



## Financial Announcement for Year Ended March 31, 2020 [Japan standard] (Consolidated)

May 19, 2020

Company name TOLI Corporation Stock Exchanges: Tokyo Stock Exchange  
 Code number 7971 URL <https://www.toli.co.jp>  
 Representative (Position) President and Representative Director (Name) Motohiro Nagashima  
 Official responsible (Position) Corporate Officer (Name) Yoizo Araki TEL 06-6494-6691  
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 Department

Scheduled date for ordinary general meeting of shareholders June 24, 2020 Scheduled date for start of dividend payments June 25, 2020  
 Scheduled date for submission of financial statements June 24, 2020  
 Preparation of supplementary explanatory materials for the financial announcement: Yes (to be put on website on June 1, 2020)  
 Holding of a briefing on the financial announcement: No (cancelled to avoid the spread of COVID-19)

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

### 1. Consolidated results for year ended March 2020 (April 1, 2019 to March 31, 2020)

(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 2020	94,701	4.8	2,382	19.7	2,639	17.7	2,059	53.1
Year ended March 2019	90,355	(1.0)	1,991	(43.5)	2,243	(39.1)	1,345	(45.7)

(Note) Comprehensive income Year ended March 2020 1,276 million yen (66.6%) Year ended March 2019 766 million yen (-74.1%)

	Profit per share	Profit per share - diluted	Return on equity capital	Return on total assets	Operating income on sales
	Yen	Yen	%	%	%
Year ended March 2020	33.49	-	5.7	3.4	2.5
Year ended March 2019	21.81	-	3.8	2.9	2.2

(Reference) Investment gain or loss under equity method Year ended March 2020 46 million yen Year ended March 2019 8 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 2020	78,369	36,363	46.1	590.38
Year ended March 2019	77,654	36,042	46.1	580.88

(Reference) Equity capital Year ended March 2020 36,124 million yen Year ended March 2019 35,833 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 2020	5,095	(1,190)	(1,486)	10,155
Year ended March 2019	2,321	(2,575)	(1,187)	7,749

### 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	45.8	1.7
Year ended March 2020	-	5.00	-	8.00	13.00	797	38.8	2.2
Year ending March 2021 (forecast)	-	0.00	-	8.00	8.00		36.3	

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

### 3. Consolidated forecasts for year ending March 2021 (April 1, 2020 to March 31, 2021)

(% 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)	40,000	(9.0)	(200)	-	(100)	-	(100)	-	(1.63)
Full term	89,000	(6.0)	1,900	(20.3)	2,050	(22.3)	1,350	(34.4)	22.06

\* 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 2020	66,829,249 shares	Year ended March 2019	66,829,249 shares
[2] Number of shares in treasury shares at end of year	Year ended March 2020	5,641,603 shares	Year ended March 2019	5,140,738 shares
[3] Average number of shares during the term	Year ended March 2020	61,495,726 shares	Year ended March 2019	61,688,795 shares

(Reference) Outline of Non-Consolidated business performance

Non-consolidated business performance for year ended March 2020 (April 1, 2019 to March 31, 2020)

(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 2020	56,372	4.6	1,106	15.0	1,561	13.8	1,152	33.7
Year ended March 2019	53,911	(1.8)	962	(61.3)	1,372	(52.4)	862	(58.2)

	Profit per share		Profit per share - diluted	
	Yen	Yen	Yen	Yen
Year ended March 2020	18.74	-	-	-
Year ended March 2019	13.97	-	-	-

(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
Year ended March 2020	65,071	26,759	26,759	41.1	41.1	437.34
Year ended March 2019	63,869	27,170	27,170	42.5	42.5	440.45

(Reference) Equity capital Year ended March 2020 26,759 million yen Year ended March 2019 27,170 million yen

\* 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 Management Performance, etc. - (4) Financial Forecast" on page 4 of the attachment.

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## 1. Overview of Management Performance, etc.

### (1) Overview of Management Performance

During the fiscal year ended March 31, 2020, the Japanese economy was in a moderate recovery trend against the backdrop of strong corporate earnings and employment conditions. Meanwhile, there were growing uncertainties about the future because of increasing downward pressure worldwide due to the confusion in the global economy caused by the U.S.-China trade friction and the spread of the COVID-19 pandemic.

In the construction industry, which has deep relations with the TOLI Group's businesses, demand for interior materials remained strong as large redevelopment projects mainly in the Tokyo metropolitan area proceeded to full scale although the number of new housing starts remained on a downward trend. On the other hand, the business environment continued to be harsh due to delays in construction work caused by a lack of labor and a rise in logistics costs.

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." During the fiscal year ended March 31, 2020, we took steps to reinforce the business platform. We did this by promoting further penetration of the JAPAN TOLI brand in our overseas business through registering the sales branch in Singapore and moving forward with our plan for the venture business in vinyl floor tiles with a Taiwanese corporate group in China (Jiangsu Province). We also enhanced our core products, such as vinyl floor tiles and tile carpets, and focused on promotional activities, including holding exhibitions across Japan.

Meanwhile, due to the spread of the COVID-19 infection, some imported products were short in supply in the domestic market and net sales declined primarily in China in the overseas market. However, the impact on the TOLI Group on the whole was minor in the year ended March 31, 2020.

As a result, on a consolidated basis, the Group achieved net sales of 94,701 million yen (up 4.8% from the previous fiscal year), operating income of 2,382 million yen (up 19.7% from the previous fiscal year), and ordinary income of 2,639 million yen (up 17.7% from the previous fiscal year). Profit attributable to owners of parent came to 2,059 million yen (up 53.1% from the previous fiscal year) due mainly to the recording of gain on sales of non-current assets in conjunction with the relocation of head office of a sales subsidiary.

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

#### <Product Business>

In the area of vinyl flooring, the Company renewed its "Tile Collection" of vinyl floor tiles that are widely applied in both residential and non-residential fields. Also, shipments of the "HITOE" series, the first domestically produced homogeneous vinyl sheet launched in the previous period, were in full progress and contributed to increasing sales.

In the category of carpets, tile carpets continued to be strong, backed by robust demand for new and renovated properties in the office market mainly in urban areas. In particular, the graphic tile carpet "GX Series," the "GA-100 Series," and our core products, such as "GA-3600," drove the Group's sales.

In wall covering materials, sales increased, boosted by the significant increase in colors of "REAL DECO," a non-flammable decorative finishing material with high originality, in addition to the favorable performance of vinyl wallpaper "VS" and "Power 1000."

Sales of curtains increased in connection with the strong performance of "fufu," a new comprehensive sample book that helps customers select items from a wide range of materials.

As a result of the above, performance improved year on year in all four core product categories and net sales amounted to 56,549 million yen (up 4.6% from the previous fiscal year).

In terms of income, segment income came to 1,651 million yen (up 15.4% from the previous fiscal year) as a result of higher net sales and continuous efforts made to reduce production costs.

#### <Interior Wholesaling and Installation Business>

In the interior wholesale business, the Company worked to capture contract projects and promoted area sales strategies, which led to the steady performance of all products handled and an increase in net sales. In the installation business, which leverages the Group's construction capabilities, sales rose significantly as it captured orders for large-scale properties such as lodging facilities. As a result, net sales for the interior wholesaling and installation business were 61,878 million yen (up 4.4% from the previous fiscal year).

In terms of income, segment income came to 1,124 million yen (up 19.3% from the previous fiscal year). This was due to

sales price revisions as well as to higher sales achieved through reinforcing promotional activities despite increases in sales promotion expenses and sample expenses.

## (2) Overview of Financial Position

### <Assets>

As of March 31, 2020, current assets on a consolidated basis amounted to 49,606 million yen, up 2,056 million yen from the end of the previous fiscal year. This was due mainly to an increase in cash and deposits. Non-current assets amounted to 28,762 million yen, down 1,342 million yen from the end of the previous fiscal year. This was mainly due to a decrease in investment securities.

As a result, total assets amounted to 78,369 million yen, up 714 million yen from the end of the previous fiscal year.

### <Liabilities>

Current liabilities amounted to 30,525 million yen, down 35 million yen from the end of the previous fiscal year. Non-current liabilities amounted to 11,479 million yen, up 427 million yen from the end of the previous fiscal year.

As a result, total liabilities amounted to 42,005 million yen, up 392 million yen from the end of the previous fiscal year.

### <Net assets>

Consolidated net assets amounted to 36,363 million yen, up 321 million yen from the end of the previous fiscal year. This was primarily due to an increase in retained earnings despite a decrease in valuation difference on available-for-sale securities.

## (3) Overview of Cash Flows

During the fiscal year ended March 31, 2020, cash and cash equivalents increased 2,406 million yen from the end of the previous year to finish at 10,155 million yen (7,749 million yen at the end of the previous term).

The status of respective cash flows and underlying factors for the fiscal year ended March 31, 2020 are as follows.

### (Cash flows from operating activities)

Net cash provided by operating activities came to 5,095 million yen (2,321 million yen in the previous fiscal year). This was mainly due to the recording of profit before income taxes.

### (Cash flows from investing activities)

Net cash used in investing activities came to 1,190 million yen (2,575 million yen in the previous fiscal year). This was mainly due to expenditure for the purchase of property, plant and equipment.

### (Cash flows from financing activities)

Net cash used in financing activities came to 1,486 million yen (1,187 million yen in the previous fiscal year). This was mainly due to payouts of dividends.

Cash flow indices for the Group are shown below.

	Period ended March 2017	Period ended March 2018	Period ended March 2019	Period ended March 2020
Capital-to-asset ratio (%)	44.2	45.9	46.1	46.1
Capital-to-asset ratio on market value basis (%)	31.0	30.9	21.1	20.3
Cash flow-to-interest-bearing debt ratio (years)	1.7	3.3	3.8	1.7
Interest coverage ratio	57.4	32.0	30.6	68.4

(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 × Term-end number of

shares outstanding (after deducting 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 due to the spread of COVID-19. In the domestic construction industry, demand for interior materials is expected to remain stagnant for further periods, due to a succession of suspensions and postponements of construction projects and the declining consumer mindset. A similar situation is expected to continue also in overseas economies.

At the TOLI Group, we have continued to conduct business activities while taking measures to prevent the spread of COVID-19 by refraining from visiting customers or having face-to-face negotiations in our sales activities. We have also reduced chances of direct contact between employees by promoting telework and adopting a system in which employees take turns in coming into office. Also in our overseas offices, we are making efforts to prevent the spread of infection according to the regulations of each country.

Under these circumstances, we expect that consolidated earnings will fall in the fiscal year ending March 31, 2021. This is because suspensions and postponements of construction projects in both the residential and non-residential fields will likely continue to impact our business throughout the period although prices of major raw materials are weak due to falling crude oil prices. Orders are likely to drop or be postponed particularly until the end of the second quarter. Although conditions are uncertain at the present time, we have formulated our full-year forecasts based on our assumption that the market environment will head toward normalization in phases from the third quarter onwards.

Meanwhile, the TOLI Group is promoting its six-year medium-term business plan “SHINKA-100” (Phase I: 2015 – 2017/Phase II: 2018 – 2020). To wrap up the six-year plan, we will put the three SHINKA (evolution, deepening and real value) at the center of our businesses and work to achieve our quantitative targets. At the same time, we will move forward with our priority strategies in an aim to strengthen our core business, expand business fields and build a tenacious business platform. Taking the above factors into consideration, in the fiscal year ending March 31, 2021, we expect consolidated net sales of 89,000 million yen (down 6.0% from the previous fiscal year), consolidated operating income of 1,900 million yen (down 20.3% from the previous fiscal year), consolidated ordinary income of 2,050 million yen (down 22.3% from the previous fiscal year), and consolidated profit attributable to owners of parent of 1,350 million yen (down 34.4% from the previous fiscal year).

Going forward, we will continue to carefully examine the business environment of the Group and if the need arises to adjust our forecasts, we will promptly make a disclosure.

\*The financial 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 Japanese standards for the time being.

As for the standards going forward, we plan to consider 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 fiscal year (March 31, 2019)	Current fiscal year (March 31, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	7,825	10,231
Notes and accounts receivable - trade	22,333	22,360
Electronically recorded monetary claims	4,731	4,918
Merchandise and finished goods	8,414	8,389
Work in process	1,187	1,282
Raw materials and supplies	1,660	1,661
Other	1,453	1,012
Allowance for doubtful accounts	(56)	(249)
Total current assets	47,550	49,606
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,926	21,427
Accumulated depreciation	(14,806)	(15,050)
Buildings and structures, net	6,119	6,377
Machinery, equipment and vehicles	25,151	25,959
Accumulated depreciation	(22,273)	(22,885)
Machinery, equipment and vehicles, net	2,878	3,074
Tools, furniture and fixtures	2,394	2,460
Accumulated depreciation	(1,993)	(2,130)
Tools, furniture and fixtures, net	400	330
Land	9,556	9,019
Construction in progress	1,048	967
Other	144	152
Accumulated depreciation	(84)	(77)
Other, net	60	74
Total property, plant and equipment	20,063	19,843
Intangible assets		
Software	1,543	1,341
Other	107	93
Total intangible assets	1,650	1,435
Investments and other assets		
Investment securities	5,237	4,286
Long-term loans receivable	48	44
Deferred tax assets	912	1,320
Net defined benefit asset	382	102
Other	1,908	1,816
Allowance for doubtful accounts	(99)	(87)
Total investments and other assets	8,390	7,483
Total non-current assets	30,104	28,762
Total assets	77,654	78,369

(Million yen)

	Previous fiscal year (March 31, 2019)	Current fiscal year (March 31, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	16,957	17,223
Electronically recorded obligations	6,141	5,787
Short-term loans payable	2,070	1,670
Income taxes payable	355	769
Accrued expenses	1,704	1,698
Provision for bonuses	761	770
Provision for directors' bonuses	-	10
Provision for environmental measures	7	-
Other	2,562	2,596
Total current liabilities	30,560	30,525
Non-current liabilities		
Long-term loans payable	4,555	4,955
Net defined benefit liability	3,881	3,845
Asset retirement obligations	54	55
Long-term guarantee deposited	2,101	2,161
Other	458	461
Total non-current liabilities	11,051	11,479
Total liabilities	41,612	42,005
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,855	6,855
Capital surplus	6,426	6,426
Retained earnings	21,975	23,233
Treasury shares	(1,122)	(1,271)
Total shareholders' equity	34,135	35,243
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,748	1,075
Foreign currency translation adjustment	(3)	(5)
Remeasurements of defined benefit plans	(46)	(188)
Total accumulated other comprehensive income	1,698	880
Non-controlling interests	208	239
Total net assets	36,042	36,363
<b>Total liabilities and net assets</b>	<b>77,654</b>	<b>78,369</b>



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

(Million yen)

	Previous fiscal year (From April 1, 2018 - March 31, 2019)	Current fiscal year (From April 1, 2019 - March 31, 2020)
Net sales	90,355	94,701
Cost of sales	65,451	68,345
Gross profit	24,904	26,356
Selling, general and administrative expenses	22,912	23,973
Operating income	1,991	2,382
Non-operating income		
Interest income	6	6
Dividend income	150	179
Purchase discounts	80	79
Share of profit of entities accounted for using equity method	8	46
Real estate rent	79	81
Dividend income of insurance	46	44
Other	95	65
Total non-operating income	467	503
Non-operating expenses		
Interest expenses	75	74
Sales discounts	125	135
Other	14	36
Total non-operating expenses	215	246
Ordinary income	2,243	2,639
Extraordinary income		
Gain on sales of non-current assets	-	993
Gain on sales of investment securities	-	57
Government subsidy	77	-
Total extraordinary income	77	1,050
Extraordinary losses		
Loss on retirement of non-current assets	89	22
Loss on reduction of non-current assets	77	592
Loss on sales of non-current assets	-	4
Impairment loss	-	12
Loss on valuation of investment securities	74	-
Loss on liquidation of subsidiaries and associates	42	-
Total extraordinary losses	283	633
Profit before income taxes	2,037	3,057
Income taxes - current	643	1,009
Income taxes - deferred	28	(47)
Total income taxes	671	962
Profit	1,365	2,094
Profit attributable to non-controlling interests	20	35
Profit attributable to owners of parent	1,345	2,059

(Consolidated statement of comprehensive income)

(Million yen)

	Previous fiscal year (From April 1, 2018 - March 31, 2019)	Current fiscal year (From April 1, 2019 - March 31, 2020)
Profit	1,365	2,094
Other comprehensive income		
Valuation difference on available-for-sale securities	(583)	(672)
Foreign currency translation adjustment	(4)	(2)
Remeasurements of defined benefit plans, net of tax	(10)	(142)
Total other comprehensive income	(598)	(817)
Comprehensive income	766	1,276
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	747	1,241
Comprehensive income attributable to non-controlling interests	19	35

## (3) Consolidated statement of changes in equity

Previous fiscal year (From 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 term under review	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
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	728	(0)	728
Balance at end of term under review	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 term under review	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
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 term under review	1,748	(3)	(46)	1,698	208	36,042

Current fiscal year (From April 1, 2019 - March 31, 2020)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at start of term under review	6,855	6,426	21,975	(1,122)	34,135
Changes of items during period					
Dividends of surplus			(801)		(801)
Profit attributable to owners of parent			2,059		2,059
Purchase of treasury shares				(149)	(149)
Disposal of treasury shares					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,257	(149)	1,108
Balance at end of term under review	6,855	6,426	23,233	(1,271)	35,243

	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 term under review	1,748	(3)	(46)	1,698	208	36,042
Changes of items during period						
Dividends of surplus						(801)
Profit attributable to owners of parent						2,059
Purchase of treasury shares						(149)
Disposal of treasury shares						-
Net changes of items other than shareholders' equity	(672)	(2)	(142)	(817)	30	(786)
Total changes of items during period	(672)	(2)	(142)	(817)	30	321
Balance at end of term under review	1,075	(5)	(188)	880	239	36,363

## (4) Consolidated statements of cash flows

(Million yen)

	Previous fiscal year (From April 1, 2018 - March 31, 2019)	Current fiscal year (From April 1, 2019 - March 31, 2020)
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,037	3,057
Depreciation	1,634	1,921
Impairment loss	-	12
Amortization of long-term prepaid expenses	489	556
Government subsidy	(77)	-
Loss on retirement of non-current assets	89	22
Loss on reduction of non-current assets	77	592
Loss (gain) on sales of non-current assets	-	(988)
Loss (gain) on sales of investment securities	-	(57)
Loss (gain) on valuation of investment securities	74	-
Loss on liquidation of subsidiaries and associates	42	-
Increase (decrease) in allowance for doubtful accounts	(3)	181
Increase (decrease) in net defined benefit liability	(147)	(35)
Share of loss (profit) of entities accounted for using equity method	(8)	(46)
Interest and dividend income	(157)	(186)
Interest expenses	75	74
Foreign exchange losses (gains)	(20)	9
Decrease (increase) in notes and accounts receivable - trade	979	(214)
Decrease (increase) in inventories	(784)	(72)
Increase (decrease) in notes and accounts payable - trade	(639)	(84)
Other	(511)	733
<b>Subtotal</b>	<b>3,149</b>	<b>5,475</b>
Interest and dividend income received	157	186
Interest expenses paid	(75)	(74)
Government subsidy received	77	-
Income taxes (paid) refund	(986)	(492)
<b>Cash flows from operating activities</b>	<b>2,321</b>	<b>5,095</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(77)	(76)
Proceeds from withdrawal of time deposits	76	76
Purchase of property, plant and equipment	(2,405)	(2,216)
Proceeds from sales of property, plant and equipment	-	1,270
Purchase of intangible assets	(110)	(356)
Purchase of investment securities	(24)	(107)
Proceeds from sales of investment securities	-	190
Payments of loans receivable	(4)	(11)
Collection of loans receivable	15	13
Other	(45)	27
<b>Cash flows from investing activities</b>	<b>(2,575)</b>	<b>(1,190)</b>

(Million yen)

	Previous fiscal year (From April 1, 2018 - March 31, 2019)	Current fiscal year (From April 1, 2019 - March 31, 2020)
Cash flows from financing activities		
Proceeds from long-term loans payable	800	1,950
Repayments of long-term loans payable	(900)	(1,950)
Repayments of lease obligations	(28)	(22)
Payments for long-term accounts payable - other	(440)	(508)
Purchase of treasury shares	(0)	(149)
Cash dividends paid	(616)	(801)
Dividends paid to non-controlling interests	(1)	(4)
Other	0	-
Cash flows from financing activities	(1,187)	(1,486)
Effect of exchange rate change on cash and cash equivalents	14	(12)
Net increase (decrease) in cash and cash equivalents	(1,427)	2,406
Cash and cash equivalents at beginning of year	9,176	7,749
Cash and cash equivalents at end of year	7,749	10,155

(5) Notes on consolidated financial statements

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

No corresponding items exist.

(Changes in presentation methods)

(Consolidated balance sheets)

Effective the fiscal year ended March 31, 2020, the Company decided to separately list “Electronically recorded monetary claims,” which were included in “Notes and accounts receivable - trade” under current assets in the previous fiscal year since its monetary significance has increased. Items in the consolidated financial statements for the previous fiscal year were reclassified to reflect this change in presentation.

As a result, 27,065 million yen listed as “Notes and accounts receivable - trade” of current assets in the consolidated balance sheet for the previous fiscal year were reclassified into “Notes and accounts receivable - trade” of 22,333 million yen and “Electronically recorded monetary claims” of 4,731 million yen.

Effective the fiscal year ended March 31, 2020, the Company decided to separately list “Electronically recorded obligations,” which were included in “Notes and accounts payable - trade” under current liabilities in the previous fiscal year since its monetary significance has increased. Items in the consolidated financial statements for the previous fiscal year were reclassified to reflect this change in presentation.

As a result, 23,098 million yen listed as “Notes and accounts payable - trade” under current liabilities in the consolidated balance sheet for the previous fiscal year were reclassified into “Notes and accounts payable - trade” of 16,957 million yen and “Electronically recorded obligations” of 6,141 million yen.

(Segment information, etc.)

a. Segment information

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 management 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 two reporting segments: The “Product business” and “Interior wholesaling and installation business.”

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

In regard to the “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 between the segments are based on the market price.

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

Previous 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.

Current fiscal year (From April 1, 2019 - March 31, 2020)

(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	33,141	61,560	94,701	-	94,701
Internal sales or transfers among segments	23,408	317	23,725	(23,725)	-
Subtotal	56,549	61,878	118,427	(23,725)	94,701
Segment income	1,651	1,124	2,775	(136)	2,639
Segment assets	66,810	29,586	96,397	(18,028)	78,369
Other items					
Depreciation	1,862	58	1,921	-	1,921
Interest income	4	17	21	(15)	6
Interest expenses	88	0	89	(15)	74
Investment income on equity method	46	-	46	-	46
Value of investment in equity method affiliates	287	-	287	-	287
Increase in property, plant and equipment, and intangible assets	2,175	208	2,383	-	2,383

(Note) 1 The adjustment of segment income of -136 million yen and the adjustment of segment assets of -18,028 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.



b. Information on impairment loss of non-current assets by reporting segment

Previous fiscal year (From April 1, 2018 - March 31, 2019)

No corresponding items exist.

Current fiscal year (From April 1, 2019 - March 31, 2020)

(Million yen)

	Reporting segment			Corporate/ elimination	Total
	Product business	Interior wholesaling and installation business	Subtotal		
Impairment loss	-	12	12	-	12

(Per-share data)

Previous fiscal year (From April 1, 2018 - March 31, 2019)		Current fiscal year (From April 1, 2019 - March 31, 2020)	
Net assets per share	580.88 yen	Net assets per share	590.38 yen
Profit per share	21.81 yen	Profit per share	33.49 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 fiscal year (From April 1, 2018 - March 31, 2019)	Current fiscal year (From April 1, 2019 - March 31, 2020)
Profit per share		
Profit attributable to owners of parent (million yen)	1,345	2,059
Amount not attributable to common stockholders (million yen)	-	-
Profit attributable to owners of parent pertaining to common stock (million yen)	1,345	2,059
Average number of common stock shares during the period (1,000 shares)	61,688	61,495

(Important post-balance sheet events)

No corresponding items exist.

4. Other

(1) Change in Management

Director scheduled to retire from office (as of June 24, 2020 (plan))

Jiro Yasujima (Director, in charge of Special Missions on Carpets)

\*Scheduled to assume the position of full-time Advisor of the Company.