

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

January 31, 2017

Company name: TOSHO CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8920 URL <http://www.to-sho.net/>
 Representative: President & COO Yuichiro Kutsuna
 Inquiries: Managing Director & CFO Naoya Kuwazoe TEL 0566-79-3111
 Scheduled date to file Quarterly Securities Report: February 6, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2016 (from April 1, 2016 to December 31, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	15,885	11.0	4,536	9.7	4,561	11.9	2,732	14.2
Nine months ended December 31, 2015	14,305	14.2	4,135	23.7	4,077	24.9	2,391	25.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	142.64		–	
Nine months ended December 31, 2015	124.85		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2016	45,701	22,473	46.7	1,113.66
As of March 31, 2016	43,110	19,999	44.1	993.03

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, 2016	–	10.00	–	11.00	21.00
Year ending March 31, 2017	–	11.00	–		
Year ending March 31, 2017 (Forecast)				12.00	23.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	21,300	10.8	6,000	10.1	6,000	11.5	3,500	10.9	182.73

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2016
(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, 2016	19,157,500 shares	As of March 31, 2016	19,157,500 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	3,896 shares	As of March 31, 2016	3,852 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, 2016	19,153,604 shares	Nine months ended December 31, 2015	19,153,759 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	10,389,815	9,967,330
Accounts receivable - trade	108,358	118,113
Operating accounts receivable	164,801	228,549
Merchandise	5,182	5,958
Supplies	48,770	51,001
Deferred tax assets	133,590	22,909
Other	263,490	357,509
Allowance for doubtful accounts	(1,000)	(40)
Total current assets	11,113,009	10,751,332
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,201,262	35,952,139
Accumulated depreciation	(12,867,161)	(13,775,345)
Buildings and structures, net	20,334,100	22,176,794
Machinery, equipment and vehicles	977,348	1,069,776
Accumulated depreciation	(543,769)	(603,917)
Machinery, equipment and vehicles, net	433,579	465,859
Tools, furniture and fixtures	944,116	1,032,253
Accumulated depreciation	(757,811)	(826,210)
Tools, furniture and fixtures, net	186,305	206,043
Land	4,317,244	4,990,452
Leased assets	2,136,000	2,808,048
Accumulated depreciation	(246,161)	(359,421)
Leased assets, net	1,889,839	2,448,627
Construction in progress	2,086,139	1,811,920
Total property, plant and equipment	29,247,208	32,099,697
Intangible assets	58,116	53,686
Investments and other assets		
Deferred tax assets	303,209	345,397
Other	2,386,904	2,453,762
Allowance for doubtful accounts	(12,570)	(11,870)
Total investments and other assets	2,677,544	2,787,289
Total non-current assets	31,982,868	34,940,673
Deferred assets		
Share issuance cost	1,044	189
Bond issuance cost	13,206	8,997
Total deferred assets	14,251	9,187
Total assets	43,110,129	45,701,192

(Thousands of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	716	451
Current portion of bonds	501,200	391,200
Current portion of long-term loans payable	3,147,248	3,166,397
Income taxes payable	1,645,351	566,223
Other	2,129,609	2,111,183
Total current liabilities	7,424,126	6,235,455
Non-current liabilities		
Bonds payable	1,061,800	798,200
Long-term loans payable	11,007,754	12,005,052
Lease obligations	1,828,739	2,352,161
Provision for directors' retirement benefits	998,850	1,022,730
Asset retirement obligations	432,429	561,219
Deferred tax liabilities	20,857	2,680
Other	336,526	250,576
Total non-current liabilities	15,686,957	16,992,620
Total liabilities	23,111,083	23,228,075
Net assets		
Shareholders' equity		
Capital stock	1,580,817	1,580,817
Capital surplus	1,875,494	1,875,494
Retained earnings	15,568,519	17,879,313
Treasury shares	(4,645)	(5,072)
Total shareholders' equity	19,020,186	21,330,554
Non-controlling interests	978,859	1,142,562
Total net assets	19,999,045	22,473,116
Total liabilities and net assets	43,110,129	45,701,192

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, 2015	Nine months ended December 31, 2016
Net sales	14,305,507	15,885,456
Cost of sales	9,023,184	9,805,175
Gross profit	5,282,323	6,080,281
Selling, general and administrative expenses		
Directors' compensations	253,098	280,580
Salaries and bonuses	202,010	294,940
Other	692,139	968,054
Total selling, general and administrative expenses	1,147,249	1,543,576
Operating income	4,135,074	4,536,705
Non-operating income		
Interest income	3,478	3,991
Dividend income	14	11
Commission fee	109,661	135,820
Miscellaneous income	14,883	33,645
Total non-operating income	128,038	173,468
Non-operating expenses		
Interest expenses	142,682	132,363
Miscellaneous loss	43,237	16,427
Total non-operating expenses	185,919	148,791
Ordinary income	4,077,193	4,561,382
Extraordinary income		
Gain on sales of non-current assets	–	554
Total extraordinary income	–	554
Extraordinary losses		
Loss on retirement of non-current assets	1,275	2,473
Total extraordinary losses	1,275	2,473
Profit before income taxes	4,075,917	4,559,463
Income taxes - current	1,599,752	1,600,511
Income taxes - deferred	(77,483)	54,759
Total income taxes	1,522,268	1,655,271
Profit	2,553,648	2,904,192
Profit attributable to non-controlling interests	162,130	172,018
Profit attributable to owners of parent	2,391,518	2,732,173

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	2,553,648	2,904,192
Comprehensive income	2,553,648	2,904,192
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,391,518	2,732,173
Comprehensive income attributable to non-controlling interests	162,130	172,018