

# Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

January 31, 2018

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 5, 2018  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	17,879	12.6	4,933	8.7	4,973	9.0	2,861	4.7
Nine months ended December 31, 2016	15,885	11.0	4,536	9.7	4,561	11.9	2,732	14.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2017	74.69	–
Nine months ended December 31, 2016	71.32	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	53,422	26,999	47.0
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	–	13.00	–		
Year ending March 31, 2018 (Forecast)				8.00	–

### 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 nine months ended December 31, 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 December 31, 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 December 31, 2017	8,494 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)

Nine months ended December 31, 2017	38,306,700 shares	Nine months ended December 31, 2016	38,307,208 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	12,488,767	11,585,368
Accounts receivable - trade	154,671	148,971
Operating accounts receivable	171,960	225,531
Merchandise	3,866	6,284
Supplies	62,424	71,471
Deferred tax assets	86,820	54,355
Other	369,139	313,446
Allowance for doubtful accounts	(40)	(40)
Total current assets	13,337,609	12,405,389
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,753,146	40,150,356
Accumulated depreciation	(14,105,798)	(15,082,755)
Buildings and structures, net	22,647,347	25,067,601
Machinery, equipment and vehicles	1,110,132	1,276,815
Accumulated depreciation	(623,773)	(696,627)
Machinery, equipment and vehicles, net	486,359	580,187
Tools, furniture and fixtures	1,063,811	1,153,512
Accumulated depreciation	(854,666)	(926,403)
Tools, furniture and fixtures, net	209,145	227,108
Land	5,385,137	5,783,016
Leased assets	2,845,157	3,284,408
Accumulated depreciation	(394,386)	(544,514)
Leased assets, net	2,450,770	2,739,894
Construction in progress	2,162,221	3,472,802
Total property, plant and equipment	33,340,981	37,870,610
Intangible assets	56,048	84,278
Investments and other assets		
Deferred tax assets	366,991	435,844
Other	2,524,043	2,626,967
Allowance for doubtful accounts	(11,870)	(11,870)
Total investments and other assets	2,879,164	3,050,941
Total non-current assets	36,276,194	41,005,831
Deferred assets		
Share issuance cost	—	5,551
Bond issuance cost	8,033	5,810
Total deferred assets	8,033	11,361
Total assets	49,621,837	53,422,582

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	354	2,053
Short-term loans payable	410,000	630,000
Current portion of bonds	321,200	241,200
Current portion of long-term loans payable	3,467,384	3,596,746
Income taxes payable	1,085,588	1,060,445
Other	2,099,091	2,385,465
Total current liabilities	7,383,618	7,915,910
Non-current liabilities		
Bonds payable	740,600	557,000
Long-term loans payable	13,723,100	13,358,085
Lease obligations	2,331,786	2,522,788
Provision for directors' retirement benefits	1,031,070	1,041,350
Net defined benefit liability	15,492	29,737
Asset retirement obligations	620,036	786,986
Other	239,568	211,448
Total non-current liabilities	18,701,652	18,507,395
Total liabilities	26,085,271	26,423,306
Net assets		
Shareholders' equity		
Capital stock	1,580,817	1,580,817
Capital surplus	1,875,494	2,252,097
Retained earnings	18,873,357	21,255,888
Treasury shares	(5,110)	(6,690)
Total shareholders' equity	22,324,559	25,082,113
Non-controlling interests	1,212,006	1,917,162
Total net assets	23,536,566	26,999,276
Total liabilities and net assets	49,621,837	53,422,582

**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, 2016	Nine months ended December 31, 2017
Net sales	15,885,456	17,879,992
Cost of sales	9,805,175	11,070,174
Gross profit	6,080,281	6,809,818
Selling, general and administrative expenses		
Directors' compensations	280,580	300,769
Salaries and bonuses	294,940	370,839
Retirement benefit expenses	—	4,056
Other	968,054	1,201,007
Total selling, general and administrative expenses	1,543,576	1,876,672
Operating profit	4,536,705	4,933,146
Non-operating income		
Interest income	3,991	2,842
Dividend income	11	1
Commission fee	135,820	154,205
Miscellaneous income	33,645	23,942
Total non-operating income	173,468	180,990
Non-operating expenses		
Interest expenses	132,363	123,220
Miscellaneous loss	16,427	17,884
Total non-operating expenses	148,791	141,105
Ordinary profit	4,561,382	4,973,031
Extraordinary income		
Gain on sales of non-current assets	554	—
Total extraordinary income	554	—
Extraordinary losses		
Loss on retirement of non-current assets	2,473	1,492
Total extraordinary losses	2,473	1,492
Profit before income taxes	4,559,463	4,971,538
Income taxes - current	1,600,511	1,935,980
Income taxes - deferred	54,759	(36,386)
Total income taxes	1,655,271	1,899,594
Profit	2,904,192	3,071,944
Profit attributable to non-controlling interests	172,018	210,577
Profit attributable to owners of parent	2,732,173	2,861,366

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

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	2,904,192	3,071,944
Comprehensive income	2,904,192	3,071,944
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,732,173	2,861,366
Comprehensive income attributable to non-controlling interests	172,018	210,577