million yen	Million yen	Million yen
January 31, 2021	139	(2,474)	2,453	6,839
January 31, 2020	2,500	(754)	(2,202)	6,790

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	Million yen	%	%
January 31, 2020	-	25.00	-	25.00	50.00	537	113.3	2.3
January 31, 2021	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending January 31, 2022 (Forecast)	-	-	-	-	-		-	

(Note) For the forecast of dividends per share for the fiscal year ending January 2022, it remains undetermined at this moment.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2022 (February 01, 2021 to January 31, 2022)

(% 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
Six months ended July 31, 2021	94,600	7.9	(1,000)	-	(900)	-	(1,100)	-	(102.26)
Full year	200,000	7.4	600	-	700	-	100	-	9.30

* 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: No

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

January 31, 2021: 11,012,166 shares

January 31, 2020: 11,012,166 shares

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

January 31, 2021: 255,179 shares

January 31, 2020: 254,968 shares

3) Average number of shares during the period:

Fiscal Year ended January 31, 2021: 10,757,069 shares

Fiscal Year ended January 31, 2020: 10,757,257 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2021 (February 01, 2020 to January 31, 2021)

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

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
January 31, 2021	63,647	(25.3)	(175)	-	900	58.3	858	120.1
January 31, 2020	85,228	2.5	(197)	-	568	(25.4)	390	(9.7)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
January 31, 2021	79.85	-
January 31, 2020	36.28	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
January 31, 2021	69,161	19,813	28.6	1,841.88
January 31, 2020	70,801	19,265	27.2	1,790.91

(Reference) Equity: As of January 31, 2021: ¥ 19,813 million
As of January 31, 2020: ¥ 19,265 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of January 31,2020	As of January 31,2021
Assets		
Current assets		
Cash and deposits	6,940	6,988
Notes and accounts receivable - trade	18,761	14,643
Inventories	12,221	10,289
Other	3,691	3,387
Allowance for doubtful accounts	(86)	(61)
Total current assets	41,529	35,246
Non-current assets		
Property, plant and equipment		
Buildings and structures	26,283	26,183
Accumulated depreciation	(15,966)	(16,675)
Buildings and structures, net	10,316	9,507
Machinery, equipment and vehicles	5,758	5,785
Accumulated depreciation	(4,076)	(4,263)
Machinery, equipment and vehicles, net	1,681	1,522
Tools, furniture and fixtures	3,963	4,167
Accumulated depreciation	(3,041)	(3,282)
Tools, furniture and fixtures, net	922	885
Land	15,649	15,738
Construction in progress	12	429
Leased assets	4,582	5,182
Accumulated depreciation	(3,207)	(3,631)
Leased assets, net	1,375	1,551
Total property, plant and equipment	29,957	29,635
Intangible assets		
Goodwill	7,072	6,654
Software	945	715
Other	173	181
Total intangible assets	8,191	7,551
Investments and other assets		
Investment securities	2,426	2,028
Shares of subsidiaries and associates	468	434
Leasehold deposits	4,091	3,807
Deferred tax assets	400	664
Retirement benefit asset	3,108	3,263
Other	727	702
Allowance for doubtful accounts	(155)	(172)
Total investments and other assets	11,066	10,728
Total non-current assets	49,216	47,915
Total assets	90,745	83,162

(Million yen)

	As of January 31,2020	As of January 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,333	20,857
Short-term borrowings	9,594	11,771
Income taxes payable	795	408
Provision for bonuses	489	418
Provision for point card certificates	203	199
Provision for product warranties	58	52
Asset retirement obligations	-	20
Other	3,499	4,153
Total current liabilities	41,973	37,882
Non-current liabilities		
Long-term borrowings	20,291	22,159
Provision for place of business closings	6	4
Deferred tax liabilities	1,040	720
Asset retirement obligations	778	848
Retirement benefit liability	600	431
Lease obligations	1,066	1,161
Other	374	567
Total non-current liabilities	24,158	25,895
Total liabilities	66,132	63,777
Net assets		
Shareholders' equity		
Share capital	5,344	5,344
Capital surplus	5,089	5,089
Retained earnings	13,273	8,863
Treasury shares	(638)	(639)
Total shareholders' equity	23,068	18,657
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	568	417
Deferred gains or losses on hedges	(1)	-
Foreign currency translation adjustment	(185)	(543)
Remeasurements of defined benefit plans	357	262
Total accumulated other comprehensive income	738	136
Non-controlling interests	806	589
Total net assets	24,613	19,384
Total liabilities and net assets	90,745	83,162

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended January 31,2020	For the fiscal year ended January 31,2021
Net sales	231,266	186,217
Cost of sales	187,162	149,813
Gross profit	44,104	36,404
Selling, general and administrative expenses		
Freight and packing costs	5,465	4,806
Promotion expenses	1,915	1,395
Provision of allowance for doubtful accounts	60	18
Retirement benefit expenses	(33)	49
Employees' salaries	15,371	14,886
Employees' bonuses	2,146	1,415
Provision for bonuses	489	418
Welfare expenses	2,935	2,787
Travel and transportation expenses	1,385	993
Utilities expenses	1,643	1,506
Lease	938	952
Depreciation	2,129	2,119
Rent expenses on land and buildings	3,509	3,452
Other	4,711	4,744
Total selling, general and administrative expenses	42,671	39,546
Operating profit (loss)	1,433	(3,141)
Non-operating income		
Interest income	5	6
Dividend income	38	27
Share of profit of entities accounted for using equity method	7	-
Subsidies for employment adjustment	-	948
Other	220	315
Total non-operating income	272	1,299
Non-operating expenses		
Interest expenses	118	115
Other financial expenses	14	12
Share of loss of entities accounted for using equity method	-	26
Other	54	66
Total non-operating expenses	186	221
Ordinary profit (loss)	1,518	(2,063)

(Million yen)

	For the fiscal year ended January 31,2020	For the fiscal year ended January 31,2021
Extraordinary income		
Gain on sales of non-current assets	12	13
Gain on sales of investment securities	-	1
Gain on bargain purchase	241	-
Compensation income	100	-
Other	23	-
Total extraordinary income	378	15
Extraordinary losses		
Loss on sales of non-current assets	3	19
Loss on retirement of non-current assets	78	237
Loss on store closings	20	179
Impairment loss	6	646
Loss on sales of investment securities	0	-
Loss on valuation of investment securities	-	178
Loss on step acquisitions	95	-
Loss related to COVID	-	52
Other	20	3
Total extraordinary losses	223	1,318
Profit (loss) before income taxes	1,672	(3,367)
Income taxes - current	1,108	610
Income taxes - deferred	40	(461)
Total income taxes	1,149	149
Profit (loss)	523	(3,516)
Profit attributable to non-controlling interests	48	74
Profit (loss) attributable to owners of parent	474	(3,591)

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended January 31,2020	For the fiscal year ended January 31,2021
Profit (loss)	523	(3,516)
Other comprehensive income		
Valuation difference on available-for-sale securities	105	(154)
Deferred gains or losses on hedges	3	1
Foreign currency translation adjustment	27	(361)
Remeasurements of defined benefit plans, net of tax	(125)	(96)
Total other comprehensive income	10	(611)
Comprehensive income	533	(4,128)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	491	(4,193)
Comprehensive income attributable to non-controlling interests	41	65

Consolidated Statements of Changes in Net Assets

For the fiscal year ended January 31,2020

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,344	5,089	13,336	(638)	23,131
Changes during period					
Dividends of surplus			(537)		(537)
Profit (loss) attributable to owners of parent			474		474
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(62)	(0)	(63)
Balance at end of period	5,344	5,089	13,273	(638)	23,068

	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 period	458	(4)	(213)	481	722	617	24,471
Changes during period							
Dividends of surplus							(537)
Profit (loss) attributable to owners of parent							474
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	109	3	28	(124)	16	188	204
Total changes during period	109	3	28	(124)	16	188	141
Balance at end of period	568	(1)	(185)	357	738	806	24,613

For the fiscal year ended January 31,2021

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,344	5,089	13,273	(638)	23,068
Changes during period					
Dividends of surplus			(268)		(268)
Profit (loss) attributable to owners of parent			(3,591)		(3,591)
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		(549)			(549)
Transfer from retained earnings to capital surplus		549	(549)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(4,410)	(0)	(4,410)
Balance at end of period	5,344	5,089	8,863	(639)	18,657

	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 period	568	(1)	(185)	357	738	806	24,613
Changes during period							
Dividends of surplus							(268)
Profit (loss) attributable to owners of parent							(3,591)
Purchase of treasury shares							(0)
Purchase of shares of consolidated subsidiaries							(549)
Transfer from retained earnings to capital surplus							-
Net changes in items other than shareholders' equity	(150)	1	(358)	(95)	(602)	(216)	(818)
Total changes during period	(150)	1	(358)	(95)	(602)	(216)	(5,229)
Balance at end of period	417	-	(543)	262	136	589	19,384

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended January 31,2020	For the fiscal year ended January 31,2021
Cash flows from operating activities		
Profit (loss) before income taxes	1,672	(3,367)
Depreciation	2,241	2,227
Amortization of goodwill	789	822
Impairment loss	6	646
Loss on retirement of non-current assets	24	197
Increase (decrease) in allowance for doubtful accounts	7	(8)
Increase (decrease) in provision for place business closings	(12)	152
Increase (decrease) in provision for bonuses	(15)	(69)
Increase (decrease) in provision for product warranties	(15)	4
Increase (decrease) in provision for point card certificates	18	2
Loss (gain) on valuation of investment securities	-	178
Gain on bargain purchase	(241)	-
Loss (gain) on step acquisitions	95	-
Increase (decrease) in retirement benefit liability	(308)	(463)
Interest and dividend income	(44)	(34)
Interest expenses	118	115
Share of loss (profit) of entities accounted for using equity method	(7)	26
Other financial revenue and expenses	18	2
Loss (gain) on sales of non-current assets	(9)	6
Decrease (increase) in trade receivables	(153)	4,268
Decrease (increase) in inventories	(277)	2,050
Decrease (increase) in other account receivables	(665)	550
Increase (decrease) in trade payables	241	(6,524)
Increase (decrease) in other obligations	(49)	473
Increase (decrease) in accrued consumption taxes	(143)	67
Other, net	141	54
Subtotal	3,431	1,380
Income taxes (paid) refund	(844)	(1,166)
Interest and dividends received	44	34
Interest paid	(118)	(115)
Dividends received from entities accounted for using equity method	6	7
Other financial revenue received and expenses paid	(17)	(1)
Net cash provided by (used in) operating activities	2,500	139

(Million yen)

	For the fiscal year ended January 31,2020	For the fiscal year ended January 31,2021
Cash flows from investing activities		
Payments into time deposits	(58)	(454)
Proceeds from withdrawal of time deposits	-	456
Purchase of non-current assets	(1,882)	(1,999)
Proceeds from sales and collection of non current assets	671	511
Purchase of investment securities	(15)	(14)
Proceeds from sales of investment securities	10	2
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(221)	(978)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	740	-
Other, net	(0)	1
Net cash provided by (used in) investing activities	(754)	(2,474)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	300
Proceeds from long-term borrowings	10,550	16,690
Repayments of long-term borrowings	(11,691)	(12,943)
Repayments of lease obligations	(493)	(490)
Purchase of treasury shares	(0)	(0)
Dividends paid	(538)	(270)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(849)
Other, net	(28)	17
Net cash provided by (used in) financing activities	(2,202)	2,453
Effect of exchange rate change on cash and cash equivalents	0	(69)
Net increase (decrease) in cash and cash equivalents	(455)	49
Cash and cash equivalents at beginning of period	7,245	6,790
Cash and cash equivalents at end of period	6,790	6,839