

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: Japan Transcity Corporation
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 9310 URL <https://www.trancy.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: February 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	100,010	15.6	6,553	23.3	8,162	26.1	5,618	24.5
Nine months ended December 31, 2021	86,509	16.5	5,314	77.9	6,473	83.5	4,511	77.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	87.38		–	
Nine months ended December 31, 2021	70.25		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	135,442	79,484	56.4
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	132,000	13.1	7,500	12.5	9,200	9.9	6,400	14.3	99.53

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2022	67,142,417 shares	As of March 31, 2022	67,142,417 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2022	2,838,299 shares	As of March 31, 2022	2,838,228 shares
-------------------------	------------------	----------------------	------------------

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

Nine months ended December 31, 2022	64,304,202 shares	Nine months ended December 31, 2021	64,219,255 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	14,567	16,115
Notes and accounts receivable - trade and contract assets	18,125	20,768
Inventories	183	205
Other	3,199	3,602
Allowance for doubtful accounts	(81)	(67)
Total current assets	35,993	40,624
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,722	31,085
Land	32,269	32,292
Other, net	6,507	6,822
Total property, plant and equipment	70,499	70,199
Intangible assets	1,048	1,087
Investments and other assets		
Investment securities	16,552	17,570
Other	5,806	5,974
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	22,344	23,531
Total non-current assets	93,892	94,818
Total assets	129,886	135,442

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Trade notes and accounts payable	10,045	–
Trade accounts payable	–	8,966
Short-term borrowings	2,370	2,458
Current portion of long-term borrowings	7,894	1,485
Income taxes payable	985	1,233
Provision for bonuses	1,192	611
Other	3,995	5,591
Total current liabilities	26,482	20,346
Non-current liabilities		
Long-term borrowings	19,416	24,101
Deferred tax liabilities for land revaluation	3,694	3,694
Retirement benefit liability	2,128	2,177
Long-term guarantee deposits	2,167	2,100
Other	3,217	3,537
Total non-current liabilities	30,624	35,611
Total liabilities	57,107	55,957
Net assets		
Shareholders' equity		
Share capital	8,428	8,428
Capital surplus	6,822	6,822
Retained earnings	53,883	58,792
Treasury shares	(1,119)	(1,119)
Total shareholders' equity	68,014	72,924
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,710	3,115
Revaluation reserve for land	(1,364)	(1,364)
Foreign currency translation adjustment	296	1,200
Remeasurements of defined benefit plans	550	480
Total accumulated other comprehensive income	2,194	3,431
Non-controlling interests	2,570	3,128
Total net assets	72,778	79,484
Total liabilities and net assets	129,886	135,442

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	86,509	100,010
Cost of sales	76,512	88,489
Gross profit	9,997	11,520
Selling, general and administrative expenses	4,683	4,967
Operating profit	5,314	6,553
Non-operating income		
Interest income	17	12
Dividend income	336	401
Share of profit of entities accounted for using equity method	679	741
Foreign exchange gains	81	432
Other	135	115
Total non-operating income	1,251	1,703
Non-operating expenses		
Interest expenses	87	81
Other	4	12
Total non-operating expenses	92	94
Ordinary profit	6,473	8,162
Extraordinary income		
Gain on disposal of non-current assets	20	24
Gain on sale of investment securities	–	9
Total extraordinary income	20	33
Extraordinary losses		
Loss on disposal of non-current assets	40	52
Impairment losses	52	–
Total extraordinary losses	92	52
Profit before income taxes	6,400	8,143
Income taxes	1,715	2,190
Profit	4,684	5,952
Profit attributable to non-controlling interests	173	333
Profit attributable to owners of parent	4,511	5,618

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	4,684	5,952
Other comprehensive income		
Valuation difference on available-for-sale securities	(84)	401
Foreign currency translation adjustment	55	1,084
Remeasurements of defined benefit plans, net of tax	(53)	(70)
Share of other comprehensive income of entities accounted for using equity method	7	52
Total other comprehensive income	(74)	1,467
Comprehensive income	4,609	7,419
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,483	6,856
Comprehensive income attributable to non-controlling interests	126	562