



Financial Announcement for Year Ended March 31, 2021 [Japan standard] (Consolidated)

May 10, 2021

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 for inquiries
 Scheduled date for ordinary general meeting of shareholders June 23, 2021 Scheduled date for start of dividend payments June 24, 2021
 Scheduled date for submission of financial statements June 23, 2021
 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 2021 (April 1, 2020 to March 31, 2021)

(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 2021	85,931	(9.3)	1,595	(33.1)	2,026	(23.2)	1,386	(32.7)
Year ended March 2020	94,701	4.8	2,382	19.7	2,639	17.7	2,059	53.1

(Note) Comprehensive income Year ended March 2021 2,311 million yen (81.0%) Year ended March 2020 1,276 million yen (66.6%)

	Profit per share	Profit per share - diluted	Return on equity capital	Return on total assets	Operating income on sales
	Yen	Yen	%	%	%
Year ended March 2021	22.66	-	3.8	2.6	1.9
Year ended March 2020	33.49	-	5.7	3.4	2.5

(Reference) Investment gain or loss under equity method Year ended March 2021 0 yen Year ended March 2020 46 million yen

(2) Consolidated assets

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 2021	76,817	38,087	49.2	618.20
Year ended March 2020	78,369	36,363	46.1	590.38

(Reference) Equity capital Year ended March 2021 37,825 million yen Year ended March 2020 36,124 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 2021	4,161	(3,106)	(987)	10,268
Year ended March 2020	5,095	(1,190)	(1,486)	10,155

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			
Year ended March 2020	Yen -	Yen 5.00	Yen -	Yen 8.00	Yen 13.00	Million yen 797	% 38.8	% 2.2
Year ended March 2021	Yen -	Yen 0.00	Yen -	Yen 8.00	Yen 8.00	Million yen 489	% 35.3	% 1.3
Year ending March 2022 (forecast)	Yen -	Yen 0.00	Yen -	Yen 8.00	Yen 8.00		% 48.9	

(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 2022 (April 1, 2021 to March 31, 2022)

(% 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	-	(250)	-	(150)	-	(100)	-	(1.63)
Full term	88,000	-	1,500	-	1,650	-	1,000	-	16.34

(Note) Since the Company will adopt the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) and others from the beginning of the year ending March 2022, the above consolidated forecasts are amounts calculated based on the aforesaid accounting standard, etc. and no percentage change for the full term against the previous full term and change for the quarter against the same quarter of the previous year are indicated.

* 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 2021	66,829,249 shares	Year ended March 2020	66,829,249 shares
[2] Number of shares in treasury shares at end of year	Year ended March 2021	5,642,115 shares	Year ended March 2020	5,641,603 shares
[3] Average number of shares during the term	Year ended March 2021	61,187,384 shares	Year ended March 2020	61,495,726 shares

(Reference) Outline of Non-Consolidated business performance

Non-consolidated business performance for year ended March 2021 (April 1, 2020 to March 31, 2021)

(1) Non-consolidated management performance

(% 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 2021	51,156	(9.3)	650	(41.2)	1,270	(18.6)	1,157	0.5
Year ended March 2020	56,372	4.6	1,106	15.0	1,561	13.8	1,152	33.7

	Profit per share	Profit per share - diluted
	Yen	Yen
Year ended March 2021	18.92	-
Year ended March 2020	18.74	-

(2) Non-consolidated financial state

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended March 2021	63,292	27,974	44.2	457.20
Year ended March 2020	65,071	26,759	41.1	437.34

(Reference) Equity capital Year ended March 2021 27,974 million yen Year ended March 2020 26,759 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, 2021, the Japanese economy faced difficult conditions mainly due to sluggish economic activities caused by the spread of the COVID-19 pandemic. Although there has recently been anticipation for a phased recovery in the economic environment, uncertainties about the future continue to remain due to the resurgence in infections.

In the construction industry, which has deep relationships with the TOLI Group's businesses, the number of new construction starts in both the housing and the non-housing segments has continued to be on a downward trend, and demand for interior materials is generally weak. Against this background, a lack of labor caused a rise in logistics costs and other shortcomings, and the earnings environment continued to be harsh. Additionally, in the overseas markets, demand significantly decreased mainly due to the temporary suspension of local businesses caused by lockdowns in the main countries that import our products.

Amidst these circumstances, the TOLI Group continued to promote its six-year medium-term business plan "SHINKA-100" (Phase I: 2015-2017/Phase II: 2018-2020). In this fiscal year under review, the final year of Phase II of the plan, we set the three SHINKA (evolution, deepening and real value) as our priority strategy and directed our efforts particularly on pursuing technology research and product development, reinforcing sales of core next-generation products and promoting the joint venture business project in China. Furthermore, we decided to launch a new medium-term business plan "SHINKA Plus ONE" from the fiscal year ending March 2022 in which we incorporate reinforcement measures to implement the priority strategy with speed while continuing to adopt the specific measures set in "SHINKA-100."

As a result, in the fiscal year ended March 31, 2021, the Group recorded, on a consolidated basis, net sales of 85,931 million yen (down 9.3% from the previous fiscal year), operating income of 1,595 million yen (down 33.1% from the previous fiscal year), ordinary income of 2,026 million yen (down 23.2% from the previous fiscal year), and profit attributable to owners of parent of 1,386 million yen (down 32.7% from the previous fiscal year).

Performance for each business segment is as follows. This information includes business between segments.

<Product Business>

Although net sales decreased from the previous fiscal year in all product categories due to the sluggish market conditions caused by the COVID-19 pandemic, the Company made efforts to increase sales mainly of new products by also focusing on various online promotional measures amid restrictions on sales activities.

In the area of vinyl flooring, products such as the cushion flooring "CF sheet-H" and the simple renovation flooring material "LAY flooring" were strong, supported by growing demand for items that make staying-at-home more comfortable. In addition, odor-free "NS TOWARE NW," a highly durable vinyl sheet flooring for restrooms, showed growth in the renovation market for educational and other facilities.

In the category of carpets, while carpet tiles for contract projects, which were performing favorably in the previous fiscal year, were generally sluggish, carpet tiles carpets for housing were strong primarily in DIY stores and online sales channels.

In wall covering materials and curtains, wallpaper "VS" in the general-purpose price range, for which functional items have been enhanced, performed well while "fufu," a comprehensive sample book for curtains and "contract curtains," recorded higher results than those of a year earlier.

As a result, net sales for the product business were 51,258 million yen (down 9.4% from the previous fiscal year). In terms of income, segment income came to 1,353 million yen (down 18.0% from the previous fiscal year) mainly as a result of a decrease in net sales, lower plant operating rates and a rise in logistics costs although efforts were made to increase the precision of production plans, reduce production costs and curtail sales promotion expenses.

<Interior Wholesaling and Installation Business>

In the interior wholesaling and installation business, net sales recovered somewhat from the third quarter as a result of actively capturing new demand amid the COVID-19 pandemic. However, net sales decreased from the previous fiscal year mainly due to a lower number of large-scale installation sites. Meanwhile, TOLI (SHANGHAI) Corporation, which undertakes sales in the Chinese market, was in the process of recovering from a rapid deterioration of market conditions and posted lower earnings.

As a result, net sales for the interior wholesaling and installation business were 57,442 million yen (down 7.2% from the previous fiscal year) and segment income came to 862 million yen (down 23.3% from the previous fiscal year).

(2) Overview of Financial Position

<Assets>

As of March 31, 2021, current assets on a consolidated basis amounted to 45,794 million yen, down 3,811 million yen from the end of the previous fiscal year. This was due mainly to a decrease in notes and accounts receivable - trade in connection with lower net sales and a decrease in merchandise and finished goods in connection with the improvement in inventory efficiency. Non-current assets amounted to 31,022 million yen, up 2,260 million yen from the end of the previous fiscal year. This was mainly due to an increase in construction in progress in connection with the capital investment of a manufacturing subsidiary and an increase in investments and other assets as a result of investing in Jiangsu Changlong Decorative Material Technical Co., Ltd., a joint venture company for the manufacturing and sales of vinyl floor tiles in China (Jiangsu Province).

As a result, total assets amounted to 76,817 million yen, down 1,551 million yen from the end of the previous fiscal year.

<Liabilities>

Current liabilities amounted to 27,570 million yen, down 2,955 million yen from the end of the previous fiscal year. This was mainly due to a decrease in notes and accounts payable - trade. Non-current liabilities amounted to 11,159 million yen, down 319 million yen from the end of the previous fiscal year.

As a result, total liabilities amounted to 38,730 million yen, down 3,275 million yen from the end of the previous fiscal year.

<Net assets>

Consolidated net assets amounted to 38,087 million yen, up 1,723 million yen from the end of the previous fiscal year. This was primarily due to increases in retained earnings and valuation difference on available-for-sale securities.

(3) Overview of Cash Flows

During the fiscal year ended March 31, 2021, cash and cash equivalents increased 112 million yen from the end of the previous year to finish at 10,268 million yen (10,155 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, 2021 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities came to 4,161 million yen (5,095 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 3,106 million yen (1,190 million yen in the previous fiscal year). This was due to cash used for the purchase of property, plant and equipment and for the deposit of money for investment in the joint venture company Jiangsu Changlong Decorative Material Technical Co., Ltd.

(Cash flows from financing activities)

Net cash used in financing activities came to 987 million yen (1,486 million yen in the previous fiscal year). This was due to payouts of dividends and payments for long-term accounts payable - other.

Cash flow indices for the Group are shown below.

	Period ended March 2018	Period ended March 2019	Period ended March 2020	Period ended March 2021
Capital-to-asset ratio (%)	45.9	46.1	46.1	49.2
Capital-to-asset ratio on market value basis (%)	30.9	21.1	20.3	19.9
Cash flow-to-interest-bearing debt ratio (years)	3.3	3.8	1.7	2.1
Interest coverage ratio	32.0	30.6	68.4	66.2

(Note) 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 economic environment is expected to remain harsh as it is unclear when the COVID-19 pandemic will subside despite growing anticipation over the spread of vaccines as a countermeasure. In the construction industry, which has deep relationships with the TOLI Group's businesses, we expect that the earnings environment will continue to face even more severe conditions due to a rise in logistics costs caused by a lack of labor and higher main raw material prices in addition to the weak trend in new construction starts.

Under these circumstances, the TOLI Group will focus on the development of virus-resistant products and promoting sales that accommodate the demand under the new normal, as well as pursue a marketing structure that also responds to the non-face-to-face format.

In terms of income, although we expect that the main raw material prices will continue to increase, we will work to revise sales prices and further reduce costs while making efforts to reduce expenses in consideration of cost-effectiveness.

Meanwhile, we will launch our new medium-term business plan "SHINKA Plus ONE" from the fiscal year ending March 2022 and promote growth strategies for the next generation. Setting the five priority strategies of A. Reinforcement of core business, B. Growth expansion of promising business, C. Creation of a fifth business, D. Strengthening of functions across the Group, and E. Building of a management platform that supports growth, we will pursue further expandability to increase both the economic value and the social value of the TOLI Group.

Taking the above factors into consideration, in the fiscal year ending March 31, 2022, we expect consolidated net sales of 88,000 million yen, consolidated operating income of 1,500 million yen, consolidated ordinary income of 1,650 million yen, and consolidated profit attributable to owners of parent of 1,000 million yen. Please note that since the Company will adopt the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) and others from the beginning of the year ending March 2022, the above consolidated projections are amounts calculated based on the aforesaid accounting standard, etc. and no percentage change for the full term against the previous full term is indicated.

*The financial forecasts provided above are based on the information available as of the time of presentation, and the actual business performance may in some cases differ from the forecasts.

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, 2020)	Current fiscal year (March 31, 2021)
Assets		
Current assets		
Cash and deposits	10,231	10,361
Notes and accounts receivable - trade	22,360	18,978
Electronically recorded monetary claims	4,918	5,535
Merchandise and finished goods	8,389	7,260
Work in process	1,282	1,260
Raw materials and supplies	1,661	1,576
Other	1,012	877
Allowance for doubtful accounts	(249)	(56)
Total current assets	49,606	45,794
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,427	22,130
Accumulated depreciation	(15,050)	(15,427)
Buildings and structures, net	6,377	6,703
Machinery, equipment and vehicles	25,959	26,476
Accumulated depreciation	(22,885)	(23,454)
Machinery, equipment and vehicles, net	3,074	3,021
Tools, furniture and fixtures	2,460	2,601
Accumulated depreciation	(2,130)	(2,232)
Tools, furniture and fixtures, net	330	369
Land	9,019	9,012
Construction in progress	967	1,880
Other	152	165
Accumulated depreciation	(77)	(95)
Other, net	74	70
Total property, plant and equipment	19,843	21,056
Intangible assets		
Software	1,341	1,145
Other	93	139
Total intangible assets	1,435	1,284
Investments and other assets		
Investment securities	4,286	4,872
Long-term loans receivable	44	37
Deferred tax assets	1,320	879
Net defined benefit asset	102	425
Other	1,816	2,728
Allowance for doubtful accounts	(87)	(262)
Total investments and other assets	7,483	8,681
Total non-current assets	28,762	31,022
Total assets	78,369	76,817

(Million yen)

	Previous fiscal year (March 31, 2020)	Current fiscal year (March 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,223	15,490
Electronically recorded obligations	5,787	5,295
Short-term loans payable	1,670	1,625
Income taxes payable	769	201
Accrued expenses	1,698	1,590
Provision for bonuses	770	666
Provision for directors' bonuses	10	-
Asset retirement obligations	-	43
Other	2,596	2,658
Total current liabilities	30,525	27,570
Non-current liabilities		
Long-term loans payable	4,955	5,000
Net defined benefit liability	3,845	3,847
Asset retirement obligations	55	11
Long-term guarantee deposited	2,161	2,115
Other	461	184
Total non-current liabilities	11,479	11,159
Total liabilities	42,005	38,730
Net assets		
Shareholders' equity		
Capital stock	6,855	6,855
Capital surplus	6,426	6,426
Retained earnings	23,233	24,033
Treasury shares	(1,271)	(1,271)
Total shareholders' equity	35,243	36,043
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,075	1,731
Foreign currency translation adjustment	(5)	33
Remeasurements of defined benefit plans	(188)	17
Total accumulated other comprehensive income	880	1,782
Non-controlling interests	239	261
Total net assets	36,363	38,087
Total liabilities and net assets	78,369	76,817

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

(Million yen)

	Previous fiscal year (April 1, 2019 - March 31, 2020)	Current fiscal year (April 1, 2020 - March 31, 2021)
Net sales	94,701	85,931
Cost of sales	68,345	61,443
Gross profit	26,356	24,488
Selling, general and administrative expenses	23,973	22,893
Operating income	2,382	1,595
Non-operating income		
Interest income	6	2
Dividend income	179	162
Purchase discounts	79	75
Share of profit of entities accounted for using equity method	46	0
Real estate rent	81	85
Dividend income of insurance	44	50
Subsidy income	-	186
Other	65	79
Total non-operating income	503	642
Non-operating expenses		
Interest expenses	74	62
Sales discounts	135	128
Other	36	19
Total non-operating expenses	246	210
Ordinary income	2,639	2,026
Extraordinary income		
Gain on sales of non-current assets	993	2
Gain on sales of investment securities	57	81
Total extraordinary income	1,050	84
Extraordinary losses		
Loss on retirement of non-current assets	22	37
Loss on reduction of non-current assets	592	-
Loss on sales of non-current assets	4	1
Impairment loss	12	-
Total extraordinary losses	633	38
Profit before income taxes	3,057	2,071
Income taxes - current	1,009	602
Income taxes - deferred	(47)	60
Total income taxes	962	662
Profit attributable to owners of parent	2,094	1,409
Profit attributable to non-controlling interests	35	23
Profit attributable to owners of parent	2,059	1,386

(Consolidated statement of comprehensive income)

(Million yen)

	Previous fiscal year (April 1, 2019 - March 31, 2020)	Current fiscal year (April 1, 2020 - March 31, 2021)
Profit attributable to owners of parent	2,094	1,409
Other comprehensive income		
Valuation difference on available-for-sale securities	(672)	656
Foreign currency translation adjustment	(2)	39
Remeasurements of defined benefit plans, net of tax	(142)	205
Total other comprehensive income	(817)	901
Comprehensive income	1,276	2,311
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	1,241	2,287
Comprehensive income attributable to non-controlling interests	35	23

(3) Consolidated statement of changes in equity

Previous fiscal year (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)
Change of scope of equity method					-
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)
Change of scope of equity method						-
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

Current fiscal year (April 1, 2020 – March 31, 2021)

(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	23,233	(1,271)	35,243
Changes of items during period					
Dividends of surplus			(489)		(489)
Profit attributable to owners of parent			1,386		1,386
Purchase of treasury shares				(0)	(0)
Change of scope of equity method			(96)		(96)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	800	(0)	800
Balance at end of term under review	6,855	6,426	24,033	(1,271)	36,043

	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	1,075	(5)	(188)	880	239	36,363
Changes of items during period						
Dividends of surplus						(489)
Profit attributable to owners of parent						1,386
Purchase of treasury shares						(0)
Change of scope of equity method						(96)
Net changes of items other than shareholders' equity	655	39	205	901	22	923
Total changes of items during period	655	39	205	901	22	1,723
Balance at end of term under review	1,731	33	17	1,782	261	38,087

(4) Consolidated statements of cash flows

(Million yen)

	Previous fiscal year (April 1, 2019 - March 31, 2020)	Current fiscal year (April 1, 2020 - March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	3,057	2,071
Depreciation	1,921	1,954
Impairment loss	12	-
Amortization of long-term prepaid expenses	556	527
Loss on retirement of non-current assets	22	37
Loss on reduction of non-current assets	592	-
Loss (gain) on sales of non-current assets	(988)	(0)
Loss (gain) on sales of investment securities	(57)	(81)
Increase (decrease) in allowance for doubtful accounts	181	(18)
Increase (decrease) in net defined benefit liability	(35)	280
Share of loss (profit) of entities accounted for using equity method	(46)	(0)
Interest and dividend income	(186)	(165)
Subsidy income	-	(186)
Interest expenses	74	62
Foreign exchange losses (gains)	9	(6)
Decrease (increase) in notes and accounts receivable - trade	(214)	2,490
Decrease (increase) in inventories	(72)	1,235
Increase (decrease) in notes and accounts payable - trade	(84)	(2,225)
Other	733	(934)
Subtotal	5,475	5,043
Interest and dividend income received	186	165
Subsidy received	-	186
Interest expenses paid	(74)	(62)
Income taxes (paid) refund	(492)	(1,170)
Cash flows from operating activities	5,095	4,161
Cash flows from investing activities		
Payments into time deposits	(76)	(91)
Proceeds from withdrawal of time deposits	76	76
Purchase of property, plant and equipment	(2,216)	(2,267)
Proceeds from sales of property, plant and equipment	1,270	14
Purchase of intangible assets	(356)	(262)
Purchase of investment securities	(107)	(6)
Proceeds from sales of investment securities	190	168
Payments for investments in capital of subsidiaries and associates	-	(967)
Proceeds from sales of shares of subsidiaries and associates	-	192
Payments of loans receivable	(11)	(7)
Collection of loans receivable	13	11
Other	27	33
Cash flows from investing activities	(1,190)	(3,106)

(Million yen)

	Previous fiscal year (April 1, 2019 - March 31, 2020)	Current fiscal year (April 1, 2020 - March 31, 2021)
Cash flows from financing activities		
Proceeds from long-term loans payable	1,950	1,550
Repayments of long-term loans payable	(1,950)	(1,550)
Repayments of lease obligations	(22)	(25)
Payments for long-term accounts payable - other	(508)	(471)
Purchase of treasury shares	(149)	(0)
Cash dividends paid	(801)	(489)
Dividends paid to non-controlling interests	(4)	(1)
Cash flows from financing activities	(1,486)	(987)
Effect of exchange rate change on cash and cash equivalents	(12)	45
Net increase (decrease) in cash and cash equivalents	2,406	112
Cash and cash equivalents at beginning of year	7,749	10,155
Cash and cash equivalents at end of year	10,155	10,268

(5) Notes on consolidated financial statements

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

No corresponding items exist.

(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 the same as that provided in "Significant matters that serve as the basis for preparing 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, 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.

Current fiscal year (April 1, 2020 – March 31, 2021)

(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	28,851	57,079	85,931	-	85,931
Internal sales or transfers among segments	22,406	362	22,769	(22,769)	-
Subtotal	51,258	57,442	108,701	(22,769)	85,931
Segment income	1,353	862	2,216	(189)	2,026
Segment assets	65,497	28,745	94,242	(17,425)	76,817
Other items					
Depreciation	1,882	72	1,954	-	1,954
Interest income	1	17	18	(15)	2
Interest expenses	77	1	78	(15)	62
Investment income on equity method	0	-	0	-	0
Value of investment in equity method affiliates	996	-	996	-	996
Increase in property, plant and equipment, and intangible assets	2,940	123	3,064	-	3,064

(Note) 1 The adjustment of segment income of -189 million yen and the adjustment of segment assets of -17,425 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 (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

Current fiscal year (April 1, 2020 - March 31, 2021)

No corresponding items exist.

(Per-share data)

Previous fiscal year (April 1, 2019 - March 31, 2020)		Current fiscal year (April 1, 2020 - March 31, 2021)	
Net assets per share	590.38 yen	Net assets per share	618.20 yen
Profit per share	33.49 yen	Profit per share	22.66 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 (April 1, 2019 - March 31, 2020)	Current fiscal year (April 1, 2020 - March 31, 2021)
Profit per share		
Profit attributable to owners of parent (million yen)	2,059	1,386
Amount not attributable to common stockholders (million yen)	-	-
Profit attributable to owners of parent pertaining to common stock (million yen)	2,059	1,386
Average number of common stock shares during the period (1,000 shares)	61,495	61,187

(Important post-balance sheet events)

No corresponding items exist.