

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 10, 2022

Company name: Japan Transcity Corporation  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 9310 URL <https://www.transcity.co.jp>  
 Representative: President and Representative Director Hitoshi Ando  
 Finance & Accounting Dept. Ritsuko Kato  
 General Manager TEL 059-363-5211  
 Scheduled date to file Quarterly Securities Report: November 11, 2022  
 Scheduled date to commence dividend payments: December 5, 2022  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	64,460	15.7	4,094	20.7	5,473	31.4	3,733	27.5
Six months ended September 30, 2021	55,731	16.0	3,393	119.7	4,166	118.5	2,927	141.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	58.05		-	
Six months ended September 30, 2021	45.62		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	132,240	77,003	56.0
As of March 31, 2022	129,886	72,778	54.1

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, 2022	-	5.00	-	5.50	10.50
Year ending March 31, 2023	-	5.50	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	6.00	11.50

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
Full year	125,000	7.1	6,500	(2.5)	8,500	1.6	6,000	7.2	93.31

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(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: Yes
- (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, 2022	67,142,417 shares	As of March 31, 2022	67,142,417 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	2,838,154 shares	As of March 31, 2022	2,838,228 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	64,304,205 shares	Six months ended September 30, 2021	64,182,817 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	14,567	16,030
Notes and accounts receivable-trade and contract assets	18,125	18,252
Inventories	183	200
Other	3,199	3,761
Allowance for doubtful accounts	(81)	(67)
Total current assets	35,993	38,176
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,722	30,968
Land	32,269	32,294
Other, net	6,507	7,474
Total property, plant and equipment	70,499	70,738
Intangible assets	1,048	974
Investments and other assets		
Investment securities	16,552	16,366
Other	5,806	5,997
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	22,344	22,350
Total non-current assets	93,892	94,063
Total assets	129,886	132,240

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	10,045	–
Trade accounts payable	–	7,913
Short-term borrowings	2,370	2,458
Current portion of long-term borrowings	7,894	2,843
Income taxes payable	985	1,450
Provision for bonuses	1,192	1,231
Other	3,995	4,751
Total current liabilities	26,482	20,647
Non-current liabilities		
Long-term borrowings	19,416	23,318
Deferred tax liabilities for land revaluation	3,694	3,694
Retirement benefit liability	2,128	2,159
Long-term guarantee deposits	2,167	2,127
Other	3,217	3,289
Total non-current liabilities	30,624	34,588
<b>Total liabilities</b>	<b>57,107</b>	<b>55,236</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,428	8,428
Capital surplus	6,822	6,822
Retained earnings	53,883	57,260
Treasury shares	(1,119)	(1,119)
Total shareholders' equity	68,014	71,392
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,710	2,452
Revaluation reserve for land	(1,364)	(1,364)
Foreign currency translation adjustment	296	1,031
Remeasurements of defined benefit plans	550	503
Total accumulated other comprehensive income	2,194	2,623
Non-controlling interests	2,570	2,988
<b>Total net assets</b>	<b>72,778</b>	<b>77,003</b>
<b>Total liabilities and net assets</b>	<b>129,886</b>	<b>132,240</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	55,731	64,460
Cost of sales	49,169	57,052
Gross profit	6,562	7,407
Selling, general and administrative expenses	3,169	3,313
Operating profit	3,393	4,094
Non-operating income		
Interest income	11	11
Dividend income	206	251
Share of profit of entities accounted for using equity method	442	522
Foreign exchange gains	68	573
Other	108	85
Total non-operating income	837	1,443
Non-operating expenses		
Interest expenses	59	55
Other	4	8
Total non-operating expenses	63	63
Ordinary profit	4,166	5,473
Extraordinary income		
Gain on disposal of non-current assets	18	20
Gain on sale of investment securities	–	9
Total extraordinary income	18	29
Extraordinary losses		
Loss on disposal of non-current assets	7	35
Total extraordinary losses	7	35
Profit before income taxes	4,177	5,466
Income taxes	1,146	1,545
Profit	3,030	3,921
Profit attributable to non-controlling interests	102	188
Profit attributable to owners of parent	2,927	3,733

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	3,030	3,921
Other comprehensive income		
Valuation difference on available-for-sale securities	199	(260)
Foreign currency translation adjustment	155	923
Remeasurements of defined benefit plans, net of tax	(35)	(46)
Share of other comprehensive income of entities accounted for using equity method	5	47
Total other comprehensive income	325	663
Comprehensive income	3,356	4,584
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,238	4,162
Comprehensive income attributable to non-controlling interests	117	422

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	4,177	5,466
Depreciation	2,268	2,264
Increase (decrease) in retirement benefit liability	47	35
Decrease (increase) in retirement benefit asset	(130)	(144)
Loss (gain) on disposal of non-current assets	(10)	15
Interest and dividend income	(217)	(262)
Interest expenses	59	55
Share of loss (profit) of entities accounted for using equity method	(442)	(522)
Decrease (increase) in trade receivables	(433)	565
Increase (decrease) in trade payables	(643)	(2,630)
Increase (decrease) in accrued consumption taxes	(487)	(113)
Other, net	(588)	(768)
Subtotal	3,598	3,960
Interest and dividends received	512	694
Interest paid	(61)	(58)
Income taxes paid	(863)	(1,070)
Net cash provided by (used in) operating activities	3,186	3,526
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(881)	(1,248)
Proceeds from sale of property, plant and equipment and intangible assets	19	24
Loan advances	(319)	–
Other, net	(5)	(6)
Net cash provided by (used in) investing activities	(1,186)	(1,229)
Cash flows from financing activities		
Proceeds from long-term borrowings	900	4,800
Repayments of long-term borrowings	(2,275)	(5,949)
Dividends paid	(320)	(353)
Other, net	(248)	(159)
Net cash provided by (used in) financing activities	(1,944)	(1,662)
Effect of exchange rate change on cash and cash equivalents	123	727
Net increase (decrease) in cash and cash equivalents	178	1,362
Cash and cash equivalents at beginning of period	12,313	13,737
Cash and cash equivalents at end of period	12,492	15,099