

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

July 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: August 6, 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 three months ended June 30, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	6,551	15.8	1,685	30.8	1,723	33.6	1,002	33.8
Three months ended June 30, 2017	5,658	11.4	1,288	(2.0)	1,290	(2.0)	749	(3.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	26.17	–
Three months ended June 30, 2017	19.56	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	59,614	28,872	44.8
As of March 31, 2018	58,194	28,126	44.7

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, 2018	–	13.00	–	8.00	–
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		7.00	–	7.00	14.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	13,000	11.2	3,400	10.4	3,400	10.3	2,050	9.4	53.51
Full year	27,000	11.9	7,240	10.3	7,300	10.6	4,200	11.5	109.64

#### 4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018  
(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, 2018	38,315,000 shares	As of March 31, 2018	38,315,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	8,560 shares	As of March 31, 2018	8,560 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, 2018	38,306,440 shares	Three months ended June 30, 2017	38,306,900 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	12,814,836	12,548,413
Accounts receivable - trade	188,824	174,879
Operating accounts receivable	256,992	272,141
Merchandise	4,097	2,573
Supplies	69,770	88,910
Other	324,786	488,786
Allowance for doubtful accounts	(40)	—
Total current assets	13,659,268	13,575,704
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,153,703	44,308,703
Accumulated depreciation	(15,496,627)	(15,832,432)
Buildings and structures, net	27,657,076	28,476,270
Machinery, equipment and vehicles	1,377,233	1,411,183
Accumulated depreciation	(714,105)	(741,335)
Machinery, equipment and vehicles, net	663,128	669,847
Tools, furniture and fixtures	1,199,152	1,236,804
Accumulated depreciation	(956,719)	(980,232)
Tools, furniture and fixtures, net	242,432	256,571
Land	6,532,686	7,030,422
Leased assets	3,469,709	3,698,063
Accumulated depreciation	(597,795)	(597,646)
Leased assets, net	2,871,914	3,100,416
Construction in progress	3,065,455	3,096,544
Total property, plant and equipment	41,032,693	42,630,073
Intangible assets	89,161	94,200
Investments and other assets		
Deferred tax assets	583,432	449,785
Other	2,831,733	2,867,240
Allowance for doubtful accounts	(11,880)	(11,850)
Total investments and other assets	3,403,285	3,305,176
Total non-current assets	44,525,140	46,029,449
Deferred assets		
Share issuance cost	5,075	4,599
Bond issuance cost	5,229	4,648
Total deferred assets	10,305	9,248
Total assets	58,194,714	59,614,402

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	1,282	1,588
Current portion of bonds	241,200	241,200
Current portion of long-term loans payable	3,852,626	4,062,906
Income taxes payable	1,844,889	533,082
Other	2,563,892	3,411,188
Total current liabilities	8,503,890	8,249,965
Non-current liabilities		
Bonds payable	499,400	436,400
Long-term loans payable	15,107,896	16,018,227
Lease obligations	2,648,930	2,842,563
Provision for directors' retirement benefits	1,051,100	836,720
Net defined benefit liability	35,774	40,091
Asset retirement obligations	2,008,191	2,104,460
Other	212,662	213,694
Total non-current liabilities	21,563,956	22,492,156
Total liabilities	30,067,846	30,742,122
Net assets		
Shareholders' equity		
Capital stock	1,580,817	1,580,817
Capital surplus	2,295,703	2,295,500
Retained earnings	22,161,213	22,857,596
Treasury shares	(7,384)	(6,945)
Total shareholders' equity	26,030,349	26,726,969
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(1,082)	(1,028)
Total accumulated other comprehensive income	(1,082)	(1,028)
Non-controlling interests	2,097,600	2,146,339
Total net assets	28,126,867	28,872,279
Total liabilities and net assets	58,194,714	59,614,402

**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, 2017	Three months ended June 30, 2018
Net sales	5,658,279	6,551,401
Cost of sales	3,624,350	4,164,606
Gross profit	2,033,929	2,386,795
Selling, general and administrative expenses		
Directors' compensations	95,648	109,721
Salaries and bonuses	182,945	148,503
Retirement benefit expenses	1,352	1,323
Other	465,062	441,698
Total selling, general and administrative expenses	745,008	701,247
Operating profit	1,288,921	1,685,548
Non-operating income		
Interest income	914	749
Dividend income	1	1
Commission fee	41,619	48,340
Miscellaneous income	6,277	33,424
Total non-operating income	48,812	82,516
Non-operating expenses		
Interest expenses	42,155	39,317
Miscellaneous loss	5,112	5,174
Total non-operating expenses	47,268	44,491
Ordinary profit	1,290,465	1,723,573
Extraordinary losses		
Loss on retirement of non-current assets	494	4,297
Total extraordinary losses	494	4,297
Profit before income taxes	1,289,971	1,719,275
Income taxes - current	451,324	500,362
Income taxes - deferred	39,992	133,623
Total income taxes	491,317	633,986
Profit	798,653	1,085,288
Profit attributable to non-controlling interests	49,111	82,453
Profit attributable to owners of parent	749,542	1,002,835

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

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	798,653	1,085,288
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	—	54
Total other comprehensive income	—	54
Comprehensive income	798,653	1,085,343
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	749,542	1,002,889
Comprehensive income attributable to non-controlling interests	49,111	82,453