

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: TRE HOLDINGS CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 9247 URL <https://tre-hd.co.jp/>
 Representative: President ABE Mitsuo
 Executive Officer and
 Inquiries: Head of Corporate Planning Division OSHIMA Yoshimitsu TEL 03-6327-2620
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023
 Scheduled date to file Securities Report: June 27, 2023
 Scheduled date to commence dividend payments: June 28, 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	90,712	32.9	7,509	(2.0)	7,600	0.7	5,197	9.6
Year ended March 31, 2022	68,234	—	7,659	—	7,547	—	4,742	—

	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	101.20	—	8.1	5.8	8.3
Year ended March 31, 2022	110.79	—	9.9	6.9	11.2

(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	132,290	67,137	49.5	1,275.04
As of March 31, 2022	129,524	64,173	48.3	1,218.70

(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	9,184	(6,693)	(2,827)	23,678
Year ended March 31, 2022	11,017	(2,149)	(3,700)	24,014

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	—	—	—	25.00	25.00	1,292	22.6	2.1
Year ended March 31, 2023	—	20.00	—	20.00	40.00	2,077	39.5	3.2
Year ending March 31, 2024 (Forecast)	—	20.00	—	20.00	40.00		38.0	

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	46,000	4.0	3,300	6.7	3,300	5.2	2,100	(6.7)	40.89
Full year	95,200	4.9	8,300	10.5	8,300	9.2	5,400	3.9	105.14

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: No

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	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 March 31, 2023	1,252,637 shares	As of March 31, 2022	1,248,681 shares
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Average number of shares during the period

Year ended March 31, 2023	51,359,343 shares	Year ended March 31, 2022	42,804,080 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	24,485	24,143
Notes and accounts receivable - trade, and contract assets	9,270	9,862
Inventories	2,717	3,031
Accounts receivable - other	898	1,136
Other	758	1,018
Allowance for doubtful accounts	(15)	(14)
Total current assets	38,114	39,177
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,586	19,753
Machinery, equipment and vehicles, net	15,265	15,942
Landfills	3,746	3,443
Land	30,768	32,475
Construction in progress	8,264	8,134
Other, net	1,354	1,426
Total property, plant and equipment	78,987	81,176
Intangible assets		
Goodwill	6,417	5,870
Other	546	605
Total intangible assets	6,963	6,476
Investments and other assets		
Investment securities	1,696	1,859
Retirement benefit asset	119	63
Deferred tax assets	672	622
Other	1,947	1,855
Allowance for doubtful accounts	(139)	(68)
Total investments and other assets	4,296	4,333
Total non-current assets	90,246	91,985
Deferred assets		
Business commencement expenses	1,163	1,126
Total deferred assets	1,163	1,126
Total assets	129,524	132,290

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	3,467	3,846
Short-term borrowings	6,458	10,302
Current portion of bonds payable	596	571
Current portion of long-term borrowings	5,114	4,930
Accounts payable - other	2,436	2,739
Income taxes payable	2,180	1,335
Provision for bonuses	740	816
Provision for bonuses for directors (and other officers)	31	3
Provision for repairs	463	118
Other	2,943	2,346
Total current liabilities	24,431	27,011
Non-current liabilities		
Bonds payable	10,929	10,358
Long-term borrowings	24,226	21,962
Deferred tax liabilities	2,529	2,448
Provision for share awards for directors (and other officers)	170	215
Provision for repairs	125	231
Retirement benefit liability	448	509
Asset retirement obligations	1,517	1,523
Other	973	891
Total non-current liabilities	40,919	38,141
Total liabilities	65,351	65,152
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	34,080	34,012
Retained earnings	20,277	23,149
Treasury shares	(1,697)	(1,641)
Total shareholders' equity	62,661	65,520
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23	17
Deferred gains or losses on hedges	4	10
Foreign currency translation adjustment	(19)	59
Remeasurements of defined benefit plans	(75)	(124)
Total accumulated other comprehensive income	(66)	(37)
Non-controlling interests	1,578	1,654
Total net assets	64,173	67,137
Total liabilities and net assets	129,524	132,290

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	68,234	90,712
Cost of sales	52,285	72,378
Gross profit	15,948	18,333
Selling, general and administrative expenses	8,288	10,823
Operating profit	7,659	7,509
Non-operating income		
Interest income	1	1
Dividend income	7	8
Share of profit of entities accounted for using equity method	147	231
Rental income	146	275
Other	169	192
Total non-operating income	472	710
Non-operating expenses		
Interest expenses	208	235
Interest expenses on bonds	34	51
Bond issuance costs	36	–
Commission expenses	54	75
Amortization of business commencement expenses	99	90
Organization expenses	70	–
Rental expenses on non-current assets	31	61
Other	50	104
Total non-operating expenses	584	619
Ordinary profit	7,547	7,600
Extraordinary income		
Gain on sale of non-current assets	106	106
Insurance claim income	–	74
Surrender value of insurance policies	–	116
Gain on reversal of loss related to mechanical parking garage	8	–
Reversal of allowance for doubtful accounts	–	14
Total extraordinary income	115	312
Extraordinary losses		
Impairment losses	–	28
Total extraordinary losses	–	28
Profit before income taxes	7,662	7,885
Income taxes - current	2,888	2,767
Income taxes - deferred	(128)	(202)
Total income taxes	2,760	2,565
Profit	4,902	5,319
Profit attributable to non-controlling interests	159	122
Profit attributable to owners of parent	4,742	5,197

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	4,902	5,319
Other comprehensive income		
Valuation difference on available-for-sale securities	(8)	(6)
Deferred gains or losses on hedges	4	5
Remeasurements of defined benefit plans, net of tax	(45)	(48)
Share of other comprehensive income of entities accounted for using equity method	(19)	78
Total other comprehensive income	(68)	28
Comprehensive income	4,833	5,348
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,673	5,226
Comprehensive income attributable to non-controlling interests	159	122

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

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	10,000	34,080	20,277	(1,697)	62,661
Changes during period					
Dividends of surplus			(2,326)		(2,326)
Profit attributable to owners of parent			5,197		5,197
Purchase of treasury shares				(8)	(8)
Disposal of treasury shares				0	0
Transfer of treasury shares from trust				(734)	(734)
Transfer of treasury shares to trust		(63)		797	734
Change in ownership interest of parent due to transactions with non-controlling interests		(4)			(4)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(68)	2,871	56	2,859
Balance at end of period	10,000	34,012	23,149	(1,641)	65,520

	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	23	4	(19)	(75)	(66)	1,578	64,173
Changes during period							
Dividends of surplus					–		(2,326)
Profit attributable to owners of parent					–		5,197
Purchase of treasury shares					–		(8)
Disposal of treasury shares					–		0
Transfer of treasury shares from trust					–		(734)
Transfer of treasury shares to trust					–		734
Change in ownership interest of parent due to transactions with non-controlling interests					–		(4)
Net changes in items other than shareholders' equity	(6)	5	78	(48)	28	76	104
Total changes during period	(6)	5	78	(48)	28	76	2,964
Balance at end of period	17	10	59	(124)	(37)	1,654	67,137

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	7,662	7,885
Depreciation	5,016	5,740
Impairment losses	–	28
Amortization of goodwill	476	570
Increase (decrease) in allowance for doubtful accounts	(6)	(72)
Increase (decrease) in provision for repairs	277	(238)
Increase (decrease) in provision for share awards for directors (and other officers)	42	45
Increase (decrease) in retirement benefit liability	(8)	89
Interest and dividend income	(8)	(10)
Interest expenses	208	235
Interest expenses on bonds	34	51
Bond issuance costs	36	–
Share of loss (profit) of entities accounted for using equity method	(147)	(231)
Rental income	(146)	(275)
Insurance claim income	–	(74)
Loss (gain) on sale of non-current assets	(106)	(106)
Decrease (increase) in notes and accounts receivable - trade and contract assets	(369)	(76)
Decrease (increase) in inventories	273	(254)
Increase (decrease) in trade payables	(154)	364
Increase (decrease) in accrued consumption taxes	647	(615)
Other, net	164	83
Subtotal	13,891	13,136
Interest and dividends received	37	12
Interest paid	(254)	(302)
Income taxes paid	(2,657)	(3,825)
Proceeds from insurance income	–	74
Dividends received from entities accounted for using equity method	–	89
Net cash provided by (used in) operating activities	11,017	9,184
Cash flows from investing activities		
Payments into time deposits	(8)	(3)
Proceeds from withdrawal of time deposits	452	8
Purchase of investment securities	(102)	(2)
Subsidy income	1,459	–
Purchase of non-current assets	(4,395)	(5,707)
Proceeds from sale of non-current assets	419	265
Payments for retirement of non-current assets	(28)	(9)
Proceeds from rent of non current assets	146	275
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,412)
Other, net	(92)	(108)
Net cash provided by (used in) investing activities	(2,149)	(6,693)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(3,866)	2,875
Proceeds from issuance of bonds	6,963	–
Redemption of bonds	(596)	(596)
Proceeds from long-term borrowings	38	2,814
Repayments of long-term borrowings	(5,208)	(5,262)
Repayments of lease liabilities	(131)	(262)
Proceeds from sale of treasury shares	–	734
Purchase of treasury shares	(15)	(742)
Dividends paid	(839)	(2,326)
Dividends paid to non-controlling interests	(28)	(46)
Proceeds from share issuance to non-controlling shareholders	73	–
Other, net	(89)	(17)
Net cash provided by (used in) financing activities	(3,700)	(2,827)
Net increase (decrease) in cash and cash equivalents	5,167	(336)
Cash and cash equivalents at beginning of period	10,282	24,014
Increase in cash and cash equivalents resulting from share transfer	8,564	–
Cash and cash equivalents at end of period	24,014	23,678