

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 31, 2020

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, 2020
 Scheduled date to commence dividend payments: –
 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 nine months ended December 31, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	21,439	5.4	5,512	1.8	5,539	0.3	3,213	(1.6)
Nine months ended December 31, 2018	20,350	13.8	5,414	9.8	5,522	11.0	3,266	14.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	83.89		–	
Nine months ended December 31, 2018	85.26		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	71,959	34,878	44.6
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2019	38,306,266 shares	Nine months ended December 31, 2018	38,306,415 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	15,200,619	14,006,911
Accounts receivable - trade	261,015	313,408
Trade accounts receivable	235,823	553,669
Merchandise	6,756	2,985
Supplies	76,799	91,057
Other	482,711	821,975
Total current assets	16,263,726	15,790,008
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,074,709	53,573,158
Accumulated depreciation	(16,980,942)	(18,252,717)
Buildings and structures, net	32,093,766	35,320,440
Machinery, equipment and vehicles	1,616,182	1,724,086
Accumulated depreciation	(808,961)	(915,450)
Machinery, equipment and vehicles, net	807,221	808,635
Tools, furniture and fixtures	1,407,049	1,523,719
Accumulated depreciation	(1,076,235)	(1,175,161)
Tools, furniture and fixtures, net	330,814	348,557
Land	8,381,135	9,223,799
Leased assets	4,133,582	4,677,323
Accumulated depreciation	(786,720)	(932,124)
Leased assets, net	3,346,861	3,745,198
Construction in progress	2,786,224	2,720,729
Total property, plant and equipment	47,746,024	52,167,361
Intangible assets	130,608	156,443
Investments and other assets		
Deferred tax assets	746,827	714,371
Other	2,845,522	3,140,236
Allowance for doubtful accounts	(11,850)	(11,850)
Total investments and other assets	3,580,499	3,842,757
Total non-current assets	51,457,131	56,166,562
Deferred assets		
Share issuance cost	3,172	1,744
Bond issuance cost	2,905	1,162
Total deferred assets	6,077	2,906
Total assets	67,726,935	71,959,477

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	1,083	1,225
Short-term borrowings	–	250,000
Current portion of bonds	241,200	234,800
Current portion of long-term borrowings	4,800,762	5,096,238
Income taxes payable	1,433,689	655,982
Other	3,063,553	3,218,181
Total current liabilities	9,540,287	9,456,428
Non-current liabilities		
Bonds payable	258,200	81,000
Long-term borrowings	19,383,869	20,477,717
Lease obligations	2,968,901	3,305,936
Provision for retirement benefits for directors (and other officers)	866,820	895,790
Retirement benefit liability	56,595	69,572
Asset retirement obligations	2,339,449	2,573,268
Provision for loss on litigation	134,302	–
Other	219,946	221,477
Total non-current liabilities	26,228,084	27,624,762
Total liabilities	35,768,371	37,081,190
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	28,211,088
Treasury shares	(7,459)	(7,725)
Total shareholders' equity	29,478,890	32,079,615
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(3,060)	(2,573)
Total accumulated other comprehensive income	(3,060)	(2,573)
Non-controlling interests	2,482,734	2,801,243
Total net assets	31,958,564	34,878,286
Total liabilities and net assets	67,726,935	71,959,477

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, 2018	Nine months ended December 31, 2019
Net sales	20,350,490	21,439,798
Cost of sales	12,891,709	14,067,202
Gross profit	7,458,780	7,372,596
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	338,038	326,690
Salaries and bonuses	374,981	386,303
Retirement benefit expenses	3,971	4,756
Other	1,327,005	1,142,703
Total selling, general and administrative expenses	2,043,998	1,860,452
Operating profit	5,414,782	5,512,143
Non-operating income		
Interest income	2,466	2,197
Dividend income	1	2
Commission income	140,987	124,576
Miscellaneous income	102,132	36,451
Total non-operating income	245,588	163,227
Non-operating expenses		
Interest expenses	115,665	114,234
Miscellaneous loss	22,211	21,354
Total non-operating expenses	137,877	135,588
Ordinary profit	5,522,492	5,539,782
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 sales of non-current assets	782	–
Loss on retirement of non-current assets	5,917	5,077
Total extraordinary losses	6,700	5,077
Profit before income taxes	5,649,085	5,591,762
Income taxes - current	2,009,066	1,986,940
Income taxes - deferred	48,920	32,246
Total income taxes	2,057,986	2,019,186
Profit	3,591,099	3,572,576
Profit attributable to non-controlling interests	324,838	358,684
Profit attributable to owners of parent	3,266,260	3,213,892

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	3,591,099	3,572,576
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	162	487
Total other comprehensive income	162	487
Comprehensive income	3,591,261	3,573,063
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,266,423	3,214,379
Comprehensive income attributable to non-controlling interests	324,838	358,684