

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

July 28, 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: August 4, 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(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	%
Three months ended June 30, 2017	5,658	11.4	1,288	(2.0)	1,290	(2.0)	749	(3.5)
Three months ended June 30, 2016	5,077	9.2	1,315	9.5	1,317	11.1	776	10.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2017	39.13	–
Three months ended June 30, 2016	40.53	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	51,670	24,096	44.2
As of March 31, 2017	49,621	23,536	45.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	–	11.00	–	12.00	23.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	13.00	–	6.00	–

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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, 2017	11,550	10.2	3,100	2.7	3,100	2.0	1,840	2.2	96.06
Full year	23,800	11.5	6,500	8.7	6,500	7.9	4,000	7.3	104.41

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (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 June 30, 2017	19,157,500 shares	As of March 31, 2017	19,157,500 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	4,095 shares	As of March 31, 2017	3,951 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2017	19,153,450 shares	Three months ended June 30, 2016	19,153,637 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	12,488,767	11,877,011
Accounts receivable - trade	154,671	136,106
Operating accounts receivable	171,960	211,030
Merchandise	3,866	9,851
Supplies	62,424	51,887
Deferred tax assets	86,820	26,772
Other	369,139	831,388
Allowance for doubtful accounts	(40)	(40)
Total current assets	13,337,609	13,144,008
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,753,146	38,531,164
Accumulated depreciation	(14,105,798)	(14,416,993)
Buildings and structures, net	22,647,347	24,114,171
Machinery, equipment and vehicles	1,110,132	1,142,848
Accumulated depreciation	(623,773)	(644,626)
Machinery, equipment and vehicles, net	486,359	498,222
Tools, furniture and fixtures	1,063,811	1,101,738
Accumulated depreciation	(854,666)	(874,878)
Tools, furniture and fixtures, net	209,145	226,860
Land	5,385,137	5,580,716
Leased assets	2,845,157	3,284,408
Accumulated depreciation	(394,386)	(442,091)
Leased assets, net	2,450,770	2,842,317
Construction in progress	2,162,221	2,227,008
Total property, plant and equipment	33,340,981	35,489,296
Intangible assets	56,048	79,684
Investments and other assets		
Deferred tax assets	366,991	388,734
Other	2,524,043	2,573,229
Allowance for doubtful accounts	(11,870)	(11,870)
Total investments and other assets	2,879,164	2,950,093
Total non-current assets	36,276,194	38,519,074
Deferred assets		
Bond issuance cost	8,033	7,164
Total deferred assets	8,033	7,164
Total assets	49,621,837	51,670,247

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	354	1,763
Short-term loans payable	410,000	380,000
Current portion of bonds	321,200	311,200
Current portion of long-term loans payable	3,467,384	3,671,025
Income taxes payable	1,085,588	477,801
Other	2,099,091	2,658,645
Total current liabilities	7,383,618	7,500,435
Non-current liabilities		
Bonds payable	740,600	677,600
Long-term loans payable	13,723,100	14,790,233
Lease obligations	2,331,786	2,612,469
Provision for directors' retirement benefits	1,031,070	1,039,140
Net defined benefit liability	15,492	20,240
Asset retirement obligations	620,036	719,789
Other	239,568	213,989
Total non-current liabilities	18,701,652	20,073,462
Total liabilities	26,085,271	27,573,897
Net assets		
Shareholders' equity		
Capital stock	1,580,817	1,580,817
Capital surplus	1,875,494	1,875,494
Retained earnings	18,873,357	19,393,056
Treasury shares	(5,110)	(5,821)
Total shareholders' equity	22,324,559	22,843,547
Non-controlling interests	1,212,006	1,252,802
Total net assets	23,536,566	24,096,350
Total liabilities and net assets	49,621,837	51,670,247

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	5,077,917	5,658,279
Cost of sales	3,163,684	3,624,350
Gross profit	1,914,232	2,033,929
Selling, general and administrative expenses		
Directors' compensations	87,435	95,648
Salaries and bonuses	121,591	182,945
Retirement benefit expenses	–	1,352
Other	390,011	465,062
Total selling, general and administrative expenses	599,038	745,008
Operating profit	1,315,193	1,288,921
Non-operating income		
Interest income	1,504	914
Dividend income	11	1
Commission fee	45,617	41,619
Miscellaneous income	6,144	6,277
Total non-operating income	53,277	48,812
Non-operating expenses		
Interest expenses	45,345	42,155
Miscellaneous loss	5,858	5,112
Total non-operating expenses	51,203	47,268
Ordinary profit	1,317,267	1,290,465
Extraordinary losses		
Loss on retirement of non-current assets	149	494
Total extraordinary losses	149	494
Profit before income taxes	1,317,117	1,289,971
Income taxes - current	398,208	451,324
Income taxes - deferred	95,437	39,992
Total income taxes	493,646	491,317
Profit	823,471	798,653
Profit attributable to non-controlling interests	47,072	49,111
Profit attributable to owners of parent	776,398	749,542

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	823,471	798,653
Comprehensive income	823,471	798,653
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	776,398	749,542
Comprehensive income attributable to non-controlling interests	47,072	49,111