

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 31, 2022

Company name: TOSHO CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8920 URL <http://www.to-sho.net/>
 Representative: President Yuichiro Kutsuna
 Inquiries: Managing Director Naoya Kuwazoe TEL 0566-79-3111
 Scheduled date to file Quarterly Securities Report: November 4, 2022
 Scheduled date to commence dividend payments: December 13, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2022	10,833	11.7	1,488	105.2	1,501	104.8	470	32.4
Six months ended September 30, 2021	9,696	22.1	725	57.8	733	44.0	355	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	12.28		–	
Six months ended September 30, 2021	9.27		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	79,373	40,787	46.9
As of March 31, 2022	77,979	40,202	47.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	1.00	–	5.00	6.00
Year ending March 31, 2023	–	1.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	2.00	3.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Full year	21,500	(21.3)	2,600	(42.0)	2,600	(42.8)	900	(62.9)	23.49

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2022	38,315,000 shares	As of March 31, 2022	38,315,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	8,924 shares	As of March 31, 2022	8,924 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	38,306,076 shares	Six months ended September 30, 2021	38,306,130 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	26,871,395	19,187,394
Accounts receivable - trade	365,217	647,444
Trade accounts receivable	126,328	135,075
Merchandise	1,755	1,574
Supplies	47,834	49,222
Real estate for sale	–	9,626,861
Other	364,960	356,850
Total current assets	27,777,492	30,004,423
Non-current assets		
Property, plant and equipment		
Buildings and structures	54,199,744	54,433,711
Accumulated depreciation	(20,460,984)	(21,337,573)
Buildings and structures, net	33,738,759	33,096,138
Machinery, equipment and vehicles	1,986,942	1,982,771
Accumulated depreciation	(1,210,286)	(1,272,177)
Machinery, equipment and vehicles, net	776,656	710,594
Tools, furniture and fixtures	1,483,730	1,490,238
Accumulated depreciation	(1,272,090)	(1,308,638)
Tools, furniture and fixtures, net	211,639	181,599
Land	5,970,716	6,064,690
Leased assets	4,642,083	4,787,288
Accumulated depreciation	(1,287,397)	(1,443,019)
Leased assets, net	3,354,685	3,344,268
Construction in progress	612,063	318,777
Total property, plant and equipment	44,664,522	43,716,069
Intangible assets	139,832	119,534
Investments and other assets		
Deferred tax assets	1,099,412	1,061,125
Other	4,289,453	4,465,964
Allowance for doubtful accounts	(11,760)	(11,760)
Total investments and other assets	5,377,105	5,515,330
Total non-current assets	50,181,460	49,350,934
Deferred assets		
Bond issuance costs	20,758	18,108
Total deferred assets	20,758	18,108
Total assets	77,979,711	79,373,466

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	404	178
Current portion of long-term borrowings	5,252,926	5,206,654
Income taxes payable	2,208,381	529,809
Other	3,597,621	2,402,944
Total current liabilities	11,059,333	8,139,586
Non-current liabilities		
Bonds payable	5,000,000	5,000,000
Long-term borrowings	14,366,211	18,154,359
Lease liabilities	3,131,296	2,918,978
Provision for retirement benefits for directors (and other officers)	963,680	939,340
Retirement benefit liability	110,134	112,190
Asset retirement obligations	2,945,773	2,962,792
Other	200,959	358,775
Total non-current liabilities	26,718,054	30,446,436
Total liabilities	37,777,388	38,586,023
Net assets		
Shareholders' equity		
Share capital	1,580,817	1,580,817
Capital surplus	2,295,862	2,295,847
Retained earnings	33,043,549	33,322,686
Treasury shares	(7,955)	(7,955)
Total shareholders' equity	36,912,274	37,191,395
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	1,168	5,054
Total accumulated other comprehensive income	1,168	5,054
Non-controlling interests	3,288,880	3,590,992
Total net assets	40,202,322	40,787,442
Total liabilities and net assets	77,979,711	79,373,466

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	9,696,980	10,833,464
Cost of sales	8,206,180	8,534,904
Gross profit	1,490,800	2,298,560
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	181,416	182,381
Salaries and bonuses	185,645	198,466
Retirement benefit expenses	2,712	3,217
Other	395,412	425,648
Total selling, general and administrative expenses	765,187	809,713
Operating profit	725,612	1,488,847
Non-operating income		
Interest income	944	904
Dividend income	2	2
Share of profit of entities accounted for using equity method	–	36,895
Commission income	56,384	55,234
Subsidy income	33,110	205
Miscellaneous income	13,722	16,603
Total non-operating income	104,164	109,845
Non-operating expenses		
Interest expenses	81,982	74,477
Miscellaneous losses	14,490	22,423
Total non-operating expenses	96,472	96,901
Ordinary profit	733,303	1,501,790
Extraordinary income		
Gain on sale of non-current assets	280	–
Subsidies for employment adjustment	3,947	–
Subsidy income	49,400	–
Gain on sale of membership	–	3,652
Total extraordinary income	53,628	3,652
Extraordinary losses		
Loss on retirement of non-current assets	0	859
Impairment losses	–	149,310
Loss on temporary closing of stores	48,805	–
Loss on store closings	–	44,068
Loss on changes in construction project	15,000	–
Other	5,250	–
Total extraordinary losses	69,055	194,238
Profit before income taxes	717,876	1,311,204
Income taxes - current	365,032	475,040
Income taxes - deferred	(44,529)	36,613
Total income taxes	320,502	511,653
Profit	397,373	799,550
Profit attributable to non-controlling interests	42,020	328,923
Profit attributable to owners of parent	355,353	470,627

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	397,373	799,550
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	91	3,886
Total other comprehensive income	91	3,886
Comprehensive income	397,465	803,437
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	355,444	474,513
Comprehensive income attributable to non-controlling interests	42,020	328,923