

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 31, 2023

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 Naoya Kuwazoe TEL 0566-79-3111
 Headquarters
 Scheduled date to file Quarterly Securities Report: November 7, 2023
 Scheduled date to commence dividend payments: December 12, 2023
 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 six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	12,539	15.7	1,939	30.3	1,989	32.5	700	48.8
Six months ended September 30, 2022	10,833	11.7	1,488	105.2	1,501	104.8	470	32.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	18.28		-	
Six months ended September 30, 2022	12.28		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	82,719	42,748	46.2
As of March 31, 2023	83,286	41,672	45.1

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, 2023	-	1.00	-	2.00	3.00
Year ending March 31, 2024	-	2.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	2.00	4.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	26,000	15.5	4,000	27.6	4,000	27.6	1,600	86.5	41.76

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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: No
- 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, 2023	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 September 30, 2023	9,043 shares	As of March 31, 2023	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, 2023	38,306,002 shares	Six months ended September 30, 2022	38,306,076 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	16,978,552	15,744,906
Accounts receivable - trade	779,875	844,705
Trade accounts receivable	148,145	150,272
Merchandise	2,506	2,228
Real estate for sale	14,768,768	14,418,714
Supplies	67,201	54,708
Other	653,392	364,479
Total current assets	33,398,442	31,580,015
Non-current assets		
Property, plant and equipment		
Buildings and structures	55,023,168	55,788,817
Accumulated depreciation	(22,227,679)	(22,900,003)
Buildings and structures, net	32,795,489	32,888,813
Machinery, equipment and vehicles	1,975,153	2,005,464
Accumulated depreciation	(1,315,597)	(1,362,454)
Machinery, equipment and vehicles, net	659,556	643,009
Tools, furniture and fixtures	1,523,214	1,525,972
Accumulated depreciation	(1,346,239)	(1,361,488)
Tools, furniture and fixtures, net	176,974	164,483
Land	6,017,988	7,117,474
Leased assets	4,787,288	4,840,967
Accumulated depreciation	(1,598,642)	(1,691,431)
Leased assets, net	3,188,646	3,149,535
Construction in progress	828,264	1,062,676
Total property, plant and equipment	43,666,920	45,025,994
Intangible assets	102,411	98,176
Investments and other assets		
Deferred tax assets	1,143,095	1,070,050
Other	4,972,048	4,944,019
Allowance for doubtful accounts	(11,760)	(11,760)
Total investments and other assets	6,103,383	6,002,310
Total non-current assets	49,872,715	51,126,481
Deferred assets		
Bond issuance costs	15,458	12,808
Total deferred assets	15,458	12,808
Total assets	83,286,616	82,719,305

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	748	2,473
Current portion of long-term borrowings	4,840,524	4,675,287
Income taxes payable	1,017,082	734,088
Other	2,983,018	3,092,960
Total current liabilities	8,841,372	8,504,809
Non-current liabilities		
Bonds payable	5,000,000	5,000,000
Long-term borrowings	20,110,877	18,807,354
Lease liabilities	2,778,057	2,771,769
Provision for retirement benefits for directors (and other officers)	941,590	943,450
Retirement benefit liability	111,775	111,590
Asset retirement obligations	2,979,822	2,997,125
Other	850,343	834,787
Total non-current liabilities	32,772,466	31,466,077
Total liabilities	41,613,839	39,970,887
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	34,305,359
Treasury shares	(7,955)	(8,108)
Total shareholders' equity	37,540,124	38,173,866
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	11,199	10,168
Total accumulated other comprehensive income	11,199	10,168
Non-controlling interests	4,121,452	4,564,382
Total net assets	41,672,776	42,748,418
Total liabilities and net assets	83,286,616	82,719,305

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, 2022	Six months ended September 30, 2023
Net sales	10,833,464	12,539,418
Cost of sales	8,534,904	9,717,710
Gross profit	2,298,560	2,821,707
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	182,381	160,260
Salaries and bonuses	198,466	173,507
Retirement benefit expenses	3,217	1,818
Other	425,648	546,233
Total selling, general and administrative expenses	809,713	881,820
Operating profit	1,488,847	1,939,887
Non-operating income		
Interest income	904	633
Dividend income	2	2
Share of profit of entities accounted for using equity method	36,895	30,964
Commission income	55,234	64,233
Subsidy income	205	–
Miscellaneous income	16,603	38,475
Total non-operating income	109,845	134,308
Non-operating expenses		
Interest expenses	74,477	57,092
Miscellaneous losses	22,423	27,385
Total non-operating expenses	96,901	84,477
Ordinary profit	1,501,790	1,989,717
Extraordinary income		
Gain on sale of membership	3,652	–
Total extraordinary income	3,652	–
Extraordinary losses		
Loss on sale of non-current assets	–	185
Loss on retirement of non-current assets	859	–
Impairment losses	149,310	–
Loss on store closings	44,068	4,716
Total extraordinary losses	194,238	4,901
Profit before income taxes	1,311,204	1,984,816
Income taxes - current	475,040	692,347
Income taxes - deferred	36,613	73,488
Total income taxes	511,653	765,836
Profit	799,550	1,218,980
Profit attributable to non-controlling interests	328,923	518,668
Profit attributable to owners of parent	470,627	700,312

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	799,550	1,218,980
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	3,886	(1,031)
Total other comprehensive income	3,886	(1,031)
Comprehensive income	803,437	1,217,949
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	474,513	699,281
Comprehensive income attributable to non-controlling interests	328,923	518,668