

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 15, 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.
 Inquiries: General Manager Ritsuko Kato TEL 059-363-5211
 Scheduled date of ordinary general meeting of shareholders: June 29, 2023
 Scheduled date to file Securities Report: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	134,063	14.8	7,250	8.7	8,996	7.5	6,157	10.0
Year ended March 31, 2022	116,750	15.4	6,669	50.2	8,368	58.2	5,597	20.7

	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, 2023	95.76	–	8.4	6.7	5.4
Year ended March 31, 2022	87.14	–	8.3	6.6	5.7

(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, 2023	137,165	79,740	55.9	1,192.45
As of March 31, 2022	129,886	72,778	54.1	1,091.82

(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, 2023	11,595	(2,965)	(3,258)	19,515
Year ended March 31, 2022	7,261	(2,518)	(3,593)	13,737

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, 2022	–	5.00	–	5.50	10.50	675	12.0	1.0
Year ended March 31, 2023	–	5.50	–	6.00	11.50	738	12.0	1.0
Year ending March 31, 2024 (Forecast)	–	6.00	–	6.00	12.00		17.1	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	59,700	(7.4)	2,700	(34.1)	3,200	(41.5)	2,100	(43.7)	32.66
Full year	120,000	(10.5)	5,500	(24.1)	6,500	(27.8)	4,500	(26.9)	69.98

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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, 2023	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 March 31, 2023	2,897,602 shares	As of March 31, 2022	2,838,228 shares
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Average number of shares during the period

Year ended March 31, 2023	64,299,621 shares	Year ended March 31, 2022	64,238,859 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	14,567	19,814
Notes and accounts receivable - trade and contract assets	18,125	18,717
Inventories	183	206
Other	3,199	2,905
Allowance for doubtful accounts	(81)	(67)
Total current assets	35,993	41,577
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,722	30,677
Machinery, equipment and vehicles, net	4,116	4,021
Land	32,269	32,291
Construction in progress	364	982
Other, net	2,026	2,662
Total property, plant and equipment	70,499	70,636
Intangible assets	1,048	1,122
Investments and other assets		
Investment securities	16,552	17,720
Deferred tax assets	863	913
Retirement benefit asset	3,961	4,124
Other	981	1,083
Allowance for doubtful accounts	(14)	(11)
Total investments and other assets	22,344	23,829
Total non-current assets	93,892	95,587
Total assets	129,886	137,165

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trade notes and accounts payable	10,045	–
Trade accounts payable	–	10,472
Short-term borrowings	2,370	2,457
Current portion of long-term borrowings	7,894	5,174
Income taxes payable	985	1,417
Provision for bonuses	1,192	1,238
Other	3,995	4,368
Total current liabilities	26,482	25,128
Non-current liabilities		
Long-term borrowings	19,416	20,042
Deferred tax liabilities	2,008	2,155
Deferred tax liabilities for land revaluation	3,694	3,694
Retirement benefit liability	2,128	2,134
Long-term guarantee deposits	2,167	2,075
Other	1,208	2,194
Total non-current liabilities	30,624	32,296
Total liabilities	57,107	57,424
Net assets		
Shareholders' equity		
Share capital	8,428	8,428
Capital surplus	6,822	6,822
Retained earnings	53,883	59,331
Treasury shares	(1,119)	(1,154)
Total shareholders' equity	68,014	73,427
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,710	3,142
Revaluation reserve for land	(1,364)	(1,364)
Foreign currency translation adjustment	296	822
Remeasurements of defined benefit plans	550	580
Total accumulated other comprehensive income	2,194	3,181
Non-controlling interests	2,570	3,131
Total net assets	72,778	79,740
Total liabilities and net assets	129,886	137,165

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	116,750	134,063
Cost of sales	103,775	120,054
Gross profit	12,974	14,009
Selling, general and administrative expenses	6,305	6,759
Operating profit	6,669	7,250
Non-operating income		
Interest income	22	30
Dividend income	494	455
Share of profit of entities accounted for using equity method	873	950
Foreign exchange gains	242	287
Other	187	150
Total non-operating income	1,820	1,873
Non-operating expenses		
Interest expenses	115	109
Other	5	17
Total non-operating expenses	121	127
Ordinary profit	8,368	8,996
Extraordinary income		
Gain on disposal of non-current assets	30	31
Gain on sale of investment securities	1	9
Total extraordinary income	31	40
Extraordinary losses		
Loss on disposal of non-current assets	275	87
Impairment losses	52	–
Total extraordinary losses	328	87
Profit before income taxes	8,072	8,949
Income taxes - current	1,805	2,517
Income taxes - deferred	400	(98)
Total income taxes	2,206	2,418
Profit	5,865	6,531
Profit attributable to non-controlling interests	267	374
Profit attributable to owners of parent	5,597	6,157

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	5,865	6,531
Other comprehensive income		
Valuation difference on available-for-sale securities	201	434
Foreign currency translation adjustment	255	688
Remeasurements of defined benefit plans, net of tax	17	29
Share of other comprehensive income of entities accounted for using equity method	17	27
Total other comprehensive income	491	1,179
Comprehensive income	6,357	7,710
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,070	7,144
Comprehensive income attributable to non-controlling interests	287	565

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	8,428	6,788	48,915	(1,186)	62,945
Cumulative effects of changes in accounting policies			(12)		(12)
Restated balance	8,428	6,788	48,902	(1,186)	62,932
Changes during period					
Dividends of surplus			(642)		(642)
Profit attributable to owners of parent			5,597		5,597
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		31		67	99
Purchase of shares of consolidated subsidiaries		1			1
Reversal of revaluation reserve for land			25		25
Net changes in items other than shareholders' equity					
Total changes during period	-	33	4,981	66	5,081
Balance at end of period	8,428	6,822	53,883	(1,119)	68,014

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,509	(1,338)	43	533	1,747	2,288	66,981
Cumulative effects of changes in accounting policies							(12)
Restated balance	2,509	(1,338)	43	533	1,747	2,288	66,969
Changes during period							
Dividends of surplus							(642)
Profit attributable to owners of parent							5,597
Purchase of treasury shares							(0)
Disposal of treasury shares							99
Purchase of shares of consolidated subsidiaries							1
Reversal of revaluation reserve for land							25
Net changes in items other than shareholders' equity	201	(25)	253	17	446	281	727
Total changes during period	201	(25)	253	17	446	281	5,809
Balance at end of period	2,710	(1,364)	296	550	2,194	2,570	72,778

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,428	6,822	53,883	(1,119)	68,014
Cumulative effects of changes in accounting policies			(1)		(1)
Restated balance	8,428	6,822	53,881	(1,119)	68,012
Changes during period					
Dividends of surplus			(707)		(707)
Profit attributable to owners of parent			6,157		6,157
Purchase of treasury shares				(35)	(35)
Disposal of treasury shares		0		0	0
Purchase of shares of consolidated subsidiaries		0			0
Reversal of revaluation reserve for land					-
Net changes in items other than shareholders' equity					
Total changes during period	-	0	5,449	(35)	5,415
Balance at end of period	8,428	6,822	59,331	(1,154)	73,427

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,710	(1,364)	296	550	2,194	2,570	72,778
Cumulative effects of changes in accounting policies							(1)
Restated balance	2,710	(1,364)	296	550	2,194	2,570	72,777
Changes during period							
Dividends of surplus							(707)
Profit attributable to owners of parent							6,157
Purchase of treasury shares							(35)
Disposal of treasury shares							0
Purchase of shares of consolidated subsidiaries							0
Reversal of revaluation reserve for land							-
Net changes in items other than shareholders' equity	432	-	525	29	987	561	1,548
Total changes during period	432	-	525	29	987	561	6,963
Balance at end of period	3,142	(1,364)	822	580	3,181	3,131	79,740

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	8,072	8,949
Depreciation	4,516	5,308
Impairment losses	52	–
Increase (decrease) in retirement benefit liability	61	30
Decrease (increase) in retirement benefit asset	(257)	(148)
Loss (gain) on disposal of non-current assets	245	55
Interest and dividend income	(517)	(485)
Interest expenses	115	109
Share of loss (profit) of entities accounted for using equity method	(873)	(950)
Decrease (increase) in trade receivables	(2,166)	8
Increase (decrease) in trade payables	208	20
Decrease (increase) in inventories	(24)	(23)
Increase (decrease) in accrued consumption taxes	(506)	(245)
Other, net	(852)	195
Subtotal	8,075	12,825
Interest and dividends received	971	1,007
Interest paid	(116)	(110)
Income taxes paid	(1,669)	(2,127)
Net cash provided by (used in) operating activities	7,261	11,595
Cash flows from investing activities		
Payments into time deposits	(1)	(65)
Proceeds from withdrawal of time deposits	207	675
Purchase of property, plant and equipment and intangible assets	(2,585)	(3,525)
Proceeds from sale of property, plant and equipment and intangible assets	46	34
Purchase of investment securities	(26)	(106)
Proceeds from sale of investment securities	6	32
Loan advances	(319)	(160)
Proceeds from collection of loans receivable	138	269
Other, net	16	(120)
Net cash provided by (used in) investing activities	(2,518)	(2,965)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	87
Proceeds from long-term borrowings	900	5,800
Repayments of long-term borrowings	(3,372)	(7,894)
Purchase of treasury shares	(0)	(35)
Dividends paid	(642)	(707)
Repayments of lease liabilities	(422)	(453)
Other, net	(56)	(56)
Net cash provided by (used in) financing activities	(3,593)	(3,258)
Effect of exchange rate change on cash and cash equivalents	274	406
Net increase (decrease) in cash and cash equivalents	1,423	5,777
Cash and cash equivalents at beginning of period	12,313	13,737
Cash and cash equivalents at end of period	13,737	19,515