

Translation

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Summary of Consolidated Financial Results For the three months ended June 30, 2022 (Based on Japanese GAAP)

August 12, 2022

Company name: TRE HOLDINGS CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 9247 URL <https://tre-hd.co.jp>
 Representative: ABE Mitsuo, President
 Inquiries: UEKAWA Takeshi, Executive Officer and
 Head of Corporate Management Division Phone 03-6327-2620
 Scheduled date to file Securities Report: August 12, 2022
 Scheduled date to commence dividend payments: -
 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 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	%
For the three months ended								
June 30, 2022	22,842	-	1,204	-	1,300	-	815	-
June 30, 2021	-	-	-	-	-	-	-	-

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
For the three months ended				
June 30, 2022	15.89	-	-	-
June 30, 2021	-	-	-	-

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of						
June 30, 2022	129,354	63,660	48.1			
March 31, 2022	129,524	64,173	48.3			

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, 2022	-	-	-	25.00	25.00
Year ending March 31, 2023	-	-	-	-	-
Year ending March 31, 2023 (Forecast)	-	20.00	-	20.00	40.00

(Reference) Correction from the dividend forecast, which is published in the most recent: None

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

(Reference) Correction from the consolidated forecast, which is published in the most recent: None

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Special accounting methods for preparation of the consolidated financial statements

Income tax expenses:

A reasonable estimate of the effective tax rate after applying tax-effect accounting for the current fiscal year is made, and quarterly income before income taxes is multiplied by the corresponding effective tax rate.

(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 June 30, 2022	52,610,712 shares	As of March 31, 2022	52,610,712 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	1,250,757 shares	As of March 31, 2022	1,248,681 shares
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Average number of shares during the period

As of June 30, 2022	51,360,652 shares	As of June 30, 2021	– shares
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* This “Summary of Consolidated Financial Results” (“Tanshin”) is outside the scope of the external audit.

* Notes for using forecasted information etc.

(Caution regarding forward-looking statements)

This financial summary report contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the company and/or the group as a whole (the “forward-looking statements”). The forward-looking statements are made based upon, among other things, the company’s current estimations, perceptions and evaluations. Accordingly, due to various risks and uncertainties, the statements and assumptions are inherently not guarantees of future performance, may be considered differently from alternative perspectives and may result in material differences from the actual result.

Consolidated financial statements
Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	24,485	21,825
Notes and accounts receivable - trade, and contract assets	9,270	8,647
Inventories	2,717	2,684
Accounts receivable - other	898	1,533
Other	758	899
Allowance for doubtful accounts	(15)	(15)
Total current assets	38,114	35,574
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,586	20,101
Machinery, equipment and vehicles, net	15,265	15,905
Landfills	3,746	3,653
Land	30,768	32,421
Construction in progress	8,264	8,008
Other, net	1,354	1,329
Total property, plant and equipment	78,987	81,419
Intangible assets		
Goodwill	6,417	6,299
Other	546	540
Total intangible assets	6,963	6,840
Investments and other assets		
Investment securities	1,696	1,724
Retirement benefit asset	119	125
Deferred tax assets	672	767
Other	1,947	1,922
Allowance for doubtful accounts	(139)	(138)
Total investments and other assets	4,296	4,400
Total non-current assets	90,246	92,660
Deferred assets	1,163	1,119
Total assets	129,524	129,354

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	3,467	3,546
Short-term borrowings	6,458	8,971
Current portion of bonds payable	596	596
Current portion of long-term borrowings	5,114	5,024
Accounts payable - other	2,436	2,856
Income taxes payable	2,180	659
Provision for bonuses	740	761
Provision for bonuses for directors	31	-
Provision for repairs	463	35
Other	2,943	3,326
Total current liabilities	24,431	25,777
Non-current liabilities		
Bonds payable	10,929	10,929
Long-term borrowings	24,226	22,988
Deferred tax liabilities	2,529	2,722
Provision for share awards for directors	170	182
Provision for repairs	125	140
Retirement benefit liability	448	469
Asset retirement obligations	1,517	1,534
Other	973	949
Total non-current liabilities	40,919	39,916
Total liabilities	65,351	65,693
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	34,080	34,080
Retained earnings	20,277	19,801
Treasury shares	(1,697)	(1,701)
Total shareholders' equity	62,661	62,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	13
Deferred gains or losses on hedges	4	7
Foreign currency translation adjustment	(19)	36
Remeasurements of defined benefit plans	(75)	(73)
Total accumulated other comprehensive income	(66)	(16)
Non-controlling interests	1,578	1,496
Total net assets	64,173	63,660
Total liabilities and net assets	129,524	129,354

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

(Millions of yen)

	For the three months ended June 30, 2022
Net sales	22,842
Cost of sales	18,946
Gross profit	3,896
Selling, general and administrative expenses	2,692
Operating profit	1,204
Non-operating income	
Interest income	1
Dividend income	5
Share of profit of entities accounted for using equity method	71
Rental income	69
Surrender refund of insurance	63
Other	20
Total non-operating income	231
Non-operating expenses	
Interest expenses	56
Interest on bonds	12
Amortization of business commencement expenses	22
Other	43
Total non-operating expenses	135
Ordinary profit	1,300
Extraordinary income	
Gain on sale of non-current assets	17
Total extraordinary income	17
Profit before income taxes	1,317
Income taxes	536
Profit	780
Loss attributable to non-controlling interests	(35)
Profit attributable to owners of parent	815

Consolidated statements of comprehensive income

(Millions of yen)

	For the three months ended June 30, 2022
Profit	780
Other comprehensive income	
Valuation difference on available-for-sale securities	(10)
Deferred gains or losses on hedges	2
Remeasurements of defined benefit plans, net of tax	2
Share of other comprehensive income of entities accounted for using equity method	55
Total other comprehensive income	49
Comprehensive income	830
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	865
Comprehensive income attributable to non-controlling interests	(35)