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Consolidated Financial Results for the Six Months Ended July 31, 2024 [Japanese GAAP]

September 10, 2024

Company name: TOHO Co.,Ltd.
Listing: Tokyo
Securities code: 8142
URL: https://www.to-ho.co.jp
Representative: Hiroyuki Koga Representative Director & President
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Scheduled date to file semi-annual securities report: September 10, 2024
Scheduled date to commence dividend payments: October 18, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended July 31, 2024 (February 1, 2024 to July 31, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2024	121,196	1.8	3,471	(5.7)	3,631	(3.9)	2,281	28.5
July 31, 2023	119,028	18.6	3,682	196.7	3,777	162.4	1,776	181.3

(Note) Comprehensive income: Six months ended July 31, 2024: ¥ 2,606 million [0.9%]
Six months ended July 31, 2023: ¥ 2,583 million [40.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
July 31, 2024	212.08	-
July 31, 2023	165.06	-

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of equity attributable to owners of the parent
As of	Millions of yen	Millions of yen	%
July 31, 2024	90,368	29,567	32.3
January 31, 2024	88,297	27,564	30.8

(Reference) Equity attributable to owners of the parent: As of July 31, 2024: ¥ 29,180 million
As of January 31, 2024: ¥ 27,197 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, 2024	-	35.00	-	55.00	90.00
Fiscal year ending January 31, 2025	-	55.00			
Fiscal year ending January 31, 2025 (Forecast)			-	55.00	110.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending January 31, 2025 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2025(February 1, 2024 to January 31, 2025)

(Percentages indicate year-on-year changes.)

	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
Full year	246,000	0.4	7,300	(6.6)	7,500	(5.9)	4,400	22.0	409.06

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares (including treasury shares) at:

July 31, 2024: 11,012,166 shares

January 31, 2024: 11,012,166 shares

2) Number of treasury shares at:

July 31, 2024: 255,733 shares

January 31, 2024: 255,653 shares

3) Average number of shares outstanding during:

Six months ended July 31, 2024: 10,756,446 shares

Six months ended July 31, 2023: 10,756,606 shares

(Note) The shares held by the Director Share Trust are treated as treasury stock and excluded from the denominator in the earnings per share calculation. The number of shares held by the trust as of July 31, 2024 was 30,000 shares (not applicable as of January 31, 2024). The average number of shares held by the trust for six months ended July 31, 2024 was 5,000 shares (not applicable for six months ended July 31, 2023).

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of January 31, 2024	As of July 31, 2024
Assets		
Current assets		
Cash and deposits	9,650	9,123
Notes and accounts receivable - trade, and contract assets	19,282	20,943
Inventories	12,967	14,435
Other	3,744	3,423
Allowance for doubtful accounts	(117)	(135)
Total current assets	45,526	47,789
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,724	7,570
Land	14,451	14,386
Other, net	3,504	4,144
Total property, plant and equipment	25,679	26,099
Intangible assets		
Goodwill	2,800	2,640
Other	966	1,176
Total intangible assets	3,765	3,816
Investments and other assets		
Investment securities	2,694	2,303
Leasehold deposits	3,330	3,041
Retirement benefit asset	5,986	6,131
Other	1,518	1,368
Allowance for doubtful accounts	(200)	(180)
Total investments and other assets	13,328	12,663
Total non-current assets	42,772	42,578
Total assets	88,297	90,368

(Millions of yen)

	As of January 31, 2024	As of July 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,063	29,995
Short-term borrowings	8,387	8,262
Income taxes payable	1,110	1,109
Provision for bonuses	981	659
Provision for product warranties	36	33
Provision for loss on business liquidation	405	194
Asset retirement obligations	613	408
Other	4,881	4,310
Total current liabilities	44,476	44,971
Non-current liabilities		
Long-term borrowings	13,040	12,293
Retirement benefit liability	474	474
Asset retirement obligations	909	921
Provision for share awards	-	9
Other	1,834	2,132
Total non-current liabilities	16,257	15,830
Total liabilities	60,734	60,800
Net assets		
Shareholders' equity		
Share capital	5,345	5,345
Capital surplus	5,061	5,081
Retained earnings	13,004	14,693
Treasury shares	(640)	(661)
Total shareholders' equity	22,769	24,458
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,086	831
Deferred gains or losses on hedges	4	2
Foreign currency translation adjustment	2,007	2,643
Remeasurements of defined benefit plans	1,331	1,245
Total accumulated other comprehensive income	4,428	4,721
Non-controlling interests	367	388
Total net assets	27,564	29,567
Total liabilities and net assets	88,297	90,368

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Net sales	119,028	121,196
Cost of sales	94,716	96,552
Gross profit	24,312	24,644
Selling, general and administrative expenses	20,630	21,173
Operating profit	3,682	3,471
Non-operating income		
Interest income	7	10
Dividend income	24	35
Foreign exchange gains	32	85
Subsidies for employment adjustment	14	18
Other	112	92
Total non-operating income	189	240
Non-operating expenses		
Interest expenses	67	64
Other	27	17
Total non-operating expenses	94	81
Ordinary profit	3,777	3,631
Extraordinary income		
Gain on sale of non-current assets	25	12
Gain on sale of investment securities	-	62
Gain on reversal of asset retirement obligations	-	95
Reversal of provision for loss on business liquidation	-	86
Total extraordinary income	25	255
Extraordinary losses		
Loss on sale of non-current assets	1	0
Impairment losses	19	33
Loss on retirement of non-current assets	28	26
Provision for loss on business liquidation	385	-
Total extraordinary losses	433	59
Profit before income taxes	3,368	3,827
Income taxes	1,578	1,528
Profit	1,790	2,299
Profit attributable to non-controlling interests	15	18
Profit attributable to owners of parent	1,776	2,281

(Millions of yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Profit	1,790	2,299
Other comprehensive income		
Valuation difference on available-for-sale securities	216	(254)
Deferred gains or losses on hedges	31	(1)
Foreign currency translation adjustment	613	648
Remeasurements of defined benefit plans, net of tax	(67)	(86)
Total other comprehensive income	793	307
Comprehensive income	2,583	2,606
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,567	2,575
Comprehensive income attributable to non-controlling interests	16	32

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended July 31, 2023	For the six months ended July 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,368	3,827
Depreciation	976	983
Impairment losses	19	33
Amortization of goodwill	404	289
Increase (decrease) in allowance for doubtful accounts	28	(12)
Increase (decrease) in provision for bonuses	(336)	(331)
Increase (decrease) in provision for product warranties	1	(3)
Increase (decrease) in provision for loss on business liquidation	385	(210)
Increase (decrease) in provision for share awards	-	9
Increase (decrease) in net defined benefit asset and liability	(206)	(264)
Interest and dividend income	(31)	(45)
Interest expenses	67	64
Loss (gain) on sale of non-current assets	(24)	(11)
Loss on retirement of non-current assets	28	4
Loss (gain) on sale of investment securities	-	(62)
Decrease (increase) in trade receivables	(1,440)	(1,470)
Decrease (increase) in inventories	(1,136)	(1,376)
Increase (decrease) in trade payables	2,549	1,878
Gain on reversal of asset retirement obligations	-	(95)
Foreign exchange losses (gains)	(13)	(8)
Other, net	(758)	(584)
Subtotal	3,883	2,615
Interest and dividends received	31	44
Interest paid	(63)	(60)
Income taxes refund (paid)	(1,092)	(743)
Net cash provided by (used in) operating activities	2,758	1,855
Cash flows from investing activities		
Purchase of non-current assets	(989)	(1,458)
Proceeds from sales and collection of non current assets	197	572
Purchase of investment securities	(7)	(9)
Proceeds from sale of investment securities	-	84
Purchase of shares of subsidiaries and associates	(40)	-
Other, net	203	252
Net cash provided by (used in) investing activities	(635)	(559)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(500)	-
Proceeds from long-term borrowings	5,700	4,000
Repayments of long-term borrowings	(6,537)	(4,872)
Repayments of lease liabilities	(229)	(245)
Purchase of treasury shares	(0)	(96)
Proceeds from disposal of treasury shares	-	96
Dividends paid	(269)	(589)
Other, net	(7)	(11)
Net cash provided by (used in) financing activities	(1,842)	(1,718)
Effect of exchange rate change on cash and cash equivalents	167	218
Net increase (decrease) in cash and cash equivalents	448	(204)
Cash and cash equivalents at beginning of period	7,512	9,216
Cash and cash equivalents at end of period	7,960	9,012