

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 2021

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: February 5, 2021
 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	13,033	(39.2)	1,042	(81.1)	1,095	(80.2)	194	(94.0)
Nine months ended December 31, 2019	21,439	5.4	5,512	1.8	5,539	0.3	3,213	(1.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	5.06		–	
Nine months ended December 31, 2019	83.89		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	73,275	37,435	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				
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 nine months ended December 31, 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 December 31, 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 December 31, 2020	8,841 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)

Nine months ended December 31, 2020	38,306,212 shares	Nine months ended December 31, 2019	38,306,266 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	22,413,442	18,116,636
Accounts receivable - trade	329,770	300,929
Trade accounts receivable	105,701	123,572
Merchandise	2,555	1,889
Supplies	67,053	72,272
Other	423,356	689,638
Total current assets	23,341,878	19,304,938
Non-current assets		
Property, plant and equipment		
Buildings and structures	50,427,005	55,468,817
Accumulated depreciation	(17,028,498)	(18,367,544)
Buildings and structures, net	33,398,507	37,101,273
Machinery, equipment and vehicles	1,734,573	1,936,053
Accumulated depreciation	(936,068)	(1,047,177)
Machinery, equipment and vehicles, net	798,505	888,875
Tools, furniture and fixtures	1,372,068	1,499,090
Accumulated depreciation	(1,048,269)	(1,151,939)
Tools, furniture and fixtures, net	323,798	347,151
Land	6,690,267	6,815,966
Leased assets	4,401,016	4,805,097
Accumulated depreciation	(872,063)	(1,006,553)
Leased assets, net	3,528,953	3,798,544
Construction in progress	2,945,711	619,730
Total property, plant and equipment	47,685,742	49,571,541
Intangible assets	146,162	186,175
Investments and other assets		
Deferred tax assets	813,612	694,715
Other	3,485,466	3,529,875
Allowance for doubtful accounts	(11,850)	(11,760)
Total investments and other assets	4,287,228	4,212,830
Total non-current assets	52,119,133	53,970,548
Deferred assets		
Share issuance costs	1,268	—
Bond issuance costs	581	—
Total deferred assets	1,849	—
Total assets	75,462,862	73,275,487

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	709	424
Short-term borrowings	250,000	350,000
Current portion of bonds payable	177,200	81,000
Current portion of long-term borrowings	4,868,922	5,530,018
Income taxes payable	2,460,867	77,540
Other	4,615,880	2,473,831
Total current liabilities	12,373,579	8,512,814
Non-current liabilities		
Bonds payable	81,000	—
Long-term borrowings	18,494,975	19,689,395
Lease obligations	3,206,477	3,566,860
Provision for retirement benefits for directors (and other officers)	905,260	928,150
Retirement benefit liability	77,788	92,070
Asset retirement obligations	2,580,902	2,845,550
Other	214,353	204,848
Total non-current liabilities	25,560,756	27,326,874
Total liabilities	37,934,335	35,839,689
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	30,726,985
Treasury shares	(7,725)	(7,807)
Total shareholders' equity	34,669,591	34,595,430
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	(4,472)	(3,675)
Total accumulated other comprehensive income	(4,472)	(3,675)
Non-controlling interests	2,863,407	2,844,042
Total net assets	37,528,526	37,435,797
Total liabilities and net assets	75,462,862	73,275,487

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, 2019	Nine months ended December 31, 2020
Net sales	21,439,798	13,033,774
Cost of sales	14,067,202	10,620,351
Gross profit	7,372,596	2,413,423
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	326,690	274,644
Salaries and bonuses	386,303	347,113
Retirement benefit expenses	4,756	5,846
Other	1,142,703	743,498
Total selling, general and administrative expenses	1,860,452	1,371,103
Operating profit	5,512,143	1,042,320
Non-operating income		
Interest income	2,197	1,687
Dividend income	2	2
Commission income	124,576	69,881
Subsidy income	5,766	83,482
Miscellaneous income	30,684	41,626
Total non-operating income	163,227	196,679
Non-operating expenses		
Interest expenses	114,234	107,009
Miscellaneous loss	21,354	36,499
Total non-operating expenses	135,588	143,509
Ordinary profit	5,539,782	1,095,490
Extraordinary income		
Gain on sales of non-current assets	311	–
Subsidies for employment adjustment	–	167,840
Reversal of provision for loss on litigation	56,746	–
Other	–	16,851
Total extraordinary income	57,058	184,692
Extraordinary losses		
Loss on retirement of non-current assets	5,077	8,151
Loss on store closed	–	843,597
Other	–	77
Total extraordinary losses	5,077	851,826
Profit before income taxes	5,591,762	428,356
Income taxes - current	1,986,940	94,927
Income taxes - deferred	32,246	118,554
Total income taxes	2,019,186	213,482
Profit	3,572,576	214,874
Profit attributable to non-controlling interests	358,684	20,809
Profit attributable to owners of parent	3,213,892	194,064

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	3,572,576	214,874
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	487	796
Total other comprehensive income	487	796
Comprehensive income	3,573,063	215,671
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,214,379	194,861
Comprehensive income attributable to non-controlling interests	358,684	20,809