

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2020
(Based on Japanese GAAP)**

May 11, 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 of ordinary general meeting of shareholders: June 24, 2020
 Scheduled date to file Securities Report: June 29, 2020
 Scheduled date to commence dividend payments: June 25, 2020
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Consolidated operating results

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	%
Year ended March 31, 2020	34,466	26.5	9,682	35.1	9,580	31.2	5,803	44.2
Year ended March 31, 2019	27,239	12.8	7,164	9.2	7,304	10.6	4,023	6.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2020	151.51	—	18.1	13.4	28.1
Year ended March 31, 2019	105.03	—	14.5	11.6	26.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	75,462	37,528	45.9	904.94
As of March 31, 2019	67,726	31,958	43.5	769.47

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	13,963	(5,559)	(1,883)	20,008
Year ended March 31, 2019	6,385	(8,328)	4,136	13,488

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	—	7.00	—	8.00	15.00	574	14.3	2.2
Year ended March 31, 2020	—	8.00	—	7.00	15.00	574	9.9	1.8
Year ending March 31, 2021 (Forecast)	—	—	—	—	—	—	—	—

3. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2020
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2020	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 March 31, 2020	8,781 shares	As of March 31, 2019	8,683 shares
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Average number of shares during the period

Year ended March 31, 2020	38,306,254 shares	Year ended March 31, 2019	38,306,392 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	15,200,619	22,413,442
Accounts receivable - trade	261,015	329,770
Trade accounts receivable	235,823	105,701
Merchandise	6,756	2,555
Supplies	76,799	67,053
Other	482,711	423,356
Total current assets	16,263,726	23,341,878
Non-current assets		
Property, plant and equipment		
Buildings and structures	49,074,709	50,427,005
Accumulated depreciation	(16,980,942)	(17,028,498)
Buildings and structures, net	32,093,766	33,398,507
Machinery, equipment and vehicles	1,616,182	1,734,573
Accumulated depreciation	(808,961)	(936,068)
Machinery, equipment and vehicles, net	807,221	798,505
Tools, furniture and fixtures	1,407,049	1,372,068
Accumulated depreciation	(1,076,235)	(1,048,269)
Tools, furniture and fixtures, net	330,814	323,798
Land	8,381,135	6,690,267
Leased assets	4,133,582	4,401,016
Accumulated depreciation	(786,720)	(872,063)
Leased assets, net	3,346,861	3,528,953
Construction in progress	2,786,224	2,945,711
Total property, plant and equipment	47,746,024	47,685,742
Intangible assets		
Other	130,608	146,162
Total intangible assets	130,608	146,162
Investments and other assets		
Leasehold and guarantee deposits	2,457,318	2,630,582
Deferred tax assets	746,827	813,612
Long-term loans receivable	94,768	80,131
Other	293,434	774,752
Allowance for doubtful accounts	(11,850)	(11,850)
Total investments and other assets	3,580,499	4,287,228
Total non-current assets	51,457,131	52,119,133
Deferred assets		
Share issuance costs	3,172	1,268
Bond issuance costs	2,905	581
Total deferred assets	6,077	1,849
Total assets	67,726,935	75,462,862

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	1,083	709
Short-term borrowings	–	250,000
Current portion of bonds payable	241,200	177,200
Current portion of long-term borrowings	4,800,762	4,868,922
Lease obligations	443,599	392,943
Accounts payable - other	1,425,226	1,669,782
Income taxes payable	1,433,689	2,460,867
Other	1,194,726	2,553,154
Total current liabilities	9,540,287	12,373,579
Non-current liabilities		
Bonds payable	258,200	81,000
Long-term borrowings	19,383,869	18,494,975
Lease obligations	2,968,901	3,206,477
Provision for retirement benefits for directors (and other officers)	866,820	905,260
Retirement benefit liability	56,595	77,788
Asset retirement obligations	2,339,449	2,580,902
Provision for loss on litigation	134,302	–
Other	219,946	214,353
Total non-current liabilities	26,228,084	25,560,756
Total liabilities	35,768,371	37,934,335
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	30,801,064
Treasury shares	(7,459)	(7,725)
Total shareholders' equity	29,478,890	34,669,591
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(3,060)	(4,472)
Total accumulated other comprehensive income	(3,060)	(4,472)
Non-controlling interests	2,482,734	2,863,407
Total net assets	31,958,564	37,528,526
Total liabilities and net assets	67,726,935	75,462,862

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	27,239,945	34,466,108
Cost of sales	17,396,396	21,837,921
Gross profit	9,843,548	12,628,187
Selling, general and administrative expenses		
Promotion expenses	226,663	192,927
Sales commission	395,355	505,571
Remuneration for directors (and other officers)	457,426	471,279
Provision for retirement benefits for directors (and other officers)	39,560	38,815
Salaries and bonuses	480,030	533,870
Retirement benefit expenses	4,435	6,804
Taxes and dues	297,603	467,636
Depreciation	32,154	38,620
Other	745,878	690,534
Total selling, general and administrative expenses	2,679,108	2,946,060
Operating profit	7,164,440	9,682,126
Non-operating income		
Interest income	3,084	2,739
Commission income	181,158	156,789
Rental income	21,340	17,850
Subsidy income	62,626	29,817
Other	54,265	37,466
Total non-operating income	322,475	244,664
Non-operating expenses		
Interest expenses	153,291	151,406
Loss on cancellation of rental contracts	–	159,558
Other	29,262	35,426
Total non-operating expenses	182,553	346,390
Ordinary profit	7,304,361	9,580,400
Extraordinary income		
Gain on sales of non-current assets	133,292	326,903
National subsidies	76,132	–
Reversal of provision for loss on litigation	–	56,746
Total extraordinary income	209,424	383,650
Extraordinary losses		
Loss on sales of non-current assets	782	82,161
Loss on retirement of non-current assets	11,315	8,228
Provision for loss on litigation	134,302	–
Impairment loss	269,945	–
Loss on tax purpose reduction entry of non-current assets	76,132	–
Total extraordinary losses	492,477	90,389
Profit before income taxes	7,021,308	9,873,660
Income taxes - current	2,741,434	3,715,122
Income taxes - deferred	(162,542)	(66,177)
Total income taxes	2,578,891	3,648,945
Profit	4,442,417	6,224,715
Profit attributable to non-controlling interests	418,937	420,847
Profit attributable to owners of parent	4,023,480	5,803,867

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	4,442,417	6,224,715
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	(1,977)	(1,412)
Total other comprehensive income	(1,977)	(1,412)
Comprehensive income	4,440,439	6,223,303
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,021,502	5,802,455
Comprehensive income attributable to non-controlling interests	418,937	420,847

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,580,817	2,295,703	22,161,213	(7,384)	26,030,349
Changes during period					
Dividends of surplus			(574,596)		(574,596)
Profit attributable to owners of parent			4,023,480		4,023,480
Purchase of treasury shares				(74)	(74)
Change in ownership interest of parent due to transactions with non-controlling interests		(268)			(268)
Net changes in items other than shareholders' equity					
Total changes during period	–	(268)	3,448,883	(74)	3,448,540
Balance at end of period	1,580,817	2,295,434	25,610,096	(7,459)	29,478,890

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(1,082)	(1,082)	2,097,600	28,126,867
Changes during period				
Dividends of surplus				(574,596)
Profit attributable to owners of parent				4,023,480
Purchase of treasury shares				(74)
Change in ownership interest of parent due to transactions with non-controlling interests			(324)	(593)
Net changes in items other than shareholders' equity	(1,977)	(1,977)	385,458	383,480
Total changes during period	(1,977)	(1,977)	385,133	3,831,696
Balance at end of period	(3,060)	(3,060)	2,482,734	31,958,564

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,580,817	2,295,434	25,610,096	(7,459)	29,478,890
Changes during period					
Dividends of surplus			(612,900)		(612,900)
Profit attributable to owners of parent			5,803,867		5,803,867
Purchase of treasury shares				(266)	(266)
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	5,190,967	(266)	5,190,700
Balance at end of period	1,580,817	2,295,434	30,801,064	(7,725)	34,669,591

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(3,060)	(3,060)	2,482,734	31,958,564
Changes during period				
Dividends of surplus				(612,900)
Profit attributable to owners of parent				5,803,867
Purchase of treasury shares				(266)
Change in ownership interest of parent due to transactions with non-controlling interests				–
Net changes in items other than shareholders' equity	(1,412)	(1,412)	380,673	379,261
Total changes during period	(1,412)	(1,412)	380,673	5,569,962
Balance at end of period	(4,472)	(4,472)	2,863,407	37,528,526

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	7,021,308	9,873,660
Depreciation	2,078,929	2,362,392
Increase (decrease) in allowance for doubtful accounts	(70)	–
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(184,280)	38,440
Increase (decrease) in provision for loss on litigation	134,302	(56,746)
Increase (decrease) in retirement benefit liability	20,820	21,193
Interest and dividend income	(3,084)	(2,739)
Interest expenses	153,291	151,406
Amortization of bond issuance costs	2,324	2,324
Amortization of share issuance costs	1,903	1,903
Loss (gain) on sales of property, plant and equipment	(132,510)	(244,742)
State subsidy	(76,132)	–
Loss on retirement of non-current assets	11,315	8,228
Loss on tax purpose reduction entry of non-current assets	76,132	–
Impairment loss	269,945	–
Loss on cancellation of rental contracts	–	159,558
Decrease (increase) in trade receivables	(51,023)	61,368
Decrease (increase) in inventories	(9,686)	13,946
Decrease (increase) in real estate for sale	–	2,964,782
Increase (decrease) in trade payables	(199)	(373)
Decrease/increase in consumption taxes receivable/payable	115,869	702,740
Decrease (increase) in other assets	(62,323)	31,698
Increase (decrease) in other liabilities	314,673	822,748
Subtotal	9,681,506	16,911,787
Interest and dividends received	628	606
Interest paid	(153,643)	(152,371)
Litigation settlement paid	–	(77,555)
Income taxes paid	(3,142,563)	(2,718,762)
Net cash provided by (used in) operating activities	6,385,928	13,963,705
Cash flows from investing activities		
Payments into time deposits	(192,051)	(692,063)
Purchase of property, plant and equipment	(8,335,132)	(7,129,358)
Proceeds from sales of property, plant and equipment	333,924	3,041,759
Purchase of investment securities	–	(520,600)
Payments of guarantee deposits	(169,935)	(268,592)
Other, net	34,941	9,545
Net cash provided by (used in) investing activities	(8,328,253)	(5,559,309)

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	–	250,000
Proceeds from long-term borrowings	9,600,000	5,200,000
Repayments of long-term borrowings	(4,375,891)	(6,020,734)
Redemption of bonds	(241,200)	(241,200)
Purchase of treasury shares	(513)	(266)
Dividends paid	(574,304)	(612,829)
Dividends paid to non-controlling interests	(33,479)	(40,158)
Repayments of lease obligations	(238,555)	(418,448)
Net cash provided by (used in) financing activities	4,136,056	(1,883,636)
Net increase (decrease) in cash and cash equivalents	2,193,731	6,520,759
Cash and cash equivalents at beginning of period	11,294,379	13,488,110
Cash and cash equivalents at end of period	13,488,110	20,008,870