

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 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: November 5, 2021
 Scheduled date to commence dividend payments: December 13, 2021
 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, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021 | 9,696 | 22.1 | 725 | 57.8 | 733 | 44.0 | 355 | – |
| Six months ended September 30, 2020 | 7,940 | (44.2) | 459 | (86.8) | 509 | (85.5) | (115) | – |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended September 30, 2021 | 9.27 | | – | |
| Six months ended September 30, 2020 | (3.01) | | – | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of September 30, 2021 | 74,966 | 37,762 | 46.6 |
| As of March 31, 2021 | 77,100 | 37,448 | 44.9 |

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, 2021 | – | 0.00 | – | 2.00 | 2.00 |
| Year ending March 31, 2022 | – | 1.00 | | | |
| Year ending March 31, 2022 (Forecast) | | | – | 3.00 | 4.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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 | 20,500 | 16.3 | 2,000 | 85.2 | 2,000 | 73.9 | 1,000 | 359.1 | 26.10 |

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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: Yes
- 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, 2021 | 38,315,000 shares | As of March 31, 2021 | 38,315,000 shares |
|--------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|--------------------------|--------------|----------------------|--------------|
| As of September 30, 2021 | 8,886 shares | As of March 31, 2021 | 8,841 shares |
|--------------------------|--------------|----------------------|--------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Six months ended September 30, 2021 | 38,306,130 shares | Six months ended September 30, 2020 | 38,306,219 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2021 | As of September 30, 2021 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 21,900,125 | 20,761,274 |
| Accounts receivable - trade | 278,302 | 247,300 |
| Trade accounts receivable | 114,346 | 114,572 |
| Merchandise | 1,666 | 1,878 |
| Supplies | 55,276 | 48,561 |
| Other | 624,892 | 411,438 |
| Total current assets | 22,974,610 | 21,585,026 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 55,829,072 | 56,425,099 |
| Accumulated depreciation | (18,844,060) | (19,797,126) |
| Buildings and structures, net | 36,985,011 | 36,627,973 |
| Machinery, equipment and vehicles | 1,936,053 | 1,946,670 |
| Accumulated depreciation | (1,087,898) | (1,151,023) |
| Machinery, equipment and vehicles, net | 848,154 | 795,647 |
| Tools, furniture and fixtures | 1,511,556 | 1,516,884 |
| Accumulated depreciation | (1,192,889) | (1,247,558) |
| Tools, furniture and fixtures, net | 318,667 | 269,326 |
| Land | 7,037,648 | 7,233,619 |
| Leased assets | 4,805,097 | 4,911,215 |
| Accumulated depreciation | (1,082,966) | (1,239,338) |
| Leased assets, net | 3,722,131 | 3,671,876 |
| Construction in progress | 764,721 | 333,423 |
| Total property, plant and equipment | 49,676,334 | 48,931,866 |
| Intangible assets | 176,349 | 158,881 |
| Investments and other assets | | |
| Deferred tax assets | 740,851 | 785,341 |
| Other | 3,517,905 | 3,493,395 |
| Allowance for doubtful accounts | (11,760) | (11,760) |
| Total investments and other assets | 4,246,997 | 4,266,976 |
| Total non-current assets | 54,099,681 | 53,357,724 |
| Deferred assets | | |
| Bond issuance costs | 26,058 | 23,408 |
| Total deferred assets | 26,058 | 23,408 |
| Total assets | 77,100,350 | 74,966,159 |

(Thousands of yen)

| | As of March 31, 2021 | As of September 30, 2021 |
|--|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 184 | 286 |
| Short-term borrowings | – | 100,000 |
| Current portion of bonds payable | 81,000 | – |
| Current portion of long-term borrowings | 5,491,856 | 5,326,708 |
| Income taxes payable | 189,018 | 420,865 |
| Other | 2,478,832 | 2,705,824 |
| Total current liabilities | 8,240,892 | 8,553,685 |
| Non-current liabilities | | |
| Bonds payable | 5,000,000 | 5,000,000 |
| Long-term borrowings | 18,829,137 | 16,209,677 |
| Lease obligations | 3,493,277 | 3,281,709 |
| Provision for retirement benefits for directors (and other officers) | 936,300 | 946,480 |
| Retirement benefit liability | 91,858 | 100,239 |
| Asset retirement obligations | 2,853,674 | 2,906,200 |
| Other | 207,131 | 206,016 |
| Total non-current liabilities | 31,411,379 | 28,650,322 |
| Total liabilities | 39,652,271 | 37,204,007 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,580,817 | 1,580,817 |
| Capital surplus | 2,295,403 | 2,295,403 |
| Retained earnings | 30,750,745 | 31,029,485 |
| Treasury shares | (7,807) | (7,891) |
| Total shareholders' equity | 34,619,159 | 34,897,815 |
| Accumulated other comprehensive income | | |
| Remeasurements of defined benefit plans | 985 | 1,076 |
| Total accumulated other comprehensive income | 985 | 1,076 |
| Non-controlling interests | 2,827,934 | 2,863,259 |
| Total net assets | 37,448,079 | 37,762,152 |
| Total liabilities and net assets | 77,100,350 | 74,966,159 |

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, 2020 | Six months ended September 30, 2021 |
|---|--|--|
| Net sales | 7,940,446 | 9,696,980 |
| Cost of sales | 6,501,606 | 8,206,180 |
| Gross profit | 1,438,840 | 1,490,800 |
| Selling, general and administrative expenses | | |
| Remuneration for directors (and other officers) | 181,703 | 181,416 |
| Salaries and bonuses | 247,677 | 185,645 |
| Retirement benefit expenses | 3,866 | 2,712 |
| Other | 545,752 | 395,412 |
| Total selling, general and administrative expenses | 978,999 | 765,187 |
| Operating profit | 459,840 | 725,612 |
| Non-operating income | | |
| Interest income | 1,189 | 944 |
| Dividend income | 2 | 2 |
| Commission income | 44,687 | 56,384 |
| Subsidy income | 74,580 | 33,110 |
| Miscellaneous income | 26,124 | 13,722 |
| Total non-operating income | 146,584 | 104,164 |
| Non-operating expenses | | |
| Interest expenses | 70,862 | 81,982 |
| Miscellaneous losses | 26,293 | 14,490 |
| Total non-operating expenses | 97,156 | 96,472 |
| Ordinary profit | 509,268 | 733,303 |
| Extraordinary income | | |
| Gain on sale of non-current assets | – | 280 |
| Subsidies for employment adjustment | 168,248 | 3,947 |
| Subsidy income | – | 49,400 |
| Other | 16,739 | – |
| Total extraordinary income | 184,988 | 53,628 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 7,267 | 0 |
| Loss on temporary closing of stores | 843,597 | 48,805 |
| Loss on changes in construction project | – | 15,000 |
| Other | – | 5,250 |
| Total extraordinary losses | 850,865 | 69,055 |
| Profit (loss) before income taxes | (156,608) | 717,876 |
| Income taxes - current | 43,664 | 365,032 |
| Income taxes - deferred | (36,845) | (44,529) |
| Total income taxes | 6,819 | 320,502 |
| Profit (loss) | (163,427) | 397,373 |
| Profit (loss) attributable to non-controlling interests | (47,861) | 42,020 |
| Profit (loss) attributable to owners of parent | (115,566) | 355,353 |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Six months ended September 30, 2020 | Six months ended September 30, 2021 |
|--|--|--|
| Profit (loss) | (163,427) | 397,373 |
| Other comprehensive income | | |
| Remeasurements of defined benefit plans, net of tax | 531 | 91 |
| Total other comprehensive income | 531 | 91 |
| Comprehensive income | (162,896) | 397,465 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (115,035) | 355,444 |
| Comprehensive income attributable to non-controlling interests | (47,861) | 42,020 |