



## Financial Announcement for Year Ended March 31, 2019 [Japan standard] (Consolidated)

May 8, 2019

Company name TOLI Corporation Stock Exchanges: Tokyo Stock Exchange  
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 Department

Scheduled date for ordinary general meeting of shareholders June 19, 2019 Scheduled date for start of dividend payments June 20, 2019  
 Scheduled date for submission of financial statements June 19, 2019  
 Preparation of supplementary explanatory materials for the financial announcement: Yes  
 Holding of a briefing on the financial announcement: Yes (for securities analysts)

(Amounts of less than 1 million yen are rounded off)

### 1. Consolidated results for year ended March 2019 (April 1, 2018 to March 31, 2019)

(1) Consolidated results (% shows change from previous term)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 2019	90,355	(1.0)	1,991	(43.5)	2,243	(39.1)	1,345	(45.7)
Year ended March 2018	91,291	(0.2)	3,522	(17.1)	3,681	(15.7)	2,479	(18.2)

(Note) Comprehensive income Year ended March 2019 766 million yen (-74.1%) Year ended March 2018 2,956 million yen (-24.4%)

	Profit per share	Profit per share - diluted	Return on equity capital	Return on total assets	Operating income on sales
	Yen	Yen	%	%	%
Year ended March 2019	21.81	-	3.8	2.9	2.2
Year ended March 2018	40.20	-	7.2	4.8	3.9

(Reference) Investment gain or loss under equity method Year ended March 2019 8 million yen Year ended March 2018 3 million yen

### (2) Consolidated assets

	Total assets	Net assets	Capital-to-asset ratio	Net asset per share
	Million yen	Million yen	%	Yen
Year ended March 2019	77,654	36,042	46.1	580.88
Year ended March 2018	77,703	35,894	45.9	578.76

(Reference) Equity capital Year ended March 2019 35,833 million yen Year ended March 2018 35,703 million yen

### (3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Term-end balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Year ended March 2019	2,321	(2,575)	(1,187)	7,749
Year ended March 2018	2,668	(2,690)	(1,231)	9,176

### 2. Dividend payments

	Annual dividend					Dividend payments (total)	Dividend payout ratio (consolidated)	Dividend ratio to net assets (consolidated)
	End 1st quarter	End 2nd quarter	End 3rd quarter	End of year	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 2019	-	2.00	-	8.00	10.00	616	24.9	1.8
Year ended March 2018	-	2.00	-	8.00	10.00	616	45.8	1.7
Year ending March 2020 (forecast)	-	5.00	-	8.00	13.00		50.1	

(Note) Breakdown of the year-end dividend (estimate) for the second quarter of the fiscal year ending March 2020 Ordinary dividend 2.00 yen  
 Commemorative dividend 3.00 yen

For details, see "Notice Concerning the '100th Anniversary' Commemorative Dividend" announced today.

### 3. Consolidated forecasts for year ending March 2020 (April 1, 2019 to March 31, 2020)

(% shows the change for the full term against the previous full term and change for the quarter against the same quarter of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (cumulative)	43,000	3.0	100	(66.8)	200	(56.5)	200	(10.4)	3.24
Full term	93,500	3.5	2,200	10.5	2,400	7.0	1,600	18.9	25.94

\* Notes

- (1) Significant changes to subsidiaries during the current term (changes for a specified subsidiary entailing a change in the scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, representation of amendments
- [1] Changes in accounting policies accompanying revisions to accounting standards: None
- [2] Changes to accounting policies other than [1]: None
- [3] Changes in accounting estimates: None
- [4] Representation of amendments: None

(3) Number of outstanding shares (ordinary shares)

[1] Number of outstanding shares at end of year (including treasury shares)	Year ended March 2019	66,829,249 shares	Year ended March 2018	66,829,249 shares
[2] Number of shares in treasury shares at end of year	Year ended March 2019	5,140,738 shares	Year ended March 2018	5,140,316 shares
[3] Average number of shares during the term	Year ended March 2019	61,688,795 shares	Year ended March 2018	61,689,931 shares

(Reference) Outline of Non-Consolidated business performance

Non-consolidated business performance for year ended March 2019 (April 1, 2018 to March 31, 2019)

(1) Non-consolidated management performance

(% shows change from previous term)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 2019	53,911	(1.8)	962	(61.3)	1,372	(52.4)	862	(58.2)
Year ended March 2018	54,902	(0.9)	2,483	(18.4)	2,886	(12.7)	2,062	(14.2)

	Profit per share		Profit per share - diluted	
	Yen	Yen	Yen	Yen
Year ended March 2019	13.97	-	-	-
Year ended March 2018	33.43	-	-	-

(2) Non-consolidated financial state

	Total assets		Net assets		Capital-to-asset ratio		Net asset per share	
	Million yen	Million yen	Million yen	Million yen	%	Yen	Yen	
Year ended March 2019	63,869	27,170	27,170	27,170	42.5	440.45	440.45	
Year ended March 2018	64,992	27,407	27,407	27,407	42.2	444.29	444.29	

(Reference) Equity capital Year ended March 2019 27,170 million yen Year ended March 2018 27,407 million yen

<Reason for the change in non-consolidated performance from the previous period>

There is a certain difference in actual performance from the previous fiscal year due to a decrease in income as a result of an increase in prices of major raw materials and an increase in logistics costs.

\* This document is out of the scope of audit by a certified public accountant or an audit corporation.

\* Explanation of the appropriate use of performance projections and other special instructions

The financial forecasts and other descriptions related to future events presented in this document are based on information currently available and certain assumptions judged as reasonable. As such, the financial forecasts and future descriptions are not considered to ensure the fulfillment thereof. Actual financial performance may vary significantly due to various factors. For details, such as assumptions of financial forecast and cautions when using the financial forecast, please refer to "1. Overview of Financial Results, etc. - (4) Financial Forecast" on page 4 of the attachment.

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## 1. Overview of the Management Performance, etc.

### (1) Overview of the Management Performance

During the current consolidated fiscal year, while the domestic economy showed a modest recovery due to an increase in capital investment and improvements in the employment and income environment, its prospects remain uncertain as shown by U.S.-China trade friction and growing concerns for global economic slowdown.

In the construction industry, which has deep relations with the TOLI Group's businesses, large redevelopment projects in the metropolitan area and demand increase related to the Tokyo Olympics/Paralympics were expected. However, the market remained weak affected by the stagnant housing market, delayed construction due to labor/material shortage in the industry and a series of natural disasters.

Amidst these circumstances, the TOLI Group is working on its priority strategy based on three "SHINKA" (evolution, deepening and real value) in Phase II (2018 - 2020) of the medium-term business plan "SHINKA-100". In 2018, the first year of Phase II, on a consolidated basis, the Group achieved net sales of 90,355 million yen (a decrease of 1.0% against the previous period), operating income of 1,991 million yen (a decrease of 43.5% against the previous period), ordinary income of 2,243 million yen (a decrease of 39.1% against the previous period), and profit attributable to owners of parent of 1,345 million yen (a decrease of 45.7% against the previous period).

Management performance by segment for each business area is as follows. This information includes business between segments.

#### <Product Business>

In the product business, the Company launched new products with excellent design and high functionality and strengthened sales promotion activities to achieve swift market penetration. The Company is also promoting further enhancement of its overseas business by establishing a new base in Singapore.

For vinyl flooring, the Company launched "HITOE Granza" and "HITOE Fine" in June, the first domestically-produced homogeneous vinyl sheet with high design and functionality, and renewed its "Sheet Collection" in October, a comprehensive sample catalog that compiles vinyl sheets by use in an easy-to-understand manner. The Company also launched "CARESAFE NW", vinyl sheet with high shock absorption which does not require wax maintenance for a long time, and it was highly regarded from various quarters. However, demand for health care and welfare facilities, the Company's core market, remained weak, and overall sales of vinyl flooring fell below those of the previous period.

For carpets, the Company expanded the "GX Series" in October, the line of graphic tile carpet with high design and functionality. Also, as sales of "GA-100T", general purpose tile carpet with excellent design that was launched in the previous period, grew significantly, overall carpet sales exceeded those of the previous period.

For wall covering materials, "VS", vinyl wallpaper renewed in July, became popular in the market, and its sales grew as a result. The Company renewed its vinyl wallpaper "Power1000" in October to strengthen the design and functionality, which makes a wide range of proposals possible. As a result, overall sales of wall covering materials exceeded those of the previous period.

Overall sales of curtains fell below those of the previous period due to sluggish growth of products for the housing market.

With regard to income, while the Company worked on revision of sales prices and streamlining of operations by updating the mission-critical system, it was substantially below the level of the previous period due to an increase in prices of major raw materials due to the steep rise of crude oil and naphtha prices, rising logistics cost and an increase in sales promotion expenses as well as sample expenses as a result of strengthening of sales promotion activities.

The result of this was that net sales for the product business were 54,073 million yen (a decrease of 1.8% compared to the previous term), and the segment income was 1,430 million yen (a decrease of 50.2% compared to the previous term).

#### <Interior Wholesaling and Installation Business>

For the interior wholesale business, the Company focused on sales promotion activities of new products of the TOLI Group and window furnishing products such as curtain rails and blinds, and worked to expand orders for them. TOLI (SHANGHAI) Corporation, which handles sales in the Chinese market, expanded sales of products for the residential market and succeeded in selling them to large projects. As a result, they increased sales. In the installation business, which leverages the Group's construction capabilities, sales increased steadily due to orders for large-scale properties.

However, net sales and income both declined compared to the previous period due to the liquidation of DIA CARPET Co., Ltd. at the end of December to streamline the Company's operations.

The result of this was that net sales for the interior wholesaling and installation business were 59,270 million yen (a decrease of 0.4% compared to the previous term), and the segment income was 942 million yen (a decrease of 2.7% compared to the previous term).

## (2) Overview of Financial Position

### <Assets>

Current assets amounted to 47,550 million yen, a decrease of 1,075 million yen from the end of the previous fiscal year. This is due mainly to a decrease of cash and deposits as a result of capital investment. Non-current assets amounted to 30,104 million yen, an increase of 1,027 million yen from the end of the previous fiscal year. This is due mainly to an increase of land and construction in progress as a result of the relocation of the head office of the Company's sales subsidiary. As a mission-critical system was updated in January 2019, software increased while software in progress which is included in other intangible assets declined.

As a result, total assets amounted to 77,654 million yen, a decrease of 48 million yen from the end of the previous fiscal year.

### <Liabilities>

Current liabilities amounted to 30,560 million yen, an increase of 941 million yen from the end of the previous fiscal year. This is due mainly to an increase of accounts payable - facilities such as notes payable - facilities and construction accounts payable included in other, although notes and accounts payable - trade decreased. Non-current liabilities amounted to 11,051 million yen, a decrease of 1,137 million yen from the end of the previous fiscal year.

As a result, total liabilities amounted to 41,612 million yen, a decrease of 196 million yen from the end of the previous fiscal year.

### <Net assets>

Consolidated net assets amounted to 36,042 million yen, an increase of 148 million yen from the end of the previous fiscal year. This is due mainly to an increase of retained earnings.

## (3) Overview of Cash Flows

Cash and cash equivalents during the current consolidated fiscal year decreased 1,427 million yen compared to the end of the previous year to finish at 7,749 million yen (9,176 million yen at the end of the previous term).

The respective cash flows for the current consolidated fiscal year and their causes are as follows.

### (Cash flows from operating activities)

Cash flows from operating activities ended with income of 2,321 million yen (income of 2,668 million yen for the previous term). Income decreased compared to the previous term, due to a decrease in profit before income taxes, etc.

### (Cash flows from investing activities)

Cash flows from investing activities ended with outgoings of 2,575 million yen (outgoings of 2,690 million yen for the previous term). Even with the increase in expenditure on the purchase of property, plant and equipment, due to the decrease in expenditure on the acquisition of intangible assets, etc., expenditure declined compared to the previous term.

### (Cash flows from financing activities)

Cash flows from financing activities ended with outgoings of 1,187 million yen (outgoings of 1,231 million yen during the previous term). With the decline in net decrease of short-term loans payable, expenditure decreased compared to the previous term.

Cash flow indices for the Group are shown below.

	Period ended March 2016	Period ended March 2017	Period ended March 2018	Period ended March 2019
Capital-to-asset ratio (%)	41.4	44.2	45.9	46.1
Capital-to-asset ratio on market value basis (%)	24.3	31.0	30.9	21.1
Cash flow-to-interest-bearing debt ratio (years)	2.1	1.7	3.3	3.8
Interest coverage ratio	41.3	57.4	32.0	30.6

(Notes) Capital-to-asset ratio: Equity capital/total assets

Capital-to-asset ratio on market value basis: Market capitalization for stock/total assets

Cash flow-to-interest-bearing debt ratio: Interest-bearing debts/cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/interest payments

1. The indices above were calculated based on the financial data on a consolidated basis.

2. Market capitalization for stock was calculated as follows: Term-end closing price for shares x Term-end number of shares

outstanding (after deduction for treasury shares).

3. For the cash flows from operating activities, the data for cash flows from operating activities as stated in the consolidated statements of cash flows was used. Interest bearing debt covers all types of debt with interest payment among the debt stated in the consolidated balance sheet. For interest payments, the data for interest expenses paid shown in the consolidated statements of cash flows was used.

#### (4) Financial Forecast

In terms of future prospects, the economy is expected to remain uncertain such factors as uncertainty about trends and policies of the global economy and consumption tax hike. In the construction industry, large redevelopment projects in the metropolitan area and demand increase related to the 2020 Tokyo Olympics/Paralympics are expected. However, the management environment is expected to remain uncertain due to an increase of prices of major raw materials caused by rising crude oil/naphtha prices, and an increase in logistics cost.

Amidst these circumstances, the TOLI Group is promoting the six-year medium-term business plan “SHINKA-100” (Phase I: 2015 - 2017/Phase II: 2018 - 2020). The Company will work to strengthen its earning capacity by reinforcement of technical research/product development, further development of domestic market, expansion of overseas business and spread of revision of sales prices to deal with rising raw material prices, and will focus on initiatives to improve the business continuity by reforming capital investment and reorganization of business offices to cut down costs.

Taking the above factors into consideration, we expect consolidated net sales of 93,500 million yen (an increase of 3.5% against the previous period), consolidated operating income of 2,200 million yen (an increase of 10.5% against the previous period), consolidated ordinary income of 2,400 million yen (an increase of 7.0% against the previous period), and consolidated profit attributable to owners of parent of 1,600 million yen (an increase of 18.9% against the previous period) for the fiscal year ending March 2020.

- \* The earnings forecasts provided above are based on the information available as of the time of presentation, and actual business performance figures may differ from the projections due to various factors.

## 2. Basic thinking concerning selection of accounting standards

The TOLI Group, in consideration of the potential for comparing periods and the potential for comparison between companies on the consolidated financial statements, aim to create consolidated financial statements according to the Japan standard for the time being.

For the future standards, we aim to investigate the application of international accounting standards, in consideration of domestic and international circumstances.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated balance sheets

(Million yen)

	Previous consolidated fiscal year (March 31, 2018)	Current consolidated fiscal year (March 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	9,253	7,825
Notes and accounts receivable - trade	28,054	27,065
Merchandise and finished goods	7,629	8,414
Work in process	1,312	1,187
Raw materials and supplies	1,538	1,660
Other	903	1,453
Allowance for doubtful accounts	(65)	(56)
Total current assets	48,626	47,550
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,498	20,926
Accumulated depreciation	(14,455)	(14,806)
Buildings and structures, net	6,043	6,119
Machinery, equipment and vehicles	24,332	25,151
Accumulated depreciation	(21,714)	(22,273)
Machinery, equipment and vehicles, net	2,618	2,878
Tools, furniture and fixtures	2,296	2,394
Accumulated depreciation	(1,969)	(1,993)
Tools, furniture and fixtures, net	326	400
Land	9,088	9,556
Construction in progress	621	1,048
Other	140	144
Accumulated depreciation	(65)	(84)
Other, net	74	60
Total property, plant and equipment	18,771	20,063
Intangible assets		
Software	178	1,543
Other	1,315	107
Total intangible assets	1,494	1,650
Investments and other assets		
Investment securities	6,121	5,237
Long-term loans receivable	60	48
Deferred tax assets	678	912
Net defined benefit asset	426	382
Other	1,616	1,908
Allowance for doubtful accounts	(93)	(99)
Total investment and other assets	8,810	8,390
Total non-current assets	29,076	30,104
Total assets	77,703	77,654

(Million yen)

	Previous consolidated fiscal year (March 31, 2018)	Current consolidated fiscal year (March 31, 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	23,748	23,098
Short-term loans payable	1,020	2,070
Income taxes payable	582	355
Accrued expenses	1,671	1,704
Provision for bonuses	783	761
Provision for directors' bonuses	10	-
Provision for environmental measures	-	7
Asset retirement obligations	58	-
Other	1,744	2,562
Total current liabilities	29,619	30,560
Non-current liabilities		
Long-term loans payable	5,705	4,555
Provision for environmental measures	27	-
Net defined benefit liability	4,028	3,881
Asset retirement obligations	53	54
Long-term guarantee deposited	2,057	2,101
Other	316	458
Total non-current liabilities	12,188	11,051
Total liabilities	41,808	41,612
Net assets		
Shareholders' equity		
Capital stock	6,855	6,855
Capital surplus	6,426	6,426
Retained earnings	21,247	21,975
Treasury shares	(1,122)	(1,122)
Total shareholders' equity	33,406	34,135
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,330	1,748
Foreign currency translation adjustment	1	(3)
Remeasurements of defined benefit plans	(35)	(46)
Total accumulated other comprehensive income	2,296	1,698
Non-controlling interests	190	208
Total net assets	35,894	36,042
Total liabilities and net assets	77,703	77,654



(2) Consolidated statement of income and consolidated statement of comprehensive income  
(Consolidated statement of income)

(Million yen)

	Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)	Current consolidated fiscal year (April 1, 2018 - March 31, 2019)
Net sales	91,291	90,355
Cost of sales	65,315	65,451
Gross profit	25,975	24,904
Selling, general and administrative expenses	22,453	22,912
Operating income	3,522	1,991
Non-operating income		
Interest income	4	6
Dividend income	146	150
Purchase discounts	79	80
Share of profit of entities accounted for using equity method	3	8
Real estate rent	76	79
Dividend income of insurance	52	46
Other	67	95
Total non-operating income	430	467
Non-operating expenses		
Interest expenses	82	75
Sales discounts	133	125
Other	55	14
Total non-operating expenses	271	215
Ordinary income	3,681	2,243
Extraordinary income		
Gain on sales of non-current assets	7	-
Gain on sales of investment securities	2	-
Government subsidy	-	77
Total extraordinary income	10	77
Extraordinary losses		
Loss on retirement of non-current assets	42	89
Loss on reduction of non-current assets	-	77
Loss on sales of non-current assets	14	-
Loss on valuation of investment securities	-	74
Loss on sales of shares of subsidiaries and associates	4	-
Loss on liquidation of subsidiaries and associates	-	42
Total extraordinary losses	60	283
Profit before income taxes	3,630	2,037
Income taxes - current	1,099	643
Income taxes - deferred	30	28
Total income taxes	1,130	671
Profit	2,500	1,365
Profit attributable to non-controlling interests	21	20
Profit attributable to owners of parent	2,479	1,345

(Consolidated statement of comprehensive income)

(Million yen)

	Previous consolidated fiscal year (April 1, 2017 March 31, 2018)	Current consolidated fiscal year (April 1, 2018 March 31, 2019)
Profit	2,500	1,365
Other comprehensive income		
Valuation difference on available-for-sale securities	301	(583)
Foreign currency translation adjustment	1	(4)
Remeasurements of defined benefit plans, net of tax	152	(10)
Total other comprehensive income	455	(598)
Comprehensive income	2,956	766
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	2,935	747
Comprehensive income attributable to non-controlling interests	21	19

## (3) Consolidated statement of changes in equity

Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at start of current term	6,855	6,423	19,377	(1,121)	31,534
Changes of items during period					
Dividends of surplus			(616)		(616)
Profit attributable to owners of parent			2,479		2,479
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					-
Purchase of shares of consolidated subsidiaries		2			2
Change of scope of consolidation			7		7
Net changes of items other than shareholders' equity					
Total changes of items during period	-	2	1,869	(0)	1,871
Balance at end of current term	6,855	6,426	21,247	(1,122)	33,406

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at start of current term	2,029	-	(187)	1,841	178	33,555
Changes of items during period						
Dividends of surplus						(616)
Profit attributable to owners of parent						2,479
Purchase of treasury shares						(0)
Disposal of treasury shares						-
Purchase of shares of consolidated subsidiaries						2
Change of scope of consolidation						7
Net changes of items other than shareholders' equity	301	1	152	454	12	466
Total changes of items during period	301	1	152	454	12	2,338
Balance at end of current term	2,330	1	(35)	2,296	190	35,894

Current consolidated fiscal year (April 1, 2018 - March 31, 2019)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at start of current term	6,855	6,426	21,247	(1,122)	33,406
Changes of items during period					
Dividends of surplus			(616)		(616)
Profit attributable to owners of parent			1,345		1,345
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Purchase of shares of consolidated subsidiaries					-
Change of scope of consolidation					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	728	(0)	728
Balance at end of current term	6,855	6,426	21,975	(1,122)	34,135

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at start of current term	2,330	1	(35)	2,296	190	35,894
Changes of items during period						
Dividends of surplus						(616)
Profit attributable to owners of parent						1,345
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Purchase of shares of consolidated subsidiaries						-
Change of scope of consolidation						-
Net changes of items other than shareholders' equity	(582)	(4)	(10)	(598)	18	(580)
Total changes of items during period	(582)	(4)	(10)	(598)	18	148
Balance at end of current term	1,748	(3)	(46)	1,698	208	36,042

## (4) Consolidated statements of cash flows

(Million yen)

	Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)	Current consolidated fiscal year (April 1, 2018 - March 31, 2019)
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,630	2,037
Depreciation	1,431	1,634
Amortization of long-term prepaid expenses	501	489
Government subsidy	-	(77)
Loss on retirement of non-current assets	42	89
Loss (gain) on sales of non-current assets	6	-
Loss on reduction of non-current assets	-	77
Loss (gain) on sales of investment securities	(2)	-
Loss (gain) on sales of shares of subsidiaries and associates	4	-
Loss (gain) on valuation of investment securities	-	74
Loss on liquidation of subsidiaries and associates	-	42
Increase (decrease) in allowance for doubtful accounts	(195)	(3)
Increase (decrease) in net defined benefit liability	(55)	(147)
Share of loss (profit) of entities accounted for using equity method	(3)	(8)
Interest and dividend income	(151)	(157)
Interest expenses	82	75
Foreign exchange losses (gains)	27	(20)
Decrease (increase) in notes and accounts receivable - trade	(916)	979
Decrease (increase) in inventories	(971)	(784)
Increase (decrease) in notes and accounts payable - trade	809	(639)
Other	(231)	(511)
<b>Subtotal</b>	<b>4,008</b>	<b>3,149</b>
Interest and dividend income received	151	157
Interest expenses paid	(83)	(75)
Government subsidy received	-	77
Income taxes (paid) refund	(1,408)	(986)
<b>Cash flows from operating activities</b>	<b>2,668</b>	<b>2,321</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(76)	(77)
Proceeds from withdrawal of time deposits	60	76
Purchase of property, plant and equipment	(1,913)	(2,405)
Proceeds from sales of property, plant and equipment	24	-
Purchase of intangible assets	(898)	(110)
Purchase of investment securities	(5)	(24)
Proceeds from sales of investment securities	5	-
Proceeds from sales of shares of subsidiaries and associates	7	-
Payments of loans receivable	(24)	(4)
Collection of loans receivable	27	15
Other	103	(45)
<b>Cash flows from investing activities</b>	<b>(2,690)</b>	<b>(2,575)</b>

(Million yen)

	Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)	Current consolidated fiscal year (April 1, 2018 - March 31, 2019)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(30)	-
Proceeds from long-term loans payable	1,300	800
Repayments of long-term loans payable	(1,400)	(900)
Repayments of lease obligations	(27)	(28)
Payments for long-term accounts payable - other	(449)	(440)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(616)	(616)
Dividends paid to non-controlling interests	(1)	(1)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(5)	-
Other	-	0
Cash flows from financing activities	(1,231)	(1,187)
Effect of exchange rate change on cash and cash equivalents	(23)	14
Net increase (decrease) in cash and cash equivalents	(1,277)	(1,427)
Cash and cash equivalents at beginning of year	10,353	9,176
Increase in cash and cash equivalents from newly consolidated subsidiary	100	-
Cash and cash equivalents at end of year	9,176	7,749

(5) Notes on consolidated financial statements

(Notes on the assumption of the company as a going concern)

No corresponding item exists.

(Changes in presentation methods)

(Changes due to application of the “Partial Revision of the “Accounting Standards for Tax Effect Accounting””, etc.)

The Company applied the “Partial Revision of the “Accounting Standards for Tax Effect Accounting”” (Corporate Accounting Standards No. 28, February 16, 2018), etc. from the current consolidated fiscal year, and changed its presentation methods to the one that presents deferred tax assets under investments and other assets and deferred tax liabilities under non-current liabilities.

As a result, “deferred tax assets” under current assets declined by 418 million yen, and “deferred tax assets” under investments and other assets increased by 406 million yen in the consolidated balance sheet of the previous consolidated fiscal year. In addition, “deferred tax liabilities” which was included in “Other” of non-current liabilities declined by 11 million yen.

The Company sets off deferred tax assets against deferred tax liabilities of the same taxable entity, so total assets in the previous consolidated fiscal year declined by 11 million yen compared to before the changes.

(Consolidated balance sheets)

The Company included “Software in progress,” which was listed separately in the previous consolidated fiscal year, in “Other” under intangible assets from the current consolidated fiscal year as its monetary significance is limited.

As a result, the Company reclassified 1,266 million yen included in “Software in progress” under intangible assets in balance sheets of the previous consolidated fiscal year to “Other” under intangible assets.

(Segment information, etc.)

1. Outline of reporting segments

The Company’s reporting segments are those of the TOLI Group’s constituent units for which segregated financial information can be obtained, and are subject to the Board of Directors conducting regular investigations in order to determine the allocation of management resources and evaluate performance.

The TOLI Group manufactures, purchases, sells, and installs interior products centered on interior decoration materials, and also performs interior-related decoration work, and has 2 reporting segments: “Product business” and “Interior wholesaling and installation business.”

In regard to “Product business,” apart from the Company, related companies under the control of the Company’s Manufacturing Headquarters manufacture interior products such as vinyl flooring and carpets, etc., and carry out related services such as interior decoration material maintenance, product warehouse management and distribution, etc.

In regard to “Interior wholesaling and installation business,” related companies that manage sales and marketing operations purchase and sell interior-related materials, and carry out interior decoration-related work, etc.

2. Method of calculating amount of net sales, profit, assets and other items for each reporting segment

The method of accounting for the reported business segment is a method that conforms to the accounting principles and procedures adopted in order to create the consolidated financial statements.

Reporting segment income is a figure based on ordinary income.

The internal revenue and transfers within the segment are based on the market price.

3. Information on net sales, profit or loss, assets and other items for each reporting segment.

Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)

(Million yen)

	Reporting segment			Adjustment (Note) 1	Value posted in the consolidated financial statements (Note) 2
	Product business	Interior wholesaling and installation business	Subtotal		
Net sales					
Sales to external customers	32,167	59,123	91,291	-	91,291
Internal sales or transfers among segments	22,914	376	23,291	(23,291)	-
Subtotal	55,082	59,500	114,583	(23,291)	91,291
Segment income	2,869	968	3,838	(157)	3,681
Segment assets	66,671	28,094	94,766	(17,062)	77,703
Other items					
Depreciation	1,379	52	1,431	-	1,431
Interest income	3	16	19	(15)	4
Interest expenses	96	1	97	(15)	82
Investment income on equity method	3	-	3	-	3
Value of investment in equity method affiliates	235	-	235	-	235
Increase in property, plant and equipment, and intangible assets	2,611	73	2,685	-	2,685

(Notes)1 The adjustment of segment income of -157 million yen and the adjustment of segment assets of -17,062 million yen are due to the elimination of transactions between segments.

2 Segment income has been adjusted with ordinary income in the consolidated statement of income.

Current consolidated fiscal year (April 1, 2018 - March 31, 2019)

(Million yen)

	Reporting segment			Adjustment (Note) 1	Value posted in the consolidated financial statements (Note) 2
	Product business	Interior wholesaling and installation business	Subtotal		
Net sales					
Sales to external customers	31,431	58,924	90,355	-	90,355
Internal sales or transfers among segments	22,641	346	22,987	(22,987)	-
Subtotal	54,073	59,270	113,343	(22,987)	90,355
Segment income	1,430	942	2,373	(129)	2,243
Segment assets	65,715	27,185	92,901	(15,246)	77,654
Other items					
Depreciation	1,579	54	1,634	-	1,634
Interest income	5	16	21	(14)	6
Interest expenses	89	0	90	(14)	75
Investment income on equity method	8	-	8	-	8
Value of investment in equity method affiliates	242	-	242	-	242
Increase in property, plant and equipment, and intangible assets	2,143	974	3,117	(22)	3,094

(Note) 1 The adjustment of segment income of -129 million yen and the adjustment of segment assets of -15,246 million yen are due to the elimination of transactions between segments.

2 Segment income has been adjusted with ordinary income in the consolidated statement of income.



(Per-share data)

Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)		Current consolidated fiscal year (April 1, 2018 - March 31, 2019)	
Net assets per share	578.76 yen	Net assets per share	580.88 yen
Profit per share	40.20 yen	Profit per share	21.81 yen

(Note) 1 Profit per share – diluted is omitted because there was no potential dilution.

2 The basis for calculation of profit per share is as follows.

	Previous consolidated fiscal year (April 1, 2017 - March 31, 2018)	Current consolidated fiscal year (April 1, 2018 - March 31, 2019)
Profit per share		
Profit attributable to owners of parent (million yen)	2,479	1,345
Amount not attributable to common stockholders (million yen)	-	-
Profit attributable to owners of parent pertaining to common stock (million yen)	2,479	1,345
Average number of common stock shares during the period (1,000 shares)	61,689	61,688

(Important post-balance sheet events)

No corresponding item exists.