

Translation

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Summary of Consolidated Financial Results for the Three Months Ended November 30, 2021 (Based on Japanese GAAP)

January 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: January 13, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended November 30, 2021 (from September 1, 2021 to November 30, 2021)

(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	%
Three months ended November 30, 2021	3,634	20.6	(20)	–	2	(98.7)	(9)	–
Three months ended November 30, 2020	3,014	7.3	207	14.0	217	(2.3)	137	(1.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended November 30, 2021	(1.31)		–	
Three months ended November 30, 2020	18.81		18.33	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2021	7,726	4,793	62.0
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				
Year ended August 31, 2021	–	0.00	–	11.00	11.00
Year ending August 31, 2022	–				
Year ending August 31, 2022 (Forecast)		0.00	–	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
Six months ending February 28, 2022	7,578	26.4	139	(37.2)	166	(32.1)	79	(49.9)	10.80
Full year	15,719	20.7	626	59.7	682	50.9	443	60.1	60.41

4. Notes

- (1) Changes in significant subsidiaries during the three months ended November 30, 2021
(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 November 30, 2021	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 November 30, 2021	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)

Three months ended November 30, 2021	7,341,507 shares	Three months ended November 30, 2020	7,332,785 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2021	As of November 30, 2021
Assets		
Current assets		
Cash and deposits	2,985,268	2,584,253
Notes and accounts receivable - trade	3,746,212	3,874,471
Merchandise and finished goods	4,769	6,517
Raw materials and supplies	118,849	107,361
Other	169,688	264,374
Allowance for doubtful accounts	(22,167)	(23,464)
Total current assets	7,002,620	6,813,514
Non-current assets		
Property, plant and equipment	329,587	325,233
Intangible assets	16,221	15,734
Investments and other assets		
Investment securities	23,766	25,398
Deferred tax assets	52,367	59,567
Other	403,421	524,015
Allowance for doubtful accounts	(37,136)	(37,136)
Total investments and other assets	442,418	571,844
Total non-current assets	788,226	912,812
Total assets	7,790,846	7,726,327
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,438,503	1,409,321
Short-term borrowings	100,000	100,000
Accounts payable - other	313,120	349,649
Income taxes payable	66,542	14,952
Provision for bonuses	56,779	16,751
Provision for sales promotion expenses	1,148	636
Other	76,175	185,429
Total current liabilities	2,052,269	2,076,740
Non-current liabilities		
Long-term borrowings	800,000	800,000
Asset retirement obligations	50,754	50,799
Other	5,520	5,780
Total non-current liabilities	856,275	856,579
Total liabilities	2,908,544	2,933,319

(Thousands of yen)

	As of August 31, 2021	As of November 30, 2021
Net assets		
Shareholders' equity		
Share capital	607,690	607,690
Capital surplus	597,690	597,690
Retained earnings	3,661,087	3,570,688
Treasury shares	(415)	(451)
Total shareholders' equity	4,866,051	4,775,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,251	17,390
Total accumulated other comprehensive income	16,251	17,390
Total net assets	4,882,302	4,793,007
Total liabilities and net assets	7,790,846	7,726,327

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2020	Three months ended November 30, 2021
Net sales	3,014,557	3,634,105
Cost of sales	1,940,022	2,723,337
Gross profit	1,074,534	910,768
Selling, general and administrative expenses	867,291	931,608
Operating profit (loss)	207,242	(20,839)
Non-operating income		
Interest income	835	490
Gain on settlement of liabilities	9,311	22,461
Other	1,708	1,938
Total non-operating income	11,855	24,890
Non-operating expenses		
Interest expenses	1,872	1,310
Other	30	0
Total non-operating expenses	1,902	1,310
Ordinary profit	217,195	2,739
Profit before income taxes	217,195	2,739
Income taxes	79,278	12,381
Profit (loss)	137,916	(9,641)
Profit (loss) attributable to owners of parent	137,916	(9,641)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended November 30, 2020	Three months ended November 30, 2021
Profit (loss)	137,916	(9,641)
Other comprehensive income		
Valuation difference on available-for-sale securities	4,359	1,139
Total other comprehensive income	4,359	1,139
Comprehensive income	142,276	(8,502)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	142,276	(8,502)