

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

Company name: TOSHO CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8920 URL <https://www.to-sho.net>
 Representative: President Yuichiro Kutsuna
 Director, General Manager of administration
 Inquiries: Headquarters Naoya Kuwazoe TEL 0566-79-3111
 Scheduled date of ordinary general meeting of shareholders: June 19, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 20, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

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

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	30,927	37.4	3,958	26.3	4,098	30.7	(2,229)	–
Year ended March 31, 2023	22,506	(17.6)	3,134	(30.1)	3,135	(31.0)	857	(64.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	(58.20)	–	–	5.2	12.8
Year ended March 31, 2023	22.39	–	2.3	3.9	13.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	74,219	40,318	47.4	918.27
As of March 31, 2023	83,286	41,672	45.1	980.29

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	10,900	(3,378)	(7,929)	14,564
Year ended March 31, 2023	(12,445)	(2,542)	4,912	14,973

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	1.00	–	2.00	3.00	114	13.4	0.3
Year ended March 31, 2024	–	2.00	–	2.00	4.00	153	–	0.4
Year ending March 31, 2025 (Forecast)	–	2.00	–	2.00	4.00		9.0	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	12,150	(3.1)	1,940	0.0	1,990	0.0	700	0.0	18.27
Full year	25,000	(19.2)	4,700	18.7	4,700	14.7	1,700	–	44.37

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	38,315,000 shares	As of March 31, 2023	38,315,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	9,093 shares	As of March 31, 2023	8,924 shares
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Average number of shares during the period

Year ended March 31, 2024	38,305,974 shares	Year ended March 31, 2023	38,306,076 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	16,978,552	16,577,464
Accounts receivable - trade	779,875	1,008,259
Trade accounts receivable	148,145	167,014
Merchandise	2,506	7,213
Real estate for sale	14,768,768	8,927,430
Supplies	67,201	38,715
Other	653,392	354,383
Total current assets	33,398,442	27,080,482
Non-current assets		
Property, plant and equipment		
Buildings and structures	55,023,168	54,440,447
Accumulated depreciation	(22,227,679)	(23,800,736)
Buildings and structures, net	32,795,489	30,639,711
Machinery, equipment and vehicles	1,975,153	2,009,974
Accumulated depreciation	(1,315,597)	(1,429,442)
Machinery, equipment and vehicles, net	659,556	580,531
Tools, furniture and fixtures	1,523,214	1,567,466
Accumulated depreciation	(1,346,239)	(1,399,065)
Tools, furniture and fixtures, net	176,974	168,400
Land	6,017,988	7,211,986
Leased assets	4,787,288	4,584,272
Accumulated depreciation	(1,598,642)	(1,741,869)
Leased assets, net	3,188,646	2,842,403
Construction in progress	828,264	346,898
Total property, plant and equipment	43,666,920	41,789,932
Intangible assets		
Other	102,411	89,679
Total intangible assets	102,411	89,679
Investments and other assets		
Investment securities	1,375,529	1,388,634
Leasehold and guarantee deposits	3,408,868	3,283,877
Long-term loans receivable	25,084	15,667
Deferred tax assets	1,143,095	396,013
Other	162,566	176,488
Allowance for doubtful accounts	(11,760)	(11,760)
Total investments and other assets	6,103,383	5,248,921
Total non-current assets	49,872,715	47,128,533
Deferred assets		
Bond issuance costs	15,458	10,158
Total deferred assets	15,458	10,158
Total assets	83,286,616	74,219,174

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	748	5,048
Short-term borrowings	–	130,000
Current portion of long-term borrowings	4,840,524	4,390,901
Lease liabilities	489,324	402,507
Accounts payable - other	1,467,853	1,486,968
Income taxes payable	1,017,082	982,945
Accrued consumption taxes	274,836	714,883
Other	751,003	900,995
Total current liabilities	8,841,372	9,014,249
Non-current liabilities		
Bonds payable	5,000,000	5,000,000
Long-term borrowings	20,110,877	12,877,696
Lease liabilities	2,778,057	2,567,679
Provision for retirement benefits for directors (and other officers)	941,590	948,690
Retirement benefit liability	111,775	107,924
Asset retirement obligations	2,979,822	3,056,875
Other	850,343	327,717
Total non-current liabilities	32,772,466	24,886,583
Total liabilities	41,613,839	33,900,832
Net assets		
Shareholders' equity		
Share capital	1,580,817	1,580,817
Capital surplus	2,295,847	2,295,798
Retained earnings	33,671,415	31,288,501
Treasury shares	(7,955)	(8,148)
Total shareholders' equity	37,540,124	35,156,969
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	11,199	18,290
Total accumulated other comprehensive income	11,199	18,290
Non-controlling interests	4,121,452	5,143,082
Total net assets	41,672,776	40,318,341
Total liabilities and net assets	83,286,616	74,219,174

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	22,506,629	30,927,753
Cost of sales	17,736,476	25,146,923
Gross profit	4,770,153	5,780,829
Selling, general and administrative expenses		
Promotion expenses	17,770	64,165
Sales commission	303,592	414,899
Remuneration for directors (and other officers)	370,603	317,082
Provision for retirement benefits for directors (and other officers)	9,550	10,470
Salaries and bonuses	383,045	345,251
Retirement benefit expenses	5,664	5,305
Taxes and dues	191,660	169,202
Depreciation	31,997	31,168
Other	321,789	464,450
Total selling, general and administrative expenses	1,635,674	1,821,995
Operating profit	3,134,478	3,958,834
Non-operating income		
Interest income	1,537	1,017
Dividend income	2	2
Commission income	103,772	124,279
Rental income	27,882	42,953
Subsidy income	6,558	7,232
Share of profit of entities accounted for using equity method	40,230	94,543
Other	36,929	32,725
Total non-operating income	216,912	302,752
Non-operating expenses		
Interest expenses	117,387	109,774
Interest expenses on bonds	29,052	28,930
Other	69,185	24,826
Total non-operating expenses	215,626	163,530
Ordinary profit	3,135,764	4,098,056
Extraordinary income		
Gain on sale of non-current assets	27,584	32,598
Insurance claim income	7,953	–
Other	3,652	–
Total extraordinary income	39,190	32,598
Extraordinary losses		
Loss on sale of non-current assets	–	185
Loss on retirement of non-current assets	2,957	–
Loss on store closings	52,162	–
Loss on disaster	18,085	–
Impairment losses	263,804	2,996,490
Other	–	29,016
Total extraordinary losses	337,009	3,025,691

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit before income taxes	2,837,945	1,104,964
Income taxes - current	1,170,228	1,490,680
Income taxes - deferred	(48,002)	744,028
Total income taxes	1,122,226	2,234,708
Profit (loss)	1,715,719	(1,129,744)
Profit attributable to non-controlling interests	858,016	1,099,946
Profit (loss) attributable to owners of parent	857,702	(2,229,690)

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,715,719	(1,129,744)
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	10,031	7,090
Total other comprehensive income	10,031	7,090
Comprehensive income	1,725,750	(1,122,653)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	867,733	(2,222,599)
Comprehensive income attributable to non-controlling interests	858,016	1,099,946

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,580,817	2,295,862	33,043,549	(7,955)	36,912,274
Changes during period					
Dividends of surplus			(229,836)		(229,836)
Profit (loss) attributable to owners of parent			857,702		857,702
Purchase of treasury shares					–
Change in ownership interest of parent due to transactions with non-controlling interests		(15)			(15)
Net changes in items other than shareholders' equity					
Total changes during period	–	(15)	627,866	–	627,850
Balance at end of period	1,580,817	2,295,847	33,671,415	(7,955)	37,540,124

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,168	1,168	3,288,880	40,202,322
Changes during period				
Dividends of surplus				(229,836)
Profit (loss) attributable to owners of parent				857,702
Purchase of treasury shares				–
Change in ownership interest of parent due to transactions with non-controlling interests			5,390	5,375
Net changes in items other than shareholders' equity	10,031	10,031	827,181	837,213
Total changes during period	10,031	10,031	832,572	1,470,454
Balance at end of period	11,199	11,199	4,121,452	41,672,776

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,580,817	2,295,847	33,671,415	(7,955)	37,540,124
Changes during period					
Dividends of surplus			(153,224)		(153,224)
Profit (loss) attributable to owners of parent			(2,229,690)		(2,229,690)
Purchase of treasury shares				(192)	(192)
Change in ownership interest of parent due to transactions with non-controlling interests		(48)			(48)
Net changes in items other than shareholders' equity					
Total changes during period	–	(48)	(2,382,914)	(192)	(2,383,155)
Balance at end of period	1,580,817	2,295,798	31,288,501	(8,148)	35,156,969

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,199	11,199	4,121,452	41,672,776
Changes during period				
Dividends of surplus				(153,224)
Profit (loss) attributable to owners of parent				(2,229,690)
Purchase of treasury shares				(192)
Change in ownership interest of parent due to transactions with non-controlling interests				(48)
Net changes in items other than shareholders' equity	7,090	7,090	1,021,629	1,028,720
Total changes during period	7,090	7,090	1,021,629	(1,354,435)
Balance at end of period	18,290	18,290	5,143,082	40,318,341

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,837,945	1,104,964
Depreciation	2,793,357	3,051,386
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(22,090)	7,100
Increase (decrease) in retirement benefit liability	1,641	6,292
Interest and dividend income	(1,539)	(1,019)
Interest expenses	146,440	138,704
Amortization of bond issuance costs	5,300	5,300
Loss (gain) on sale of property, plant and equipment	(27,584)	(32,598)
Impairment losses	263,804	2,996,490
Loss on retirement of non-current assets	2,957	185
Share of loss (profit) of entities accounted for using equity method	40,230	(94,543)
Other extraordinary loss (income)	(3,652)	29,016
Loss on store closings	52,162	–
Loss on disaster	18,085	–
Decrease (increase) in trade receivables	(436,475)	(247,253)
Decrease (increase) in inventories	(20,117)	23,778
Decrease (increase) in real estate for sale	(15,179,782)	5,123,723
Increase (decrease) in trade payables	344	4,299
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(1,138,905)	691,645
Decrease (increase) in other assets	(72,188)	110,326
Increase (decrease) in other liabilities	760,882	(370,208)
Subtotal	(9,979,185)	12,547,588
Interest and dividends received	357	380
Interest paid	(145,482)	(138,113)
Income taxes paid	(2,320,693)	(1,509,809)
Net cash provided by (used in) operating activities	(12,445,003)	10,900,045
Cash flows from investing activities		
Payments into time deposits	(182,176)	(187,178)
Proceeds from withdrawal of time deposits	–	180,000
Purchase of property, plant and equipment	(1,801,767)	(3,557,859)
Proceeds from sale of property, plant and equipment	189,876	115,700
Payments of guarantee deposits	(760,344)	(3,197)
Other, net	12,183	73,706
Net cash provided by (used in) investing activities	(2,542,228)	(3,378,828)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	–	130,000
Proceeds from long-term borrowings	10,900,000	1,350,000
Repayments of long-term borrowings	(5,567,736)	(9,032,804)
Proceeds from sale and leaseback transactions	145,205	156,161
Purchase of treasury shares	–	(192)
Dividends paid	(229,718)	(153,159)
Dividends paid to non-controlling interests	(26,782)	(80,332)
Repayments of lease liabilities	(308,756)	(299,156)
Net cash provided by (used in) financing activities	4,912,212	(7,929,482)
Net increase (decrease) in cash and cash equivalents	(10,075,019)	(408,265)
Cash and cash equivalents at beginning of period	25,048,073	14,973,054
Cash and cash equivalents at end of period	14,973,054	14,564,788