

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 3, 2022

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 10, 2022
 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, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	15,206	16.7	1,615	55.0	1,613	47.3	750	286.7
Nine months ended December 31, 2020	13,033	(39.2)	1,042	(81.1)	1,095	(80.2)	194	(94.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	19.58		–	
Nine months ended December 31, 2020	5.06		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	74,773	38,248	47.1
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)				5.00	6.00

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	27,300	54.9	4,400	307.4	4,400	282.7	2,000	818.2	52.21

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2021	38,315,000 shares	As of March 31, 2021	38,315,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	8,886 shares	As of March 31, 2021	8,841 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, 2021	38,306,125 shares	Nine months ended December 31, 2020	38,306,212 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	21,900,125	20,567,860
Accounts receivable - trade	278,302	369,181
Trade accounts receivable	114,346	144,659
Merchandise	1,666	1,827
Supplies	55,276	54,042
Other	624,892	394,696
Total current assets	22,974,610	21,532,268
Non-current assets		
Property, plant and equipment		
Buildings and structures	55,829,072	56,540,714
Accumulated depreciation	(18,844,060)	(20,256,399)
Buildings and structures, net	36,985,011	36,284,315
Machinery, equipment and vehicles	1,936,053	1,982,422
Accumulated depreciation	(1,087,898)	(1,183,350)
Machinery, equipment and vehicles, net	848,154	799,071
Tools, furniture and fixtures	1,511,556	1,521,883
Accumulated depreciation	(1,192,889)	(1,275,304)
Tools, furniture and fixtures, net	318,667	246,578
Land	7,037,648	7,404,794
Leased assets	4,805,097	4,911,215
Accumulated depreciation	(1,082,966)	(1,317,524)
Leased assets, net	3,722,131	3,593,690
Construction in progress	764,721	480,940
Total property, plant and equipment	49,676,334	48,809,391
Intangible assets	176,349	147,551
Investments and other assets		
Deferred tax assets	740,851	793,226
Other	3,517,905	3,480,948
Allowance for doubtful accounts	(11,760)	(11,760)
Total investments and other assets	4,246,997	4,262,414
Total non-current assets	54,099,681	53,219,357
Deferred assets		
Bond issuance costs	26,058	22,083
Total deferred assets	26,058	22,083
Total assets	77,100,350	74,773,709

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	184	544
Short-term borrowings	–	250,000
Current portion of bonds payable	81,000	–
Current portion of long-term borrowings	5,491,856	5,246,074
Income taxes payable	189,018	692,033
Other	2,478,832	2,950,163
Total current liabilities	8,240,892	9,138,815
Non-current liabilities		
Bonds payable	5,000,000	5,000,000
Long-term borrowings	18,829,137	14,998,321
Lease obligations	3,493,277	3,206,652
Provision for retirement benefits for directors (and other officers)	936,300	954,850
Retirement benefit liability	91,858	104,953
Asset retirement obligations	2,853,674	2,914,498
Other	207,131	206,805
Total non-current liabilities	31,411,379	27,386,081
Total liabilities	39,652,271	36,524,897
Net assets		
Shareholders' equity		
Share capital	1,580,817	1,580,817
Capital surplus	2,295,403	2,295,388
Retained earnings	30,750,745	31,386,199
Treasury shares	(7,807)	(7,891)
Total shareholders' equity	34,619,159	35,254,515
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	985	1,122
Total accumulated other comprehensive income	985	1,122
Non-controlling interests	2,827,934	2,993,174
Total net assets	37,448,079	38,248,812
Total liabilities and net assets	77,100,350	74,773,709

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, 2020	Nine months ended December 31, 2021
Net sales	13,033,774	15,206,647
Cost of sales	10,620,351	12,434,826
Gross profit	2,413,423	2,771,820
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	274,644	274,897
Salaries and bonuses	347,113	275,850
Retirement benefit expenses	5,846	3,999
Other	743,498	601,143
Total selling, general and administrative expenses	1,371,103	1,155,891
Operating profit	1,042,320	1,615,929
Non-operating income		
Interest income	1,687	1,365
Dividend income	2	2
Commission income	69,881	83,370
Subsidy income	83,482	36,923
Miscellaneous income	41,626	19,005
Total non-operating income	196,679	140,667
Non-operating expenses		
Interest expenses	107,009	121,257
Miscellaneous losses	36,499	21,805
Total non-operating expenses	143,509	143,063
Ordinary profit	1,095,490	1,613,533
Extraordinary income		
Gain on sale of non-current assets	–	280
Subsidies for employment adjustment	167,840	3,947
Subsidy income	–	49,400
Other	16,851	–
Total extraordinary income	184,692	53,628
Extraordinary losses		
Loss on retirement of non-current assets	8,151	1,065
Loss on store closed	843,597	48,805
Loss on changes in construction project	–	15,000
Other	77	5,250
Total extraordinary losses	851,826	70,120
Profit before income taxes	428,356	1,597,040
Income taxes - current	94,927	727,137
Income taxes - deferred	118,554	(52,434)
Total income taxes	213,482	674,703
Profit	214,874	922,337
Profit attributable to non-controlling interests	20,809	171,963
Profit attributable to owners of parent	194,064	750,373

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	214,874	922,337
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	796	137
Total other comprehensive income	796	137
Comprehensive income	215,671	922,474
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	194,861	750,510
Comprehensive income attributable to non-controlling interests	20,809	171,963