

Translation

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

October 30, 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: November 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 six months ended September 30, 2020 (from April 1, 2020 to September 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	%
Six months ended September 30, 2020	7,940	(44.2)	459	(86.8)	509	(85.5)	(115)	–
Six months ended September 30, 2019	14,230	6.9	3,486	0.4	3,504	(1.8)	1,999	(6.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2020	(3.01)	–
Six months ended September 30, 2019	52.20	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	72,629	37,057	47.2
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	–	0.00			
Year ending March 31, 2021 (Forecast)			–	4.00	4.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	18,000	(47.8)	2,000	(79.3)	2,000	(79.1)	700	(87.9)	18.27

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 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)

Six months ended September 30, 2020	38,306,219 shares	Six months ended September 30, 2019	38,306,290 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	22,413,442	18,155,848
Accounts receivable - trade	329,770	262,701
Trade accounts receivable	105,701	113,561
Merchandise	2,555	2,149
Supplies	67,053	75,070
Other	423,356	557,480
Total current assets	23,341,878	19,166,811
Non-current assets		
Property, plant and equipment		
Buildings and structures	50,427,005	53,132,633
Accumulated depreciation	(17,028,498)	(17,901,112)
Buildings and structures, net	33,398,507	35,231,520
Machinery, equipment and vehicles	1,734,573	1,850,853
Accumulated depreciation	(936,068)	(1,006,584)
Machinery, equipment and vehicles, net	798,505	844,268
Tools, furniture and fixtures	1,372,068	1,447,748
Accumulated depreciation	(1,048,269)	(1,113,705)
Tools, furniture and fixtures, net	323,798	334,042
Land	6,690,267	6,710,624
Leased assets	4,401,016	4,589,201
Accumulated depreciation	(872,063)	(1,013,387)
Leased assets, net	3,528,953	3,575,814
Construction in progress	2,945,711	2,237,329
Total property, plant and equipment	47,685,742	48,933,599
Intangible assets	146,162	187,044
Investments and other assets		
Deferred tax assets	813,612	850,229
Other	3,485,466	3,503,447
Allowance for doubtful accounts	(11,850)	(11,760)
Total investments and other assets	4,287,228	4,341,916
Total non-current assets	52,119,133	53,462,560
Deferred assets		
Share issuance costs	1,268	317
Bond issuance costs	581	—
Total deferred assets	1,849	317
Total assets	75,462,862	72,629,689

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	709	178
Short-term borrowings	250,000	—
Current portion of bonds payable	177,200	144,000
Current portion of long-term borrowings	4,868,922	5,491,460
Income taxes payable	2,460,867	74,379
Other	4,615,880	2,489,603
Total current liabilities	12,373,579	8,199,621
Non-current liabilities		
Bonds payable	81,000	—
Long-term borrowings	18,494,975	20,167,605
Lease obligations	3,206,477	3,249,145
Provision for retirement benefits for directors (and other officers)	905,260	923,040
Retirement benefit liability	77,788	86,255
Asset retirement obligations	2,580,902	2,739,863
Other	214,353	206,846
Total non-current liabilities	25,560,756	27,372,756
Total liabilities	37,934,335	35,572,377
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	30,417,354
Treasury shares	(7,725)	(7,725)
Total shareholders' equity	34,669,591	34,285,881
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(4,472)	(3,941)
Total accumulated other comprehensive income	(4,472)	(3,941)
Non-controlling interests	2,863,407	2,775,371
Total net assets	37,528,526	37,057,311
Total liabilities and net assets	75,462,862	72,629,689

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, 2019	Six months ended September 30, 2020
Net sales	14,230,126	7,940,446
Cost of sales	9,556,966	6,501,606
Gross profit	4,673,159	1,438,840
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	224,213	181,703
Salaries and bonuses	258,253	247,677
Retirement benefit expenses	3,170	3,866
Other	700,608	545,752
Total selling, general and administrative expenses	1,186,245	978,999
Operating profit	3,486,914	459,840
Non-operating income		
Interest income	1,246	1,189
Dividend income	2	2
Commission income	86,509	44,687
Miscellaneous income	19,440	100,704
Total non-operating income	107,197	146,584
Non-operating expenses		
Interest expenses	76,611	70,862
Miscellaneous loss	13,500	26,293
Total non-operating expenses	90,111	97,156
Ordinary profit	3,504,000	509,268
Extraordinary income		
Gain on sales of non-current assets	311	–
Reversal of provision for loss on litigation	56,746	–
Subsidies for employment adjustment	–	168,248
Other	–	16,739
Total extraordinary income	57,058	184,988
Extraordinary losses		
Loss on retirement of non-current assets	1,593	7,267
Loss on temporary closing of stores	–	843,597
Total extraordinary losses	1,593	850,865
Profit (loss) before income taxes	3,559,465	(156,608)
Income taxes - current	1,339,199	43,664
Income taxes - deferred	(9,466)	(36,845)
Total income taxes	1,329,732	6,819
Profit (loss)	2,229,732	(163,427)
Profit (loss) attributable to non-controlling interests	229,896	(47,861)
Profit (loss) attributable to owners of parent	1,999,836	(115,566)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit (loss)	2,229,732	(163,427)
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	325	531
Total other comprehensive income	325	531
Comprehensive income	2,230,057	(162,896)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,000,161	(115,035)
Comprehensive income attributable to non-controlling interests	229,896	(47,861)