

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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: February 7, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	16,688	9.7	2,581	59.7	2,572	59.4	762	1.6
Nine months ended December 31, 2021	15,206	16.7	1,615	55.0	1,613	47.3	750	286.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	19.89		–	
Nine months ended December 31, 2021	19.58		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	78,917	41,340	47.5
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2022	38,306,076 shares	Nine months ended December 31, 2021	38,306,125 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	26,871,395	18,880,929
Accounts receivable - trade	365,217	769,479
Trade accounts receivable	126,328	136,937
Merchandise	1,755	2,193
Supplies	47,834	48,675
Real estate for sale	–	9,510,270
Other	364,960	383,939
Total current assets	27,777,492	29,732,425
Non-current assets		
Property, plant and equipment		
Buildings and structures	54,199,744	54,627,567
Accumulated depreciation	(20,460,984)	(21,782,059)
Buildings and structures, net	33,738,759	32,845,508
Machinery, equipment and vehicles	1,986,942	1,982,771
Accumulated depreciation	(1,210,286)	(1,305,349)
Machinery, equipment and vehicles, net	776,656	677,422
Tools, furniture and fixtures	1,483,730	1,499,297
Accumulated depreciation	(1,272,090)	(1,327,321)
Tools, furniture and fixtures, net	211,639	171,976
Land	5,970,716	6,064,690
Leased assets	4,642,083	4,787,288
Accumulated depreciation	(1,287,397)	(1,520,830)
Leased assets, net	3,354,685	3,266,457
Construction in progress	612,063	559,487
Total property, plant and equipment	44,664,522	43,585,542
Intangible assets	139,832	109,541
Investments and other assets		
Deferred tax assets	1,099,412	1,088,531
Other	4,289,453	4,396,023
Allowance for doubtful accounts	(11,760)	(11,760)
Total investments and other assets	5,377,105	5,472,794
Total non-current assets	50,181,460	49,167,878
Deferred assets		
Bond issuance costs	20,758	16,783
Total deferred assets	20,758	16,783
Total assets	77,979,711	78,917,087

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	404	363
Current portion of long-term borrowings	5,252,926	5,069,224
Income taxes payable	2,208,381	716,945
Other	3,597,621	2,563,276
Total current liabilities	11,059,333	8,349,809
Non-current liabilities		
Bonds payable	5,000,000	5,000,000
Long-term borrowings	14,366,211	16,992,455
Lease liabilities	3,131,296	2,848,658
Provision for retirement benefits for directors (and other officers)	963,680	941,610
Retirement benefit liability	110,134	117,663
Asset retirement obligations	2,945,773	2,971,302
Other	200,959	354,971
Total non-current liabilities	26,718,054	29,226,661
Total liabilities	37,777,388	37,576,470
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	33,576,505
Treasury shares	(7,955)	(7,955)
Total shareholders' equity	36,912,274	37,445,215
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	1,168	3,140
Total accumulated other comprehensive income	1,168	3,140
Non-controlling interests	3,288,880	3,892,260
Total net assets	40,202,322	41,340,616
Total liabilities and net assets	77,979,711	78,917,087

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	15,206,647	16,688,022
Cost of sales	12,434,826	12,923,383
Gross profit	2,771,820	3,764,638
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	274,897	270,192
Salaries and bonuses	275,850	289,243
Retirement benefit expenses	3,999	4,126
Other	601,143	619,959
Total selling, general and administrative expenses	1,155,891	1,183,522
Operating profit	1,615,929	2,581,116
Non-operating income		
Interest income	1,365	1,299
Dividend income	2	2
Share of profit of entities accounted for using equity method	–	25,667
Commission income	83,370	80,070
Subsidy income	36,923	6,558
Miscellaneous income	19,005	29,065
Total non-operating income	140,667	142,663
Non-operating expenses		
Interest expenses	121,257	111,107
Miscellaneous losses	21,805	40,229
Total non-operating expenses	143,063	151,337
Ordinary profit	1,613,533	2,572,441
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	1,065	859
Impairment losses	–	218,900
Loss on store closed	48,805	–
Loss on store closings	–	56,048
Loss on changes in construction project	15,000	–
Other	5,250	475
Total extraordinary losses	70,120	276,284
Profit before income taxes	1,597,040	2,299,809
Income taxes - current	727,137	902,832
Income taxes - deferred	(52,434)	10,031
Total income taxes	674,703	912,863
Profit	922,337	1,386,945
Profit attributable to non-controlling interests	171,963	624,800
Profit attributable to owners of parent	750,373	762,145

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	922,337	1,386,945
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	137	1,972
Total other comprehensive income	137	1,972
Comprehensive income	922,474	1,388,918
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	750,510	764,117
Comprehensive income attributable to non-controlling interests	171,963	624,800