

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended May 31, 2022 (Based on Japanese GAAP)

July 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: July 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 nine months ended May 31, 2022 (from September 1, 2021 to May 31, 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	%
Nine months ended May 31, 2022	12,422	33.7	(30)	–	35	(90.7)	(23)	–
Nine months ended May 31, 2021	9,289	8.5	336	(50.0)	377	(50.7)	246	(53.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended May 31, 2022	(3.19)	–
Nine months ended May 31, 2021	33.66	32.83

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2022	8,385	4,780	57.0
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 nine months ended May 31, 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 May 31, 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 May 31, 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)

Nine months ended May 31, 2022	7,341,498 shares	Nine months ended May 31, 2021	7,335,144 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2021	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	2,985,268	2,008,251
Notes and accounts receivable - trade	3,746,212	4,943,596
Merchandise and finished goods	4,769	7,225
Raw materials and supplies	118,849	141,305
Other	169,688	364,792
Allowance for doubtful accounts	(22,167)	(31,324)
Total current assets	7,002,620	7,433,847
Non-current assets		
Property, plant and equipment	329,587	211,616
Intangible assets	16,221	11,941
Investments and other assets		
Investment securities	23,766	25,644
Deferred tax assets	52,367	66,090
Other	403,421	673,448
Allowance for doubtful accounts	(37,136)	(37,136)
Total investments and other assets	442,418	728,046
Total non-current assets	788,226	951,604
Total assets	7,790,846	8,385,452
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,438,503	1,488,346
Short-term borrowings	100,000	700,000
Accounts payable - other	313,120	367,535
Income taxes payable	66,542	9,196
Provision for bonuses	56,779	17,455
Provision for sales promotion expenses	1,148	—
Other	76,175	167,043
Total current liabilities	2,052,269	2,749,577
Non-current liabilities		
Long-term borrowings	800,000	800,000
Asset retirement obligations	50,754	50,887
Other	5,520	4,818
Total non-current liabilities	856,275	855,706
Total liabilities	2,908,544	3,605,283

	(Thousands of yen)	
	As of August 31, 2021	As of May 31, 2022
Net assets		
Shareholders' equity		
Share capital	607,690	607,690
Capital surplus	597,690	597,690
Retained earnings	3,661,087	3,556,925
Treasury shares	(415)	(451)
Total shareholders' equity	4,866,051	4,761,853
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,251	17,561
Total accumulated other comprehensive income	16,251	17,561
Share acquisition rights	—	753
Total net assets	4,882,302	4,780,169
Total liabilities and net assets	7,790,846	8,385,452

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2021	Nine months ended May 31, 2022
Net sales	9,289,873	12,422,302
Cost of sales	6,306,650	9,515,518
Gross profit	2,983,222	2,906,783
Selling, general and administrative expenses	2,646,948	2,937,172
Operating profit (loss)	336,273	(30,389)
Non-operating income		
Interest income	2,399	1,160
Dividend income	48	—
Gain on settlement of liabilities	37,864	60,080
Other	7,428	8,633
Total non-operating income	47,740	69,874
Non-operating expenses		
Interest expenses	5,627	4,320
Other	514	102
Total non-operating expenses	6,141	4,423
Ordinary profit	377,872	35,062
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 before income taxes	376,197	36,525
Income taxes	129,332	59,930
Profit (loss)	246,865	(23,405)
Profit (loss) attributable to owners of parent	246,865	(23,405)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2021	Nine months ended May 31, 2022
Profit (loss)	246,865	(23,405)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,068	1,310
Total other comprehensive income	2,068	1,310
Comprehensive income	248,934	(22,094)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	248,934	(22,094)