

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

October 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: November 6, 2019
 Scheduled date to commence dividend payments: December 10, 2019
 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, 2019 (from April 1, 2019 to September 30, 2019)

(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, 2019	14,230	6.9	3,486	0.4	3,504	(1.8)	1,999	(6.6)
Six months ended September 30, 2018	13,313	13.9	3,473	12.8	3,568	15.7	2,141	14.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	52.20		-	
Six months ended September 30, 2018	55.90		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	69,519	33,841	44.8
As of March 31, 2019	67,726	31,958	43.5

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, 2019	-	7.00	-	8.00	15.00
Year ending March 31, 2020	-	8.00	-	-	-
Year ending March 31, 2020 (Forecast)	-	-	-	8.00	16.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	30,000	10.1	7,900	10.3	8,000	9.5	4,500	11.8	117.47

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019
(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, 2019	38,315,000 shares	As of March 31, 2019	38,315,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	8,781 shares	As of March 31, 2019	8,683 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, 2019	38,306,290 shares	Six months ended September 30, 2018	38,306,440 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	15,200,619	14,172,039
Accounts receivable - trade	261,015	265,831
Trade accounts receivable	235,823	508,401
Merchandise	6,756	3,269
Supplies	76,799	62,643
Other	482,711	434,721
Total current assets	16,263,726	15,446,906
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,074,709	52,240,998
Accumulated depreciation	(16,980,942)	(17,815,403)
Buildings and structures, net	32,093,766	34,425,595
Machinery, equipment and vehicles	1,616,182	1,723,536
Accumulated depreciation	(808,961)	(878,404)
Machinery, equipment and vehicles, net	807,221	845,132
Tools, furniture and fixtures	1,407,049	1,494,789
Accumulated depreciation	(1,076,235)	(1,133,389)
Tools, furniture and fixtures, net	330,814	361,400
Land	8,381,135	9,006,490
Leased assets	4,133,582	4,336,033
Accumulated depreciation	(786,720)	(864,185)
Leased assets, net	3,346,861	3,471,848
Construction in progress	2,786,224	2,167,150
Total property, plant and equipment	47,746,024	50,277,617
Intangible assets	130,608	144,196
Investments and other assets		
Deferred tax assets	746,827	756,235
Other	2,845,522	2,902,434
Allowance for doubtful accounts	(11,850)	(11,850)
Total investments and other assets	3,580,499	3,646,819
Total non-current assets	51,457,131	54,068,633
Deferred assets		
Share issuance cost	3,172	2,220
Bond issuance cost	2,905	1,743
Total deferred assets	6,077	3,963
Total assets	67,726,935	69,519,503

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	1,083	588
Short-term borrowings	–	300,000
Current portion of bonds	241,200	234,800
Current portion of long-term borrowings	4,800,762	4,899,564
Income taxes payable	1,433,689	1,422,203
Other	3,063,553	2,814,070
Total current liabilities	9,540,287	9,671,227
Non-current liabilities		
Bonds payable	258,200	144,000
Long-term borrowings	19,383,869	19,021,825
Lease obligations	2,968,901	3,174,755
Provision for retirement benefits for directors (and other officers)	866,820	885,900
Retirement benefit liability	56,595	66,504
Asset retirement obligations	2,339,449	2,494,753
Provision for loss on litigation	134,302	–
Other	219,946	218,997
Total non-current liabilities	26,228,084	26,006,735
Total liabilities	35,768,371	35,677,962
Net assets		
Shareholders' equity		
Share capital	1,580,817	1,580,817
Capital surplus	2,295,434	2,295,434
Retained earnings	25,610,096	27,303,292
Treasury shares	(7,459)	(7,725)
Total shareholders' equity	29,478,890	31,171,820
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(3,060)	(2,735)
Total accumulated other comprehensive income	(3,060)	(2,735)
Non-controlling interests	2,482,734	2,672,456
Total net assets	31,958,564	33,841,541
Total liabilities and net assets	67,726,935	69,519,503

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, 2018	Six months ended September 30, 2019
Net sales	13,313,865	14,230,126
Cost of sales	8,412,377	9,556,966
Gross profit	4,901,488	4,673,159
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	221,983	224,213
Salaries and bonuses	269,830	258,253
Retirement benefit expenses	2,647	3,170
Other	933,961	700,608
Total selling, general and administrative expenses	1,428,423	1,186,245
Operating profit	3,473,064	3,486,914
Non-operating income		
Interest income	1,408	1,246
Dividend income	1	2
Commission income	95,272	86,509
Miscellaneous income	86,510	19,440
Total non-operating income	183,194	107,197
Non-operating expenses		
Interest expenses	77,405	76,611
Miscellaneous loss	10,241	13,500
Total non-operating expenses	87,647	90,111
Ordinary profit	3,568,612	3,504,000
Extraordinary income		
Gain on sales of non-current assets	133,292	311
Reversal of provision for loss on litigation	–	56,746
Total extraordinary income	133,292	57,058
Extraordinary losses		
Loss on retirement of non-current assets	4,374	1,593
Total extraordinary losses	4,374	1,593
Profit before income taxes	3,697,530	3,559,465
Income taxes - current	1,348,758	1,339,199
Income taxes - deferred	11,279	(9,466)
Total income taxes	1,360,038	1,329,732
Profit	2,337,492	2,229,732
Profit attributable to non-controlling interests	195,783	229,896
Profit attributable to owners of parent	2,141,708	1,999,836

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	2,337,492	2,229,732
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	108	325
Total other comprehensive income	108	325
Comprehensive income	2,337,600	2,230,057
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,141,817	2,000,161
Comprehensive income attributable to non-controlling interests	195,783	229,896