



# Financial Announcement for Year Ended March 31, 2024 [Japan standard] (Consolidated)

May 8, 2024

Company name: TOLI Corporation

Stock exchange: Tokyo Stock Exchange

Code number 7971

URL <https://www.toli.co.jp>

Representative (Position)

President and Representative Director

(Name) Motohiro Nagashima

Official (Position)

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responsible for

Department

inquiries

Scheduled date for ordinary June 19, 2024

Scheduled date for start of

June 20, 2024

general meeting of shareholders

dividend payments

Scheduled date for submission June 19, 2024

of financial statements

Preparation of supplementary explanatory materials for the financial announcement : Yes

Holding a briefing on the financial announcement

: Yes (for securities analysts)

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

## 1. Consolidated results for year ended March 2024 (April 1, 2023 to March 31, 2024)

### (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 2024	102,470	7.6	4,978	41.0	5,240	44.0	3,689	44.0
Year ended March 2023	95,230	7.6	3,531	302.2	3,640	192.5	2,562	255.8

(Note) Comprehensive income Year ended March 2024 5,993 million yen [91.7%] Year ended March 2023 3,127 million yen [240.9%]

	Profit per share	Profit per share - diluted	Return on equity capital	Return on total assets	Operating income on sales
	Yen	Yen	%	%	%
Year ended March 2024	61.69	-	8.6	6.0	4.9
Year ended March 2023	42.57	-	6.5	4.4	3.7

(Reference) Investment gain or loss under equity method Year ended March 2024: (164) million yen Year ended March 2023: (262) 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 2024	90,849	45,760	50.0	767.66
Year ended March 2023	84,791	40,894	47.9	674.80

(Reference) Equity capital Year ended March 2024: 45,433 million yen Year ended March 2023: 40,613 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 2024	5,288	(3,895)	(1,567)	9,460
Year ended March 2023	3,599	(3,275)	(934)	9,587

## 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 2023	-	0.00	-	10.00	10.00	601	23.5	1.5
Year ended March 2024	-	3.00	-	16.00	19.00	1,127	30.8	2.6
Year ending March 2025 (forecast)	-	5.00	-	14.00	19.00		37.5	

### 3. Consolidated forecasts for year ending March 2025 (April 1, 2024 to March 31, 2025)

(% 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)	47,500	2.3	700	(46.3)	800	(44.7)	500	(42.5)	8.45
Full term	105,000	2.5	4,100	(17.6)	4,250	(18.9)	3,000	(18.7)	50.69

#### \* 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 2024	60,129,249 shares	Year ended March 2023	66,829,249 shares
[2] Number of shares in treasury shares at end of year	Year ended March 2024	944,037 shares	Year ended March 2023	6,642,988 shares
[3] Average number of shares during the term	Year ended March 2024	59,801,154 shares	Year ended March 2023	60,197,736 shares

(Reference) Outline of Non-Consolidated business performance

Non-consolidated business performance for year ended March 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated management performance

(% shows change from previous term)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 2024	62,092	7.6	2,809	37.4	3,583	35.1	2,713	41.0
Year ended March 2023	57,689	10.3	2,044	-	2,651	321.9	1,924	469.5

	Profit per share	Profit per share - diluted
	Yen	Yen
Year ended March 2024	45.38	-
Year ended March 2023	31.97	-

(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 2024	79,792	32,432	40.6	547.98
Year ended March 2023	73,943	29,289	39.6	486.65

(Reference) Equity capital Year ended March 2024: 32,432 million yen Year ended March 2023: 29,289 million yen

While pressure continued on rising manufacturing costs, efforts to improve profitability by conducting manufacturing cost reduction activities in addition to letting the effect of sales price revisions sink in resulted in a certain level of difference in profit compared with the results in the previous fiscal year.

\* 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 forecasts and cautions when using the financial forecast, please refer to "(4) Financial Forecast" in "1. Overview of Management Performance, etc." 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 under review, the Japanese economy experienced a moderate recovery due to further progress in the normalization of socioeconomic activities, improvements in the employment and income environments, and an increase in inbound tourism. On the other hand, there are many downside risks to the global economy, such as the tense situation in Ukraine and the Middle East and the slowdown of the Chinese economy. In addition, the outlook for the Japanese economy remains uncertain due to concerns about the ongoing depreciation of the yen and the impact of fluctuations in interest rates.

In the construction industry, which is closely related to the TOLI Group's business, although the progress of large-scale redevelopment projects in urban areas and the recovery in the number of foreign visitors to Japan have led to a recovery in demand for shops and hotels, the business environment is unpredictable, as rising construction costs due to the persistently high prices of various construction materials and rising labor costs affect the start of construction in the housing and non-housing markets.

Under these circumstances, the Group is pursuing the five priority strategies under the Medium-Term Business Plan from FY2021 to FY2024 “SHINKA Plus ONE” (A. Reinforcement of core businesses, B. Expanding the growth of promising business, C. Creation of a fifth business, D. Enhancement of capabilities across the Group, and E. Building a business base that supports growth), toward the realization of our Long-Term Vision <TOLI VISION 2030>. In the fiscal year under review, we have made further progress in important capital investment projects, which form the core of SHINKA Plus ONE, and have steadily achieved results in reducing manufacturing costs, establishing a stable supply system, and reducing environmental impact. In particular, we promoted measures to improve profitability, such as improving the productivity of our main products in the new No.3 line of the Hiroka TOLI Floor, expanding the use of carpet tiles made of nylon yarn, and significantly increasing recycling capacity through the completion of the No.2 recycling plant for carpet tiles. We will continue to develop new products using these new facilities with a sense of speed.

As a result, the Group recorded in the current fiscal year on a consolidated basis net sales of 102,470 million yen (up 7.6% from the previous fiscal year), operating income of 4,978 million yen (up 41.0% from the previous fiscal year), ordinary income of 5,240 million yen (up 44.0% from the previous fiscal year), and profit attributable to owners of parent of 3,689 million yen (up 44.0% from the previous fiscal year).

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

#### <Product Business>

In the Product Business, we worked to expand sales of high value-added products by stepping up face-to-face sales promotion activities, including a new product launch event, which was held live for the first time in four years.

As for vinyl flooring, the adoption of high-performance products such as E-Clean NW-EX vinyl floor tile, which does not require wax maintenance for a long period of time, increased, and “NS 800” slip-resistant vinyl sheet manufactured in the new No.3 line of Hiroka TOLI Floor saw strong growth. In addition, LAY Flooring PITAFI, a simple renovation flooring material released in December, was highly evaluated in the renovation market centering on e-commerce. As such, net sales increased year on year.

As for carpets, nylon spinning equipment for carpet tiles went into operation, further developing a stable supply system, and we focused on promoting new products such as GX Series graphic carpet tiles. In the second half of the fiscal year, as demand for carpet tiles recovered due to an increase in office renovations, net sales grew, with the growing adoption of GA-3600 Sustive Back, which plays a role in promoting the TOLI Complete Recycling.

As for wallcoverings, we focused on sales promotion activities for Sumai no Kabegami 100 Sen “100 Best Wallpapers for Living” best for new houses and renovations, which were released this fiscal year. In addition, sales of our unique non-combustible decorative wallcovering, Real Deco, remained robust. As a result, net sales stayed at the same level as the previous year.

As for curtains, net sales increased year on year due to a gradual increase in sales of the comprehensive book, fufu!, which was redesigned in June, and strong sales of Contract Curtain for schools and medical and welfare facilities.

As a result, for the Product Business, net sales were 62,407 million yen (up 7.7% from the previous fiscal year) and segment income came to 3,540 million yen (up 51.0% from the previous fiscal year).

#### <Interior Wholesaling and Installation Business>

In the Interior Wholesaling Business, as the cost of purchasing interior-related products continues to rise, we focused on proposing new TOLI brand products while shifting the cost to sales prices. In the Installation Business, net sales increased year on year as we focused on winning orders including renewal construction by utilizing the Group's construction capabilities. On the other hand, at TOLI (SHANGHAI) Corporation, the outlook remains uncertain due to the slowdown of economic growth caused by the turmoil in the Chinese real estate industry. However, net sales increased year on year due to the strengthening of proposal-based sales in the re-opened showroom and the hiring of staff for large-scale sites.

As a result, net sales for the Interior Wholesaling and Installation Business were 66,694 million yen (up 6.7% from the previous fiscal year) and segment income came to 1,952 million yen (up 31.3% from the previous fiscal year).

## (2) Overview of Financial Position

### <Assets>

As of the end of current fiscal year, current assets on a consolidated basis amounted to 52,928 million yen, up 2,250 million yen from the end of the previous fiscal year. This was mainly due to an increase in trade receivables. Non-current assets amounted to 37,921 million yen, up 3,808 million yen from the end of the previous fiscal year. This was mainly due to an increase in investment securities as a result of a rise in stock prices.

As a result, total assets amounted to 90,849 million yen, up 6,058 million yen from the end of the previous fiscal year.

### <Liabilities>

As of the end of current fiscal year, current liabilities on a consolidated basis amounted to 34,066 million yen, up 2,339 million yen from the end of the previous fiscal year. This was mainly due to an increase in trade payables. Non-current liabilities amounted to 11,022 million yen, down 1,147 million yen from the end of the previous fiscal year.

As a result, total liabilities amounted to 45,088 million yen, up 1,192 million yen from the end of the previous fiscal year.

### <Net assets>

As of the end of current fiscal year, total net assets were 45,760 million yen, up 4,866 million yen from the end of previous fiscal year. This was mainly due to an increase in retained earnings resulting from the recording of profit attributable to owners of parent.

## (3) Overview of Cash Flows

During the current fiscal year under review, cash and cash equivalents decreased 127 million yen from the end of previous period to finish at 9,460 million yen (9,587 million yen at the end of prior period).

The status of respective cash flows and underlying factors for the current fiscal year are as follows.

### (Cash flows from operating activities)

Cash flows from operating activities amounted to 5,288 million yen (3,599 million yen in the previous fiscal year). This was mainly due to an increase in profit before income taxes and an increase in the amount of changes in inventories.

### (Cash flows from investing activities)

Cash flows from investing activities totaled payments of 3,895 million yen (3,275 million yen in the previous fiscal year). This was mainly due to an increase in purchase of property, plant and equipment.

### (Cash flows from financing activities)

Cash flows from financing activities totaled payments of 1,567 million yen (934 million yen in the previous fiscal year). This was mainly due to an increase in purchase of treasury shares and cash dividends paid.

Cash flow indices for the Group are shown below.

	Period ended March 2021	Period ended March 2022	Period ended March 2023	Period ended March 2024
Capital-to-asset ratio (%)	49.2	47.5	47.9	50.0
Capital-to-asset ratio on market value basis (%)	19.9	16.7	19.4	27.2
Cash flow-to-interest-bearing debt ratio (years)	2.1	1.8	2.5	1.7
Interest coverage ratio	66.2	81.5	56.5	82.2

(Note) Capital-to-asset ratio: Equity capital/Total assets

Capital-to-asset ratio on market value basis: Market capitalization/Total assets

Cash flow-to-interest-bearing debt ratio: Interest-bearing debt/Operating cash flows

Interest coverage ratio: Operating cash flows/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 debts are all liabilities on the consolidated balance sheets for which interest is paid. For interest payments, the data for interest expenses paid shown in the consolidated statements of cash flows was used.

#### (4) Financial Forecasts

Looking ahead, while a gradual recovery of the domestic economy is expected, the outlook remains uncertain as the impact of supply constraint risks caused by the upward pressure on prices as well as labor shortage and the impact of the trends in the financial market on the society as a whole is significant.

In the TOLI Group's business environment, there are concerns that the cost of raw materials which remain high and the rising of logistics cost due to the 2024 problem, which places restrictions on working hours of truck drivers, will put pressure on earnings as construction starts remain stagnant.

In the fiscal year ending March 2025, the final year of the Medium-Term Business Plan "SHINKA Plus ONE," we will strive to achieve consolidated net sales of 100 billion yen and more and consolidated operating income of 4 billion yen and more, both of which are the medium-term management indicators, by completing all of our priority strategies. In particular, we will promote the development of highly unique new products and the reduction of manufacturing costs by utilizing the Hiroka TOLI Floor's new No.3 line and nylon spinning equipment for carpets to strengthen product competitiveness in the market. In addition, we will make further capital investments in the carpet tile recycling plant to strengthen our business activities that contribute to the realization of a sustainable society, such as the expansion of environmentally friendly products and the reduction of industrial waste in order to create a recycling-based society. On the other hand, in the fiscal year ending March 2025, costs will increase due partly to an increase in depreciation as a result of progress in large-scale capital investment aimed at reducing costs. In addition, we expect an increase in SG&A expenses, such as a rise in promotion expenses including sample books and an increase in human capital investment including pay raise, in the year of the launch of new products and the large-scale revision and abolition of existing products.

Based on the above, in the fiscal year ending March 2025, we expect consolidated net sales of 105,000 million yen (up 2.5% year-on-year), consolidated operating income of 4,100 million yen (down 17.6% year-on-year), consolidated ordinary income of 4,250 million yen (down 18.9% year-on-year), and consolidated profit attributable to owners of parent of 3,000 million yen (down 18.7% year-on-year).

\*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, aims 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, 2023)	Current fiscal year (March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	9,745	9,635
Notes and accounts receivable - trade	20,287	20,130
Electronically recorded monetary claims	6,666	9,014
Merchandise and finished goods	8,978	8,857
Work in process	1,780	2,138
Raw materials and supplies	2,284	2,134
Other	993	1,072
Allowance for doubtful accounts	(58)	(55)
Total current assets	50,677	52,928
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,325	22,735
Accumulated depreciation	(15,247)	(15,691)
Buildings and structures, net	7,077	7,044
Machinery, equipment and vehicles	30,818	31,754
Accumulated depreciation	(25,334)	(26,327)
Machinery, equipment and vehicles, net	5,483	5,427
Tools, furniture and fixtures	2,913	3,647
Accumulated depreciation	(2,473)	(2,549)
Tools, furniture and fixtures, net	439	1,098
Land	8,343	8,565
Construction in progress	1,587	2,384
Other	203	220
Accumulated depreciation	(93)	(133)
Other, net	110	86
Total property, plant and equipment	23,042	24,606
Intangible assets		
Software	698	447
Other	113	228
Total intangible assets	811	675
Investments and other assets		
Investment securities	5,200	7,628
Long-term loans receivable	24	21
Deferred tax assets	792	-
Net defined benefit asset	638	1,356
Other	3,862	3,910
Allowance for doubtful accounts	(260)	(276)
Total investments and other assets	10,258	12,639
Total non-current assets	34,113	37,921
Total assets	84,791	90,849

(Million yen)

	Previous fiscal year (March 31, 2023)	Current fiscal year (March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,232	17,706
Electronically recorded obligations	6,066	7,014
Short-term loans payable	1,020	2,220
Income taxes payable	1,107	1,062
Accrued expenses	1,677	1,731
Provision for bonuses	739	890
Provision for bonuses for directors (and other officers)	9	7
Asset retirement obligations	5	5
Other	2,869	3,427
Total current liabilities	31,726	34,066
Non-current liabilities		
Long-term loans payable	5,680	4,480
Deferred tax liabilities	-	104
Net defined benefit liability	3,762	3,752
Asset retirement obligations	9	9
Long-term guarantee deposited	2,291	2,329
Other	426	346
Total non-current liabilities	12,169	11,022
Total liabilities	43,896	45,088
<b>Net assets</b>		
Shareholders' equity		
Capital stock	6,855	6,855
Capital surplus	6,426	4,812
Retained earnings	26,311	29,217
Treasury shares	(1,500)	(227)
Total shareholders' equity	38,092	40,658
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,048	3,782
Foreign currency translation adjustment	336	426
Remeasurements of defined benefit plans	136	566
Total accumulated other comprehensive income	2,521	4,775
Non-controlling interests	281	326
Total net assets	40,894	45,760
Total liabilities and net assets	84,791	90,849



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

(Million yen)

	Previous fiscal year (April 1, 2022 – March 31, 2023)	Current fiscal year (April 1, 2023 – March 31, 2024)
Net sales	95,230	102,470
Cost of sales	68,052	72,554
Gross profit	27,177	29,915
Selling, general and administrative expenses	23,646	24,937
Operating income	3,531	4,978
Non-operating income		
Interest income	4	5
Dividend income	185	189
Purchase discounts	76	78
Foreign exchange gains	8	53
Real estate rent	80	82
Dividend income of insurance	48	51
Other	62	68
Total non-operating income	467	528
Non-operating expenses		
Interest expenses	63	64
Share of loss of entities accounted for using equity method	262	164
Other	33	37
Total non-operating expenses	359	266
Ordinary income	3,640	5,240
Extraordinary income		
Gain on sales of non-current assets	29	32
Gain on sales of investment securities	15	90
National subsidies	-	23
Gain on bargain purchase	141	-
Total extraordinary income	186	145
Extraordinary losses		
Loss on retirement of non-current assets	17	73
Loss on sales of non-current assets	8	-
Loss on tax purpose reduction entry of non-current assets	-	23
Total extraordinary losses	26	96
Profit before income taxes	3,800	5,289
Income taxes - current	1,230	1,607
Income taxes - deferred	(3)	(58)
Total income taxes	1,226	1,549
Profit	2,573	3,739
Profit attributable to non-controlling interests	10	50
Profit attributable to owners of parent	2,562	3,689

## (Consolidated statement of comprehensive income)

(Million yen)

	Previous fiscal year (April 1, 2022 – March 31, 2023)	Current fiscal year (April 1, 2023 – March 31, 2024)
Profit	2,573	3,739
Other comprehensive income		
Valuation difference on available-for-sale securities	346	1,734
Foreign currency translation adjustment	160	89
Remeasurements of defined benefit plans, net of tax	47	429
Total other comprehensive income	553	2,253
Comprehensive income	3,127	5,993
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,115	5,942
Comprehensive income attributable to non-controlling interests	11	50

(3) Consolidated statement of changes in equity  
Previous fiscal year (April 1, 2022 – March 31, 2023)

(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	24,231	(1,467)	36,045
Changes of items during period					
Dividends of surplus			(482)		(482)
Profit attributable to owners of parent			2,562		2,562
Purchase of treasury shares				(33)	(33)
Disposal of treasury shares		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	2,079	(33)	2,046
Balance at end of term under review	6,855	6,426	26,311	(1,500)	38,092

	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	1,702	176	88	1,968	271	38,285
Changes of items during period						
Dividends of surplus						(482)
Profit attributable to owners of parent						2,562
Purchase of treasury shares						(33)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	345	160	47	553	9	563
Total changes of items during period	345	160	47	553	9	2,609
Balance at end of term under review	2,048	336	136	2,521	281	40,894

Current fiscal year (April 1, 2023 – March 31, 2024)

(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	26,311	(1,500)	38,092
Changes of items during period					
Dividends of surplus			(782)		(782)
Profit attributable to owners of parent			3,689		3,689
Purchase of treasury shares				(340)	(340)
Cancellation of treasury shares		(1,613)		1,613	-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(1,613)	2,906	1,273	2,566
Balance at end of term under review	6,855	4,812	29,217	(227)	40,658

	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	2,048	336	136	2,521	281	40,894
Changes of items during period						
Dividends of surplus						(782)
Profit attributable to owners of parent						3,689
Purchase of treasury shares						(340)
Cancellation of treasury shares						-
Net changes of items other than shareholders' equity	1,733	89	429	2,253	45	2,299
Total changes of items during period	1,733	89	429	2,253	45	4,866
Balance at end of term under review	3,782	426	566	4,775	326	45,760

## (4) Consolidated statements of cash flows

(Million yen)

	Previous fiscal year (April 1, 2022 – March 31, 2023)	Current fiscal year (April 1, 2023 – March 31, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,800	5,289
Depreciation	2,340	2,619
Gain on bargain purchase	(141)	-
Amortization of long-term prepaid expenses	446	431
National subsidies	-	(23)
Loss on retirement of non-current assets	17	73
Loss on tax purpose reduction entry of non-current assets	-	23
Loss (gain) on sales of non-current assets	(20)	(32)
Loss (gain) on sales of investment securities	(15)	(90)
Increase (decrease) in allowance for doubtful accounts	(187)	13
Increase (decrease) in net defined benefit liability	10	(28)
Share of loss (profit) of entities accounted for using equity method	262	164
Interest and dividend income	(190)	(194)
Subsidy income	(21)	(1)
Interest expenses	63	64
Foreign exchange losses (gains)	(0)	(40)
Decrease (increase) in notes and accounts receivable - trade	(2,549)	(2,095)
Decrease (increase) in inventories	(2,186)	(39)
Increase (decrease) in notes and accounts payable - trade	1,211	372
Other	1,132	216
Subtotal	3,971	6,723
Interest and dividend income received	190	194
Subsidy received	21	1
National subsidies received	-	23
Interest expenses paid	(63)	(64)
Income taxes (paid) refund	(520)	(1,589)
Cash flows from operating activities	3,599	5,288
<b>Cash flows from investing activities</b>		
Payments into time deposits	(160)	(174)
Proceeds from withdrawal of time deposits	159	162
Purchase of property, plant and equipment	(3,208)	(3,674)
Proceeds from sale of property, plant and equipment	83	58
Purchase of intangible assets	(276)	(101)
Purchase of investment securities	(6)	(7)
Proceeds from sale of investment securities	21	165
Payments of loans receivable	(9)	(4)
Collection of loans receivable	13	7
Payments for purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(321)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	146	-
Other	(38)	(5)
Cash flows from investing activities	(3,275)	(3,895)

(Million yen)

	Previous fiscal year (April 1, 2022 – March 31, 2023)	Current fiscal year (April 1, 2023 – March 31, 2024)
Cash flows from financing activities		
Proceeds from long-term loans payable	800	900
Repayments of long-term loans payable	(800)	(900)
Repayments of lease obligations	(34)	(40)
Payments for long-term accounts payable - other	(382)	(399)
Purchase of treasury shares	(33)	(340)
Cash dividends paid	(482)	(782)
Dividends paid to non-controlling interests	(1)	(4)
Other	0	-
Cash flows from financing activities	(934)	(1,567)
Effect of exchange rate change on cash and cash equivalents	8	46
Net increase (decrease) in cash and cash equivalents	(601)	(127)
Cash and cash equivalents at beginning of year	10,189	9,587
Cash and cash equivalents at end of year	9,587	9,460

(5) Notes on consolidated financial statements

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

No corresponding items exist.

(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 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, profits, assets and other items for each reporting segment

The method of accounting for the reported business segment is in accordance with the accounting principles and procedures used to prepare 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, 2022 – March 31, 2023)

(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	33,056	62,174	95,230	-	95,230
Internal sales or transfers among segments	24,915	315	25,231	(25,231)	-
Subtotal	57,971	62,490	120,461	(25,231)	95,230
Segment income	2,344	1,487	3,832	(191)	3,640
Segment assets	75,631	32,489	108,120	(23,329)	84,791
Other items					
Depreciation	2,260	79	2,340	-	2,340
Interest income	0	23	24	(20)	4
Interest expenses	82	0	83	(20)	63
Investment loss on equity method	(262)	-	(262)	-	(262)
Value of investment in equity method affiliates	2,002	-	2,002	-	2,002
Increase in property, plant and equipment, and intangible assets	3,000	174	3,175	-	3,175

(Note) 1 The adjustment of segment income of (191) million yen, adjustment of segment assets of (23,329) million yen, adjustment of interest income of (20) million yen, and adjustment of Interest expenses of (20) 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, 2023 – March 31, 2024)

(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	36,183	66,286	102,470	-	102,470
Internal sales or transfers among segments	26,223	408	26,632	(26,632)	-
Subtotal	62,407	66,694	129,102	(26,632)	102,470
Segment income	3,540	1,952	5,493	(252)	5,240
Segment assets	82,295	37,002	119,298	(28,448)	90,849
Other items					
Depreciation	2,503	116	2,619	-	2,619
Interest income	0	54	55	(49)	5
Interest expenses	113	1	114	(49)	64
Investment loss on equity method	(164)	-	(164)	-	(164)
Value of investment in equity method affiliates	1,919	-	1,919	-	1,919
Increase in property, plant and equipment, and intangible assets	3,867	45	3,913	-	3,913

(Note) 1 The adjustment of segment income of (252) million yen, adjustment of segment assets of (28,448) million yen, adjustment of interest income of (49) million yen, and adjustment of Interest expenses of (49) 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.

#### 4. Gain on bargain purchase by reporting segment

Previous fiscal year (April 1, 2022 – March 31, 2023)

In the “Product Business” segment, gain on bargain purchase of 141 million yen is recorded under extraordinary income as a result of the additional acquisition of shares in Toyo Interior Service Co., Ltd. In addition, gain on step acquisitions of 1 million yen at the time of additional acquisition of the shares is recorded in “Other” under non-operating income. Gain on bargain purchase is not included in segment income as it is an extraordinary income.

Current fiscal year (April 1, 2023 – March 31, 2024)

No corresponding items exist.



(Per-share data)

Previous fiscal year (April 1, 2022 – March 31, 2023)		Current fiscal year (April 1, 2023 – March 31, 2024)	
Net assets per share	674.80 yen	Net assets per share	767.66 yen
Profit per share	42.57 yen	Profit per share	61.69 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, 2022 – March 31, 2023)	Current fiscal year (April 1, 2023 – March 31, 2024)
Profit per share		
Profit attributable to owners of parent (Million yen)	2,562	3,689
Amount not attributable to common stockholders (million yen)	-	-
Profit attributable to owners of parent pertaining to common stock (million yen)	2,562	3,689
Average number of common stock shares during the period (1,000 shares)	60,197	59,801

(Important post-balance-sheet events)

No corresponding items exist.