

Translation

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**Summary of Consolidated Financial Results  
for the Six Months Ended September 30, 2017  
(Based on Japanese GAAP)**

October 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: November 6, 2017  
 Scheduled date to commence dividend payments: December 8, 2017  
 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 six months ended September 30, 2017 (from April 1, 2017 to September 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	%
Six months ended September 30, 2017	11,693	11.6	3,079	2.0	3,083	1.4	1,874	4.1
Six months ended September 30, 2016	10,480	11.0	3,019	14.2	3,040	17.0	1,800	17.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	48.92		-	
Six months ended September 30, 2016	47.01		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	52,379	25,297	45.8
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				
Year ended March 31, 2017	-	11.00	-	12.00	23.00
Year ending March 31, 2018	-	13.00	-	-	-
Year ending March 31, 2018 (Forecast)	-	-	-	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
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 six months ended September 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 September 30, 2017	38,315,000 shares	As of March 31, 2017	38,315,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2017	8,410 shares	As of March 31, 2017	7,902 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, 2017	38,306,759 shares	Six months ended September 30, 2016	38,307,238 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	12,488,767	11,826,156
Accounts receivable - trade	154,671	152,967
Operating accounts receivable	171,960	272,251
Merchandise	3,866	7,706
Supplies	62,424	51,061
Deferred tax assets	86,820	92,482
Other	369,139	357,140
Allowance for doubtful accounts	(40)	(40)
Total current assets	13,337,609	12,759,725
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,753,146	39,704,149
Accumulated depreciation	(14,105,798)	(14,745,134)
Buildings and structures, net	22,647,347	24,959,014
Machinery, equipment and vehicles	1,110,132	1,241,943
Accumulated depreciation	(623,773)	(669,326)
Machinery, equipment and vehicles, net	486,359	572,616
Tools, furniture and fixtures	1,063,811	1,128,417
Accumulated depreciation	(854,666)	(899,165)
Tools, furniture and fixtures, net	209,145	229,252
Land	5,385,137	5,782,066
Leased assets	2,845,157	3,284,408
Accumulated depreciation	(394,386)	(493,302)
Leased assets, net	2,450,770	2,791,105
Construction in progress	2,162,221	2,204,643
Total property, plant and equipment	33,340,981	36,538,699
Intangible assets	56,048	81,595
Investments and other assets		
Deferred tax assets	366,991	412,237
Other	2,524,043	2,592,675
Allowance for doubtful accounts	(11,870)	(11,870)
Total investments and other assets	2,879,164	2,993,042
Total non-current assets	36,276,194	39,613,336
Deferred assets		
Bond issuance cost	8,033	6,391
Total deferred assets	8,033	6,391
Total assets	49,621,837	52,379,453

(Thousands of yen)

	As of March 31, 2017	As of September 30, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	354	800
Short-term loans payable	410,000	380,000
Current portion of bonds	321,200	241,200
Current portion of long-term loans payable	3,467,384	3,624,012
Income taxes payable	1,085,588	1,208,165
Other	2,099,091	2,445,681
<b>Total current liabilities</b>	<b>7,383,618</b>	<b>7,899,859</b>
<b>Non-current liabilities</b>		
Bonds payable	740,600	620,000
Long-term loans payable	13,723,100	13,956,873
Lease obligations	2,331,786	2,567,735
Provision for directors' retirement benefits	1,031,070	1,033,050
Net defined benefit liability	15,492	24,989
Asset retirement obligations	620,036	768,407
Other	239,568	210,903
<b>Total non-current liabilities</b>	<b>18,701,652</b>	<b>19,181,959</b>
<b>Total liabilities</b>	<b>26,085,271</b>	<b>27,081,818</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,580,817	1,580,817
Capital surplus	1,875,494	1,875,494
Retained earnings	18,873,357	20,517,528
Treasury shares	(5,110)	(6,392)
<b>Total shareholders' equity</b>	<b>22,324,559</b>	<b>23,967,448</b>
Non-controlling interests	1,212,006	1,330,187
<b>Total net assets</b>	<b>23,536,566</b>	<b>25,297,635</b>
<b>Total liabilities and net assets</b>	<b>49,621,837</b>	<b>52,379,453</b>

**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, 2016	Six months ended September 30, 2017
Net sales	10,480,547	11,693,978
Cost of sales	6,442,693	7,346,428
Gross profit	4,037,854	4,347,549
Selling, general and administrative expenses		
Directors' compensations	180,622	198,103
Salaries and bonuses	189,128	267,974
Retirement benefit expenses	–	2,704
Other	649,062	799,452
Total selling, general and administrative expenses	1,018,814	1,268,234
Operating profit	3,019,040	3,079,315
Non-operating income		
Interest income	2,471	1,653
Dividend income	11	1
Commission fee	98,391	87,984
Miscellaneous income	21,943	11,909
Total non-operating income	122,818	101,547
Non-operating expenses		
Interest expenses	89,794	83,610
Miscellaneous loss	11,642	13,416
Total non-operating expenses	101,436	97,027
Ordinary profit	3,040,421	3,083,835
Extraordinary income		
Gain on sales of non-current assets	554	–
Total extraordinary income	554	–
Extraordinary losses		
Loss on retirement of non-current assets	1,835	560
Total extraordinary losses	1,835	560
Profit before income taxes	3,039,141	3,083,274
Income taxes - current	1,110,864	1,133,671
Income taxes - deferred	16,693	(50,907)
Total income taxes	1,127,558	1,082,764
Profit	1,911,582	2,000,510
Profit attributable to non-controlling interests	110,601	126,496
Profit attributable to owners of parent	1,800,980	1,874,013

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	1,911,582	2,000,510
Comprehensive income	1,911,582	2,000,510
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,800,980	1,874,013
Comprehensive income attributable to non-controlling interests	110,601	126,496