

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 16, 2022

Company name: TRE HOLDINGS CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 9247 URL <https://tre-hd.co.jp/>
 Representative: President Abe Mitsuo
 Executive Officer Uekawa Takeshi
 Head of Corporate Planning Division TEL 03-6327-2620
 Inquiries: Uekawa Takeshi
 Scheduled date of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 29, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

((Amounts less than one million yen are rounded down))

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	68,234	—	7,659	—	7,547	—	4,742	—
Year ended March 31, 2021	—	—	—	—	—	—	—	—

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	110.79	—	9.9	6.9	11.2
Year ended March 31, 2021	—	—	—	—	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	129,524	64,173	48.3	1,218.70
As of March 31, 2021	—	—	—	—

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	11,017	(2,149)	(3,700)	24,014
Year ended March 31, 2021	—	—	—	—

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	—	—	—	—	—	—	—
Year ended March 31, 2022	—	—	—	25.00	25.00	1,292	22.6	2.1
Year ending March 31, 2023 (Forecast)	—	20.00	—	20.00	40.00		34.8	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	45,400	–	3,800	–	3,800	–	2,400	–	46.73
Full year	94,200	38.1	9,300	21.4	9,300	23.2	5,900	24.4	114.87

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	52,610,712 shares	As of March 31, 2021	– shares
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Number of treasury shares at the end of the period

As of March 31, 2022	1,248,681 shares	As of March 31, 2021	– shares
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Average number of shares during the period

Year ended March 31, 2022	42,804,080 shares	Year ended March 31, 2021	– shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

As of March 31, 2022

Assets	
Current assets	
Cash and deposits	24,485
Notes and accounts receivable - trade, and contract assets	9,270
Inventories	2,717
Accounts receivable - other	898
Other	758
Allowance for doubtful accounts	(15)
Total current assets	38,114
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	19,586
Machinery, equipment and vehicles, net	15,265
Landfills	3,746
Land	30,768
Construction in progress	8,264
Other, net	1,354
Total property, plant and equipment	78,987
Intangible assets	
Goodwill	6,417
Other	546
Total intangible assets	6,963
Investments and other assets	
Investment securities	452
Shares of subsidiaries and associates	1,243
Retirement benefit asset	119
Deferred tax assets	672
Other	1,947
Allowance for doubtful accounts	(139)
Total investments and other assets	4,296
Total non-current assets	90,246
Deferred assets	
Business commencement expenses	1,163
Total deferred assets	1,163
Total assets	129,524

(Millions of yen)

As of March 31, 2022

Liabilities	
Current liabilities	
Accounts payable - trade	3,467
Short-term borrowings	6,458
Current portion of bonds payable	596
Current portion of long-term borrowings	5,114
Accounts payable - other	2,436
Income taxes payable	2,180
Provision for bonuses	740
Provision for bonuses for directors	31
Provision for repairs	463
Other	2,943
Total current liabilities	24,431
Non-current liabilities	
Bonds payable	10,929
Long-term borrowings	24,226
Deferred tax liabilities	2,529
Provision for share awards for directors	170
Provision for repairs	125
Retirement benefit liability	448
Asset retirement obligations	1,517
Other	973
Total non-current liabilities	40,919
Total liabilities	65,351
Net assets	
Shareholders' equity	
Share capital	10,000
Capital surplus	34,080
Retained earnings	20,277
Treasury shares	(1,697)
Total shareholders' equity	62,661
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	23
Deferred gains or losses on hedges	4
Foreign currency translation adjustment	(19)
Remeasurements of defined benefit plans	(75)
Total accumulated other comprehensive income	(66)
Non-controlling interests	1,578
Total net assets	64,173
Total liabilities and net assets	129,524

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022
Net sales	68,234
Cost of sales	52,285
Gross profit	15,948
Selling, general and administrative expenses	8,288
Operating profit	7,659
Non-operating income	
Interest income	1
Dividend income	7
Share of profit of entities accounted for using equity method	147
Rental income	146
Other	169
Total non-operating income	472
Non-operating expenses	
Interest expenses	208
Interest on bonds	34
Bond issuance costs	36
Amortization of business commencement expenses	99
Organization expenses	70
Rental expenses on non-current assets	31
Other	104
Total non-operating expenses	584
Ordinary profit	7,547
Extraordinary income	
Gain on sale of non-current assets	106
Gain on reversal of loss related to mechanical parking garage	8
Total extraordinary income	115
Profit before income taxes	7,662
Income taxes - current	2,888
Income taxes - deferred	(128)
Total income taxes	2,760
Profit	4,902
Profit attributable to non-controlling interests	159
Profit attributable to owners of parent	4,742

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022
Profit	4,902
Other comprehensive income	
Valuation difference on available-for-sale securities	(8)
Deferred gains or losses on hedges	4
Remeasurements of defined benefit plans, net of tax	(45)
Share of other comprehensive income of entities accounted for using equity method	(19)
Total other comprehensive income	(68)
Comprehensive income	4,833
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	4,673
Comprehensive income attributable to non-controlling interests	159

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,489	9,049	16,371	(856)	33,054
Changes during period					
Changes by share transfers	1,510	24,977		(825)	25,662
Dividends of surplus			(836)		(836)
Profit attributable to owners of parent			4,742		4,742
Purchase of treasury shares				(15)	(15)
Change in ownership interest of parent due to transactions with non-controlling interests		54			54
Net changes in items other than shareholders' equity					-
Total changes during period	1,510	25,031	3,905	(841)	29,606
Balance at end of period	10,000	34,080	20,277	(1,697)	62,661

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	32	-	-	(30)	2	1,448	34,505
Changes during period							
Changes by share transfers					-		25,662
Dividends of surplus					-		(836)
Profit attributable to owners of parent					-		4,742
Purchase of treasury shares					-		(15)
Change in ownership interest of parent due to transactions with non-controlling interests					-		54
Net changes in items other than shareholders' equity	(8)	4	(19)	(45)	(68)	129	61
Total changes during period	(8)	4	(19)	(45)	(68)	129	29,667
Balance at end of period	23	4	(19)	(75)	(66)	1,578	64,173

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022
Cash flows from operating activities	
Profit before income taxes	7,662
Depreciation	5,016
Amortization of goodwill	476
Increase (decrease) in allowance for doubtful accounts	(6)
Increase (decrease) in provision for repairs	277
Increase (decrease) in provision for share awards for directors	42
Increase (decrease) in retirement benefit liability	(8)
Interest and dividend income	(8)
Interest expenses	208
Interest expenses on bonds	34
Bond issuance costs	36
Share of loss (profit) of entities accounted for using equity method	(147)
Rental income	(146)
Loss (gain) on sale of non-current assets	(106)
Decrease (increase) in notes and accounts receivable - trade and contract assets	(369)
Decrease (increase) in inventories	273
Increase (decrease) in trade payables	(154)
Increase (decrease) in accrued consumption taxes	647
Other, net	164
Subtotal	13,891
Interest and dividends received	37
Interest paid	(254)
Income taxes paid	(2,657)
Net cash provided by (used in) operating activities	11,017
Cash flows from investing activities	
Payments into time deposits	(8)
Proceeds from withdrawal of time deposits	452
Purchase of investment securities	(102)
Subsidy income	1,459
Purchase of non-current assets	(4,395)
Proceeds from sale of non-current assets	419
Payments for retirement of non-current assets	(28)
Proceeds from rent of non current assets	146
Other, net	(92)
Net cash provided by (used in) investing activities	(2,149)

	(Millions of yen)
	Fiscal year ended March 31, 2022
Cash flows from financing activities	
Increase (decrease) in short-term borrowings	(3,866)
Proceeds from issuance of bonds	6,963
Redemption of bonds	(596)
Proceeds from long-term borrowings	38
Repayments of long-term borrowings	(5,208)
Repayments of lease liabilities	(131)
Purchase of treasury shares	(15)
Dividends paid	(839)
Dividends paid to non-controlling interests	(28)
Proceeds from share issuance to non-controlling shareholders	73
Other, net	(89)
Net cash provided by (used in) financing activities	(3,700)
Net increase (decrease) in cash and cash equivalents	5,167
Cash and cash equivalents at beginning of period	10,282
Increase in cash and cash equivalents resulting from share transfer	8,564
Cash and cash equivalents at end of period	24,014