

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

July 31, 2020

Company name: TOSHO CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8920 URL <http://www.to-sho.net/>
 Representative: President Yuichiro Kutsuna
 Inquiries: Managing Director Naoya Kuwazoe TEL 0566-79-3111
 Scheduled date to file Quarterly Securities Report: August 5, 2020
 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, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	2,923	(59.1)	(74)	–	(85)	–	(497)	–
Three months ended June 30, 2019	7,143	9.0	1,761	4.5	1,768	2.6	979	(2.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	(12.98)	–
Three months ended June 30, 2019	25.57	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	73,237	36,663	46.3
As of March 31, 2020	75,462	37,528	45.9

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, 2020	–	8.00	–	7.00	15.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
 (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, 2020	38,315,000 shares	As of March 31, 2020	38,315,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	8,781 shares	As of March 31, 2020	8,781 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, 2020	38,306,219 shares	Three months ended June 30, 2019	38,306,317 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	22,413,442	19,233,499
Accounts receivable - trade	329,770	179,622
Trade accounts receivable	105,701	278,940
Merchandise	2,555	2,443
Supplies	67,053	87,941
Other	423,356	611,145
Total current assets	23,341,878	20,393,593
Non-current assets		
Property, plant and equipment		
Buildings and structures	50,427,005	51,231,569
Accumulated depreciation	(17,028,498)	(17,460,414)
Buildings and structures, net	33,398,507	33,771,154
Machinery, equipment and vehicles	1,734,573	1,785,684
Accumulated depreciation	(936,068)	(970,894)
Machinery, equipment and vehicles, net	798,505	814,790
Tools, furniture and fixtures	1,372,068	1,393,880
Accumulated depreciation	(1,048,269)	(1,079,735)
Tools, furniture and fixtures, net	323,798	314,145
Land	6,690,267	6,710,624
Leased assets	4,401,016	4,401,016
Accumulated depreciation	(872,063)	(941,674)
Leased assets, net	3,528,953	3,459,341
Construction in progress	2,945,711	3,119,092
Total property, plant and equipment	47,685,742	48,189,148
Intangible assets	146,162	141,411
Investments and other assets		
Deferred tax assets	813,612	1,040,039
Other	3,485,466	3,484,442
Allowance for doubtful accounts	(11,850)	(11,850)
Total investments and other assets	4,287,228	4,512,631
Total non-current assets	52,119,133	52,843,191
Deferred assets		
Share issuance costs	1,268	793
Bond issuance costs	581	—
Total deferred assets	1,849	793
Total assets	75,462,862	73,237,577

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	709	410
Short-term borrowings	250,000	250,000
Current portion of bonds payable	177,200	195,200
Current portion of long-term borrowings	4,868,922	5,555,452
Income taxes payable	2,460,867	22,103
Other	4,615,880	2,625,431
Total current liabilities	12,373,579	8,648,597
Non-current liabilities		
Bonds payable	81,000	—
Long-term borrowings	18,494,975	20,934,769
Lease obligations	3,206,477	3,140,899
Provision for retirement benefits for directors (and other officers)	905,260	913,250
Retirement benefit liability	77,788	80,645
Asset retirement obligations	2,580,902	2,642,553
Other	214,353	213,772
Total non-current liabilities	25,560,756	27,925,889
Total liabilities	37,934,335	36,574,486
Net assets		
Shareholders' equity		
Share capital	1,580,817	1,580,817
Capital surplus	2,295,434	2,295,434
Retained earnings	30,801,064	30,035,633
Treasury shares	(7,725)	(7,725)
Total shareholders' equity	34,669,591	33,904,160
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(4,472)	(4,207)
Total accumulated other comprehensive income	(4,472)	(4,207)
Non-controlling interests	2,863,407	2,763,136
Total net assets	37,528,526	36,663,090
Total liabilities and net assets	75,462,862	73,237,577

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, 2019	Three months ended June 30, 2020
Net sales	7,143,019	2,923,511
Cost of sales	4,683,840	2,540,976
Gross profit	2,459,179	382,534
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	112,523	83,903
Salaries and bonuses	180,928	129,517
Retirement benefit expenses	1,585	1,886
Other	402,869	241,610
Total selling, general and administrative expenses	697,906	456,916
Operating profit (loss)	1,761,272	(74,382)
Non-operating income		
Interest income	662	613
Dividend income	2	2
Commission income	41,490	15,325
Miscellaneous income	9,469	42,068
Total non-operating income	51,624	58,009
Non-operating expenses		
Interest expenses	38,543	35,935
Miscellaneous loss	5,862	32,979
Total non-operating expenses	44,406	68,915
Ordinary profit (loss)	1,768,490	(85,288)
Extraordinary income		
Gain on sales of non-current assets	311	–
Subsidies for employment adjustment	–	166,596
Total extraordinary income	311	166,596
Extraordinary losses		
Loss on retirement of non-current assets	1,434	–
Loss on store closing down	–	843,597
Total extraordinary losses	1,434	843,597
Profit (loss) before income taxes	1,767,367	(762,289)
Income taxes - current	640,230	21,634
Income taxes - deferred	45,976	(226,540)
Total income taxes	686,206	(204,906)
Profit (loss)	1,081,161	(557,383)
Profit (loss) attributable to non-controlling interests	101,587	(60,096)
Profit (loss) attributable to owners of parent	979,574	(497,287)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit (loss)	1,081,161	(557,383)
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	162	265
Total other comprehensive income	162	265
Comprehensive income	1,081,323	(557,117)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	979,736	(497,021)
Comprehensive income attributable to non-controlling interests	101,587	(60,096)