

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 31, 2019

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, 2019
 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, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	20,350	13.8	5,414	9.8	5,522	11.0	3,266	14.2
Nine months ended December 31, 2017	17,879	12.6	4,933	8.7	4,973	9.0	2,861	4.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	85.26		–	
Nine months ended December 31, 2017	74.69		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	63,591	31,109	45.2
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				
Year ended March 31, 2018	–	13.00	–	8.00	–
Year ending March 31, 2019	–	7.00	–		
Year ending March 31, 2019 (Forecast)				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
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 nine months ended December 31, 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 December 31, 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 December 31, 2018	8,663 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)

Nine months ended December 31, 2018	38,306,415 shares	Nine months ended December 31, 2017	38,306,700 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	12,814,836	12,118,050
Accounts receivable - trade	188,824	195,492
Operating accounts receivable	256,992	562,995
Merchandise	4,097	8,849
Supplies	69,770	71,253
Other	324,786	466,502
Allowance for doubtful accounts	(40)	-
Total current assets	13,659,268	13,423,143
Non-current assets		
Property, plant and equipment		
Buildings and structures	43,153,703	48,403,876
Accumulated depreciation	(15,496,627)	(16,593,761)
Buildings and structures, net	27,657,076	31,810,115
Machinery, equipment and vehicles	1,377,233	1,600,304
Accumulated depreciation	(714,105)	(800,583)
Machinery, equipment and vehicles, net	663,128	799,721
Tools, furniture and fixtures	1,199,152	1,371,294
Accumulated depreciation	(956,719)	(1,038,599)
Tools, furniture and fixtures, net	242,432	332,694
Land	6,532,686	7,851,748
Leased assets	3,469,709	4,033,083
Accumulated depreciation	(597,795)	(724,307)
Leased assets, net	2,871,914	3,308,775
Construction in progress	3,065,455	2,582,207
Total property, plant and equipment	41,032,693	46,685,263
Intangible assets	89,161	117,064
Investments and other assets		
Deferred tax assets	583,432	534,442
Other	2,831,733	2,836,493
Allowance for doubtful accounts	(11,880)	(11,850)
Total investments and other assets	3,403,285	3,359,086
Total non-current assets	44,525,140	50,161,413
Deferred assets		
Share issuance cost	5,075	3,648
Bond issuance cost	5,229	3,486
Total deferred assets	10,305	7,134
Total assets	58,194,714	63,591,691

(Thousands of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	1,282	951
Current portion of bonds	241,200	241,200
Current portion of long-term loans payable	3,852,626	4,411,820
Income taxes payable	1,844,889	658,813
Other	2,563,892	2,899,511
Total current liabilities	8,503,890	8,212,297
Non-current liabilities		
Bonds payable	499,400	315,800
Long-term loans payable	15,107,896	17,514,175
Lease obligations	2,648,930	3,040,271
Provision for directors' retirement benefits	1,051,100	857,520
Net defined benefit liability	35,774	49,438
Asset retirement obligations	2,008,191	2,271,444
Other	212,662	221,137
Total non-current liabilities	21,563,956	24,269,786
Total liabilities	30,067,846	32,482,083
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	24,852,877
Treasury shares	(7,384)	(7,391)
Total shareholders' equity	26,030,349	28,721,804
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(1,082)	(920)
Total accumulated other comprehensive income	(1,082)	(920)
Non-controlling interests	2,097,600	2,388,724
Total net assets	28,126,867	31,109,608
Total liabilities and net assets	58,194,714	63,591,691

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, 2017	Nine months ended December 31, 2018
Net sales	17,879,992	20,350,490
Cost of sales	11,070,174	12,891,709
Gross profit	6,809,818	7,458,780
Selling, general and administrative expenses		
Directors' compensations	300,769	338,038
Salaries and bonuses	370,839	374,981
Retirement benefit expenses	4,056	3,971
Other	1,201,007	1,327,005
Total selling, general and administrative expenses	1,876,672	2,043,998
Operating profit	4,933,146	5,414,782
Non-operating income		
Interest income	2,842	2,466
Dividend income	1	1
Commission fee	154,205	140,987
Miscellaneous income	23,942	102,132
Total non-operating income	180,990	245,588
Non-operating expenses		
Interest expenses	123,220	115,665
Miscellaneous loss	17,884	22,211
Total non-operating expenses	141,105	137,877
Ordinary profit	4,973,031	5,522,492
Extraordinary income		
Gain on sales of non-current assets	-	133,292
Total extraordinary income	-	133,292
Extraordinary losses		
Loss on sales of non-current assets	-	782
Loss on retirement of non-current assets	1,492	5,917
Total extraordinary losses	1,492	6,700
Profit before income taxes	4,971,538	5,649,085
Income taxes - current	1,935,980	2,009,066
Income taxes - deferred	(36,386)	48,920
Total income taxes	1,899,594	2,057,986
Profit	3,071,944	3,591,099
Profit attributable to non-controlling interests	210,577	324,838
Profit attributable to owners of parent	2,861,366	3,266,260

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	3,071,944	3,591,099
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	–	162
Total other comprehensive income	–	162
Comprehensive income	3,071,944	3,591,261
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,861,366	3,266,423
Comprehensive income attributable to non-controlling interests	210,577	324,838